



1400 N. Providence Rd., Rosetree Building 2, Suite 2000E, Media, PA 19063
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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 Borough of Conshohocken Authority (the "Authority") as of and for the year ended December 31, 2024, 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 other matters, which while individually do not rise to a significant deficiency or material weakness, warrant the Board of Directors' attention:

- The Authority should consider maintaining the capital asset and depreciation schedules in a reliable accounting software system to ensure proper calculation and recording of depreciation expenses;
- The Authority should review the capital asset schedule to identify and write off fully depreciated capital assets that are no longer in use;
- The Authority should update the budget for stormwater revenues as this will assist in setting expectations and monitor performance moving forward.

To Members of the Board
Borough of Conshohocken Authority
Page 2

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 24, 2025



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

June 24, 2025

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 Borough of Conshohocken Authority (the "Authority") for the year ended December 31, 2024. 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 January 21, 2025. 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 compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, "Compensated Absences", in 2024. 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 methods, assumptions, and data 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 methods, assumptions, and data used to determine the net pension asset/liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the value of the stormwater system is based on an engineer's opinion of probable cost. We evaluated the methods, assumptions, and data used in determining that the value of the stormwater system 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 nature of operations in Note 1 to the financial statements, which discloses the Authority's Intergovernmental Cooperation Agreement with the Borough of Conshohocken and the capital contribution of the stormwater system to the Authority from the Borough.

The disclosure of custodial credit risk associated with the Authority's cash in Note 2 to the financial statements describes the risk associated with the cash held by the Authority as of December 31, 2024 and 2023.

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 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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 24, 2025.

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 – 2024, 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 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,

A handwritten signature in black ink that reads "Brinker Simpson & Company, LLC". The signature is written in a cursive, flowing style.

Brinker Simpson & Company, LLC

BOROUGH OF CONSHOHOCKEN AUTHORITY

**COMPONENT UNIT OF THE
BOROUGH OF CONSHOHOCKEN**

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
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DECEMBER 31, 2024 AND 2023**

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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, 2024 and 2023, 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, 2024 and 2023, 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 24, 2025

**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, 2024 and 2023. 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 \$54,448,712. 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 December 31, 2023.

The Authority accounts for its operations using two funds; stormwater and sewer.

Authority Activities and Highlights

At year-end 2024, total assets and deferred outflows of resources were \$87,520,627 and exceeded liabilities and deferred inflows of resources by \$78,229,284 (i.e. total net position). Total assets and deferred outflows of resources increased \$52,701,009, total net position increased \$53,398,761, and unrestricted net position increased \$1,125,017 from 2023.

Capital assets in 2024, net of additions of \$54,634,798 including capital contributions of \$54,521,683, net of depreciation, increased \$51,741,194 from 2023. This increase is attributed to the acquisition of the stormwater system. Depreciation expense for 2024 totaled \$2,149,860.

The Authority's operating revenues, which consist primarily of sewer rental and stormwater service income, increased by \$779,025 or 22.1% over the prior year. This was the result of an increase in rates and the addition of revenues generated from the stormwater services provided by the Authority. Effective March 1, 2024, the Authority began billing its customers quarterly, a fee on their respective properties for the impervious stormwater area. Total operating revenues were more than budgeted revenues by \$1,043,555 or 32.1%. The increase was attributed to the stormwater service revenue which the Authority did not budget for. Operating and general and administrative expenses increased by \$537,056 or 22% over the prior year.

The Authority has continued its efforts to collect outstanding sewer and stormwater 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.

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

There were dedications of infrastructure, including developer contributions of facilities in the amount of \$54,521,683 and \$36,261 for 2024 and 2023, respectively. This included \$54,448,712 which was contributed by the Borough. These contributions vary from year-to-year with fluctuations in completed developer projects.

Operating revenue (i.e., operating revenues in excess of operating expenses before depreciation) for 2024 was \$1,429,642 a 30.9% increase compared to \$1,092,056 in the prior year. This increase was mainly due to the addition of the stormwater services in the current year. Connection fees can fluctuate year to year, based on developer projects. Operating income before depreciation was 33.3% and 31% of total operating revenues for 2024 and 2023, respectively.

Change in net position (i.e. operating income plus non-operating revenues and less non-operating expense) for 2024 was \$53,398,761, compared to \$156,935 in 2023. The increase in net position for 2024 was 1242.3% of total operating revenues compared to 4.5% in 2023. The increase is mainly due to the capital contribution of the stormwater system.

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.

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

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 \$78,229,284, at the close of the most recent fiscal year.

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

The following table summarizes the financial position of the Authority as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Assets and Deferred Outflows of Resources		
Current assets	\$ 9,178,087	\$ 8,068,584
Cash, escrow funds - developers	88,906	132,619
Utility plant and equipment, net of accumulated depreciation	<u>77,963,688</u>	<u>26,222,494</u>
Total Assets	<u>87,230,681</u>	<u>34,423,697</u>
Deferred Outflows of Resources	<u>289,946</u>	<u>395,921</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 87,520,627</u></u>	<u><u>\$ 34,819,618</u></u>
Current and Other Liabilities		
Current liabilities	\$ 1,026,555	\$ 1,019,917
Escrow deposits, developers	88,906	132,619
Long-term debt	8,001,740	8,543,990
Net pension liability	<u>8,013</u>	<u>119,330</u>
Total Liabilities	<u>9,125,214</u>	<u>9,815,856</u>
Deferred Inflows of Resources	<u>166,129</u>	<u>173,239</u>
Net Position		
Invested in capital assets, net of related debt	69,419,698	17,145,954
Unrestricted	<u>8,809,586</u>	<u>7,684,569</u>
Total Net Position	<u>78,229,284</u>	<u>24,830,523</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 87,520,627</u></u>	<u><u>\$ 34,819,618</u></u>

The Authority's net assets presented in the table reflect an investment in capital assets net of related debt of \$69,419,698 as well as unrestricted net assets of \$8,809,586.

