BRINKER SIMPSON
& COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

1400 N. Providence Rd., Rosetree Building 2, Suite 2000E, Media, PA 19063
Phone: 610.544.5900 | Fax: 610.544.7455 | www.brinkersimpson.com

June 25, 2024

To the Board of Directors and Management
Borough of Conshohocken Authority
400 Fayette Street, Suite 200
Conshohocken, PA 19428

We have audited the financial statements of the business-type activities of the Borough of Conshohocken Authority (the "Authority") for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Authority changed accounting policies related to subscription-based information technology arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, in 2023. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

> Management's estimate of the depreciable lives of capital assets is based on the estimated useful lives of the related asset. We evaluated the key factors and assumptions used in determining that the useful lives of the capital assets are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the net pension asset/liability is based on an actuarial valuation at the measurement date. We evaluated the key factors and assumptions used to determine the net pension asset/liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosure of custodial credit risk associated with the Authority's cash and cash equivalents in Note 2 to the financial statements described the risk associated with the cash held by the Authority as of December 31, 2023 and 2022.
>
> The disclosure of the Sewer Revenue Notes, Series A and Series AA of 2021 in Note 5 to the financial statements, which describes the Authority's funding and repayment requirements through the maturity of the notes.
>
> The disclosure of the Authority's net pension asset/liability in Note 6 to the financial statements, which describes the Authority's obligation and requirements under GASB No. 68.
>
> The disclosure of concentrations in Note 8 to the financial statements, which describes the concentrations from revenue sources as well as the related concentration of accounts receivable balance owed from these sources.
>
> The disclosure of the municipal services agreement between the Authority and the Borough of Conshohocken in Note 9 to the financial statements, which describes the nature and terms entered into by the aforementioned parties.
>
> The disclosure of risks and uncertainties in Note 11 to the financial statements, which discloses the existence of the COVID-19 pandemic and the uncertainty related to the financial impact on the Authority.
>
> The disclosure of subsequent events in Note 12 to the financial statements, which discloses the Authority's Intergovernmental Cooperation Agreement with the Borough of Conshohocken and the transfer of the stormwater system to the Authority.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were identified during the course of the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 25, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Borough of Conshohocken Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Revenues and Expenses – Budget (GAAP Budgetary Basis) and Actual - 2023, Schedule of Changes in Net Pension Asset/Liability, Schedule of Employer Contributions and the Schedule of Assets, Liabilities and Funded Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedules of Operating Expenses and General and Administrative Expenses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Borough of Conshohocken Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Brinker Simpson + Company, LLC

Brinker Simpson & Company, LLC

BRINKER SIMPSON
& COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

1400 N. Providence Rd., Rosetree Building 2, Suite 2000E, Media, PA 19063
Phone: 610.544.5900 | Fax: 610.544.7455 | www.brinkersimpson.com

To Members of the Board
Borough of Conshohocken Authority
400 Fayette Street, Suite 200
Conshohocken, PA 19428

In planning and performing our audit of the financial statements of the business-type activities of the Borough of Conshohocken Authority (the "Authority") as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During the course of our audit, we did identify an other matter, which while individually does not rise to a significant deficiency or material weakness, warrant the Board of Directors' attention:

- The Authority should consider increasing the threshold for its capital asset capitalization policy. Currently the Authority capitalizes items with a useful life in excess of one year and a cost in excess of $1,000. We recommend using a higher dollar threshold.

This communication is intended solely for the information and use of management, the Board, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

Brinker Simpson + Company, LLC

Brinker Simpson & Company, LLC
Media, Pennsylvania
June 25, 2024

BOROUGH OF CONSHOHOCKEN AUTHORITY

COMPONENT UNIT OF THE
BOROUGH OF CONSHOHOCKEN

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
TABLE OF CONTENTS
DECEMBER 31, 2023 AND 2022

BRINKER SIMPSON
& COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

1400 N. Providence Rd., Rosetree Building 2, Suite 2000E, Media, PA 19063
Phone: 610.544.5900 | Fax: 610.544.7455 | www.brinkersimpson.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Borough of Conshohocken Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Borough of Conshohocken Authority (the Authority), a component unit of the Borough of Conshohocken, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Borough of Conshohocken Authority as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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 the Authority'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 Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Revenues and Expenses – Budget (GAAP Budgetary Basis) and Actual, Schedule of Changes in Net Pension Liability, Schedule of Employer Contributions and the Schedule of Assets, Liabilities and Funded Ratios 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Operating Expenses and General and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audits 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 Schedules of Operating Expenses and General and Administrative Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Brinker Simpson + Company, LLC

Brinker Simpson & Company, LLC
Media, Pennsylvania
June 25, 2024

BOROUGH OF CONSHOHOCKEN AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

The following discussion and analysis of the activities and financial performance of the Borough of Conshohocken Authority (the "Authority") provides an introduction and overview to the Authority's basic financial statements for the fiscal years ended December 31, 2023 and 2022. Please consider the information presented here in conjunction with the accompanying financial statements and related footnotes.

The Borough of Conshohocken Authority is a municipal authority under the Commonwealth of Pennsylvania, which oversees the wastewater treatment facilities of the Borough of Conshohocken and the Borough of West Conshohocken. The Authority was incorporated on January 30, 1951.

Effective March 1, 2024, the Borough of Conshohocken (Borough) entered into an Intergovernmental Cooperation Agreement (Agreement) with the Authority. As part of the Agreement, the Borough agreed to transfer the ownership, operation and maintenance of its stormwater sewer system, which provides stormwater collection and management services within the Authority, for $1.

The Authority as a result will assume responsibility for the operation and maintenance of the stormwater system. The Agreement will be for a 10-year term whereby the Authority will contract with the Borough for the purposes of maintaining the system and the Authority will pay the Borough for maintenance of the system. The Authority will have the right to establish rates, rules and regulations for the system. In addition, on September 1st of each calendar year, both parties will meet and agree to a capital plan for at least a 5-year term. As a result of the Agreement, the Authority incurred certain expenditures in anticipation of the pending sale and transfer. The Authority segregated these expenditures and established a Stormwater Fund as of and for the year ended December 31, 2023.

Authority Activities and Highlights

At year-end 2023, total assets and deferred outflows of resources were $34,819,618 and exceeded liabilities and deferred inflows of resources by $24,830,523 (i.e. total net position). Total assets and deferred outflows of resources decreased $682,008, total net position increased $156,935, and unrestricted net position increased $173,355 from 2022.

Capital assets in 2023, net of additions of $504,279 including capital contributions of $36,261, net of depreciation, decreased $539,330 from 2022. This decrease is attributed to capital expenditures and projects that were completed during the year. Depreciation expense for 2023 totaled $1,043,609.

The Authority's operating revenues, which consist primarily of sewer rental income decreased by $1,494,746 or (29.8)% over the prior year. This was the result of a decrease in the amount of connection fees. Total operating revenues were more than budgeted revenues by $452,026 or 14.7%. Operating and general and administrative expenses increased by $97,953 or 4.2% over the prior year.

The Authority has continued its efforts to collect outstanding sewer charges from customers within the Borough of Conshohocken through the use of mailing delinquent notices and the filing of liens and judgments to these customers. Effective January 1, 2018, the Board of Directors of the Authority established the ability to shut-off water service as a result of delinquent past-due sewer charges of a customer.

There were dedications of infrastructure, or developer contributions of facilities in the amount of $36,261 and $271,584 for 2023 and 2022, respectively. These contributions vary from year-to-year with fluctuations in completed developer projects.

Operating income (i.e., operating revenues in excess of operating expenses before depreciation) for 2023 was $1,092,056 a 59.3% decrease compared to $2,684,755 in the prior year. This decrease was mainly due to a decrease in the number of new accounts added and a decrease in connection fees in comparison to the prior year. Connection fees can fluctuate year to year, based on developer projects. Operating income before depreciation for 2023 was 31% of total operating revenues, compared to 53.5% for 2022.

Change in net position (i.e. operating income plus non-operating revenues and less non-operating expense) for 2023 was $156,935, compared to $2,352,897 in 2022. The increase in net position for 2023 was 4.5% of total operating revenues compared to 46.9% in 2022.

Overview of the Financial Statements

The Borough of Conshohocken Authority's basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the financial statements. This report also includes supplementary information in addition to the basic financial statements.

The Authority's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB).

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the independent auditor's report at the front of this report and the Authority's audited financial statements and supplementary information, which follow this section.

This annual report consists of three parts: the MD&A, the financial statements, and supplementary information.

The financial statements report information about the Authority using full accrual accounting methods similar to those used by the private sector.

