

WEST VINCENT TOWNSHIP

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2025

INTRODUCTORY SECTION

WEST VINCENT TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

	Page
Introductory Section	
Table of Contents	1
Financial Section	
Independent Auditors' Report	3
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position--Modified Cash Basis	13
Statement of Activities--Modified Cash Basis	14
<i>Fund Financial Statements</i>	
<i>Governmental Funds</i>	
Balance Sheet--Modified Cash Basis	16
Statement of Revenues, Expenditures and Changes in Fund Balances-- Modified Cash Basis	18
Budgetary Comparison Statement - General Fund--Modified Cash Basis	20
Budgetary Comparison Statement - Liquid Fuels Fund--Modified Cash Basis	21
Budgetary Comparison Statement - Open Space Fund--Modified Cash Basis	22
Budgetary Comparison Statement - American Rescue Plan Act--Modified Cash Basis	23
<i>Proprietary Funds</i>	
Statement of Net Position--Modified Cash Basis	24
Statement of Revenues, Expenditures, and Changes in Net Position--Modified Cash Basis	25

WEST VINCENT TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

	Page
<i>Fiduciary Funds</i>	
Statement of Net Position--Modified Cash Basis	26
Statement of Changes in Net Position--Modified Cash Basis	27
Notes to the Financial Statements	28
Supplementary Information	
Budgetary Comparison Schedule - Road Improvement, Capital Equipment, And Capital Projects Funds--Modified Cash Basis	41

FINANCIAL SECTION

Independent Auditors' Report

To the Board of Supervisors
West Vincent Township
Chester Springs, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Vincent Township as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise West Vincent Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of West Vincent Township as of December 31, 2025, and the respective changes in financial position--modified cash basis, and the respective modified cash budgetary comparisons for the general fund, liquid fuels fund, open space fund, and American Rescue Plan Act fund for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Vincent 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. 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. Our opinions are not modified with respect to this matter.

To the Board of Supervisors
West Vincent Township
Chester Springs, Pennsylvania

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 described in Note A, and for determining that the modified cash basis of accounting is an acceptable basis for the 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 West Vincent 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 West Vincent Township's ability to continue as a going concern for a reasonable period of time.

To the Board of Supervisors
West Vincent Township
Chester Springs, Pennsylvania

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Vincent Township's basic financial statements. The budgetary comparison schedule - road improvement, capital equipment, and capital projects funds--modified cash basis is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule - road improvement, capital equipment, and capital projects funds--modified cash basis is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule - road improvement, capital equipment, and capital projects funds - modified cash basis is fairly stated in all material respects in relation to the basic financial statements as a whole.



Limerick, Pennsylvania
March 13, 2026

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

This discussion and analysis of West Vincent Township ("the Township"), Chester Springs, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2025. Please read it in conjunction with the Township's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- Cash and cash equivalents - Total Township assets (excluding assets held in fiduciary fund) included \$13,177,272 in cash and cash equivalents.
- Governmental fund balances - As of December 31, 2025, the Township's governmental funds combined ending fund balances of \$13,177,272, which was \$1,914,749 more than the prior year. Of this total, \$2,598,134 is in the General Fund and is unassigned (available for spending at the Township's discretion).

USING THESE FINANCIAL STATEMENTS

These financial statements consists of a series of statements. The Statement of Net Position--Modified Cash Basis and Statement of Activities--Modified Cash Basis on pages 13, 14, and 15 provide information about the activities of the Township as a whole. Fund financial statements start on page 16 and include governmental, proprietary, and fiduciary funds. These statements explain how services were financed in the short term as well as what remains for future spending. The governmental and proprietary fund financial statements also report the Township's operations in more detail than the entity- wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee.

Reporting the Township as a Whole

Statement of Net Position and Statement of Activities

The analysis of the Township as a whole begins on page 13 with the Statement of Net Position--Modified Cash Basis and pages 14 and 15 the Statement of Activities--Modified Cash Basis.

These statements provide information that will help the reader to determine if the Township is financially better or worse off as a result of the year's activities. These statements include certain assets and liabilities using the modified cash basis of accounting. Revenues are recognized when received, and expenditures are generally recognized when paid. The reader can think of the Township's net position as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, however, such as changes in the Township's property base and employment and the condition of the Township's assets, to assess the overall health of the Township.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

In the Statement of Net Position--Modified Cash Basis and the Statement of Activities--Modified Cash Basis, the Township is divided into two kinds of activities:

- **Governmental Activities** - Most of the Township's basic services are reported here, including the police, fire, general administration, public works, parks, and recreation. Earned income taxes, property taxes, intergovernmental revenues, and permit fees finance most of these activities.
- **Business-type Activities** - The Township charges a fee to customers to cover the cost of certain services it provides.

Reporting the Township's Most Significant Funds

Fund Financial Statements

Our analysis of the Township's major funds provides detailed information about the most significant funds - not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for money designated for special use (e.g., Capital Projects Fund). The Township has three kinds of funds - *governmental*, *proprietary*, and *fiduciary* - which all report using the modified accrual basis of accounting.

Governmental Funds - Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified cash accounting method, which measures cash activity. The governmental fund statements provide a detailed short-term view of the Township's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations which follow the fund financial statements.