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.

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

The following table summarizes the Statements of Revenues, Expenses and Changes in Net Position of the Authority for the fiscal years 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Sewer rental income	\$ 3,495,419	\$ 3,147,580
Stormwater service	725,280	-
Connection fees	4,714	307,225
Miscellaneous fees and penalties	72,953	64,536
Total Operating Revenues	<u>4,298,366</u>	<u>3,519,341</u>
Operating and General and Administrative Expenses	<u>2,868,724</u>	<u>2,427,285</u>
Operating Income Before Depreciation and Nonoperating Revenues and Expense	<u>1,429,642</u>	<u>1,092,056</u>
Depreciation	(2,149,860)	(1,043,609)
Interest income	281,962	239,082
Rental income	7,000	-
Grant revenue	199,237	-
Grant expenses	(733,345)	-
Insurance claim income	468,515	121,729
Insurance claim expense	(468,515)	(121,729)
Interest expense	(157,558)	(166,855)
	<u>(2,552,564)</u>	<u>(971,382)</u>
Income (Loss) Before Capital Contributions	(1,122,922)	120,674
Capital contributions	<u>54,521,683</u>	<u>36,261</u>
Increase in Net Position	<u>\$ 53,398,761</u>	<u>\$ 156,935</u>

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
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Borough of Conshohocken Authority's investment in capital assets as of December 31, 2024 and 2023, net of accumulated depreciation, was as follows:

	<u>2024</u>	<u>2023</u>
Sewer plant	\$ 42,308,057	\$ 42,047,836
Stormwater system	54,448,712	-
Maintenance equipment	228,508	228,508
Laboratory equipment	16,796	16,796
Trucks	690,702	690,702
Office furniture and equipment	114,471	184,111
Land	286,779	229,144
Construction in progress	-	875,514
	<u>98,094,025</u>	<u>44,272,611</u>
Less: Accumulated depreciation	<u>(20,130,337)</u>	<u>(18,050,117)</u>
Capital Assets, Net	<u>\$ 77,963,688</u>	<u>\$ 26,222,494</u>

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

Debt Administration

As of December 31, 2024, the Authority had total debt outstanding of \$8,543,990. 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.

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

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 \$54,448,712. 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, 2024 AND 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2024			2023
	Stormwater	Sewer	Total	Total
Current Assets				
Cash	\$ 97,192	\$ 7,581,433	\$ 7,678,625	\$ 6,786,760
Accounts receivable	236,283	967,556	1,203,839	1,025,733
Grant receivable	-	25,457	25,457	-
Inventory	-	53,202	53,202	49,249
Prepaid expenses and other current assets	-	82,398	82,398	92,853
Due from stormwater fund	-	134,566	134,566	113,989
Total Current Assets	333,475	8,844,612	9,178,087	8,068,584
Restricted Assets				
Cash, escrow funds - developers	-	88,906	88,906	132,619
Utility plant and equipment, net of accumulated depreciation	53,359,738	24,603,950	77,963,688	26,222,494
Total Assets	53,693,213	33,537,468	87,230,681	34,423,697
Deferred Outflows of Resources				
Pension contributions, difference between expected and actual experience	-	289,946	289,946	395,921
Total Assets and Deferred Outflows of Resources	\$ 53,693,213	\$ 33,827,414	\$ 87,520,627	\$ 34,819,618

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Stormwater	Sewer	Total	Total
Current Liabilities				
Current maturities of Sewer Revenue Note, Series A of 2021	\$ -	\$ 322,700	\$ 322,700	\$ 316,970
Current maturities of Sewer Revenue Note, Series AA of 2021	-	219,550	219,550	215,580
Accounts payable and accrued expenses	90,862	144,098	234,960	152,945
Accounts payable, retainage	-	-	-	33,072
Due to sewer fund	134,566	-	134,566	113,989
Deferred insurance income	-	-	-	95,617
Payroll, payroll taxes and union dues payable	-	114,779	114,779	91,744
Total Current Liabilities	225,428	801,127	1,026,555	1,019,917
Restricted Liabilities				
Escrow deposits, developers	-	88,906	88,906	132,619
Net pension liability	-	8,013	8,013	119,330
Total Restricted Liabilities	-	96,919	96,919	251,949
Long-Term Liabilities				
Sewer Revenue Note, Series A of 2021, net of current maturities	-	4,267,220	4,267,220	4,589,920
Sewer Revenue Note, Series AA of 2021, net of current maturities	-	3,734,520	3,734,520	3,954,070
Total Long-Term Liabilities	-	8,001,740	8,001,740	8,543,990
Total Liabilities	225,428	8,899,786	9,125,214	9,815,856
Deferred Inflows of Resources				
Pension contributions, differences between projected and actual earnings on plan investments	-	166,129	166,129	173,239
Net position				
Invested in capital assets, net of related debt	53,359,738	16,059,960	69,419,698	17,145,954
Unrestricted	108,047	8,701,539	8,809,586	7,684,569
Total Net Position	53,467,785	24,761,499	78,229,284	24,830,523
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 53,693,213	\$ 33,827,414	\$ 87,520,627	\$ 34,819,618

