

Independent Auditor's Report on Summary Financial Statements

**Board of Directors
Borough of Conshohocken Authority**

Opinion

The summary financial statements of the Borough of Conshohocken (Authority), a component unit of the Borough of Conshohocken as of and for the year ended December 31, 2025, are derived from the audited Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and Debt Statement – regulatory basis included in the 2025 Annual Report of Municipal Authorities and Nonprofits (Schedules) of the Authority. We expressed an unmodified audit opinion on the regulatory basis of accounting on those audited Schedules in our report dated June 26, 2026.

In our opinion, the accompanying summary financial statements of the Authority as of and for the year ended December 31, 2025 referred to above are consistent, in all material respects, with the audited Schedules from which they have been derived, on the accounting practices and procedures prescribed or permitted by the Pennsylvania Department of Community and Economic Development (regulatory basis).

Summary Financial Statements

The summary financial statements do not contain all the disclosures and schedules required by the regulatory basis. Reading the summary financial statements and the auditor's report hereon, therefore, is not a substitute for reading the audited Schedules and the auditor's report thereon. The summary financial statements and the audited Schedules do not reflect the effects of events that occurred subsequent to the date of our report on the audited Schedules.

Responsibility of Management for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the regulatory basis of accounting as described above.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited Schedules based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited Schedules from which the summary financial statements have been derived and evaluating whether the summary financial statements are prepared in accordance with the regulatory basis of accounting. We did not perform any audit procedures regarding the audited Schedules after the date of our report on those Schedules.

Maher Duessel

Pittsburgh, Pennsylvania
June 26, 2026

LEGAL ADVERTISEMENT

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

SUMMARY FINANCIAL INFORMATION
DERIVED FROM THE 2025 ANNUAL REPORT OF MUNICIPAL AUTHORITIES AND NON-PROFITS (DCED-CLGS-04)

Published in accordance with Section 8 of the Pennsylvania Municipality Authorities Act of 1945, as amended.

SUMMARY STATEMENT OF NET POSITION		SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	
DECEMBER 31, 2025		YEAR ENDED DECEMBER 31, 2025	
Current Assets	\$ 10,780,534	Operating Revenues	\$ 5,028,980
Non-Current Assets	<u>76,135,420</u>	Operating Expenses	<u>5,430,123</u>
Total Assets	<u>86,915,954</u>	Operating Income (Loss)	<u>(401,143)</u>
Deferred Outflows of Resources	<u>97,802</u>	Nonoperating Revenues (Expenses)	<u>(269,436)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 87,013,756</u>	Capital Contributions	<u>-</u>
Current Liabilities	\$ 1,808,701	Change in Net Position	<u>(670,579)</u>
Non-Current Liabilities	<u>7,449,790</u>	Net Position:	
Total Liabilities	<u>9,258,491</u>	Beginning of year	<u>78,229,284</u>
Deferred Inflows of Resources	<u>196,560</u>	End of year	<u>\$ 77,558,705</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,455,051</u>		
Net Position:			
Net investment in capital assets	67,795,820		
Restricted	259,035		
Unrestricted	<u>9,503,850</u>		
Total Net Position	<u>77,558,705</u>		
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$ 87,013,756</u>		

Complete copies of the annual audited financial statements of the Authority are available for examination at the Authority Office.

Board of Directors Borough of Conshohocken Authority

We have audited the financial statements of the Borough of Conshohocken Authority (Authority), a component unit of the Borough of Conshohocken for the year ended December 31, 2025. In addition, we have audited the Statement of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Debt Statement – regulatory basis (Schedules) included in the 2025 Annual Report of Municipal Authorities and Non-Profits (DCED-CLGS-04). Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our conversation with the Board of Directors Chair and Treasurer about planning matters on April 22, 2026. Professional standards also require that we communicate to you the following information related to our audit.

[Our Responsibility Under Auditing Standards Generally Accepted in the United States of America](#)

As stated in our engagement letter dated January 5, 2026, our responsibility, as described by professional standards, is to express opinions about whether the financial statements and Schedules prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America, and the accounting practices and procedures prescribed or permitted by the Pennsylvania Department of Community and Economic Development (DCED), which is a regulatory basis of accounting. Our audit of the financial statements and Schedules does not relieve you or management of your responsibilities.