Proprietary Fund - When the Township charges customers for the sewer services it provides, these services are reported in the proprietary fund. The proprietary fund is reported in the same way that all activities are reported in the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis. * Note- the Township no longer owns sewer service.

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

The Township is the trustee, or fiduciary, responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in a separate Statement Net Position - Fiduciary Fund - Modified Cash Basis and Statement of Changes in Net Position - Fiduciary Fund - Modified Cash Basis. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

WEST VINCENT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2025

THE TOWNSHIP AS A WHOLE

Entity-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, cash totaled \$13,177,272 at the close of 2025, as reflected in the Statement of Net Position - Modified Cash Basis, an increase of \$1,886,250 from the prior year.

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Township's governmental and business-type activities.

Table 1
STATEMENT OF NET POSITION
December 31, 2025 and 2024

	Governmental Activities	Business-Type Activities	Totals	
			2025	2024
ASSETS				
Cash and cash equivalents	\$ 13,177,272	\$ -	\$ 13,177,272	\$ 11,291,022
NET POSITION				
Restricted	7,095,947	-	7,095,947	5,253,312
Unrestricted	6,081,325	-	6,081,325	6,037,710
TOTAL NET POSITION	\$ 13,177,272	\$ -	\$ 13,177,272	\$ 11,291,022

The Township's unrestricted governmental activities net position of \$6,081,325 may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report a positive balance in net position for the government as a whole.

WEST VINCENT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2025

Governmental Activities

As reported in Table 2, the increase in net position from the Township's governmental activities was \$1,914,749 for the year ended December 31, 2025.

Table 2
STATEMENT OF CHANGES IN NET POSITION
For the Years Ended December 31, 2025 and 2024

	Governmental Activities	Business-Type Activities	Totals	
			2025	2024
REVENUES				
Program revenues				
Charges for services	\$ 322,988	\$ -	\$ 322,988	\$ 298,642
Operating grants and contributions	762,809	-	762,809	1,037,547
General revenues				
Real estate taxes	1,329,361	-	1,329,361	1,305,064
Real estate transfer taxes	510,962	-	510,962	361,869
Earned income taxes	3,814,525	-	3,814,525	3,819,554
Interest, rents, and royalties	529,213	697	529,910	574,889
Licenses and permits	106,781	-	106,781	128,473
Fines and forfeits	13,448	-	13,448	12,579
Proceeds from sale of fixed assets	-	-	-	6,700
Other	340,386	-	340,386	42,277
TOTAL REVENUES	7,730,473	697	7,731,170	7,587,594
EXPENDITURES				
General government	845,004	-	845,004	1,014,090
Public safety	2,442,768	-	2,442,768	2,397,798
Public works	1,770,148	-	1,770,148	2,066,343
Health and human services	1,816	-	1,816	2,837
Culture and recreation	10,048	-	10,048	38,515
Community development	101,416	-	101,416	48,914
Other expenditures	157,178	-	157,178	166,470
Debt service	494,858	-	494,858	561,498
Sewer operations	-	21,684	21,684	-
TOTAL EXPENDITURES	5,823,236	21,684	5,844,920	6,296,465
TRANSFERS	7,512	(7,512)	-	-
CHANGE IN NET POSITION	1,914,749	(28,499)	1,886,250	1,291,129
NET POSITION, BEGINNING OF YEAR				
OF YEAR	11,262,523	28,499	11,291,022	9,999,893
NET POSITION, END				
OF YEAR	\$ 13,177,272	\$ -	\$ 13,177,272	\$ 11,291,022

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

The cost of all governmental activities in 2025 was \$5,823,236. This cost was funded primarily by tax revenue of \$5,654,848, including earned income tax, real estate taxes, and real estate transfer taxes. Charges for services, including permits, accounted for an additional \$429,769 in revenue, and intergovernmental revenue accounted for another \$762,809.

As indicated by governmental activities expenditures, public safety programs account for \$2,442,768, or approximately forty-two percent (42%) of the total expenditures of the Township's governmental activities. Public safety includes the police department, the Township's emergency management services, and contributions to the local fire departments which provide services to the Township. General administration, public works, culture and recreation, community development, other expenditures and debt service account for approximately fourteen percent (14%), thirty percent (30%), less than one percent (0.2%), two percent (2%), three percent (3%) and nine percent (9%) respectively, of the total governmental activities expenditures for 2025.

Real estate taxes, earned income taxes, and other general revenues not designated for specific programs provide the major revenue sources for governmental activities. The earned income tax is the largest revenue source for governmental activities and accounted for \$3,814,525, or forty nine percent (49%) of all governmental activity revenue in 2025. Charges for services, grants, real estate taxes, and real estate transfer taxes provided four percent (4%), ten percent (10%), seventeen percent (17%), and seven percent (7%), respectively, of total governmental activity revenue.

Business-type (Proprietary Funds) Activities

As reflected in Tables 1 and 2 above, the business-type activities were officially closed in 2025.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As shown on pages 16 through 19, as of December 31, 2025, the Township's governmental funds reported combined ending fund balances of \$13,177,272, an increase of \$1,914,749 from the prior year.