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, 2024 AND 2023

	2024			2023
	Stormwater	Sewer	Total	Total
Operating Revenues				
Sewer rentals	\$ -	\$ 3,495,419	\$ 3,495,419	\$ 3,147,580
Stormwater service	725,280	-	725,280	-
Connection fees	-	4,714	4,714	307,225
Miscellaneous fees and penalties	-	72,953	72,953	64,536
Total Operating Revenues	725,280	3,573,086	4,298,366	3,519,341
Operating expenses	458,169	1,343,709	1,801,878	1,437,043
General and administrative expenses	47,651	1,019,195	1,066,846	990,242
Total Expenses	505,820	2,362,904	2,868,724	2,427,285
Operating Income Before Depreciation	219,460	1,210,182	1,429,642	1,092,056
Depreciation	1,088,974	1,060,886	2,149,860	1,043,609
Operating Income (Loss)	(869,514)	149,296	(720,218)	48,447
Nonoperating Revenues (Expense)				
Interest income	2,576	279,386	281,962	239,082
Rental income	-	7,000	7,000	-
Grant revenue	-	199,237	199,237	-
Grant expenses	-	(733,345)	(733,345)	-
Insurance claim income	-	468,515	468,515	121,729
Insurance claim expense	-	(468,515)	(468,515)	(121,729)
Interest expense	-	(157,558)	(157,558)	(166,855)
Net Nonoperating Revenue (Expense)	2,576	(405,280)	(402,704)	72,227
Income (Loss) Before Capital Contributions	(866,938)	(255,984)	(1,122,922)	120,674
Capital contributions	54,448,712	72,971	54,521,683	36,261
Change in Net Position	53,581,774	(183,013)	53,398,761	156,935
Net Position, Beginning	(113,989)	24,944,512	24,830,523	24,673,588
Net Position, Ending	\$ 53,467,785	\$ 24,761,499	\$ 78,229,284	\$ 24,830,523

See accompanying notes.

BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023
	Stormwater	Sewer	Total	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 488,997	\$ 3,631,263	\$ 4,120,260	\$ 3,483,874
Cash payments to suppliers for materials and services	(394,381)	(1,401,673)	(1,796,054)	(1,221,900)
Cash payments to employees	-	(1,126,992)	(1,126,992)	(1,000,513)
Net Cash Provided by Operating Activities	94,616	1,102,598	1,197,214	1,261,461
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	-	(102,716)	(102,716)	(468,018)
Purchase of inventory	-	(3,953)	(3,953)	(49,249)
Principal payments on Sewer Revenue Note, Series A of 2021	-	(316,970)	(316,970)	(311,380)
Principal payments on Sewer Revenue Note, Series AA of 2021	-	(215,580)	(215,580)	(211,530)
Rental income	-	7,000	7,000	-
Grant revenue received	-	199,237	199,237	-
Interest paid	-	(154,329)	(154,329)	(166,855)
Net Cash Used in and Related Financing Activities	-	(587,311)	(587,311)	(1,207,032)
Cash Flows From Investing Activities				
Interest received	2,576	279,386	281,962	239,082
Net Cash Provided by Investing Activities	2,576	279,386	281,962	239,082
Net Change in Cash	97,192	794,673	891,865	293,511
Cash, Beginning	-	6,786,760	6,786,760	6,493,249
Cash, Ending	\$ 97,192	\$ 7,581,433	\$ 7,678,625	\$ 6,786,760
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (869,514)	\$ 149,296	\$ (720,218)	\$ 48,447
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,088,974	1,060,886	2,149,860	1,043,609
Change in:				
Accounts receivable	(236,283)	58,177	(178,106)	(35,467)
Grant receivable	-	(25,457)	(25,457)	534,108
Prepaid expenses and other current assets	-	10,455	10,455	56,687
Due from stormwater fund	-	(20,577)	(20,577)	(113,989)
Net pension asset	-	-	-	260,720
Deferred outflows of resources	-	105,975	105,975	(254,891)
Accounts payable and accrued expenses	90,862	(12,076)	78,786	(548,689)
Accounts payable, retainage	-	(33,072)	(33,072)	4,714
Due to sewer fund	20,577	-	20,577	113,989
Deferred insurance income	-	(95,617)	(95,617)	95,617
Payroll, payroll taxes and union dues payable	-	23,035	23,035	1,706
Net pension liability	-	(111,317)	(111,317)	119,330
Deferred inflows of resources	-	(7,110)	(7,110)	(64,430)
Net Cash Provided by Operating Activities	\$ 94,616	\$ 1,102,598	\$ 1,197,214	\$ 1,261,461
Supplemental Disclosure of NonCash Capital and Related Financing Activities				
Assets acquired through capital contributions	\$ 54,448,712	\$ 72,971	\$ 54,521,683	\$ 36,261

See accompanying notes.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**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.

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 \$54,448,712. 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 transfer. The Authority segregated these expenditures and established a Stormwater Fund as of December 31, 2023.

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.

The Authority accounts for its operations using two funds; stormwater and sewer.

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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

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.