In addition, our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements and Schedules are free of material misstatement. As part of our audit, we considered the system of internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements, and the Schedules follow accounting policies prescribed by the DCED. For the year ended December 31, 2025, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 102 (Certain Risk Disclosures). No other new accounting policies were adopted, and the application of existing policies was not changed during 2025. 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 and Schedules in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements and Schedules 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 Schedules 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 and Schedules were the reporting of the PMRS net pension liability/asset, deferred outflows, inflows, and related expense is based on a third party actuarial valuation provided by PMRS and are described in Note 7. We evaluated the methods, assumptions, and data used to develop the amounts above in determining that they are reasonable in relation to the financial statements and Schedules taken as a whole.

Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Schedules were prepared without disclosures as permitted by the DCED.

We noted no sensitive disclosures affecting the financial statements other than Note 7 to the financial statements, which describes the pension plan, the net pension liability/asset, and related deferred outflows and inflows and actuarial assumptions used in the determination of the net pension liability/asset.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

No audit adjustments were proposed as a result of the audit procedures.

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 and Schedules 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 26, 2026.

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 and Schedules or a determination of the type of auditor's opinion that may be expressed on those financial statements and Schedules, 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.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the 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

Required Supplementary Information

We applied certain limited procedures to the 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.

Supplementary Information

We were engaged to report on the supplementary information, as described in the table of contents, which accompanies the financial statements but is 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.

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

Very truly yours,

Mahe Duessel

Pittsburgh, Pennsylvania
June 26, 2026

Borough of Conshohocken Authority
(A Component Unit of the Borough of Conshohocken)

Financial Statements and
Required Supplementary Information and
Supplementary Information

Year Ended December 31, 2025
(With Comparative Totals for Year Ended December 31, 2024)
with Independent Auditor's Report

MaherDuessel

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BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

YEAR ENDED DECEMBER 31, 2025

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Independent Auditor's Report

**Board of Directors
Borough of Conshohocken Authority**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Borough of Conshohocken Authority (Authority), a component unit of the Borough of Conshohocken, as of and for the year ended December 31, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and each major fund of the Authority, as of December 31, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

The summarized comparative financial statements of the Authority for the year ended December 31, 2024, were audited by the predecessor auditor whose report, dated June 24, 2025, expressed an unmodified opinion on those financial statements which are summarized in the accompanying financial statements. We do not express an opinion or provide any assurance on the summarized comparative information.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the required supplementary information listed in the table of contents 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mahe Duessel

Pittsburgh, Pennsylvania
June 26, 2026

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

The following Management's Discussion and Analysis (MD&A) of the activities and financial performance of the Borough of Conshohocken Authority (Authority) provides an introduction and overview to the Authority's basic financial statements for the fiscal years ended December 31, 2025. Please consider the information presented here in conjunction with the accompanying financial statements and related notes.

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

Effective March 1, 2024, the Borough entered into an Intergovernmental Cooperation Agreement (Agreement) with the Authority. Under the Agreement, the Borough transferred ownership, operation and maintenance of its stormwater sewer system, which provides stormwater collection and management services to the Authority. The Authority assumed responsibility for the operation and maintenance of the stormwater system. The Agreement has a 10-year term whereby the Authority contracts with the Borough for purposes of maintaining the system and the Authority pays the Borough for maintenance of the system. The Authority has the right to establish rates, rules and regulations for the system. In addition, on September 1 of each calendar year, both parties meet and agree to a capital plan for at least a five-year term.

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

Authority Activities and Highlights

At year-end 2025, total assets and deferred outflows of resources were \$87,013,756 and exceeded liabilities and deferred inflows of resources by \$77,558,705 (i.e. total net position). Total assets and deferred outflows of resources decreased \$506,871, total net position decreased \$670,579, and unrestricted net position increased \$694,264 from 2024.

Capital assets in 2025, net of depreciation, decreased \$2,087,303 from 2024. This decrease is attributed to depreciation exceeding additions. Depreciation expense for 2025 totaled \$2,112,341.

The Authority's operating revenues, which consist primarily of sewer rental and stormwater service income, increased by \$730,614 or 17% over the prior year. This was the result of an increase in rates. Total operating revenues were more than budgeted revenues by \$570,391 or 12.8%. The increase was attributed to the sewer connection fee revenue which the Authority did not budget for. Operating and general and administrative expenses increased by \$449,058 or 15.7% over the prior year.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

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

There were dedications of infrastructure, including developer contributions of facilities in the amount of \$0 and \$54,521,683 for 2025 and 2024, respectively. 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 2025 was \$1,711,198, a 19.7% increase compared to \$1,429,642 in the prior year. This increase was mainly due to increased rates in the current year. Connection fees can fluctuate year to year, based on developer projects. Operating income before depreciation was 34.0% and 33.3% of total operating revenues for 2025 and 2024, respectively.