Approximately twenty percent (20%), or \$2,598,134, is an unassigned fund balance in the General Fund, which means that it is available for spending at the Township's discretion. The remainder of the fund balance is either assigned or restricted, which means that it is not available for new spending because it has been assigned or restricted for capital improvements, open space, or other special purposes.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

Major funds maintained by the Township include the following:

The *General Fund* is the chief operating fund of the Township. As of December 31, 2025, the total fund balance of the General Fund was \$2,598,134, an \$1,190,477 increase from 2024 due to revenues exceeding expenditures. The change in fund balance for 2025 was an increase of \$1,190,477, compared to the increase of \$892,135 in 2024. This was primarily due to a decrease in overall expenses in the current year. Revenues decreased \$79,004 and a decrease in expenditures by \$621,359. As stated above, all of the General Fund's fund balance is "unassigned."

The *Liquid Fuels Fund* accounts for expenditures of state grants related to the liquid fuels program. The total fund balance as of December 31, 2025 was \$404,671, an increase of \$8,170 from 2024 due primarily to grant and interest revenues exceeding expenses in the current year.

The *Open Space Fund* provides funding for acquisition, improvement, and maintenance of open space in which taxes are specifically levied. The total fund balance as of December 31, 2025 was \$5,676,654, an increase of \$870,293 from 2024 due primarily to revenues exceeding expenditures for open space in the current year.

The *Road Improvement Fund* provides funding for capital road improvements which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2025 was \$1,955,325, an increase of \$172,303 from 2024 due primarily to refunds of prior year expenses.

The *Capital Projects Fund* provides funding for capital improvements or other unique expenditures which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2025 was \$2,445,510, a decrease of \$107,001 from 2024 due primarily to a transfer out to other funds.

The *American Rescue Plan Act (ARPA) Fund* accounts for federal funds received under the American Rescue Plan Act and the related expenditure of those funds. There was no fund balance as of December 31, 2025, a decrease of \$50,450 from 2024 due the closing of this fund.

The *Capital Equipment Fund* is used to account for resources to be used for capital equipment purchases which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2025 was \$96,978, a decrease of \$169,043 from 2024 due to highways and streets departmental purchases.

Proprietary Fund - The Township's proprietary fund provides the same type of information found in the entity-wide financial statements, but in more detail. The proprietary fund was closed in 2025.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's General Fund budget and actual results can be found on page 20 of the financial statements.

During 2025, there were no revisions to the original approved General Fund budget.

The 2025 budget for the General Fund anticipated that revenues would exceed expenditures by \$78,972; however, the Township ended the year with revenues exceeding expenditures by \$1,182,560.

This creates an overall positive budget variance of \$1,111,505 variance which was due primarily to:

- Charges for services revenues exceeding the budget by \$111,489. Building permits receipts were \$176,904 while only \$120,000 was budgeted resulting in a positive variance of \$56,904.
- Transfers tax revenues exceeding the budget by \$290,962. The Township takes a conservative budget approach with transfer tax revenues as home sales vary year over year. The Township did not expect approximately \$240,000 in transfer receipts for one apartment complex.
- Other revenues exceeding the budget by \$190,270. The Township recognized \$137,424 from escrow reimbursements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- The Township received \$618,700 from the federal government through the Coronavirus Local Fiscal Recovery Fund, under the American Rescue Plan Act of 2021 (ARPA). This amount was distributed to the Township by the state in two payments: \$309,350 was received in 2021 and another \$309,350 was received in 2022. The funding objectives were strictly to support urgent COVID-19 response efforts, replace lost public-sector revenue, support immediate economic stabilization, and/or address systemic public health and economic challenges. The Treasury Department has set strict rules to determine how these funds may be used in these categories. The Township had until December 31, 2024, to obligate the funds and until December 31, 2026, to spend them. The Township properly obligated these dollars by December 31, 2024, and spent all remaining dollars by August 1, 2025.

This financial report is designed to provide a general overview of West Vincent Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Treasurer, West Vincent Township, 729 St. Matthews Road, Chester Springs, PA 19425. General information relating to West Vincent Township can be found on its website, <https://www.westvincenttp.org>.

WEST VINCENT TOWNSHIP

STATEMENT OF NET POSITION--MODIFIED CASH BASIS

DECEMBER 31, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ <u>13,177,272</u>	\$ <u>-</u>	\$ <u>13,177,272</u>
NET POSITION			
Restricted	7,095,947	-	7,095,947
Unrestricted	<u>6,081,325</u>	<u>-</u>	<u>6,081,325</u>
 TOTAL NET POSITION	 <u>\$ 13,177,272</u>	 <u>\$ -</u>	 <u>\$ 13,177,272</u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP

STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2025

	<u>Expenditures</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES			
General government	\$ 845,004	\$ 70,865	\$ 408,745
Public safety	2,442,768	248,423	71,212
Public works	1,770,148	-	282,852
Health and human services	1,816	-	-
Culture and recreation	10,048	3,700	-
Community development	101,416	-	-
Other expenditures	157,178	-	-
Debt service	494,858	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>5,823,236</u>	<u>322,988</u>	<u>762,809</u>
BUSINESS-TYPE ACTIVITIES			
Sewer operations	<u>21,684</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>21,684</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT ACTIVITIES	<u>\$ 5,844,920</u>	<u>\$ 322,988</u>	<u>\$ 762,809</u>
GENERAL REVENUES			
Taxes			
Real estate taxes			
Real estate transfer taxes			
Earned income taxes			
Interest, rents, and royalties			
Licenses and permits			
Fines and forfeits			
Other			
TOTAL GENERAL REVENUES			
CHANGE IN NET POSITION BEFORE TRANSFERS			
TRANSFERS			
CHANGE IN NET POSITION			
NET POSITION, BEGINNING OF YEAR			
NET POSITION, END OF YEAR			

See accompanying notes to the basic financial statements.