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 2024 and 2023 totaled \$2,149,860 and \$1,043,609, 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
Stormwater system	50
Maintenance equipment	5 - 7
Laboratory equipment	7
Trucks	5 - 10
Office furniture and equipment	7 - 10

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

The minimum capitalization threshold is an individual item with a cost in excess of \$10,000 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. 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.

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, 2024 and 2023 were \$54,521,683 (comprised of \$54,448,712 attributed to stormwater services and \$72,971 from sewer rentals) and \$36,261 from sewer rentals, respectively. There were no capital contributions from stormwater services for the year ended December 31, 2023. Contributed capital is recorded as income in the year of dedication to the Authority.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

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 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.

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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

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. 101, "Compensated Absences." The statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This statement is required to be adopted by the Authority for the year ending December 31, 2024. There was no material impact on the Authority's results of operations or cash flows as a result of implementing GASB No. 101.

NOTE 2: CASH

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, 2024 and 2023, \$7,609,855 and \$6,762,240, 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:

	<u>2024</u>	<u>2023</u>
Uninsured and collateral held by the pledging bank's trust department, but not in the Authority's name	\$ 7,609,855	\$ 6,762,240
Plus: Insured amounts	250,000	250,000
Carrying amounts - bank balances	<u>7,859,855</u>	<u>7,012,240</u>
Plus: Deposits in transit	12,238	4,595
Less: Outstanding checks	<u>(104,562)</u>	<u>(97,456)</u>
Total Cash Per Financial Statements	<u><u>\$ 7,767,531</u></u>	<u><u>\$ 6,919,379</u></u>

Cash is comprised of:

	<u>2024</u>	<u>2023</u>
Operating accounts - unrestricted	\$ 7,678,625	\$ 6,786,760
Restricted accounts - developer escrow accounts	88,906	132,619
	<u><u>\$ 7,767,531</u></u>	<u><u>\$ 6,919,379</u></u>

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 3: ESCROWS

At December 31, 2024 and 2023, escrows include \$88,906 and \$132,619, 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, 2024 and 2023, the Authority owed consultants \$6,823 and \$10,658, respectively, related to the escrow balances.

NOTE 4: UTILITY PLANT AND EQUIPMENT

	2024				
	Balance at January 1, 2024	Additions	Disposals	Transfers	Balance at December 31, 2024
Nondepreciable property					
Land	\$ 229,144	\$ 57,635	\$ -	\$ -	\$ 286,779
Construction in progress	875,514	14,114	(757,858)	(131,770)	-
Total Nondepreciable Property	1,104,658	71,749	(757,858)	(131,770)	286,779
Depreciable property					
Sewer plant and improvements	42,047,836	128,451	-	131,770	42,308,057
Stormwater system	-	54,448,712	-	-	54,448,712
Maintenance equipment	228,508	-	-	-	228,508
Laboratory equipment	16,796	-	-	-	16,796
Trucks	690,702	-	-	-	690,702
Office furniture and equipment	184,111	-	(69,640)	-	114,471
Total Depreciable Property	43,167,953	54,577,163	(69,640)	131,770	97,807,246
Less: Accumulated depreciation	(18,050,117)	(2,149,860)	69,640	-	(20,130,337)
Total Depreciable Property, Net	25,117,836	52,427,303	-	131,770	77,676,909
Total Utility Plant and Equipment	\$ 26,222,494	\$ 52,499,052	\$ (757,858)	\$ -	\$ 77,963,688

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 4: UTILITY PLANT AND EQUIPMENT (continued)

	2023				Balance at December 31, 2023
	Balance at January 1, 2023	Additions	Disposals	Transfers	
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	41,878,158	138,839		30,839	42,047,836
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	42,912,409	224,705		30,839	43,167,953
Less: Accumulated depreciation	(17,006,508)	(1,043,609)		-	(18,050,117)
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

The Authority had 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. There are no ongoing projects as of December 31, 2024.

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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 5: SEWER REVENUE NOTES (continued)

The maximum annual requirements to amortize principal and interest are:

<u>Maturity Date</u> <u>Year</u>	<u>Minimum</u> <u>Interest Rate</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
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	1.79%	346,430	58,428	404,858
2030- 2034	1.79%	1,827,190	196,880	2,024,070
2035-2037	1.79%	1,090,510	37,750	1,128,260
		<u>4,589,920</u>	<u>\$ 586,624</u>	<u>\$ 5,176,544</u>
Less: Current Maturities		(322,700)		
Total Long-Term Debt		<u>\$ 4,267,220</u>		

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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 5: SEWER REVENUE NOTES (continued)

The maximum annual requirements to amortize principal and interest are:

<u>Maturity Date Year</u>	<u>Minimum Interest Rate</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	1.75%	235,820	53,431	289,251
2030-2034	1.75% & 2.25%	1,213,740	229,837	1,443,577
2035-2039	2.25%	1,322,270	122,215	1,444,485
2040	2.25%	281,370	6,331	287,701
		<u>3,954,070</u>	<u>\$ 665,276</u>	<u>\$ 4,619,346</u>
Less: Current Maturities		(219,550)		
Net Long-Term Debt		<u>\$ 3,734,520</u>		

Interest expense was \$157,558 and \$166,855 for the years ended December 31, 2024 and 2023, respectively.