Change in net position (i.e. operating income plus non-operating revenues and less non-operating expense) for 2025 was \$(670,579), compared to \$53,398,761 in 2024. The decrease in net position for 2025 was (13.3)% of total operating revenues compared to an increase of 1,242.3% in 2024 due to the acquisition of the stormwater system in 2024. The decrease is mainly due to depreciation incurred for stormwater during 2025.

Overview of the Financial Statements

The 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 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).

The 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 four parts: the MD&A, the financial statements, required supplementary information, and supplementary information.

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

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 Statement of Net Position presents the financial position of the Authority on a full accrual, historical cost basis. This statement presents information on all the Authority's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as total net position.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenses and Changes In Net Position presents 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. This statement also provides certain information about the Authority's recovery of its costs. The primary objective of a rate model is to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.

The **Statement of Cash Flows** reports 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 **Required Supplementary Information** includes the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios and the Schedule of Authority Contributions.

The **Supplementary Information** includes the Schedule of Revenues and Expenses - Budget (GAAP Budgetary Basis) and Actual, Schedule of Operating Expenses, and General and Administrative Expenses.

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

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

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 Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$77,558,705, at the close of the most recent fiscal year. The following table summarizes the financial position of the Authority as of December 31, 2025 and 2024:

	2025	2024
Assets:		
Current assets	\$ 10,685,152	\$ 9,178,087
Cash, escrow funds - developers	95,382	88,906
Utility plant and equipment, net of accumulated depreciation	75,876,385	77,963,688
Net pension asset	259,035	-
Total Assets	86,915,954	87,230,681
Deferred Outflows of Resources	97,802	289,946
Liabilities:		
Current liabilities	1,808,701	1,115,461
Long-term debt	7,449,790	8,001,740
Net pension liability	-	8,013
Total Liabilities	9,258,491	9,125,214
Deferred Inflows of Resources	196,560	166,129
Net Position:		
Net investment in capital assets	67,795,820	69,419,698
Restricted	259,035	-
Unrestricted	9,503,850	8,809,586
Total Net Position	\$ 77,558,705	\$ 78,229,284

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

Changes in Net Position

The Authority's primary source of revenue is user fees. These fees are charged to all residential and commercial users of the sewer system. Operating expenses primarily include wages and benefits, utilities, debt service, and other costs associated with the operation and maintenance of the treatment plant and sewer system. The following table summarizes the statements of revenues, expenses, and changes in net position of the Authority for the fiscal years 2025 and 2024:

	2025	2024
Operating Revenues:		
Sewer rental income	\$ 3,817,892	\$ 3,495,419
Stormwater service	856,012	725,280
Connection fees	280,000	4,714
Miscellaneous fees and penalties	75,076	72,953
Total operating revenues	5,028,980	4,298,366
Operating Expenses:		
Operating	2,264,198	1,801,878
General and administrative	1,053,584	1,066,846
Total operating expenses	3,317,782	2,868,724
Operating Income Before Depreciation	1,711,198	1,429,642
Depreciation	2,112,341	2,149,860
Operating Income (Loss)	(401,143)	(720,218)
Nonoperating Revenues (Expenses):		
Interest income	288,755	281,962
Rental income	-	7,000
Grant revenue	447,517	199,237
Grant expenses	(862,740)	(733,345)
Insurance claim income	-	468,515
Insurance claim expense	-	(468,515)
Proceeds from sale of capital assets	5,100	-
Interest expense	(148,068)	(157,558)
Total nonoperating revenues (expenses)	(269,436)	(402,704)
Income Before Capital Contributions	(670,579)	(1,122,922)
Capital Contributions	-	54,521,683
Change in Net Position	\$ (670,579)	\$ 53,398,761

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

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.

The Authority's investment in capital assets as of December 31, 2025 and 2024, net of accumulated depreciation, is as follows:

	2025	2024
Sewer plant	\$ 42,308,057	\$ 42,308,057
Stormwater system	54,448,712	54,448,712
Maintenance equipment	228,508	228,508
Laboratory equipment	16,796	16,796
Trucks	607,206	690,702
Office furniture and equipment	114,471	114,471
Land	290,465	286,779
Construction in Progress	21,352	-
	<u>\$ 98,035,567</u>	<u>\$ 98,094,025</u>
Less: Accumulated Depreciation	<u>(22,159,182)</u>	<u>(20,130,337)</u>
	<u>\$ 75,876,385</u>	<u>\$ 77,963,688</u>

Additional information on capital assets can be found in Note 5 to the financial statements.