Net (Expenditure) Revenue and
Changes in Net Position

Governmental Activities	Business type Activities	Total
\$ (365,394)	\$ -	\$ (365,394)
(2,123,133)	-	(2,123,133)
(1,487,296)	-	(1,487,296)
(1,816)	-	(1,816)
(6,348)	-	(6,348)
(101,416)	-	(101,416)
(157,178)	-	(157,178)
(494,858)	-	(494,858)
<u>(4,737,439)</u>	<u>-</u>	<u>(4,737,439)</u>
-	(21,684)	(21,684)
-	(21,684)	(21,684)
<u>(4,737,439)</u>	<u>(21,684)</u>	<u>(4,759,123)</u>
1,329,361	-	1,329,361
510,962	-	510,962
3,814,525	-	3,814,525
529,213	697	529,910
106,781	-	106,781
13,448	-	13,448
340,386	-	340,386
<u>6,644,676</u>	<u>697</u>	<u>6,645,373</u>
1,907,237	(20,987)	1,886,250
<u>7,512</u>	<u>(7,512)</u>	<u>-</u>
1,914,749	(28,499)	1,886,250
<u>11,262,523</u>	<u>28,499</u>	<u>11,291,022</u>
<u>\$ 13,177,272</u>	<u>\$ -</u>	<u>\$ 13,177,272</u>

WEST VINCENT TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS--MODIFIED CASH BASIS
DECEMBER 31, 2025

	<u>General Fund</u>	<u>Liquid Fuels Fund</u>	<u>Open Space Fund</u>
ASSETS			
Cash and cash equivalents	\$ <u>2,598,134</u>	\$ <u>404,671</u>	\$ <u>5,676,654</u>
FUND BALANCES			
Restricted for			
Highways and streets	-	404,671	-
Open Space	-	-	5,676,654
Assigned for			
Capital projects	-	-	-
Unassigned	<u>2,598,134</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,598,134</u>	<u>404,671</u>	<u>5,676,654</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,598,134</u>	<u>\$ 404,671</u>	<u>\$ 5,676,654</u>

See accompanying notes to the basic financial statements.

Road Improvement Fund	Capital Projects Fund	American Rescue Plan Act Fund	Capital Equipment Fund	Total Governmental Funds
\$ <u>1,955,325</u>	\$ <u>2,445,510</u>	\$ <u>-</u>	\$ <u>96,978</u>	\$ <u>13,177,272</u>
-	-	-	-	404,671
-	-	-	-	5,676,654
1,955,325	2,445,510	-	96,978	4,497,813
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,598,134</u>
<u>1,955,325</u>	<u>2,445,510</u>	<u>-</u>	<u>96,978</u>	<u>13,177,272</u>
\$ <u>1,955,325</u>	\$ <u>2,445,510</u>	\$ <u>-</u>	\$ <u>96,978</u>	\$ <u>13,177,272</u>

WEST VINCENT TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS-- MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2025

	<u>General Fund</u>	<u>Liquid Fuels Fund</u>	<u>Open Space Fund</u>
REVENUES			
Taxes			
Real estate tax	\$ 1,329,361	\$ -	\$ -
Transfer tax	510,962	-	-
Earned income tax	2,562,087	-	1,252,438
Licenses and permits	106,781	-	-
Fines and forfeits	13,448	-	-
Interest, rents, and royalties	119,897	20,369	204,261
Intergovernmental revenue	222,661	282,852	241,251
Charges for services	290,539	-	-
Miscellaneous revenue/other	190,270	-	-
Refund of prior year expenditures	-	-	-
TOTAL REVENUES	<u>5,346,006</u>	<u>303,221</u>	<u>1,697,950</u>
EXPENDITURES			
General government	794,539	-	-
Public safety	2,367,833	-	-
Health and human services	1,816	-	-
Public works - highways and streets	804,646	295,051	-
Culture and recreation	10,048	-	-
Community development	1,515	-	332,799
Other expenditures	183,049	-	-
Debt service			
Principal	-	-	466,000
Interest	-	-	28,858
TOTAL EXPENDITURES	<u>4,163,446</u>	<u>295,051</u>	<u>827,657</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,182,560</u>	<u>8,170</u>	<u>870,293</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,917	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,917</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,190,477	8,170	870,293
FUND BALANCES AT BEGINNING OF YEAR	<u>1,407,657</u>	<u>396,501</u>	<u>4,806,361</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,598,134</u>	<u>\$ 404,671</u>	<u>\$ 5,676,654</u>

See accompanying notes to the basic financial statements.