Changes in Sewer Revenue Notes for the years end December 31, 2024 and 2023 are:

2024				
	<u>Balance at January 1, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2024</u>
Series A of 2021	\$ 4,906,890	\$ -	\$ (316,970)	\$ 4,589,920
Series AA of 2021	4,169,650	-	(215,580)	3,954,070
	<u>\$ 9,076,540</u>	<u>\$ -</u>	<u>\$ (532,550)</u>	<u>\$ 8,543,990</u>
2023				
	<u>Balance at January 1, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at December 31, 2023</u>
Series A of 2021	\$ 5,218,270	\$ -	\$ (311,380)	\$ 4,906,890
Series AA of 2021	4,381,180	-	(211,530)	4,169,650
	<u>\$ 9,599,450</u>	<u>\$ -</u>	<u>\$ (522,910)</u>	<u>\$ 9,076,540</u>

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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.pmr.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	\$771,294
Benefit vesting	100% after ten years
Normal retirement date	After 65 th 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	<u><u>17</u></u>

**BOROUGH OF CONSHOHOCKEN AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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 2024 and \$18,515 in 2023.

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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 6: PENSION PLAN (continued)

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	2.20%
Salary Increases	Age-related scale
Investment rate of return	5.25%
Mortality rates	RP-2006 Mortality Table

Long Term Expected Rate of Return on Investments

The PMRS System's long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of returns (net of investment expenses) are developed for each asset class. These returns are combined to produce the System's Long-Term Expected Real Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.5%). Best estimates of geometric real rates of return each utilized asset class are included in the pension plan's target asset allocation as of December 31, 2023 and summarized in the table below:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities Large Cap	24.5%	4.89%
Domestic Equities Small Cap	8.0%	5.80%
International Equities Developed Markets	14.5%	5.18%
International Equities Emerging Markets	3.0%	5.89%
Global Equities	5.0%	4.11%
Real estate	10.0%	3.88%
Timber	5.0%	3.25%
Core	24.0%	2.51%
Fixed Income	5.0%	4.45%
Cash	1.0%	0.89%
Total Net Blended Return		4.81%

**BOROUGH OF CONSHOHOCKEN AUTHORITY
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NOTE 6: PENSION PLAN (continued)

Discount Rate

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Nominal Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate (Regular Interest Rate / Discount Rate). The PMRS Board establishes the Regular Interest Rate / Discount Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in reviewing the Regular Interest Rate / Discount Rate:

1. Retiree Plan liability as a percentage of total Plan liability,
2. Active Plan participant liability as a percentage of total Plan liability,
3. Smoothed annuity purchase rates (Pension Benefit Guarantee Corporation (PBGC) annuity rates have been used as a proxy for this),
4. PMRS System Long-Term Expected Nominal Rate of Return, and
5. PMRS investment expenses

A formula using these factors is as follows:

Regular Interest Rate / Discount Rate = (Retiree Liability Percentage x Smoothed PBGC Annuity Rates) + (Active Employee Liability Percentage x System Long-Term Expected Rate of Return) - (Investment Expenses as a percentage of assets)

The Board then considers the Regular Interest Rate / Discount Rate derived from the above formula against a variety of qualitative factors such as the desire to minimize Regular Interest Rate / Discount Rate volatility, probability of achieving the Regular Interest Rate, varying levels of asset allocation and liquidity, trending of annuity rates, total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate / Discount Rate adopted by the Board and used to measure the individual participating municipalities' total pension liability was 5.25% as of December 31, 2023.

The Regular Interest Rate / Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate / Discount Rate, the Board is authorized to allocate any applicable portion of any such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate / Discount Rate was required ("depletion testing"), used the following assumptions: 1.) member contributions will be made at the current contribution rate, 2.) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3.) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
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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, 2022	\$ 2,074,794	\$ 1,955,464	\$ 119,330
Changes for the year:			
Service cost	53,343	-	53,343
Interest	111,225	-	111,225
Differences between expected and actual experience	-	-	-
Contributions - employer	-	38,065	(38,065)
Contributions - PMRS assessment	-	320	(320)
Contributions - employee	-	26,995	(26,995)
PMRS investment income	-	103,434	(103,434)
Market value investment income *	-	113,184	(113,184)
Benefit payments	(19,364)	(19,364)	-
PMRS administrative expense	-	(320)	320
Additional administrative expense	-	(5,793)	5,793
Net changes	145,204	256,521	(111,317)
Balances at December 31, 2023	\$ 2,219,998	\$ 2,211,985	\$ 8,013

*Reflects the net investment income (loss) of \$111,897 and the income (loss) due to the difference between expected and actual asset values of \$1,287, 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."

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
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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	\$ 2,540,318	\$ 2,219,998	\$ 1,951,072
Plan Fiduciary Net Position	2,211,985	2,211,985	2,211,985
Net Pension Liability (Asset)	\$ 328,333	\$ 8,013	\$ (260,913)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	87.08%	99.64%	113.37%

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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
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NOTE 6: PENSION PLAN (continued)

Schedule of Deferred Inflows and Outflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 39,917	\$ 42,239
Changes in assumptions	36,248	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	174,297	123,890
Contributions subsequent to the measurement date	39,484	-
Total	<u>\$ 289,946</u>	<u>\$ 166,129</u>

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

<u>Year Ending December 31:</u>	<u>Amount</u>
2024	\$ 39,483
2025	45,887
2026	45,885
2027	(15,036)
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.