Debt Administration

As of December 31, 2025 and 2024, the Authority had total debt outstanding of \$8,001,740 and \$8,543,990, respectively. Additional information on the Authority's long-term debt can be found in Note 6 of the financial statements. The Authority's debt is essentially secured by the sewer revenues.

Economic Factors and Next Year's Budgets and Rates

The 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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2025

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

Under the agreement, the Authority is authorized to repeal the rate freeze resolution which can be used to cover the payments. The Authority was required to conduct a stormwater fee feasibility study and initiate an implementation plan. Upon completion of the study, the Borough 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, 400 Fayette Street, Suite 200, Conshohocken, PA 19428.

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

STATEMENT OF NET POSITION

DECEMBER 31, 2025

(With Comparative Totals at December 31, 2024)

Assets	2025			2024
	Stormwater	Sewer	Total	Total
Current assets:				
Cash	\$ 129,348	\$ 8,354,283	\$ 8,483,631	\$ 7,678,625
Accounts receivable	264,555	1,256,850	1,521,405	1,203,839
Grant receivable	-	472,974	472,974	25,457
Inventory	-	37,336	37,336	53,202
Prepaid expenses and other current assets	-	35,240	35,240	82,398
Due from stormwater fund	-	134,566	134,566	134,566
Total current assets	<u>393,903</u>	<u>10,291,249</u>	<u>10,685,152</u>	<u>9,178,087</u>
Restricted assets:				
Cash, escrow funds - developers	-	95,382	95,382	88,906
Utility plant and equipment, net of accumulated depreciation	52,270,764	23,605,621	75,876,385	77,963,688
Net pension asset	-	259,035	259,035	-
Total restricted assets	<u>52,270,764</u>	<u>23,960,038</u>	<u>76,230,802</u>	<u>78,052,594</u>
Total Assets	<u>52,664,667</u>	<u>34,251,287</u>	<u>86,915,954</u>	<u>87,230,681</u>
Deferred Outflows of Resources				
Pension	-	97,802	97,802	289,946
Total Assets and Deferred Outflows of Resources	<u>\$ 52,664,667</u>	<u>\$ 34,349,089</u>	<u>\$ 87,013,756</u>	<u>\$ 87,520,627</u>
Liabilities				
Current liabilities:				
Current Portion of Sewer Revenue Notes	\$ -	\$ 551,950	\$ 551,950	\$ 542,250
Accounts payable and accrued expenses	1,697	813,298	814,995	234,960
Accounts payable, retainage	-	78,825	78,825	-
Due to sewer fund	134,566	-	134,566	134,566
Payroll, payroll taxes, and union dues payable	-	132,983	132,983	114,779
Escrow liabilities, developers	-	95,382	95,382	88,906
Total current liabilities	<u>136,263</u>	<u>1,672,438</u>	<u>1,808,701</u>	<u>1,115,461</u>
Long-term liabilities:				
Net pension liability	-	-	-	8,013
Sewer Revenue Notes, net of current maturities	-	7,449,790	7,449,790	8,001,740
Total long-term liabilities	<u>-</u>	<u>7,449,790</u>	<u>7,449,790</u>	<u>8,009,753</u>
Total Liabilities	<u>136,263</u>	<u>9,122,228</u>	<u>9,258,491</u>	<u>9,125,214</u>
Deferred Inflows of Resources				
Pension	-	196,560	196,560	166,129
Total Deferred Inflows of Resources	<u>-</u>	<u>196,560</u>	<u>196,560</u>	<u>166,129</u>
Net Position				
Invested in capital assets, net of related debt	52,270,764	15,525,056	67,795,820	69,419,698
Restricted - net pension asset	-	259,035	259,035	-
Unrestricted	257,640	9,246,210	9,503,850	8,809,586
Total Net Position	<u>52,528,404</u>	<u>25,030,301</u>	<u>77,558,705</u>	<u>78,229,284</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 52,664,667</u>	<u>\$ 34,349,089</u>	<u>\$ 87,013,756</u>	<u>\$ 87,520,627</u>

See accompanying notes to financial statements.