Statement of Net Position

The **Statements of Net Position** present the financial position of the Authority on a full accrual, historical cost basis. These statements present information on all the Authority's assets and liabilities, with the difference, or total assets in excess of total liabilities, reported as total net position.

While the Statements of Net Position provide information about the nature and amount of resources and obligations at year-end, the **Statements of Revenues, Expenses and Changes In Net Position** present the results of the business activities and the amount by which the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. These statements also provide certain information about the Authority's recovery of its costs. The primary objective of a rate model is to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.

The **Statements of Cash Flows** report changes in cash and cash equivalents resulting from operating activities; capital and related financing activities; and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The **Notes to Financial Statements** provide required disclosures and other information that are essential to a full understanding of the financial data provided in the financial statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The **Supplementary Information** includes the Schedules of Operating Expenses and General and Administrative Expenses.

The **Required Supplementary Information** includes the Schedule of Revenues and Expenses – Budget (GAAP Budgetary Basis) and Actual, Schedule of Changes in Net Pension Liability, Schedule of Employer Contributions and the Schedule of Assets, Liabilities and Funded Ratios.

The financial statements were prepared by the Authority's staff from books and records of the Authority and audited during the independent external audit.

Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of an Authority's financial position. In the case of the Borough of Conshohocken Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $24,830,523, at the close of the most recent fiscal year.

The following table summarizes the financial position of the Authority as of December 31, 2023 and 2022:

	2023	2022
Assets and Deferred Outflows of Resources		
Current assets	$ 8,068,584	$ 8,167,163
Cash, escrow funds - developers	132,619	170,889
Utility plant and equipment, net of accumulated depreciation	26,222,494	26,761,824
Net pension asset	-	260,720
Total Assets	34,423,697	35,360,596
Deferred Outflows of Resources	395,921	141,030
Total Assets and Deferred Outflows of Resources	$ 34,819,618	$ 35,501,626
Current and Other Liabilities		
Current liabilities	$ 1,019,917	$ 1,342,940
Escrow deposits, developers	132,619	170,889
Long-term debt	8,543,990	9,076,540
Net pension liability	119,330	-
Total Liabilities	9,815,856	10,590,369
Deferred Inflows of Resources	173,239	237,669
Net Position		
Invested in capital assets, net of related debt	17,145,954	17,162,374
Unrestricted	7,684,569	7,511,214
Total Net Position	24,830,523	24,673,588
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 34,819,618	$ 35,501,626

The Authority's net assets presented in the table reflect an investment in capital assets net of related debt of $17,145,954 as well as unrestricted net assets of $7,684,569.

Changes in Net Position

The Authority's primary source of revenue is user fees. These fees are charged to all residential and commercial users of the sewer system. Operating expenses primarily include wages and benefits, utilities, debt service, and other costs associated with the operation and maintenance of the treatment plant and sewer system.

The following table summarizes the Statements of Revenues, Expenses and Changes in Net Position of the Authority for the fiscal years 2023 and 2022:

	2023	2022
Operating Revenues		
Sewer rental income	$ 3,147,580	$ 2,966,452
Connection fees	307,225	1,965,600
Miscellaneous fees and penalities	64,536	82,035
Total Operating Revenues	3,519,341	5,014,087
Operating and General and Administrative Expenses	2,427,285	2,329,332
Operating Income Before Depreciation and Nonoperating Revenues and Expense	1,092,056	2,684,755
Depreciation	(1,043,609)	(1,024,561)
Interest income	239,082	61,247
Grant revenue	-	534,108
Insurance claim income	121,729	-
Insurance claim expense	(121,729)	-
Interest expense	(166,855)	(174,236)
	(971,382)	(603,442)
Income Before Capital Contributions	120,674	2,081,313
Capital contributions	36,261	271,584
Increase in Net Position	$ 156,935	$ 2,352,897

Capital Acquisitions

The Authority's investment in capital assets includes land, buildings, and equipment. Capital acquisitions are recorded at cost. Acquisitions are funded by available reserves and debt.

Borough of Conshohocken Authority's investment in capital assets as of December 31, 2023 and 2022, net of accumulated depreciation, was as follows:

	2023	2022
Sewer plant	$ 42,047,832	$ 41,878,154
Maintenance equipment	228,508	228,508
Laboratory equipment	16,796	14,952
Trucks	690,702	690,702
Office furniture and equipment	184,111	100,089
Land	229,144	207,263
Construction in progress	875,514	648,660
	44,272,607	43,768,328
Less: Accumulated depreciation	(18,050,113)	(17,006,504)
Capital Assets, Net	$ 26,222,494	$ 26,761,824

Additional information on capital assets can be found in Note 4 to the financial statements.

Debt Administration

As of December 31, 2023, the Authority had total debt outstanding of $9,076,540. Effective November 2, 2021, the Authority refinanced its Sewer Revenue Note, Series of 2015 and Sewer Revenue Note, Series of 2017 with Sewer Revenue Note, Series A of 2021 in the amount of $5,474,420 and Sewer Revenue Note, Series AA of 2021 in the amount of $4,525,580.

Additional information on the Authority's long-term debt can be found in Note 5 of the financial statements. The Authority's debt is essentially secured by the sewer receipts and revenues.

Economic Factors and Next Year's Budgets and Rates

The Borough of Conshohocken Authority continues to focus its efforts on increasing its revenues and containing, if not reducing, its expenses in order to improve its financial condition.

The Authority has maintained an aggressive program of filing liens against property owners. The Authority continues to work with customers by setting up payment plans in an effort to mitigate the financial impact of repaying large delinquencies. In addition, the Authority actively pursues outstanding money by filing civil judgments against large balance accounts. Effective January 1, 2018, the Authority initiated shut-off procedures for delinquent customer accounts.

Finally, the Borough of Conshohocken Authority recognizes that the current economic climate, while slowly improving, may adversely impact its customers but it believes that the programs it has enacted will enable it to sustain its financial goals and objectives.

Effective April 6, 2022, the Borough of Conshohocken and the Authority entered into a municipal services agreement whereby the Authority makes annual payments to the Borough in the amount of $200,000 for a term of 10 years representing payments for municipal services including but not limited to police, fire and other emergency services. Payments will be made semi-annually in equal installments in June and December of each year. As a result of this agreement, the Authority's Articles of Incorporation were extended for an additional 10 years.

Under the agreement, the Authority is authorized to repeal the rate freeze resolution which can be used to cover the payments. The Authority was required to conduct a stormwater fee feasibility study and initiate an implementation plan. Upon completion of the study, the Borough of Conshohocken has conveyed all stormwater management facilities owned by the Borough to the Authority for $1.00. The Authority has established a stormwater maintenance fee to allow the Authority to assume the maintenance and operation of the Stormwater Management System. In conjunction with the agreement, the Authority conveyed its Community Garden Property to the Borough for $1.00. The Authority also conveyed its Salt Pile Property to the Borough for $1.00. In addition, the Authority is precluded from either purchasing or selling any public sanitary sewer systems or stormwater systems without consulting with the Borough.

Contacting the Authority's Financial Management

This financial report is designed to provide our customers, creditors and funding agencies with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If there are any questions about this report, or if additional financial information is required, please contact the Authority's staff at the Borough of Conshohocken Authority, 601 East Elm Street, Conshohocken, PA 19428.

Brent Wagner
Executive Director

Shannon Stewart
Finance Director

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2023			2022
	Stormwater	Sewer	Total	Total
Current Assets				
Cash and cash equivalents	$ -	$ 6,786,760	$ 6,786,760	$ 6,493,249
Accounts receivable	-	1,025,733	1,025,733	990,266
Grant receivable	-	-	-	534,108
Prepaid expenses and other current assets	-	92,853	92,853	149,540
Inventory	-	49,249	49,249	-
Due from stormwater fund	-	113,989	113,989	-
Total Current Assets	-	8,068,584	8,068,584	8,167,163
Restricted Assets				
Cash, escrow funds - developers	-	132,619	132,619	170,889
Utility plant and equipment, net of accumulated depreciation	-	26,222,494	26,222,494	26,761,824
Net pension asset	-	-	-	260,720
Total Assets	-	34,423,697	34,423,697	35,360,596
Deferred Outflows of Resources				
Pension contributions, difference between expected and actual experience	-	395,921	395,921	141,030
Total Assets and Deferred Outflows of Resources	$ -	$ 34,819,618	$ 34,819,618	$ 35,501,626