BOROUGH OF CONSHOHOCKEN AUTHORITY
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NOTE 6: PENSION PLAN (continued)

Calculation of Pension Expense

	Measurement Date as of	
	12/31/2023	12/31/2022
Change in Net Pension Liability	\$ (111,317)	\$ 380,050
Change in Deferred Outflows	88,454	(120,555)
Change in Deferred Inflows	(10,560)	(228,633)
Employer Contributions	38,385	18,535
Pension Expense	\$ 4,962	\$ 49,397
Pension Expense as % of Payroll	0.64%	7.17%
Operating Expenses		
Service Cost	\$ 53,343	\$ 47,414
Employee Contributions	(26,995)	(24,100)
PMRS Administrative Expense	320	360
Additional Administrative Expense	5,793	5,276
Total	32,461	28,950
Financing Expenses		
Interest Cost	111,225	107,670
Expected Return on Assets	(103,434)	(99,860)
Total	7,791	7,810
Changes		
Recognition of Assumption Changes	9,063	13,600
Recognition of Liability Gains and Losses	302	(10,174)
Recognition of Investment Gains and Losses	(44,655)	9,211
Total	(35,290)	12,637
Pension Expense	\$ 4,962	\$ 49,397

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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 2024 and 2023, revenues from Plymouth Township were \$365,775 and \$394,248, respectively. Payments for capital improvements for the years ended December 31, 2024 and 2023 totaled \$16,502 and \$36,597. At December 31, 2024 and 2023, accounts receivable due from Plymouth Township were \$90,821 and \$70,663, 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, 2024, 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:

<u>Year Ending December 31,</u>	
2025	\$ 200,000
2026	200,000
2027	200,000
2028	200,000
2029	200,000
Thereafter	400,000
	<u>\$ 1,400,000</u>

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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. 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 2024, the Authority pays 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:

<u>Year Ending December 31,</u>	
2025	\$ 5,135
2026	5,135
2027	5,135
	<u>\$ 15,405</u>

NOTE 10: COLLECTIVE BARGAINING AGREEMENT

The Authority's collective bargaining agreement with its union employees expires on December 31, 2029.

NOTE 11: RISKS AND UNCERTAINTIES

On March 11, 2023, the Authority experienced a utility water line failure at its plant. The Authority incurred expenses of \$372,898 and \$121,729 for the years ended December 31, 2024 and 2023, which have been reimbursed by the Authority's insurance company.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 24, 2025, the date on which the financial statements were available to be issued.

**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, 2024**

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Sewer rentals	\$ 2,873,496	\$ 3,129,644	\$ 256,148
Stormwater service	-	725,280	725,280
Connection fees	-	4,714	4,714
Penalties	20,000	35,322	15,322
Certifications	11,900	8,750	(3,150)
NSF fees	140	80	(60)
MIPP fees	5,775	5,408	(367)
Miscellaneous fees and permits	3,500	8,820	5,320
Lien fees	-	3,836	3,836
Legal fees	-	10,737	10,737
Contract revenues - Plymouth Township	340,000	365,775	25,775
Total Sewer Operating Revenues	\$ 3,254,811	\$ 4,298,366	\$ 1,043,555
Sewer Operating Expenses			
Plant Expenses:			
Wages	\$ 441,000	\$ 394,302	\$ 46,698
Payroll taxes	33,075	30,160	2,915
Worker's compensation insurance	13,400	17,960	(4,560)
Pension	19,192	13,844	5,348
Medical and dental benefits	78,000	63,328	14,672
HRA medical copay	19,800	18,898	902
Life insurance	4,900	4,713	187
Utilities - gas and electric	140,000	200,937	(60,937)
Utilities - water	6,500	11,360	(4,860)
Plant security	2,000	1,162	838
Vehicle maintenance	1,500	4,585	(3,085)
Repairs/maintenance - building	35,000	2,821	32,179
Repairs/maintenance - plant	200,000	122,620	77,380
Employee drug testing	500	515	(15)
Engineering fees	10,000	7,618	2,382
Engineering - wasteload management	4,000	950	3,050
Uniforms/safety supplies	7,000	8,413	(1,413)
Inside lab costs	5,000	7,886	(2,886)
Outside lab costs	35,000	43,428	(8,428)
Sludge removal	375,000	133,012	241,988
Sodium hypochlorite	35,000	25,803	9,197
Sodium bisulfite	17,000	16,285	715
Lime	500	1,013	(513)
Polymer	17,000	7,466	9,534
DEP permit fee	3,500	4,757	(1,257)
Plant mats, deodorizers, gloves	1,000	-	1,000
Total Sewer Plant Expenses	\$ 1,504,867	\$ 1,143,836	\$ 361,031