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2025

(With Comparative Totals at December 31, 2024)

	2025			2024
	Stormwater	Sewer	Total	Total
Operating Revenues:				
Sewer rentals	\$ -	\$ 3,817,892	\$ 3,817,892	\$ 3,495,419
Stormwater service	856,012	-	856,012	725,280
Connection fees	-	280,000	280,000	4,714
Miscellaneous fees and penalties	-	75,076	75,076	72,953
Total operating revenues	856,012	4,172,968	5,028,980	4,298,366
Operating Expenses:				
Operating expenses	678,505	1,585,693	2,264,198	1,801,878
General and administrative expenses	30,287	1,023,297	1,053,584	1,066,846
Total operating expenses	708,792	2,608,990	3,317,782	2,868,724
Operating Income Before Depreciation	147,220	1,563,978	1,711,198	1,429,642
Depreciation	1,088,974	1,023,367	2,112,341	2,149,860
Operating Income (Loss)	(941,754)	540,611	(401,143)	(720,218)
Nonoperating Revenues (Expenses):				
Interest income	2,373	286,382	288,755	281,962
Rental income	-	-	-	7,000
Grant revenue	-	447,517	447,517	199,237
Grant expenses	-	(862,740)	(862,740)	(733,345)
Insurance claim income	-	-	-	468,515
Insurance claim expense	-	-	-	(468,515)
Proceeds from the sale of capital assets	-	5,100	5,100	-
Interest expense	-	(148,068)	(148,068)	(157,558)
Total nonoperating revenues (expenses)	2,373	(271,809)	(269,436)	(402,704)
Income (Loss) Before Capital Contributions	(939,381)	268,802	(670,579)	(1,122,922)
Capital Contributions	-	-	-	54,521,683
Change in Net Position	(939,381)	268,802	(670,579)	53,398,761
Net Position:				
Beginning of year	53,467,785	24,761,499	78,229,284	24,830,523
End of year	<u>\$ 52,528,404</u>	<u>\$ 25,030,301</u>	<u>\$ 77,558,705</u>	<u>\$ 78,229,284</u>

See accompanying notes to financial statements.

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

(With Comparative Totals at December 31, 2024)

	2025			2024
	Stormwater	Sewer	Total	Total
Cash Flows From Operating Activities:				
Cash received from customers	\$ 827,740	\$ 3,883,674	\$ 4,711,414	\$ 4,120,260
Cash payments to suppliers for materials and services	(797,957)	(720,542)	(1,518,499)	(1,800,007)
Cash payments to employees	-	(1,182,493)	(1,182,493)	(1,126,992)
Net cash provided by (used in) operating activities	<u>29,783</u>	<u>1,980,639</u>	<u>2,010,422</u>	<u>1,193,261</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	-	(25,038)	(25,038)	(102,716)
Principal payments on Sewer Revenue Notes	-	(542,250)	(542,250)	(532,550)
Rental income	-	-	-	7,000
Grant revenue received	-	-	-	199,237
Grant disbursements	-	(783,915)	(783,915)	-
Proceeds from the sale of capital assets	-	5,100	5,100	-
Receipt of developer deposit	-	95,382	95,382	-
Interest paid	-	(148,068)	(148,068)	(154,329)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1,398,789)</u>	<u>(1,398,789)</u>	<u>(583,358)</u>
Cash Flows From Investing Activities:				
Interest received	2,373	286,382	288,755	281,962
Net Increase (Decrease) in Cash	32,156	868,232	900,388	891,865
Cash:				
Beginning of year	97,192	7,581,433	7,678,625	6,786,760
End of year	<u>\$ 129,348</u>	<u>\$ 8,449,665</u>	<u>\$ 8,579,013</u>	<u>\$ 7,678,625</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Operating income (loss)	\$ (941,754)	\$ 540,611	\$ (401,143)	\$ (720,218)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,088,974	1,023,367	2,112,341	2,149,860
Change in:				
Accounts receivable	(28,272)	(289,294)	(317,566)	(178,106)
Grant receivable	-	-	-	(25,457)
Inventory	-	15,866	15,866	(3,953)
Prepaid expenses and other current assets	-	47,158	47,158	10,455
Due from stormwater fund	-	-	-	(20,577)
Net pension asset	-	(259,035)	(259,035)	-
Deferred outflows of resources	-	192,144	192,144	105,975
Accounts payable and accrued expenses	(89,165)	669,200	580,035	78,786
Accounts payable, retainage	-	-	-	(33,072)
Due to sewer fund	-	-	-	20,577
Deferred insurance income	-	-	-	(95,617)
Payroll, payroll taxes, and union dues payable	-	18,204	18,204	23,035
Net pension liability	-	(8,013)	(8,013)	(111,317)
Deferred inflows of resources	-	30,431	30,431	(7,110)
Net cash provided by (used in) operating activities	<u>\$ 29,783</u>	<u>\$ 1,980,639</u>	<u>\$ 2,010,422</u>	<u>\$ 1,193,261</u>
Schedule of Noncash Capital and Related Financing Activities:				
Assets acquired through capital contributions	\$ -	\$ -	\$ -	\$ 54,521,683

See accompanying notes to financial statements.