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Stormwater	Sewer	Total	Total
Current Liabilities				
Accounts payable and accrued expenses	$ -	$ 152,945	$ 152,945	$ 701,634
Accounts payable, retainage	-	33,072	33,072	28,358
Due to sewer fund	113,989	-	113,989	-
Deferred insurance income	-	95,617	95,617	-
Current maturities of Sewer Revenue Note, Series A of 2021	-	316,970	316,970	311,380
Current maturities of Sewer Revenue Note, Series AA of 2021	-	215,580	215,580	211,530
Payroll, payroll taxes and union dues payable	-	91,744	91,744	90,038
Total Current Liabilities	113,989	905,928	1,019,917	1,342,940
Restricted Liabilities				
Escrow deposits, developers	-	132,619	132,619	170,889
Net pension liability	-	119,330	119,330	-
Total Restricted Liabilities	-	251,949	251,949	170,889
Long-Term Liabilities				
Sewer Revenue Note, Series A of 2021, net of current maturities	-	4,589,920	4,589,920	4,906,890
Sewer Revenue Note, Series AA of 2021, net of current maturities	-	3,954,070	3,954,070	4,169,650
Total Long-Term Liabilities	-	8,543,990	8,543,990	9,076,540
Total Liabilities	113,989	9,701,867	9,815,856	10,590,369
Deferred Inflows of Resources				
Pension contributions, differences between projected and actual earnings on plan investments	-	173,239	173,239	237,669
Net position				
Invested in capital assets, net of related debt	-	17,145,954	17,145,954	17,162,374
Unrestricted	(113,989)	7,798,558	7,684,569	7,511,214
Total Net Position	(113,989)	24,944,512	24,830,523	24,673,588
Total Liabilities, Deferred Inflows of Resources and Net Position	$ -	$ 34,819,618	$ 34,819,618	$ 35,501,626

See accompanying notes.

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022
	Stormwater	Sewer	Total	Total
Operating Revenues				
Sewer rentals, net of discounts	$ -	$ 3,147,580	$ 3,147,580	$ 2,966,452
Connection fees	-	307,225	307,225	1,965,600
Miscellaneous fees and penalties	-	64,536	64,536	82,035
Total Operating Revenues	-	3,519,341	3,519,341	5,014,087
Operating expenses	101,696	1,335,347	1,437,043	1,416,550
General and administrative expenses	12,293	977,949	990,242	912,782
Total Expenses	113,989	2,313,296	2,427,285	2,329,332
Operating Income (Loss) Before Depreciation	(113,989)	1,206,045	1,092,056	2,684,755
Depreciation	-	1,043,609	1,043,609	1,024,561
Operating Income (Loss)	(113,989)	162,436	48,447	1,660,194
Nonoperating Revenues (Expense)				
Interest income	-	239,082	239,082	61,247
Grant revenue	-	-	-	534,108
Insurance claim income	-	121,729	121,729	-
Insurance claim expense	-	(121,729)	(121,729)	-
Interest expense	-	(166,855)	(166,855)	(174,236)
Net Nonoperating Revenue (Expense)	-	72,227	72,227	421,119
Income (Loss) Before Capital Contributions	(113,989)	234,663	120,674	2,081,313
Capital contributions	-	36,261	36,261	271,584
Change in Net Position	(113,989)	270,924	156,935	2,352,897
Net Position, Beginning	-	24,673,588	24,673,588	22,320,691
Net Position, Ending	$ (113,989)	$ 24,944,512	$ 24,830,523	$ 24,673,588

See accompanying notes.

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022
	Stormwater	Sewer	Total	Total
Cash Flows From Operating Activities				
Cash received from customers	$ -	$ 3,483,874	$ 3,483,874	$ 4,858,320
Cash payments to suppliers for materials and services	-	(1,221,900)	(1,221,900)	(1,276,166)
Cash payments to employees	-	(1,000,513)	(1,000,513)	(1,059,347)
Net Cash and Cash Equivalents Provided by Operating Activities	-	1,261,461	1,261,461	2,522,807
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	-	(468,018)	(468,018)	(818,803)
Purchase of inventory		(49,249)	(49,249)	-
Principal payments on Sewer Revenue Note, Series A of 2021	-	(311,380)	(311,380)	(256,150)
Principal payments on Sewer Revenue Note, Series AA of 2021	-	(211,530)	(211,530)	(144,400)
Grant revenue received	-	-	-	534,108
Interest paid	-	(166,855)	(166,855)	(174,236)
Net Cash and Cash Equivalents Used in Capital and Related Financing Activities	-	(1,207,032)	(1,207,032)	(859,481)
Cash Flows From Investing Activities				
Interest received	-	239,082	239,082	61,247
Net Cash and Cash Equivalents Provided by Investing Activities	-	239,082	239,082	61,247
Net Change in Cash and Cash Equivalents	-	293,511	293,511	1,724,573
Cash and Cash Equivalents, Beginning	-	6,493,249	6,493,249	4,768,676
Cash and Cash Equivalents, Ending	$ -	$ 6,786,760	$ 6,786,760	$ 6,493,249
Reconciliation of Operating Income to Net Cash and Cash Equivalents Provided by (Used in) Operating Activities				
Operating income (loss)	$ (113,989)	$ 162,436	$ 48,447	$ 1,660,194
Adjustments to reconcile operating income to net cash and cash equivalents provided by (used in) operating activities:				
Depreciation	-	1,043,609	1,043,609	1,024,561
Change in:				
Accounts receivable	-	(35,467)	(35,467)	(155,767)
Grant receivable	-	534,108	534,108	(534,108)
Prepaid expenses and other current assets	-	56,687	56,687	(111,831)
Due from stormwater fund	-	(113,989)	(113,989)	-
Net pension asset	-	260,720	260,720	(121,200)
Deferred outflows of resources	-	(254,891)	(254,891)	24,357
Accounts payable and accrued expenses	-	(548,689)	(548,689)	598,130
Accounts payable, retainage	-	4,714	4,714	28,358
Due to sewer fund	113,989	-	113,989	-
Deferred insurance income		95,617	95,617	-
Payroll, payroll taxes and union dues payable	-	1,706	1,706	60,541
Net pension liability		119,330	119,330	-
Deferred inflows of resources	-	(64,430)	(64,430)	49,572
Net Cash and Cash Equivalents Provided by Operating Activities	$ -	$ 1,261,461	$ 1,261,461	$ 2,522,807
Supplemental Disclosure of NonCash Capital and Related Financing Activities				
Assets acquired through capital contributions	$ -	$ 36,261	$ 36,261	$ 271,584

See accompanying notes.

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Borough of Conshohocken Authority (the Authority) is located in Montgomery County, Pennsylvania, and was incorporated on January 30, 1951 under the Municipal Authorities Act of 1945. The Authority is a municipal corporation with a five-member board of directors. The Authority supplies sewer services to residents of the Borough of Conshohocken (the Borough), the Borough of West Conshohocken and certain residents of Plymouth Township and Whitemarsh Township. Operating revenues are received from sewer rents, permits, certifications and connection fees.

The governing board of directors of the Authority consists of five members appointed to five-year terms by the Borough of Conshohocken's Borough Council. The Council has the authority to impose its will on the Authority. Therefore, the Authority is considered to be a component unit of the Borough of Conshohocken for financial reporting purposes.

Basis of Accounting

The Authority's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accounting policies are based on generally accepted accounting principles for self-reporting governmental enterprise funds, a proprietary fund-type which is used to account for operations that are financed and operated in a manner similar to private business enterprises.

Revenues and expenses are recognized on the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned, and expenses in the accounting period in which they are incurred and become measurable.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For expenses that could be paid by either restricted or unrestricted resources, it is the Authority's policy to use restricted revenues first, and then unrestricted revenues as they are needed.

Budgetary Data

The Authority's management prepares the Authority's operating budget. The Authority follows these procedures in establishing the budgetary data included in the financial statements:

- A preliminary budget is presented to the Board of Directors during October.
- The operating budget includes proposed expenditures and the means of financing them.
- Budgetary control is maintained at the account level.
- Prior to December 31st, the Authority holds a public meeting, after which the budget is legally adopted through the passage of a resolution.
- All budget revisions require the approval of the Board of Directors.
- The budget lapses at the end of each year.

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For the purposes of reporting cash flows for proprietary fund financial statements, cash and cash equivalents include cash on hand, amounts due from banks and highly-liquid investments with original maturities of 90 days or less.

Utility Plant and Equipment

Utility plant and equipment are stated at cost or fair market value at time of contribution to the Authority. Land and construction in progress is not depreciated. When construction projects are complete, the cost is transferred to the plant and equipment accounts. Plant additions and improvements are capitalized and depreciated. Replacements, maintenance and repairs, which do not improve or extend the life of the asset, are expensed currently. Depreciation is provided for on a straight-line basis over the related asset's estimated useful life. Depreciation expense for 2023 and 2022 totaled $1,043,609 and $1,024,561, respectively.