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, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Sewer Collection Expenses:			
Wages - road crew	\$ 162,000	\$ 110,003	\$ 51,997
Payroll taxes	12,150	8,429	3,721
Medical and dental benefits	17,000	15,349	1,651
Worker's compensation insurance	4,700	4,514	186
Pension	7,677	6,241	1,436
HRA medical copay	3,300	1,394	1,906
Life insurance	2,000	1,904	96
Maintenance - sewer	45,000	25,165	19,835
Pump station - utilities	8,500	10,917	(2,417)
Vehicle expenses	6,000	5,065	935
Jet truck expenses	2,000	1,427	573
Camera and vacuum trailer	4,000	6,842	(2,842)
Uniforms - road crew	2,000	1,908	92
Engineering fees - collection system	5,000	657	4,343
Miscellaneous operating expenses - collection system	-	58	(58)
Total Sewer Collection Expenses	\$ 281,327	\$ 199,873	\$ 81,454
Sewer Administrative Expenses:			
Wages	\$ 296,000	\$ 325,446	\$ (29,446)
Payroll taxes	22,200	25,349	(3,149)
Medical and dental benefits	32,000	28,794	3,206
Workers compensation insurance	400	343	57
Pension	11,515	6,947	4,568
HRA medical copay	9,100	23,131	(14,031)
Life insurance	3,000	2,908	92
Insurance	70,069	110,286	(40,217)
Rent	5,200	5,135	65
Legal	75,000	43,818	31,182
Legal - plant	3,000	2,696	304
Legal - collections and liens	20,000	12,947	7,053
Auditing and accounting	58,500	51,953	6,547
Engineering fees	10,000	9,405	595
Administrative service fee	200,000	200,000	-
Board expense payment	7,500	7,000	500
Consulting fees	15,000	-	15,000
Dues, subscriptions and conferences	23,000	20,876	2,124
Office supplies and expense	25,000	19,743	5,257
Computer expense	30,000	33,912	(3,912)
Telephone	12,000	14,071	(2,071)
Advertising	5,000	2,892	2,108
Postage - billing and general	8,000	4,505	3,495
Billing services	10,500	27,732	(17,232)
Collection expense	8,500	6,884	1,616
Upper Merion sewer rental contract	7,800	7,774	26
Miscellaneous	170	475	(305)
Bank fees	15,500	17,159	(1,659)
Donations	5,000	2,000	3,000
Payroll processing fees	4,500	5,014	(514)
Total Sewer Administrative Expenses	\$ 993,454	\$ 1,019,195	\$ (25,741)

**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, 2024**

	Budget	Actual	Variance Favorable (Unfavorable)
Stormwater Operating Expenses			
Stormwater Plant Expenses:			
Wages	\$ 217,000	\$ -	\$ 217,000
Vehicles and equipment	90,000	-	90,000
Vehicle maintenance	1,000	-	1,000
Fuel expenses	2,400	-	2,400
Plant supplies	2,200	-	2,200
Operating costs	-	458,169	(458,169)
Legal services	20,000	-	20,000
Program engineering costs	50,000	-	50,000
Total Stormwater Plant Expenses	\$ 382,600	\$ 458,169	\$ (75,569)
Stormwater Administrative Expenses:			
Legal	\$ 5,000	\$ 12,933	\$ (7,933)
Auditing and accounting	6,000	-	6,000
Administrative service fee	36,000	-	36,000
Survey expense	5,000	-	5,000
Cleaning and inspections	41,000	-	41,000
Vehicle and equipment	25,000	-	25,000
Repairs and reconstruction	100,000	-	100,000
Project engineering costs	15,000	34,718	(19,718)
Project management costs	75,000	-	75,000
Contingency fund	35,000	-	35,000
Miscellaneous	1,500	-	1,500
Total Stormwater Administrative Expenses	\$ 344,500	\$ 47,651	\$ 296,849
Total Operating and General and Administrative Expenses	3,506,748	2,868,724	638,024
Operating Income Before Depreciation	(251,937)	1,429,642	1,588,360
Depreciation- Sewer	-	1,060,886	(1,060,886)
Depreciation- Stormwater	-	1,088,974	(1,088,974)
Operating Income	(251,937)	(720,218)	3,738,220
Nonoperating Revenue (Expense)			
Interest income	200,000	281,962	81,962
Rental income	-	7,000	7,000
Grant revenue	-	199,237	199,237
Grant expense	-	(733,345)	(733,345)
Insurance claim income	-	468,515	372,898
Insurance claim expense	-	(468,515)	(372,898)
Interest expense	(693,352)	(157,558)	535,794
Net Nonoperating Revenue (Expense)	(493,352)	(402,704)	90,648
Loss Before Capital Contributions	(745,289)	(1,122,922)	3,828,868
Capital contributions- Sewer	-	72,971	72,971
Capital contributions- Stormwater	-	54,448,712	54,448,712
Increase (Decrease) in Net Position	\$ (745,289)	\$ 53,398,761	\$ 58,350,551

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, 2023

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.

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	Measurement Year Ending		12/31/2016	12/31/2015	12/31/2014
Total Pension Liability										
Service cost (beginning of year)	\$ 53,343	\$ 47,414	\$ 45,357	\$ 44,953	\$ 48,450	\$ 44,600	\$ 44,326	\$ 39,425	\$ 40,389	\$ 30,985
Interest (includes interest on service cost)	111,225	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	(15,888)	-
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(19,364)	(19,364)	(19,131)	(24,053)	(24,053)	(34,241)	(23,766)	(25,493)	(38,116)	(41,690)
Net Change in Total Pension Liability	145,204	61,801	127,120	270,862	105,563	109,057	91,014	72,494	33,567	103,365
Total Pension Liability - Beginning	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	1,099,951
Total Pension Liability - Ending	\$ 2,219,998	\$ 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	\$ 38,065	\$ 18,515	\$ 16,446	\$ 16,796	\$ 14,198	\$ 7,521	\$ 10,413	\$ 2,179	\$ -	\$ 598
Contributions - PMRS assessment	320	20	20	20	320	20	-	-	20	-
Contributions - employee	26,995	24,100	23,056	23,727	25,570	23,254	23,105	22,230	20,937	17,525
PMRS investment income	103,434	99,860	93,622	86,056	80,583	74,925	70,981	70,817	72,597	69,328
Market value investment income	113,184	(435,744)	139,950	182,358	223,521	(156,140)	155,603	21,493	(167,194)	7,274
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(19,364)	(19,364)	(19,131)	(24,053)	(24,053)	(34,241)	(23,766)	(25,493)	(38,116)	(41,690)
PMRS administrative expense	(320)	(360)	(340)	(340)	(320)	(320)	(320)	(340)	(340)	(280)
Additional administrative expense	(5,793)	(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	256,521	(318,249)	248,320	280,815	317,034	(88,325)	232,752	87,417	(115,122)	50,096
Plan Fiduciary Net Position - Beginning	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	1,260,726
Plan Fiduciary Net Position - Ending	\$ 2,211,985	\$ 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	\$ 8,013	\$ 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)										
Covered Employee Payroll	\$ 771,294	\$ 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	1.04%	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, 2023