BOROUGH OF CONSHOHOCKEN AUTHORITY

(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

1. Nature of Operations

Reporting Entity

The Borough of Conshohocken Authority (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 (Board). The Authority supplies sewer services to residents of the Borough of Conshohocken (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 the Authority consists of five members appointed to five-year terms by the Borough's 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 for financial reporting purposes.

Effective March 1, 2024, the Borough entered into an Intergovernmental Cooperation Agreement (Agreement) with the Authority. Under the Agreement, the Borough transferred 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 assumed responsibility for the operation and maintenance of the stormwater system. The Agreement has a 10-year term whereby the Authority contracts with the Borough for purposes of maintaining the system and the Authority pays the Borough for maintenance of the system. The Authority has the right to establish rates, rules and regulations for the system. In addition, on September 1 of each calendar year, both parties meet and agree to a capital plan for at least a five-year term.

2. Summary of Significant Accounting Policies

Comparative Financial Information

The accompanying financial statements include prior year summarized comparative financial statements. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

(GAAP). Accordingly, such information should be read in conjunction with the Authority's audited financial statements for the year ended December 31, 2024, from which the summarized financial statements were derived.

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.

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, expenses, and capital contributions.

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 supplementary information:

- A preliminary budget is presented to the Board during October.
 - The operating budget includes proposed expenditures and the means of financing them.
 - Budgetary control is maintained at the account level.
-

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

- 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.
- The budget lapses at the end of each year.

Utility Plant and Equipment

Utility plant and equipment are stated at cost or acquisition value at time of contribution to the Authority. The capitalization threshold is an individual item with a cost in excess of \$10,000 and a useful life exceeding one year. 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 2025 totaled \$2,112,340.

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

Sewer plant and improvement	7 – 50 years
Stormwater system	50 years
Maintenance equipment	5 – 7 years
Laboratory equipment	7 years
Trucks	5 - 10 years
Office furniture and equipment	7 – 10 years

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, deferred outflows, liabilities and deferred inflows 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.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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 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. There were no capital contributions from stormwater services for the year ending December 31, 2025. Contributed capital is recorded as income in the year of dedication to the Authority.

Net Position

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

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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 assets 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 assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenues) until that time.

Revenues and Rate Structure

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

Compensated Absences

Unpaid vacation and sick time is recorded as an expense in the period it is earned and considered payable from current financial resources. The Authority compensates unpaid sick time upon an employee's retirement. The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. The liability is \$45,902 included in accounts payable and accrued expenses in the statement of net position.

Grants

The Authority is party to various grants with federal, state, and county agencies. Grant receipts are subject to review by the funding agency and may result in disallowance in future periods.

Adopted Pronouncements

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*, for the year ended December 31, 2025. Adoption of this Statement did not have a significant impact on the Authority's financial statements for the current year.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 103 (Financial Reporting Model Improvements), 104 (Disclosure of Certain Capital Assets), and 105 (Subsequent Events). Management has not yet determined the impact of these statements on the financial statements.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. 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. As of December 31, 2025, \$8,362,176 was exposed to custodial credit risk and the Authority does not have a deposit policy for custodial credit risk. However,

BOROUGH OF CONSHOHOCKEN AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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.

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

	2025
Uninsured and collateral held by the pledging bank's trust department, but not in the Authority's name	\$ 8,362,176
Plus: insured amounts	250,000
Carrying amounts - bank balances	8,612,176
Plus: deposits in transit	19,025
Less: outstanding checks	(52,188)
Total cash per financial statements	\$ 8,579,013
Cash is comprised of:	
Operating accounts - unrestricted	\$ 8,483,631
Restricted accounts - developer escrow accounts	95,382
	\$ 8,579,013

4. Escrows

At December 31, 2025, escrows include \$95,382 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, 2025, the Authority owed consultants \$6,964 related to the escrow balances.

**BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

5. Utility Plant and Equipment

	January 1, 2025	Additions	Disposals	Transfers	December 31, 2025
Nondepreciable property:					
Land	\$ 286,779	\$ 3,686	\$ -	\$ -	\$ 290,465
Construction in progress	-	21,352	-	-	21,352
Total Nondepreciable Property	<u>286,779</u>	<u>25,038</u>	<u>-</u>	<u>-</u>	<u>311,817</u>
Depreciable property:					
Sewer plant and improvements	42,308,057	-	-	-	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	-	(83,496)	-	607,206
Office furniture and equipment	114,471	-	-	-	114,471
Total Depreciable Property	<u>97,807,246</u>	<u>-</u>	<u>(83,496)</u>	<u>-</u>	<u>97,723,750</u>
Less: Accumulated Depreciation	<u>(20,130,337)</u>	<u>(2,112,341)</u>	<u>83,496</u>	<u>-</u>	<u>(22,159,182)</u>
Total Depreciable Property, net	<u>77,676,909</u>	<u>(2,112,341)</u>	<u>-</u>	<u>-</u>	<u>75,564,568</u>
Total Utility Plant and Equipment	<u>\$ 77,963,688</u>	<u>\$ (2,087,303)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,876,385</u>

The Authority had an executed contract with a general contractor in the amount of \$78,825 to complete ongoing contracts in progress. As of December 31, 2025, the full amount was included in accounts payable, retainage.

6. Sewer Revenue Notes – Direct Borrowings

Sewer Revenue Note, Series A of 2021

Effective November 2, 2021, the Authority refinanced its Sewer Revenue Notes, Series of 2015 (2015 Note) with a Sewer Revenue Note, Series A of 2021 (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

BOROUGH OF CONSHOHOCKEN AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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.

Maturity Date Year	Minimum Interest Rate	Principal	Interest	Total
2026	1.79%	\$ 328,510	\$ 76,383	\$ 404,893
2027	1.79%	334,280	70,503	404,783
2028	1.79%	340,300	64,519	404,819
2029	1.79%	346,430	58,428	404,858
2030	1.79%	352,550	52,227	404,777
2031-2035	1.79%	1,859,890	164,175	2,024,065
2036-2037	1.79%	705,260	18,230	723,490
		4,267,220	\$ 504,465	\$ 4,771,685
Less: current maturities		(328,510)		
Total long-term debt		\$ 3,938,710		

Sewer Revenue Note, Series AA of 2021

Effective November 2, 2021, the Authority refinanced its Sewer Revenue Note, Series of 2017 (2017 Note) with a Sewer Revenue Note, Series AA of 2021 (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

**BOROUGH OF CONSHOHOCKEN AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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.

Maturity Date Year	Minimum Interest Rate	Principal	Interest	Total
2026	1.75%	\$ 223,440	\$ 65,354	\$ 288,794
2027	1.75%	227,250	61,444	288,694
2028	1.75%	230,630	57,467	288,097
2029	1.75%	235,820	53,431	289,251
2030	1.75%	239,590	49,304	288,894
2031-2035	1.75 and 2.25%	1,226,860	216,615	1,443,475
2036-2040	2.25%	1,350,930	92,464	1,443,394
		<u>3,734,520</u>	<u>\$ 596,079</u>	<u>\$ 4,330,599</u>
Less: current maturities		<u>(223,440)</u>		
Total long-term debt		<u>\$ 3,511,080</u>		

Upon an event of default on either of the Notes, the lender may, at its sole discretion, accelerate and declare payable immediately the entire balance of the obligations due. Interest expense was \$148,068 for the year ended December 31, 2025. Changes in Sewer Revenue Notes for the year end December 31, 2025:

	January 1, 2025	Increase	Decrease	December 31, 2025	Current Portion
Series A of 2021	\$ 4,589,920	\$ -	\$ (322,700)	\$ 4,267,220	\$ 328,510
Series AA of 2021	3,954,070	-	(219,550)	3,734,520	223,440
	<u>\$ 8,543,990</u>	<u>\$ -</u>	<u>\$ (542,250)</u>	<u>\$ 8,001,740</u>	<u>\$ 551,950</u>

7. Pension Plan

Plan Description

The Conshohocken Borough Municipal Authority Non-Uniform Defined Benefit Plan (Plan) is a single-employer defined benefit pension plan controlled by the provisions of Resolution

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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 Annual Comprehensive Financial Report (ACFR). The ACFR is available on the publications page of the PMRS website at www.pMrs.state.pa.us, or a copy can be obtained by contacting the PMRS accounting office at 717-787-2065. The most recent actuarial valuation date is January 1, 2025.