Depreciation of utility plant and equipment is computed using the straight-line method. Estimated useful lives are as follows:

	Years
Sewer plant and improvements	7 - 50
Maintenance equipment	5 - 7
Laboratory equipment	7
Trucks	5 - 10
Office furniture and equipment	7 - 10

The minimum capitalization threshold is an individual item with a cost in excess of $1,000 and a useful life exceeding one year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Residential and commercial customers are billed a flat rate plus consumption charges on a quarterly basis. All bills are due and payable within 30 days from the invoice date, with a discount if paid within 15 days. The Authority places a lien on properties for which balances outstanding are greater than $250 and are more than 90 days outstanding. The Authority obtains a judgment on properties for which balances outstanding are greater than $1,000 in excess of one year.

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Effective January 1, 2018, the Board of Directors of the Authority established the ability to shut-off water service as a result of delinquent past-due sewer charges of a customer. As a result, the Authority eliminated the allowance for doubtful accounts balance as all outstanding balances are deemed collectible in full.

Restricted Assets

Restricted assets are comprised of developer escrows. Developer deposits held by the Authority are to be used to reimburse the Authority for certain engineering, legal and inspection costs. Upon receipt of the funds, the Authority records the cash and corresponding liability and when the Authority receives invoices for expenses on behalf of the developer, it disburses the funds and reduces the liability.

Capital Contributions

Distribution and collection lines, storage and treatment facilities constructed and installed by developers and dedicated to the Authority are recorded as capital contributions and depreciated over their estimated useful lives, upon acceptance of the dedication. Capital contributions for the years ended December 31, 2023 and 2022 were $36,261 and $271,584, respectively. Contributed capital is recorded as income in the year of dedication to the Authority.

Net Position

Net position comprises the various net earnings from operating and nonoperating revenues, expenses and contributions of capital. Net position is classified in the following components: invested in capital assets, net of related debt; restricted and unrestricted.

Net position invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets.

Net position restricted for debt service consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandate, less any related liabilities.

Unrestricted net position consists of all assets not included in the above categories.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenues) until that time.

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Authority distinguishes between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are charges to customers for sale and services. Operating expenses include costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and Rate Structure

Revenues from sewer services are recognized on the accrual basis as earned. Services are supplied to customers under a rate structure designed to produce revenues sufficient to provide for operating and maintenance costs, capital outlay and debt coverage.

Compensated Absences

Unpaid vacation and sick time is recorded as an expense in the period it is earned and considered payable from current financial resources. The Authority compensates unpaid sick time upon an employee's retirement. The estimated value of vacation time owed to employees who may be paid in subsequent years or upon termination or retirement and, therefore, payable from future resources is recorded in the current year and included in accounts payable and accrued expenses in the Statements of Net Position.

New Accounting Pronouncements

The GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The statement is effective for reporting periods beginning after June 15, 2022. This statement is required to be adopted by the Authority for the year ending December 31, 2023. There was no material impact on the Authority's results of operations or cash flows as a result of implementing GASB No. 96.

Pending Governmental Accounting Standards Board (GASB) Statements

The GASB issued Statement No. 101, "Compensated Absences." The statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Authority has not yet completed the process of evaluating the impact of GASB Statement No. 101 on its financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, cash equivalents include all demand deposits, money market funds, and securities with original maturities of three months or less to be cash equivalents.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. Balances exceeding federal depository insurance limits are exposed to custodial credit risk. However, under Pennsylvania Act 72, all amounts in excess of insurance limits are collateralized by securities held by the pledging financial institution, but not in the Authority's name. As of December 31, 2023 and 2022, $6,762,240 and $6,103,757, respectively, was exposed to custodial credit risk and the Authority does not have a deposit policy for custodial credit risk.

A reconciliation of amounts exposed to custodial credit risk to total cash held by the Authority is as follows:

	2023	2022
Uninsured and collateral held by the pledging bank's trust department, but not in the Authority's name	**$ 6,762,240**	$ 6,103,757
Plus: Insured amounts	**250,000**	733,817
Carrying amounts - bank balances	**7,012,240**	6,837,574
Plus: Deposits in transit	**4,595**	-
Less: Outstanding checks	**(97,456)**	(173,436)
Total Cash and Cash Equivalents Per Financial Statements	**$ 6,919,379**	$ 6,664,138

Cash is comprised of:

	2023	2022
Operating accounts - unrestricted	**$ 6,786,760**	$ 6,493,249
Restricted accounts - developer escrow accounts	**132,619**	170,889
	$ 6,919,379	$ 6,664,138

NOTE 3: ESCROWS

At December 31, 2023 and 2022, escrows include $132,619 and $170,889, respectively, of cash received from developers and other customers. These funds are held by the Authority to guarantee the completion of projects by developers as required by the development agreements and to pay professional fees related to the respective projects. As of December 31, 2023 and 2022, the Authority owed consultants $10,658 and $4,923, respectively, related to the escrow balances.

NOTE 4: UTILITY PLANT AND EQUIPMENT

	2023			
	Balance at January 1, 2023	Additions	Transfers	Balance at December 31, 2023
Nondepreciable property				
Land	$ 207,263	$ 21,881	$ -	$ 229,144
Construction in progress	648,660	257,693	(30,839)	875,514
Total Nondepreciable Property	855,923	279,574	(30,839)	1,104,658
Depreciable property				
Sewer plant and improvements	41,878,154	138,839	30,839	42,047,832
Maintenance equipment	228,508	-	-	228,508
Laboratory equipment	14,952	1,844	-	16,796
Trucks	690,702	-	-	690,702
Office furniture and equipment	100,089	84,022	-	184,111
Total Depreciable Property	42,912,405	224,705	30,839	43,167,949
Less: Accumulated depreciation	(17,006,504)	(1,043,609)	-	(18,050,113)
Total Depreciable Property, Net	25,905,901	(818,904)	30,839	25,117,836
Total Utility Plant and Equipment	$ 26,761,824	$ (539,330)	$ -	$ 26,222,494

NOTE 4: UTILITY PLANT AND EQUIPMENT (continued)

	2022			
	Balance at January 1, 2022	Additions	Transfers	Balance at December 31, 2022
Nondepreciable property				
Land	$ 143,375	$ 63,888	$ -	$ 207,263
Construction in progress	29,191	619,469	-	648,660
Total Nondepreciable Property	172,566	683,357	-	855,923
Depreciable property				
Sewer plant and improvements	41,474,772	403,382	-	41,878,154
Maintenance equipment	228,508	-	-	228,508
Laboratory equipment	14,952	-	-	14,952
Trucks	690,702	-	-	690,702
Office furniture and equipment	96,441	3,648	-	100,089
Total Depreciable Property	42,505,375	407,030	-	42,912,405
Less: Accumulated depreciation	(15,981,943)	(1,024,561)	-	(17,006,504)
Total Depreciable Property, Net	26,523,432	(617,531)	-	25,905,901
Total Utility Plant and Equipment	$ 26,695,998	$ 65,826	$ -	$ 26,761,824

The Authority has an executed contract with a general contractor in the amount of $33,072 to complete ongoing contracts in progress. As of December 31, 2023, the full amount was included in accounts payable, retainage.

NOTE 5: SEWER REVENUE NOTES

Sewer Revenue Note, Series A of 2021

Effective November 2, 2021, the Authority refinanced its Sewer Revenue Notes, Series of 2015 (the "2015 Note") with a Sewer Revenue Note, Series A of 2021 (the "A 2021 Note") with Peoples Security Bank and Trust Company in the amount of $5,474,420. Proceeds from the A 2021 Note were used to pay the principal and interest through the payoff date of the 2015 Note on November 2, 2021 and to fund the closing costs of the A 2021 Note. Under the A 2021 Note, interest accrues at 1.79% through maturity on July 15, 2037. Semiannual interest payments begin on January 15, 2022 and will be paid January 15th and July 15th of each year until maturity. Principal payments will be paid annually on July 15th of each year until maturity beginning July 15, 2022, The A 2021 Note is secured by the revenues of the Authority. The Authority covenants that it will include in its budget 100% of the amount of its debt service for each fiscal year in which principal and/or interest in the A 2021 Note is payable.