<u>Road Improvement Fund</u>	<u>Capital Projects Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Capital Equipment Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,329,361
-	-	-	-	510,962
-	-	-	-	3,814,525
-	-	-	-	106,781
-	-	-	-	13,448
80,300	99,198	281	4,907	529,213
-	16,045	-	-	762,809
-	-	-	-	290,539
-	4,840	-	-	195,110
<u>177,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,725</u>
<u>258,025</u>	<u>120,083</u>	<u>281</u>	<u>4,907</u>	<u>7,730,473</u>
-	26,084	-	-	820,623
-	-	-	74,935	2,442,768
-	-	-	-	1,816
85,722	-	-	300,015	1,485,434
-	-	50,326	-	60,374
-	-	-	-	334,314
-	-	-	-	183,049
-	-	-	-	466,000
-	-	-	-	28,858
<u>85,722</u>	<u>26,084</u>	<u>50,326</u>	<u>374,950</u>	<u>5,823,236</u>
<u>172,303</u>	<u>93,999</u>	<u>(50,045)</u>	<u>(370,043)</u>	<u>1,907,237</u>
-	-	-	201,000	208,917
<u>-</u>	<u>(201,000)</u>	<u>(405)</u>	<u>-</u>	<u>(201,405)</u>
<u>-</u>	<u>(201,000)</u>	<u>(405)</u>	<u>201,000</u>	<u>7,512</u>
172,303	(107,001)	(50,450)	(169,043)	1,914,749
<u>1,783,022</u>	<u>2,552,511</u>	<u>50,450</u>	<u>266,021</u>	<u>11,262,523</u>
<u>\$ 1,955,325</u>	<u>\$ 2,445,510</u>	<u>\$ -</u>	<u>\$ 96,978</u>	<u>\$ 13,177,272</u>

WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON STATEMENT
GENERAL FUND--MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Taxes			
Real estate tax	\$ 1,237,500	\$ 1,329,361	\$ 91,861
Transfer tax	220,000	510,962	290,962
Earned income tax	2,600,000	2,562,087	(37,913)
Licenses and permits	71,350	106,781	35,431
Fines and forfeits	9,500	13,448	3,948
Interest, rents, and royalties	56,500	119,897	63,397
Intergovernmental revenues	249,266	222,661	(26,605)
Charges for services	179,050	290,539	111,489
Miscellaneous revenue/other	-	190,270	190,270
TOTAL REVENUES	<u>4,623,166</u>	<u>5,346,006</u>	<u>722,840</u>
EXPENDITURES			
General government	1,112,592	794,539	318,053
Public safety	2,254,239	2,367,833	(113,594)
Health and human services	1,790	1,816	(26)
Public works - highways and streets	755,056	804,646	(49,590)
Culture and recreation	36,150	10,048	26,102
Community development	17,450	1,515	15,935
Other expenses	161,500	183,049	(21,549)
Debt service			
Principal	197,000	-	197,000
Interest	8,417	-	8,417
TOTAL EXPENDITURES	<u>4,544,194</u>	<u>4,163,446</u>	<u>380,748</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>78,972</u>	<u>1,182,560</u>	<u>1,103,588</u>
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>7,917</u>	<u>7,917</u>
NET CHANGE IN FUND BALANCE	78,972	1,190,477	1,111,505
FUND BALANCE, BEGINNING OF YEAR	<u>1,407,657</u>	<u>1,407,657</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,486,629</u>	<u>\$ 2,598,134</u>	<u>\$ 1,111,505</u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON STATEMENT
LIQUID FUELS FUND--MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest, rent, and royalties	\$ 10,000	\$ 20,369	\$ 10,369
Intergovernmental revenues	<u>240,000</u>	<u>282,852</u>	<u>42,852</u>
TOTAL REVENUES	<u>250,000</u>	<u>303,221</u>	<u>53,221</u>
EXPENDITURES			
Public works - highways and streets	<u>360,500</u>	<u>295,051</u>	<u>65,449</u>
NET CHANGE IN FUND BALANCE	(110,500)	8,170	118,670
FUND BALANCE, BEGINNING OF YEAR			
	<u>396,501</u>	<u>396,501</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 286,001</u></u>	<u><u>\$ 404,671</u></u>	<u><u>\$ 118,670</u></u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON STATEMENT
OPEN SPACE FUND--MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Taxes			
Earned income taxes	\$ 1,200,000	\$ 1,252,438	\$ 52,438
Interest, rents, and royalties	170,000	204,261	34,261
Intergovernmental revenue	-	241,251	241,251
TOTAL REVENUES	<u>1,370,000</u>	<u>1,697,950</u>	<u>327,950</u>
EXPENDITURES			
Community development	1,250,000	332,799	917,201
Debt service			
Principal	269,000	466,000	(197,000)
Interest	20,759	28,858	(8,099)
TOTAL EXPENDITURES	<u>1,539,759</u>	<u>827,657</u>	<u>712,102</u>
NET CHANGE IN FUND BALANCE	(169,759)	870,293	(384,152)
FUND BALANCE, BEGINNING OF YEAR	<u>4,806,361</u>	<u>4,806,361</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,636,602</u>	<u>\$ 5,676,654</u>	<u>\$ (384,152)</u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP**BUDGETARY COMPARISON STATEMENT****AMERICAN RESCUE PLAN ACT FUND--MODIFIED CASH BASIS****YEAR ENDED DECEMBER 31, 2025**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest, rents, and royalties	\$ <u> -</u>	\$ <u> 281</u>	\$ <u> 281</u>
EXPENDITURES			
Culture and recreation	<u> -</u>	<u> 50,326</u>	<u> (50,326)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u> -</u>	<u> (50,045)</u>	<u> 50,607</u>
OTHER FINANCING USES			
Transfers out	<u> -</u>	<u> (405)</u>	<u> (405)</u>
NET CHANGE IN FUND BALANCE	-	(50,450)	50,202
FUND BALANCE, BEGINNING OF YEAR	<u> 50,450</u>	<u> 50,450</u>	<u> -</u>
FUND BALANCE, END OF YEAR	\$ <u> 50,450</u>	\$ <u> -</u>	\$ <u> 50,202</u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUND--MODIFIED CASH BASIS
DECEMBER 31, 2025