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 38,385	\$ 18,515	\$ 16,446	\$ 16,796	\$ 14,498	\$ 7,521	\$ 8,235	\$ 2,179	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution *	38,385	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 **	\$ 771,294	\$ 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	4.98%	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 were reported. Therefore, the Actuarially Determined Contribution for calendar year 2023 is based on the January 1, 2021 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	2.20%
Salary Increases	Age related scale with merit and inflation component. For 2021 and 2022, merit based increases are assumed to be 0%.
COLA increases	2.2%, for those eligible for a COLA
Pre-Retirement Mortality	Males: PUB-2010 General Employees male table
	Females: PUB-2010 General Employees female table
Post-Retirement Mortality	Males: RP 2006 Annuitant Male table
	Females: RP 2006 Annuitant Female table
Mortality Improvement:	Base mortality described above projected from the applicable table's base year to 2023 using Mortality Improvement Scale MP-2018

For a complete listing of all assumptions and methods, please refer to the PMRS January 1, 2021 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, 2023

Measurement Year Ending	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1. Total Pension Liability	\$ 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	\$ 2,219,998
2. Actuarial Value of Assets*	\$ 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	\$ 2,104,222
3. AVA Funded Ratio [2./1.]	111.0%	104.6%	103.7%	102.7%	102.1%	101.4%	93.8%	93.5%	94.2%	94.8%
4. Market Value of Assets *	\$ 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	\$ 2,211,985
5. MVA Funded Ratio [4./1.]	108.9%	96.7%	98.0%	108.2%	94.6%	108.0%	107.4%	113.0%	94.2%	99.6%

* 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, 2024 AND 2023**

	<u>2024</u>			<u>2023</u>
	<u>Stormwater</u>	<u>Sewer</u>	<u>Total</u>	<u>Total</u>
Operating Expenses				
Plant Expenses:				
Building maintenance	\$ -	\$ 125,441	\$ 125,441	\$ 54,590
Engineering fees	-	8,568	8,568	110,873
Laboratory expenses	-	51,314	51,314	36,417
Miscellaneous	-	5,272	5,272	5,472
Operating costs	458,169	-	458,169	-
Payroll taxes and benefits	-	148,903	148,903	180,892
Plant security	-	1,162	1,162	8,426
Plant supplies and repair expense	-	4,585	4,585	6,672
Plant wages	-	394,302	394,302	406,545
Sludge removal	-	133,012	133,012	161,779
Treatment chemicals	-	50,567	50,567	53,813
Uniforms	-	8,413	8,413	5,697
Utilities	-	212,297	212,297	176,423
Total Plant Expenses	<u>458,169</u>	<u>1,143,836</u>	<u>1,602,005</u>	<u>1,207,599</u>
Collection Expenses:				
Engineering fees	-	657	657	73
Miscellaneous	-	58	58	-
Payroll taxes and benefits	-	37,831	37,831	49,434
Road crew wages	-	110,003	110,003	134,178
Sewer supplies and repair expense	-	25,165	25,165	23,312
Vehicle expenses	-	13,334	13,334	9,586
Uniforms	-	1,908	1,908	1,557
Utilities	-	10,917	10,917	11,304
Total Collection Expenses	<u>-</u>	<u>199,873</u>	<u>199,873</u>	<u>229,444</u>
Total Operating Expenses	<u>\$ 458,169</u>	<u>\$ 1,343,709</u>	<u>\$ 1,801,878</u>	<u>\$ 1,437,043</u>

BOROUGH OF CONSHOHOCKEN AUTHORITY
 COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN
 SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
 YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023
	Stormwater	Sewer	Total	Total
General and Administrative Expenses				
Advertising	\$ -	\$ 2,892	\$ 2,892	\$ 2,892
Administrative service fees	-	200,000	200,000	200,000
Bank fees	-	17,159	17,159	8,294
Board expense	-	7,000	7,000	7,250
Collection expense	-	6,884	6,884	7,055
Computer expense and supplies	-	33,912	33,912	38,534
Dues and conferences	-	20,876	20,876	22,702
Insurance	-	110,286	110,286	77,123
Miscellaneous	-	37,981	37,981	28,076
Office and management salaries	-	325,446	325,446	298,087
Office supplies and expense	-	19,743	19,743	27,582
Payroll processing fees	-	5,014	5,014	4,439
Payroll taxes and benefits	-	87,472	87,472	100,154
Postage	-	4,505	4,505	4,534
Professional fees	47,651	120,819	168,470	144,961
Rent	-	5,135	5,135	5,135
Telephone	-	14,071	14,071	13,424
Total General and Administrative Expenses	\$ 47,651	\$ 1,019,195	\$ 1,066,846	\$ 990,242