NOTE 5: SEWER REVENUE NOTES (continued)

The maximum annual requirements to amortize principal and interest are:

	Maturity Date Year	Minimum Interest Rate	Principal Amount	Interest	Total Debt Service
	2024	1.79%	$ 316,970	$ 87,834	$ 404,804
	2025	1.79%	322,700	82,160	404,860
	2026	1.79%	328,510	76,384	404,894
	2027	1.79%	334,280	70,502	404,782
	2028	1.79%	340,300	64,520	404,820
	2029- 2033	1.79%	1,795,150	229,014	2,024,164
	2034-2037	1.79%	1,468,980	64,044	1,533,024
			4,906,890	$ 674,458	$ 5,581,348
Less: Current Maturities			(316,970)		
Total Long-Term Debt			$ 4,589,920		

Sewer Revenue Note, Series AA of 2021

Effective November 2, 2021, the Authority refinanced its Sewer Revenue Note, Series of 2017 (the "2017 Note") with a Sewer Revenue Note, Series AA of 2021 (the "AA 2021 Note") with Peoples Security Bank and Trust Company in the amount of $4,525,580. Proceeds from the AA 2021 Note were used to pay the principal and interest through the payoff date of the 2017 Note on November 2, 2021 and to fund the closing costs of the AA 2021 Note. Under the AA 2021 Note, interest accrues at 1.75% until May 1, 2032 at which time the interest rate can be reset at a maximum rate of 2.25% through the maturity date of November 1, 2040. Semiannual interest payments begin on May 1, 2022 and will be paid May 1st and November 1st of each year until maturity. Principal payments will be paid annually on November 1st of each year until maturity beginning November 1, 2022. The AA 2021 Note is secured by the revenues of the Authority. The Authority covenants that it will include in its budget 100% of the amount of its debt service for each fiscal year in which principal and/or interest on the AA 2021 Note is payable.

NOTE 5: SEWER REVENUE NOTES (continued)

The maximum annual requirements to amortize principal and interest are:

Maturity Date Year	Minimum Interest Rate	Principal Amount	Interest	Total Debt Service
2024	1.75%	$ 215,580	$ 72,968	$ 288,548
2025	1.75%	219,550	69,196	288,746
2026	1.75%	223,440	65,354	288,794
2027	1.75%	227,250	61,444	288,694
2028	1.75%	230,630	57,468	288,098
2029-2033	1.75% & 2.25%	1,202,500	1,444,128	2,646,628
2034-2038	2.25%	1,292,980	1,444,287	2,737,267
2039-2040	2.25%	557,720	576,600	1,134,320
		4,169,650	$ 3,791,444	$ 7,961,094
Less: Current Maturities		(215,580)		
Net Long-Term Debt		$ 3,954,070		

Interest expense was $166,855 and $174,236 for the years ended December 31, 2023 and 2022, respectively.

Changes in Sewer Revenue Notes for the years end December 31, 2023 and 2022 are:

	2023			
	Balance at January 1, 2023	**Increase**	**Decrease**	**Balance at December 31, 2023**
Series A of 2021	**$ 5,218,270**	**$ -**	**$ (311,380)**	**$ 4,906,890**
Series AA of 2021	**4,381,180**	**-**	**(211,530)**	**4,169,650**
	$ 9,599,450	**$ -**	**$ (522,910)**	**$ 9,076,540**

	2022			
	Balance at January 1, 2022	Increase	Decrease	Balance at December 31, 2022
Series A of 2021	$ 5,474,420	$ -	$ (256,150)	$ 5,218,270
Series AA of 2021	4,525,580	-	(144,400)	4,381,180
	$ 10,000,000	$ -	$ (400,550)	$ 9,599,450

NOTE 6: PENSION PLAN

Plan Description

The Conshohocken Borough Municipal Authority Non-Uniform Defined Benefit Plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution No. 2013-2 adopted pursuant to Act 15 of 1974. 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 Comprehensive Annual Financial Report (CAFR). The CAFR is available on the publications page of the PMRS website at www.pmrs.state.pa.us, or a copy can be obtained by contacting the PMRS accounting office at 717-787-2065. The most recent actuarial valuation date is January 1, 2023.

Covered employees	All full-time employees
Total annual payroll of active members on valuation date	$688,622
Benefit vesting	100% after ten years
Normal retirement date	After 65th birthday or completion of 20 years of service
Annual retirement benefit	1.25% times years of credited service times final average salary
Final salary	Average annual compensation during three years prior to effective date or retirement
Required employee contributions	3.5% of monthly earnings

The following schedule contains the number of active employees, inactive employees entitled to but not yet receiving benefits, and inactive employees or beneficiaries currently receiving benefits from the Plan based upon the most recent actuarial valuation date of January 1, 2023:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	3
Active employees	11
Total Participant Count	17

NOTE 6: PENSION PLAN (continued)

Benefits Provided

The following is a summary of the Plan benefit provisions:

- *Eligibility Requirements:*
  - Normal Retirement – Age 65
  - Early Retirement – Voluntary with 20 years of credited service, involuntary with 10 years of service
  - Vesting – 100% after the completion of 10 years of service
- *Retirement Benefit:* Benefit equals 1.25% times credited years of service, times Final Average Salary (FAS).
- *Disability Benefit:* Service related is 50% benefit provided to a member who is unable to perform gainful employment regardless of age or service and 30% benefit to a member who has at least 10 years of service.
- *Member Contributions:* 3.5% contribution rate
- *Interest rate credited to member contributions:* 5.25%

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. The plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Statement No. 3 of the Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued CAFR.

Contributions

Act 205 requires that annual contributions be based upon the plan's Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. In accordance with the plan's governing Ordinance, members are required to contribute 3.5% of compensation to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Authority in accordance with Act 205. The Authority was required to contribute $38,335 in 2023 and $18,515 in 2022.

NOTE 6: PENSION PLAN (continued)

Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant plan related costs. The above expenses are allocated by PMRS to each employer account pro-rata based on their beginning fiduciary net position.

Net Pension Liability (Asset)

An actuarial valuation of the total pension liability is performed biennially. The total pension liability as of December 31, 2022 was determined as part of an actuarial valuation at January 1, 2023. The measurement date for the net pension liability is December 31, 2022, which is no earlier than the end of the prior fiscal year. The actuarial assumptions used in the January 1, 2023 valuation are as follows:

Actuarial Assumptions:	
Inflation	2.80%
Salary Increases	Age-related scale
Investment rate of return	5.25%
Mortality rates	RP-2000 Mortality Table

Long Term Expected Rate of Return on Investments

An experience study of PMRS was conducted in July 2017. The PMRS System's long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimates of expected future real rates of return are developed for each major asset class, for the portfolio as a whole and at different levels of probability or confidence. Expected future real rates of return are based primarily on the 20 year historic nominal rates assuming that investment expenses will be offset by the additional return performance derived from active investment management. The nominal rates of return by asset class are adjusted by a constant rate of expected future annual inflation rate of 2.8% to produce the rates of return. Best-estimates for each major class included in the Plan's target asset allocation as of December 31, 2022 are listed in the table below:

NOTE 6: PENSION PLAN (continued)

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities Large Cap	24.5%	5.00%
Domestic Equities Small Cap	8.0%	5.70%
International Equities Developed Markets	14.5%	5.10%
International Equities Emerging Markets	3.0%	5.51%
Global Equities	5.0%	4.53%
Real estate	10.0%	4.92%
Core	24.0%	2.10%
Timber	5.0%	4.00%
Fixed Income	5.0%	5.50%
Cash	1.0%	-0.30%
Total Net Blended Return		4.93%

Discount Rate

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used by PMRS for each municipal plan, used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PMRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. PMRS is required by law to establish a discount rate equal to the regular interest rate. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Based upon the Plan's current targeted investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability.

This schedule does not reflect changes in benefits, assumptions or reserve accounts after the Measurement Date. Except where noted below, the TPL as of December 31, 2022 was based on the data, actuarial methods and assumptions, and plan provisions. The assumptions used to determine the TPL as of the December 31, 2021 measurement date can be found in the January 1, 2022 PMRS actuarial valuation report or the prior year's GASB report.

NOTE 6: PENSION PLAN (continued)

Change in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2021	$ 2,012,993	$ 2,273,713	$ (260,720)
Changes for the year:			
Service cost	47,414	-	47,414
Interest	107,670	-	107,670
Differences between expected and actual experience	(73,919)	-	(73,919)
Contributions - employer	-	18,515	(18,515)
Contributions - PMRS assessment	-	20	(20)
Contributions - employee	-	24,100	(24,100)
PMRS investment income	-	99,860	(99,860)
Market value investment income *	-	(435,744)	435,744
Benefit payments	(19,364)	(19,364)	-
PMRS administrative expense	-	(360)	360
Additional administrative expense	-	(5,276)	5,276
Net changes	61,801	(318,249)	380,050
Balances at December 31, 2022	$ 2,074,794	$ 1,955,464	$ 119,330

*Reflects the net investment income (loss) of ($329,120) and the income (loss) due to the difference between expected and actual asset values of ($43,624), which includes the impact from allocation of assets in support of the underlying retiree liabilities.