	<u>Sewer Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ <u><u> -</u></u>
NET POSITION	
Unrestricted net position	\$ <u><u> -</u></u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION
PROPRIETARY FUND--MODIFIED CASH BASIS
DECEMBER 31, 2025

	Sewer Fund
OPERATING EXPENDITURES	
Wastewater collection and treatment	\$ <u>21,684</u>
OPERATING LOSS	<u>(21,684)</u>
NONOPERATING REVENUES	
Investment earnings	<u>697</u>
TRANSFERS OUT	<u>(7,512)</u>
CHANGE IN NET POSITION	(28,499)
NET POSITION, BEGINNING OF YEAR	<u>28,499</u>
NET POSITION, END OF YEAR	\$ <u><u>-</u></u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP
STATEMENT OF NET POSITION
FIDUCIARY FUND--MODIFIED CASH BASIS
DECEMBER 31, 2025

	<u>Custodial Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ <u>620,415</u>
NET POSITION	
Restricted for custodial purposes	\$ <u>620,415</u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND--MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Developer deposits	\$ 206,000
Investment income	<u>34,548</u>
TOTAL ADDITIONS	<u>240,548</u>
DEDUCTIONS	
Developer deposits released	<u>529,019</u>
CHANGE IN NET POSITION	(288,471)
NET POSITION AT BEGINNING OF YEAR	<u>908,886</u>
NET POSITION AT END OF YEAR	<u>\$ 620,415</u>

See accompanying notes to the basic financial statements.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

West Vincent Township (“the Township”) is a municipal corporation existing and operating under the Township Code of the Commonwealth of Pennsylvania. The Township provides general government, public safety, highway and street, culture and recreation, and community development.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Basis of Accounting - Modified Cash Basis

The Township’s policy is to prepare its financial statements on a modified cash basis under which only revenues collected, and expenditures paid and intergovernmental due to and due from receivables and payables are record. Under this basis, revenue is recognized when collected rather than when earned and expenditures are generally recognized when paid rather than when the related liability is incurred. Consequently, other receivables, other payables, inventories, long-lived assets, accrued income and expenses and amortization and depreciation, which may be material in amount, are not reflected in the accompanying primary government financial statements, which are not intended to present the financial position, results of operation or cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP).

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for on a spending or “financial flow” measurement focus. Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position.

Proprietary Funds and Nonexpendable Trust Funds are accounted for on a cost of services or “capital maintenance” measurement focus. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statement presents increased (revenues) and decreases (expenses) in equity.

Financial Statement Presentation

The Township reports the following governmental funds:

- The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *State Liquid Fuels Highway Aid Fund (Liquid Fuels Fund)* is a special revenue fund used to account for highway-related projects in the Township. The primary revenue stream is grant revenue.
- The *Open Space Fund* is a special revenue fund used to acquire, improve, and maintain land for recreational purposes and preserve natural areas. The primary revenue stream is earned income tax.
- The *Road Improvement Fund* is used to account for resources to be used for the Road Improvement Program.
- The *Capital Projects Fund* is used to account for resources to be used for capital projects.
- *American Rescue Plan Act Fund* is a special revenue fund that accounts for federal funds received under the American Rescue Plan Act and the related expenditure of those funds.
- The *Capital Equipment Fund* is used to account for resources to be used for capital equipment acquisitions.

The Township reports the following proprietary fund:

- The *Sewer Fund* accounts for some limited utility services (water and sewer) provided to residents. This fund was closed by August 1, 2025.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township reports the following fiduciary fund:

- The *Escrow Fund* is a custodial fund used to hold escrow accounts for those transacting business within the Township.

Assets, Liabilities, and Net Position or Fund Balance

Deposits

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State law allows the Township to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Township to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation ("FDIC") or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The Township may also invest in shares of registered investment companies, provided that investments of the company are authorized investments, as noted above.

Property Taxes

Property taxes are levied as of January 1 on property values assessed as of the same date.

Taxes and fees are billed March 1 and payable under the following terms: a two percent discount March 1 through May 1; face amount May 2 through July 1; and a ten percent penalty after July 2. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

Long-term Obligations

Long-term debt and other long-term obligations are expensed as paid under the modified cash basis of accounting. Any issuance premiums or discounts, as well as issuance costs, are recorded as other financing sources and uses at the time of issuance.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Position

In the government-wide financial statements, net position can be classified in the following categories:

- Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This category represents net position of the entity, not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- Non-spendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Board of Supervisors. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- Assigned Fund Balance - includes amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Township Board of Supervisors or (b) a body (a budget, finance committee, or Township Manager and Director) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted, or committed.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Unassigned Fund Balance - this residual classification is used for any residual amounts in the General Fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Budgetary Information

Annual budgets are adopted on the modified cash basis of accounting. All appropriations lapse at year end unless the Board of Supervisors approves a carry-over of an unused budget line item.

