

UNION TOWNSHIP

ANNUAL AUDIT AND FINANCIAL REPORT

Year Ended December 31, 2025

Report of Independent Auditor

To the Board of Supervisors
Union Township
Douglassville, Pennsylvania

Opinion

We have audited the accompanying financial statements of Union Township (the "Township"), which comprise the balance sheet as of December 31, 2025 and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures for the year then ended.

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 the Township as of December 31, 2025, 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 prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania ("DCED") as described in Note 1.

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 the Township, as of December 31, 2025, or changes in financial position for the year then ended.

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

As described in Note 1, 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 Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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 the 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 the 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.

Cherry Bekaert LLP

Reading, Pennsylvania
March 23, 2026

**2025 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

061955 UNION TWP, BERKS COUNTY

UNION TWP, BERKS County

BALANCE SHEET

December 31, 2025

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits	149,002									149,002
Total Liabilities and Other Credits		201,062									201,062
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	5,269,676	208,315								5,477,991
291-299	Other Equity										
Total Fund and Account Group Equity		5,269,676	208,315								5,477,991
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											5,679,053

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	775,209						775,209
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	62,963						62,963
310.20	Earned Income Taxes / Wage Taxes	801,367						801,367
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	26,740						26,740
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,666,279						1,666,279

Licenses and Permits

320-322	All Other Licenses and Permits	500						500
321.80	Cable Television Franchise Fees	36,578						36,578
Total Licenses and Permits		37,078						37,078

Fines and Forfeits

330-332	Fines and Forfeits	2,626						2,626
Total Fines and Forfeits		2,626						2,626

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	152,872	1,621					154,493
342.00	Rents and Royalties	24,100						24,100
Total Interest, Rents and Royalties		176,972	1,621					178,593

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	657						657
354.00	All Other State Capital and Operating Grants	66,017						66,017
355.01	Public Utility Realty Tax (PURTA)	1,586						1,586
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		185,265					185,265
355.04	Alcoholic Beverage Licenses	1,400						1,400
355.05	General Municipal Pension System State Aid	15,960						15,960
355.07	Foreign Fire Insurance Tax Distribution	28,634						28,634
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, 2025

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	335						335
Total State		114,589	185,265					299,854

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	9,814						9,814
362.00	Public Safety	106,898						106,898
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	35						35
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	120						120
368.00	Airports							

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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		116,867						116,867

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	200,000						200,000
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	9,836						9,836
Total Unclassified Operating Revenues		209,836						209,836

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, 2025

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	14,184						14,184
Total Other Financing Sources		14,184						14,184
TOTAL REVENUES		2,338,431	186,886					2,525,317

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	5,625						5,625
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	8,250						8,250
403.00	Tax Collection	4,990						4,990
404.00	Solicitor / Legal Services	41,236						41,236
405.00	Secretary / Clerk	115,754						115,754
406.00	Other General Government Administration	60,576						60,576
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	22,470						22,470
409.00	General Government Buildings and Plant	224,970						224,970
Total General Government		483,871						483,871

Public Safety								
410.00	Police							
411.00	Fire	179,251						179,251
412.00	Ambulance / Rescue	14,154						14,154
413.00	UCC and Code Enforcement	67,156						67,156

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	4,855						4,855
415.00	Emergency Management and Communications	9						9
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		267,675						267,675

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	13,008						13,008
Total Public Works - Sanitation		13,008						13,008

Public Works - Highways and Streets								
430.00	General Services - Administration	200,807						200,807
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	5,000	46,360					51,360
433.00	Traffic Control Devices	5,134						5,134
434.00	Street Lighting	353						353

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	3,937						3,937
437.00	Repairs of Tools and Machinery	22,190						22,190
438.00	Maintenance and Repairs of Roads and Bridges	25,673						25,673
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		263,094	46,360					309,454

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	2,406						2,406
447.00	Transit System							
448.00	Water System	510						510
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		3,216						3,216

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	10,147						10,147

UNION TWP, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	18,000						18,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		28,147						28,147

Community Development								
461.00	Conservation of Natural Resources	180						180
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		180						180

Debt Service								
471.00	Debt Principal (short-term and long-term)	24,766						24,766
472.00	Debt Interest (short-term and long-term)	6,257						6,257
475.00	Fiscal Agent Fees							
Total Debt Service		31,023						31,023

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	27,043						27,043
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, 2025

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	12,864						12,864
487.00	Other Group Insurance Benefits	73,182						73,182
Total Employer Paid Benefits and Withholding Items		129,049						129,049

Insurance								
486.00	Insurance, Casualty, and Surety	42,289						42,289
Total Insurance		42,289						42,289

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	3,000						3,000
Total Unclassified Operating Expenditures		3,000						3,000

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	1,264,552	46,360						1,310,912
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	1,073,879	140,526						1,214,405
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UNION TWP
December 31, 2025

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	268,563		24,766		243,797		243,797
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	243,797
Capitalized lease obligations	0
Net debt	243,797

UNION TWP, BERKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2025

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	45,973		45,973
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	45,973		45,973

EMPLOYEE COMPENSATION

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

311,936

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

SIGNATURE AND VERIFICATION

Signed: Cherry Bekaert LLP Appointed Auditor/CPA

December 31, 2025

NOTES / COMMENTS

Note 1 - 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.

Note 2 - 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.

Note 3 - Included in the general fund year end fund balance is \$1,544,077 assigned for future capital projects.

Note 4 - 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.