According to GASB Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes to determine the respective Employer "Plan Fiduciary Net Position."

NOTE 6: PENSION PLAN (continued)

PMRS has determined that net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The "Additional Administrative Expenses" are the expenses in excess of the "PMRS Administrative Expense" (i.e. $20 per participant expense paid by each plan). The "PMRS Investment Income" is based on the regular interest used to credit accounts annually. The "Market Value Investment Income" reflects the investment income/(loss) during the year net of PMRS investment income and the income/(loss) due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the Net Pension Liability (NPL) can be very significant for a relatively small change in the discount rate. The schedule below shows the sensitivity of the NPL to the discount rate with two additional measures, plus and minus one percent from the rate used for disclosure.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

	1% Decrease 4.25%	Discount Rate 5.25%	1% Increase 6.25%
Total Pension Liability	$ 2,374,163	$ 2,074,794	$ 1,823,458
Plan Fiduciary Net Position	1,955,464	1,955,464	1,955,464
Net Pension Liability (Asset)	$ 418,699	$ 119,330	$ (132,006)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	82.36%	94.25%	107.24%

Schedule of Employer Reporting Amounts

The impact of experience gains or losses and assumption changes on the TPL are recognized in the pension expense over the average expected remaining service life of all active and inactive members of the Plan. The impact of investment gains or losses are recognized in the pension expense over a period of five years. The impact of plan changes is recognized immediately.

NOTE 6: PENSION PLAN (continued)

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 50,780	$ 52,799
Changes in assumptions	45,311	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	261,446	120,440
Contributions subsequent to the measurement date	38,384	-
Total	$ 395,921	$ 173,239

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Amount
2024	$ 70,438
2025	68,524
2026	68,522
2027	7,600
2028	7,598

The recognition period for experience and assumptions change gains (losses) is 7.00 years.

The annual pension expense recognized can be calculated two different ways. First, it is the change in the amounts reported for the Employer's Statement of Net Position that relate to the plan and are not attributable to employer contributions. That is, it is the change in Net Pension Liability plus the changes in deferred outflows and deferred inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of pension expense as outlined below.

NOTE 6: PENSION PLAN (continued)

Calculation of Pension Expense

	Measurement Date as of 12/31/2022	Measurement Date as of 12/31/2021
Change in Net Pension Liability	$ 380,050	$ (121,200)
Change in Deferred Outflows	(120,555)	33,050
Change in Deferred Inflows	(228,633)	18,453
Employer Contributions	18,535	16,466
Pension Expense	**$ 49,397**	**$ (53,231)**
Pension Expense as % of Payroll	**7.17%**	**8.08%**
Operating Expenses		
Service Cost	$ 47,414	$ 45,357
Employee Contributions	(24,100)	(23,056)
PMRS Administrative Expense	360	340
Additional Administrative Expense	5,276	5,303
Total	28,950	27,944
Financing Expenses		
Interest Cost	107,670	100,894
Expected Return on Assets	(99,860)	(93,622)
Total	7,810	7,272
Changes		
Recognition of Assumption Changes	13,600	13,602
Recognition of Liability Gains and Losses	(10,174)	7,008
Recognition of Investment Gains and Losses	9,211	(109,057)
Total	12,637	(88,447)
Pension Expense	**$ 49,397**	**$ (53,231)**

NOTE 7: LITIGATION

In the normal course of business there are various relatively minor claims and suits pending against the Authority, none of which materially affect its financial position.

NOTE 8: CONCENTRATIONS

The Authority participates in a Sewage Treatment Agreement with Plymouth Township whereby in exchange for the Authority's acceptance and treatment of its public sanitary sewage, Plymouth Township is responsible for a percentage of the costs related to the operation and maintenance of the Authority's treatment plant, including capital expenditures made for the plant. The Agreement provides for the cost of sewer services to be determined on an annual basis by the Authority. Plymouth Township remits a quarterly payment during the year based upon an estimate of the cost. Subsequent to year end, the Authority determines the actual cost and provides a retroactive billing or credit for the prior year.

For 2023 and 2022, revenues from Plymouth Township were $394,248 and $462,385, respectively. Payments for capital improvements for the year ended December 31, 2023 totaled $36,597. There were no payments for the year ended December 31, 2022 for capital share for plant improvements. At December 31, 2023 and 2022, accounts receivable due from Plymouth Township were $70,663 and $233,103, respectively.

NOTE 9: COMMITMENTS

Effective April 6, 2022, the Borough of Conshohocken and the Authority entered into a municipal services agreement whereby the Authority makes annual payments to the Borough in the amount of $200,000 for a term of 10 years representing payments for municipal services including but not limited to police, fire and other emergency services. Payments will be made semi-annually in equal installments in June and December of each year. As a result of this agreement, the Authority's Articles of Incorporation were extended for an additional 10 years. As a result of the agreement, the Authority paid the Borough of Conshohocken $200,000 for the year ended December 31, 2023, which is included in Administrative Service Fees in General and Administrative Expenses in the Statements of Revenues, Expenses and Changes in Net Position.

Future minimum payments under the municipal services agreement are as follows:

Year Ending December 31,	
2024	$ 200,000
2025	200,000
2026	200,000
2027	200,000
2028	200,000
Thereafter	600,000
	$ 1,600,000

NOTE 9: COMMITMENTS (continued)

Under the agreement, the Authority is authorized to repeal the rate freeze resolution which can be used to cover the payments. The Authority was required to conduct a stormwater fee feasibility study and initiate an implementation plan. Upon completion of the study, the Borough of Conshohocken will convey all stormwater management facilities owned by the Borough to the Authority for $1.00. Once conveyed, the Authority will establish a stormwater maintenance fee to allow the Authority to assume the maintenance and operation of the Stormwater Management System as noted in Note 12. In conjunction with the agreement, the Authority conveyed its Community Garden Property to the Borough for $1.00. The Authority also conveyed its Salt Pile Property to the Borough for $1.00. In addition, the Authority is precluded from either purchasing or selling any public sanitary sewer systems or stormwater systems without consulting with the Borough.

Effective March 1, 2023, the Authority relocated its administrative offices and entered into a lease agreement with the Borough of Conshohocken for its office and use of its public meeting room. The term of the lease is for five years beginning January 1, 2023 and terminating December 31, 2027. The lease can be terminated at any time during its term, upon six months written notice at the end of the lease term. The lease will be based on a month-to-month term, which can be terminated at any time upon three months written notice. The Authority will pay a proportionate share of the total Common Area Maintenance (CAM) expenses for the building based upon the square footage occupied by the Authority. For the calendar year 2023, the Authority will pay a monthly charge of $428 per month. During February of each subsequent year of the agreement, the charge will be reconciled with the actual CAM expenses incurred in the preceding year. In addition, there may be additional expenses billed each year. The Authority is responsible for its insurance. Utilities are included in the CAM expense charges.

Future minimum payments under the lease agreement are as follows:

Year Ending December 31,		
2024	$	5,135
2025		5,135
2026		5,135
2027		5,135
	$	20,540

NOTE 10: COLLECTIVE BARGAINING AGREEMENT

The Authority's collective bargaining agreement with its union employees expires on December 31, 2024.

NOTE 11: RISKS AND UNCERTAINTIES

The 2019 novel coronavirus (or "COVID-19") has adversely affected, and may continue to adversely affect, economic activity globally, national and locally. These economic and market conditions and other effects of the COVID-19 outbreak may continue to cause volatility. The full extent of any adverse impact of the COVID-19 outbreak on the Authority's future operations cannot be predicted at this time.

On March 11, 2023, the Authority experienced a utility water line failure at its plant. The Authority incurred expenses of $121,729 for the year ended December 31, 2023, which have been reimbursed by the Authority's insurance company.

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2024, the date on which the financial statements were available to be issued.

Effective March 1, 2024, the Borough of Conshohocken (Borough) entered into an Intergovernmental Cooperation Agreement (Agreement) with the Authority. As part of the Agreement, the Borough agreed to transfer the ownership, operation and maintenance of its stormwater sewer system which provides stormwater collection and management services within the Authority for $1.

The Authority as a result will assume responsibility for the operation and maintenance of the stormwater system. The Agreement will be for a 10-year term whereby the Authority will contract with the Borough for the purposes of maintaining the system and the Authority will pay the Borough for maintenance of the system. The Authority will have the right to establish rates, rules and regulations for the system. In addition, on September 1st of each calendar year, both parties will meet and agree to a capital plan for at least a 5-year term. As a result of the Agreement, the Authority incurred certain expenditures in anticipation of the pending sale and transfer. The Authority segregated these expenditures and established a Stormwater Fund as of and for the year ended December 31, 2023.