Beginning at least 60 days prior to the adoption of the budget, a proposed budget is prepared in a manner designated by the Board of Supervisors. Notice that the proposed budget is available for inspection is published by the Township Secretary in a newspaper of general circulation. The budget is then made available for a minimum 20-day period. The Board of Supervisors must adopt the budget through a motion by December 31. It is also the duty of the Board of Supervisors to adopt an ordinance levying taxes as allowed by Township Code. All budget revisions require the approval of the Board of Supervisors.

NOTE B - CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions, or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth. Under Act 72 of 1971 ("Act 72"), as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit excluding the pension funds.

At December 31, 2025, the carrying amount of the Township's deposits was \$13,797,687, and the bank balance was \$13,930,157, the difference being outstanding checks and deposits in transit. As of December 31, 2025, \$250,000 of the Township's bank balance was insured by federal depository insurance. The amount uninsured and collateralized under the provisions of Act 72 was \$13,680,157.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE C - LONG-TERM DEBT

During 2021, the Township issued General Obligation Notes, Series 2021 in the amount of \$4,256,000 for the purpose of refunding the outstanding 2016 General Obligation Bonds. The notes will mature in November 2031 with an interest rate of 1.082%. Interest is paid monthly, and annual principal payments are made each November.

During 2021, the Township issued General Obligation Notes, Series 2021 A in the amount of \$500,000. The notes will mature through March 2026 with interest of 0.753%. Interest is paid monthly, and annual principal payments are made each March.

Governmental Activities:

The schedule of future principal maturities and annual interest at December 31, 2025 is as follows:

Governmental Activities	Beginning Balance 1/1/2025	Additions	Reductions	Ending Balance 12/31/2025	Current Portion
2021 General Obligation Notes	\$ 2,639,000	\$ -	\$ (365,000)	\$ 2,274,000	\$ 369,000
2021A General Obligation Notes	202,000	-	(101,000)	101,000	101,000
	\$ 2,841,000	\$ -	\$ (466,000)	\$ 2,375,000	\$ 470,000

The schedule of changes in debt is as follows:

Year Ending December 31,	Principal	Interest	Total Maturities
2026	\$ 470,000	\$ 24,795	\$ 494,795
2027	373,000	20,612	393,612
2028	377,000	16,576	393,576
2029	381,000	12,497	393,497
2030	385,000	8,375	393,375
2031	389,000	4,209	393,209
	\$ 2,375,000	\$ 87,064	\$ 2,462,064

For the year ended December 31, 2025, interest paid for the governmental activities was \$28,858.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE D - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over the Budget

For the year ended December 31, 2025, the Township incurred expenditures in excess of the budget in the following functions:

<u>General Fund</u>	
Public safety	\$ 113,594
Health and human services	\$ 26
Public works - highways and streets	\$ 49,590
Other expenses	\$ 21,549
<u>Open Space Fund</u>	
Debt service - principal	\$ 197,000
Debt service - interest	\$ 8,099
<u>American Rescue Plan Act Fund</u>	
Culture and recreation	\$ 50,326
<u>Equipment, and Capital Projects</u>	
Public safety	\$ 74,935

The excess expenditures were covered by other expenditure category appropriations which did not exceed their budgets, excess revenues, and available fund balance.

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

Summary of Significant Accounting Policies

Method Used to Value Investments - Police Plan investments are carried at fair value as reported by the investment managers. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

Plan Description

The West Vincent Township pension plan is a single-employer, defined benefit pension plan. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Annual Comprehensive Financial Report (ACFR). A copy of the ACFR can be obtained by contacting the PMRS accounting office.

Plan Membership - At December 31, 2024, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>7</u>
	<u><u>8</u></u>

Benefits Provided - Plan provisions are established by Township ordinance. The plan provides retirement and limited death benefits. A member is eligible for normal retirement after attainment of age 54 with 12 years of service. A voluntary early retirement benefit is available after 24 years of service and an involuntary early retirement benefit is available after 8 years of service. A member is 100% vested after 12 years of service. The retirement benefit equals 2.0% times credited service times Final Average Salary (FAS) but in no event is the basic benefit greater than 50% of FAS. FAS is based upon the last 3 years of annualized salary. If eligible to retire or if retired at time of death, spouse receives 50% of member's benefit. A 50% service related disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service, offset by available Workers' Compensation benefits. A 30% non-service related disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment. A DROP benefit is available to members who are eligible for normal retirement with a maximum DROP period of 3 years.

Contributions - Township contributions to the plan are determined and paid in accordance with Pennsylvania Act 205 (the Municipal Pension Plan Funding Standard and Recovery Act). Act 205 requires full funding of the entry age normal cost plus plan expenses in addition to amortization of the unfunded liability to ultimately achieve a 100% funded status.

Employees contribute 5% of their salary. Contributions are subject to collective bargaining.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

Investments

Investment Policy - The plan policy in regard to the allocation of invested assets is established and may be amended by the PMRS. It is the policy of the PMRS to pursue an investment strategy that (1) maintains a fully funded status with regard to accumulated retirement benefits obligations, (2) maximizes return within reasonable and prudent levels of risk in order to minimize municipal and employee contributions, (3) maintains flexibility in determining the future level of contributions and (4) provides the ability to pay all benefit and expense obligations when due. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the plan's adopted asset allocation policy as of December 31, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equities (large capitalized firms)	24.50%
Domestic equities (small capitalized firms)	8.00%
International equities (international developed markets)	14.50%
International equities (emerging markets)	3.00%
Global equities	5.00%
Real estate	10.00%
Timber	5.00%
Fixed income (Core Investment Grade)	24.00%
Fixed income (Opportunistic Credit)	5.00%
Cash	1.00%
	<u>100%</u>

Investments are reported at fair value. The fair value is the quoted market price. The plan's fair value of investments as of December 31, 2024, was \$2,664,132.

Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the plan and funded through investment earnings.

Concentrations - At December 31, 2024, none of the plan's individual investments exceeded 5% of the total portfolio.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

Rate of Return - For the year ended December 31, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 7.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Township

Total pension liability	\$ 3,007,956
Plan fiduciary net position	<u>(2,664,132)</u>
NET PENSION LIABILITY (ASSET)	<u>\$ 343,824</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.57%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.2%
Salary increases	Age related scale with merit and inflation component
Investment rate of return	5.50%

Mortality rates were based on the RP-2006 Mortality Tables.

The actuarial assumptions used in the December 31, 2024 valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020, covering the defined benefit plan participants and all retirees, as well as subsequent assumption changes approved by the Board. The assumption changes from the Experience Study were first used for the December 31, 2020 measurement date. Effective with the December 31, 2024 measurement date, the Investment Return Assumption for municipal assets increased from 5.25% to 5.5%.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2024 (see the plan's investment policy), are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities (large capitalized firms)	4.89%
Domestic equities (small capitalized firms)	5.80%
International equities (international developed markets)	5.53%
International equities (emerging markets)	5.89%
Global equities	3.94%
Real estate	3.88%
Timber	3.07%
Fixed income (Core Investment Grade)	2.51%
Fixed income (Opportunistic Credit)	4.35%
Cash	0.61%

Discount Rate - The discount rate is based on the long-term expected rate of return on plan investments that are expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability (asset), to ultimately achieve a 100% funded status.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
BALANCE AT DECEMBER 31, 2023	\$ 2,589,394	\$ 2,248,699	\$ 340,695
Changes for the year			
Service cost	77,648	-	77,648
Interest	140,020	-	140,020
Differences between expected and actual experience	317,577	-	317,577
Changes of assumptions	(116,683)	-	(116,683)
Contributions			
Employer	-	140,498	(140,498)
PMRS assessment	-	160	(160)
Employee	-	54,420	(54,420)
Net investment income	-	116,240	(116,240)
Market value investment income (loss)	-	110,642	(110,642)
PMRS administrative expense	-	(160)	160
Administrative expense	-	(6,367)	6,367
NET CHANGES	<u>418,562</u>	<u>415,433</u>	<u>3,129</u>
BALANCE AT DECEMBER 31, 2024	<u>\$ 3,007,956</u>	<u>\$ 2,664,132</u>	<u>\$ 343,824</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 5.50%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
	<u>(4.50%)</u>	<u>Rate (5.50%)</u>	<u>(6.50%)</u>
Net pension liability (asset)	\$ <u>849,917</u>	\$ <u>343,824</u>	\$ <u>(67,016)</u>

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE E - DEFINED BENEFIT PENSION PLAN (POLICE PLAN)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2025, the Township recognized pension expense of \$63,689. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
GOVERNMENTAL ACTIVITIES		
Difference between expected and actual experience	\$ 529,754	\$ 24,308
Changes in assumptions	22,645	155,775
Net difference between projected and actual earnings on pension plan investments	-	37,045
Contributions subsequent to the measurement date	<u>130,883</u>	<u>-</u>
TOTALS	<u>\$ 683,282</u>	<u>\$ 217,128</u>

\$130,883 reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2025	\$ 39,811
2026	66,480
2027	(6,636)
2028	16,060
2029	38,195
Thereafter	181,361

NOTE F - SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through March 13, 2026, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

WEST VINCENT TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - ROAD IMPROVEMENT, CAPITAL EQUIPMENT AND CAPITAL PROJECTS FUNDS--MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Interest, rents, and royalties	\$ 182,000	\$ 184,405	\$ 2,405
Intergovernmental revenues	-	16,045	16,045
Miscellaneous revenue/other	-	4,840	4,840
Refund of prior year expenditures	100,000	177,725	77,725
TOTAL REVENUES	<u>282,000</u>	<u>383,015</u>	<u>101,015</u>
EXPENDITURES			
General government	1,000,000	26,084	973,916
Public safety	-	74,935	(74,935)
Public works - highways and streets	1,125,000	385,737	739,263
TOTAL EXPENDITURES	<u>2,125,000</u>	<u>486,756</u>	<u>1,638,244</u>
OTHER FINANCING SOURCES (USES)			
Budgetary reserve	4,705,000	-	(4,705,000)
Transfer in	-	201,000	201,000
Transfer out	-	(201,000)	(201,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,705,000</u>	<u>-</u>	<u>(4,705,000)</u>
NET CHANGE IN FUND BALANCE	2,862,000	(103,741)	(2,965,741)
FUND BALANCE, BEGINNING OF YEAR	<u>4,601,554</u>	<u>4,601,554</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,463,554</u>	<u>\$ 4,497,813</u>	<u>\$ (2,965,741)</u>