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Sewer service	$ 2,686,000	$ 2,753,332	$ 67,332
Connection fees	-	307,225	307,225
Penalties	20,000	35,422	15,422
Certifications	11,900	7,300	(4,600)
NSF fees	140	110	(30)
MIPP fees	5,775	5,775	-
Miscellaneous fees and permits	3,500	3,633	133
Lien fees	-	3,402	3,402
Legal fees	-	8,894	8,894
Contract revenues - Plymouth Township	340,000	394,248	54,248
Total Operating Revenues	$ 3,067,315	$ 3,519,341	$ 452,026
Operating Expenses			
Plant Expenses:			
Wages	$ 360,000	$ 406,545	$ (46,545)
Payroll taxes	28,800	32,380	(3,580)
Worker's compensation insurance	15,000	13,163	1,837
Pension	20,000	49,149	(29,149)
Medical and dental benefits	78,000	61,756	16,244
HRA medical copay	20,000	19,403	597
Life insurance	6,100	5,041	1,059
Utilities - gas and electric	125,000	169,557	(44,557)
Utilities - water	6,500	6,866	(366)
Plant security	2,000	8,426	(6,426)
Vehicle maintenance	1,500	3,762	(2,262)
Repairs/maintenance - building	35,000	3,986	31,014
Repairs/maintenance - plant	180,000	50,604	129,396
Employee drug testing	500	703	(203)
Engineering fees	10,000	5,969	4,031
Engineering - wasteload management	4,000	3,208	792
Uniforms/safety supplies	7,000	5,697	1,303
Inside lab costs	5,000	2,949	2,051
Outside lab costs	35,000	33,468	1,532
Sludge removal	145,000	161,779	(16,779)
Sodium hypochlorite	22,000	26,511	(4,511)
Sodium bisulfite	7,500	17,366	(9,866)
Lime	500	-	500
Polymer	21,000	9,936	11,064
Miscellaneous operating expenses	-	58	(58)
DEP permit fee	2,100	4,711	(2,611)
Plant mats, deodorizers, gloves	1,000	2,910	(1,910)
Project engineering costs	-	101,696	(101,696)
Total Plant Expenses	$ 1,138,500	$ 1,207,599	$ (69,099)

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Collection Expenses:			
Wages - road crew	$ 145,000	$ 134,178	$ 10,822
Payroll taxes	11,000	10,266	734
Medical and dental benefits	17,000	14,065	2,935
Worker's compensation insurance	4,200	3,986	214
Pension	7,600	17,219	(9,619)
HRA medical copay	3,800	1,894	1,906
Life insurance	2,400	2,003	397
Maintenance - sewer	45,000	23,312	21,688
Pump station - utilities	8,500	11,304	(2,804)
Vehicle expenses	6,000	8,064	(2,064)
Jet truck expenses	2,000	1,170	830
Camera and vacuum trailer	4,000	353	3,647
Uniforms - road crew	2,000	1,557	443
Engineering fees - collection system	8,000	73	7,927
Total Collection Expenses	$ 266,500	$ 229,444	$ 37,056
Administrative Expenses:			
Wages	$ 286,000	$ 298,087	$ (12,087)
Payroll taxes	21,500	23,088	(1,588)
Medical and dental benefits	32,000	27,032	4,968
Workers compensation insurance	400	507	(107)
Pension	11,500	32,746	(21,246)
HRA medical copay	9,600	13,751	(4,151)
Life insurance	3,500	3,030	470
Insurance	67,300	77,123	(9,823)
Rent	-	5,135	(5,135)
Legal	75,000	40,129	34,871
Legal - plant	3,000	2,983	17
Legal - collections and liens	20,000	9,224	10,776
Auditing and accounting	58,500	68,343	(9,843)
Engineering fees	10,000	11,989	(1,989)
Administrative service fee	200,000	200,000	-
Board expense payment	7,500	7,250	250
Consulting fees	15,000	-	15,000
Dues, subscriptions and conferences	15,000	22,702	(7,702)
Office supplies and expense	20,000	27,582	(7,582)
Computer expense	20,000	38,534	(18,534)
Telephone	7,000	13,424	(6,424)
Advertising	5,000	2,892	2,108
Postage - billing and general	11,000	4,534	6,466
Billing services	10,500	16,940	(6,440)
Collection expense	8,500	7,055	1,445
Upper Merion sewer rental contract	7,800	7,774	26
Miscellaneous	170	362	(192)
Bank fees	5,500	8,294	(2,794)
Donations	5,000	3,000	2,000
Payroll processing fees	4,500	4,439	61
Legal services	-	12,293	(12,293)
Total Administrative Expenses	$ 940,770	$ 990,242	$ (49,472)

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Total Operating and General and Administrative Expenses	2,345,770	2,427,285	(81,515)
Operating Income Before Depreciation	721,545	1,092,056	370,511
Depreciation	-	1,043,609	(1,043,609)
Operating Income	721,545	48,447	(673,098)
Nonoperating Revenue (Expense)			
Interest income	7,500	239,082	231,582
Insurance recovery	-	121,729	121,729
Insurance claim expense		(121,729)	
Interest expense	693,000	(166,855)	(859,855)
Net Nonoperating Revenue (Expense)	700,500	72,227	(506,544)
Income Before Capital Contributions	1,422,045	120,674	(1,301,371)
Capital contributions	-	36,261	36,261
Increase in Net Position	$ 1,422,045	$ 156,935	$ (1,265,110)

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
GASB 68 MEASUREMENT DATE OF DECEMBER 31, 2022

The schedules of Required Supplementary Information will eventually build up to 10 years of information. The schedule below shows the changes in Net Pension Liability and related ratios required by GASB.

	Measurement Year Ending								
	12/31/2022	**12/31/2021**	**12/31/2020**	**12/31/2019**	**12/31/2018**	**12/31/2017**	**12/31/2016**	**12/31/2015**	**12/31/2014**
Total Pension Liability									
Service cost (beginning of year)	$ 47,414	$ 45,357	$ 44,953	$ 48,450	$ 44,600	$ 44,326	$ 39,425	$ 40,389	$ 30,985
Interest (includes interest on service cost)	107,670	100,894	86,525	81,166	74,975	70,454	69,505	66,307	61,070
Changes of benefits	-	-	-	-	7,839	-	-	-	-
Differences expected vs actual experience	(73,919)	-	81,874	-	15,884	-	(56,441)	(19,325)	53,000
Changes of assumptions	-	-	81,563	-	-	-	45,498	(15,688)	-
Transfers	-	-	-	-	-	-	-	-	-
Benefit payments	(19,364)	(19,131)	(24,053)	(24,053)	(34,241)	(23,766)	(25,493)	(38,116)	(41,690)
Net Change in Total Pension Liability	**61,801**	**127,120**	**270,862**	**105,563**	**109,057**	**91,014**	**72,494**	**33,567**	**103,365**
Total Pension Liability - Beginning	**2,012,993**	**1,885,873**	**1,615,011**	**1,509,448**	**1,400,391**	**1,309,377**	**1,236,883**	**1,203,316**	**1,099,951**
Total Pension Liability - Ending	**$ 2,074,794**	**$ 2,012,993**	**$ 1,885,873**	**$ 1,615,011**	**$ 1,509,448**	**$ 1,400,391**	**$ 1,309,377**	**$ 1,236,883**	**$ 1,203,316**
Plan Fiduciary Net Position									
Contributions - employer	$ 18,515	$ 16,446	$ 16,796	$ 14,198	$ 7,521	$ 10,413	$ 2,179	$ -	$ 598
Contributions - PMRS assessment	20	20	20	320	20	-	-	20	-
Contributions - employee	24,100	23,056	23,727	25,570	23,254	23,105	22,230	20,937	17,525
PMRS investment income	99,860	93,622	86,056	80,583	74,925	70,981	70,817	72,597	69,328
Market value investment income	(435,744)	139,950	182,358	223,521	(156,140)	155,603	21,493	(167,194)	7,274
Transfers	-	-	-	-	-	-	-	-	-
Benefit payments	(19,364)	(19,131)	(24,053)	(24,053)	(34,241)	(23,766)	(25,493)	(38,116)	(41,690)
PMRS administrative expense	(360)	(340)	(340)	(320)	(320)	(320)	(340)	(340)	(280)
Additional administrative expense	(5,276)	(5,303)	(3,749)	(2,785)	(3,344)	(3,264)	(3,469)	(3,026)	(2,659)
Net Change in Plan Fiduciary Net Position	**(318,249)**	**248,320**	**280,815**	**317,034**	**(88,325)**	**232,752**	**87,417**	**(115,122)**	**50,096**
Plan Fiduciary Net Position - Beginning	**2,273,713**	**2,025,393**	**1,744,578**	**1,427,544**	**1,515,869**	**1,283,117**	**1,195,700**	**1,310,822**	**1,260,726**
Plan Fiduciary Net Position - Ending	**$ 1,955,464**	**$ 2,273,713**	**$ 2,025,393**	**$ 1,744,578**	**$ 1,427,544**	**$ 1,515,869**	**$ 1,283,117**	**$ 1,195,700**	**$ 1,310,822**
Net Pension Liability (Asset) - Ending	**$ 119,330**	**$ (260,720)**	**$ (139,520)**	**$ (129,567)**	**$ 81,904**	**$ (115,478)**	**$ 26,260**	**$ 41,183**	**$ (107,506)**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (Asset)	94.25%	112.95%	107.40%	108.02%	94.57%	108.25%	97.99%	96.67%	108.93%
Covered Employee Payroll	$ 688,622	$ 658,737	$ 677,900	$ 730,624	$ 664,296	$ 660,216	$ 635,183	$ 598,226	$ 465,633
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	17.33%	-39.58%	-20.58%	-17.73%	12.33%	-17.49%	4.13%	6.88%	-23.09%

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GASB 68 MEASUREMENT DATE OF DECEMBER 31, 2022

An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice. The Actuarially Determined Contribution provided is based upon the Minimum Municipal Obligation as defined in ACT 205 which conforms to these standards.

Last 10 Measurement Years (if available)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 18,515	$ 16,446	$ 16,796	$ 14,498	$ 7,521	$ 8,235	$ 2,179	$ -	$ -
Contribution in Relation to the Actuarially Determined Contribution *	18,535	16,466	16,816	14,518	7,541	10,413	2,179	20	598
Contribution Deficiency/(Excess)	$ (20)	$ (20)	$ (20)	$ (20)	$ (20)	$ (2,178)	$ -	$ (20)	$ (598)
Covered Employee Payroll **	$ 688,622	$ 658,737	$ 677,900	$ 730,624	$ 664,296	$ 660,216	$ 635,183	$ 598,226	$ 465,633
Contributions as a Percentage of Covered Employee Payroll	2.69%	2.50%	2.48%	1.99%	1.14%	1.58%	0.34%	0.00%	0.13%

* Information provided by PMRS and not reconciled to determine the cause of any deviation from the Actuarially Determined Contribution (if applicable).

** Beginning in 2015, amount is actual payroll. In 2014, amount is expected payroll based on the most recent actuarial valuation. These amounts may not match the MMO payroll.

Notes to Schedules:

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions are reported. Therefore, the Actuarially Determined Contribution for calendar year 2022 is based upon the January 1, 2019 actuarial valuation.

A summary of the key assumptions and methods used to determine the 2021 contribution rates:

Actuarial Cost Method	Entry Age
Amortization Period	Level dollar based upon the amortization period in Act 205
Asset Valuation Method	Based upon the municipal reserves
Discount Rate	5.25%
Inflation	2.80%
Salary Increases	Age related scale with merit and inflation component
COLA increases	2.8%, for those eligible for a COLA
Pre-Retirement Mortality	Males: RP 2000 Non-Annuitant Male table projected 15 years with Scale AA Females: RP 2000 Non-Annuitant Female table projected 15 years with Scale AA, setback 5 years
Post-Retirement Mortality	Males: RP 2000 Annuitant Male table projected 5 years with Scale AA Females: RP 2000 Annuitant Female table projected 10 years with Scale AA

For a complete listing of all assumptions and methods, please refer to the PMRS January 1, 2019 actuarial valuation report.

Plan Changes: Please refer to Appendix A for current year plan changes and to the Plan's Act 205 filings and/or GASB 68 reports for prior year plan changes.

Assets, Liabilities and Funded Ratio:

In the following graph, the bars show the Plan's liability (referred to as TPL for GASB 68 purposes and Actuarial Accrued Liability for funding purposes). The blue and gold lines show the Actuarial Value of Assets and the Market Value of Assets, respectively. The Market Value of Assets is the Plan Fiduciary Net Position used for GASB 68 purposes. The Actuarial Value of Assets is the asset value used for calculating the Actuarially Determined Contribution (i.e., the Minimum Municipal Obligation) and is described in Appendix E. The Market Value of Assets is provided in Appendix D. The funded ratios related to both asset measures are shown adjacent to the respective lines in the following graph.

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULE OF ASSETS, LIABILITIES AND FUNDED RATIOS
GASB 68 MEASUREMENT DATE OF DECEMBER 31, 2022

Measurement Year Ending	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Total Pension Liability	$ 1,099,951	$ 1,203,316	$ 1,236,883	$ 1,309,377	$ 1,400,391	$ 1,509,448	$ 1,615,011	$ 1,885,873	$ 2,012,993	$ 2,074,794
2. Actuarial Value of Assets*	$ 1,279,209	$ 1,336,201	$ 1,293,959	$ 1,358,444	$ 1,438,874	$ 1,541,524	$ 1,638,010	$ 1,796,187	$ 1,882,380	$ 1,955,410
3. AVA Funded Ratio [2./1.]	116.3%	111.0%	104.6%	103.7%	102.7%	102.1%	101.4%	93.8%	93.5%	94.2%
4. Market Value of Assets *	$ 1,260,726	$ 1,310,822	$ 1,195,700	$ 1,283,117	$ 1,515,869	$ 1,427,544	$ 1,744,578	$ 2,025,393	$ 2,273,713	$ 1,955,464
5. MVA Funded Ratio [4.1/1.]	114.6%	108.9%	96.7%	98.0%	108.2%	94.6%	108.0%	107.4%	113.0%	94.2%

* Amounts may not match the Act 205 Forms due to unpaid MMOs. Actuarial Value of Assets are estimated amounts for odd year-end Measurement Dates.

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULES OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022
	Stormwater	**Sewer**	**Total**	Total
Operating Expenses				
Plant Expenses:				
Building maintenance	**$ -**	**$ 54,590**	**$ 54,590**	$ 225,136
Engineering fees	**101,696**	**9,177**	**110,873**	37,472
Laboratory expenses	**-**	**36,417**	**36,417**	45,410
Miscellaneous	**-**	**5,472**	**5,472**	5,236
Payroll taxes and benefits	**-**	**180,892**	**180,892**	116,315
Plant security	**-**	**8,426**	**8,426**	7,155
Plant supplies and repair expense	**-**	**6,672**	**6,672**	8,107
Plant wages	**-**	**406,545**	**406,545**	368,979
Sludge removal	**-**	**161,779**	**161,779**	200,600
Treatment chemicals	**-**	**53,813**	**53,813**	48,054
Uniforms	**-**	**5,697**	**5,697**	6,207
Utilities	**-**	**176,423**	**176,423**	133,553
Total Plant Expenses	**101,696**	**1,105,903**	**1,207,599**	1,202,224
Collection Expenses:				
Engineering fees	**-**	**73**	**73**	6,260
Payroll taxes and benefits	**-**	**49,433**	**49,433**	25,520
Road crew wages	**-**	**134,178**	**134,178**	138,769
Sewer supplies and repair expense	**-**	**23,312**	**23,312**	17,028
Vehicle expenses	**-**	**9,587**	**9,587**	14,963
Uniforms	**-**	**1,557**	**1,557**	1,795
Utilities	**-**	**11,304**	**11,304**	9,991
Total Collection Expenses	**-**	**229,444**	**229,444**	214,326
Total Operating Expenses	**$ 101,696**	**$ 1,335,347**	**$ 1,437,043**	$ 1,416,550

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022
	Stormwater	**Sewer**	**Total**	Total
General and Administrative Expenses				
Advertising	$ -	$ 2,892	$ 2,892	$ 3,455
Administrative service fees	-	200,000	200,000	200,000
Bank fees	-	8,294	8,294	5,075
Board expense	-	7,250	7,250	7,500
Collection expense	-	7,055	7,055	7,258
Computer expense and supplies	-	38,534	38,534	19,883
Consulting fees	-	-	-	25,396
Dues and conferences	-	22,702	22,702	16,525
Insurance	-	77,123	77,123	62,648
Miscellaneous	-	28,076	28,076	25,365
Office and management salaries	-	298,087	298,087	301,461
Office supplies and expense	-	27,582	27,582	15,231
Payroll processing fees	-	4,439	4,439	4,016
Payroll taxes and benefits	-	100,154	100,154	47,763
Postage	-	4,534	4,534	4,358
Professional fees	12,293	132,668	144,961	159,883
Rent	-	5,135	5,135	-
Telephone	-	13,424	13,424	6,965
Total General and Administrative Expenses	$ 12,293	$ 977,949	$ 990,242	$ 912,782