Covered employees	All full-time employees
Total annual payroll active members on valuation date	\$726,729
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 of 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, 2025:

Employees covered by benefit terms:	
Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	3
Active employees	10
Total Participant Count	17

Benefits Provided

The following is a summary of the Plan benefit provisions:

- *Eligibility Requirements:*
 - Normal Retirement- Age 65

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- 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:* 5.50%

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 the Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued ACFR.

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 \$39,484 in 2025.

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Expenses

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

Net Pension Liability (Asset)

An actuarial valuation of the total pension liability is performed biennially. The total pension liability as of December 31, 2024 was determined as part of an actuarial valuation at January 1, 2025. The measurement date for the net pension liability is December 31, 2024, which is no earlier than the end of the prior fiscal year. The actuarial assumptions used in the January 1, 2025 valuation are as follows:

Actuarial Assumptions:

Inflation	2.20%
Salary Increases	Age-related scale
Investment rate of return	5.50%
Pre-retirement mortality rates	PUB-2010 General Employees Table
Post-retirement mortality rates	RP-2006 Mortality Table

Investment Return Assumption for municipal assets increased from 5.25% to 5.50% for the December 31, 2024 measurement date.

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 (2.20%). Best estimates of geometric real rates of return each utilized asset class

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are included in the pension plan's target asset allocation as of December 31, 2025 and summarized in the table below:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities Large Cap	24.50%	4.89%
Domestic Equities Small Cap	8.00%	5.80%
International Equities Developed Markets	14.50%	5.53%
International Equities Emerging Markets	3.00%	5.89%
Global Equities	5.00%	3.94%
Real Estate	10.00%	3.88%
Timber	5.00%	3.07%
Core	24.00%	2.51%
Fixed Income	5.00%	4.35%
Cash	1.00%	0.61%
Total Net Blended		4.79%

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

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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 5.50% as of December 31, 2024.

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.

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Authority's Plan for the year ended December 31, 2025 (December 31, 2024 measurement date) was as follows:

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	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2023	\$ 2,219,998	\$ 2,211,985	\$ 8,013
Changes for the year:			
Service cost	50,261	-	50,261
Interest	118,687	-	118,687
Changes in benefit terms	-	-	-
Changes of assumption	(68,960)	-	(68,960)
Differences between expected and actual experience	(89,596)	-	(89,596)
Contributions - employer	-	39,144	(39,144)
Contributions - PMRS assessment	-	340	(340)
Contributions - employee	-	23,920	(23,920)
PMRS investment income	-	111,289	(111,289)
Market value investment income*	-	109,182	(109,182)
Transfers	-	-	-
Benefit payments	(19,364)	(19,364)	-
PMRS administrative expenses	-	(340)	340
Additional administrative expense	-	(6,095)	6,095
Net changes	(8,972)	258,076	(267,048)
Balance at December 31, 2024	\$ 2,211,026	\$ 2,470,061	\$ (259,035)

*Reflects the net investment income (loss) of \$94,990 and the income (loss) due to the difference between expected and actual asset values of \$14,192, 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.

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

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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 total pension liability. Lower discount rates produce a higher total pension liability and higher discount rates produce a lower total pension liability. Because the discount rate does not affect the measurement of assets, the percentage change in the Net Pension Liability (Asset) (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 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net Pension Liability (Asset)	<u>\$ 36,040</u>	<u>\$ (259,035)</u>	<u>\$ (506,840)</u>

Schedule of Employer Reporting Amounts

The impact of experience gains or losses and assumption changes on the total pension liability 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.

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,056	\$ 95,677
Changes in assumptions	27,185	49,258
Net difference between projected and actual earnings on pension plan investments	-	51,625
Contributions subsequent to the measurement date	41,561	-
	\$ 97,802	\$ 196,560

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

Year Ending December 31,	Amount
2026	\$ (45,306)
2027	1,399
2028	(59,522)
2029	(36,890)
2030	-
Thereafter	-
	\$ (140,319)

The recognition period for experience and assumptions change gains (losses) is seven years. The annual pension expense recognized can be calculated two different ways. First, it is the change in the amounts reported for the Employees 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 (Asset) plus the changes in deferred outflows and deferred inflows plus employer contributions.

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8. Litigation

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

9. 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 2025, revenues from Plymouth Township were \$397,945, payments for capital improvements totaled \$0, and accounts receivable due from Plymouth Township were \$84,982.

10. Commitments

Effective April 6, 2022, the Borough 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 \$200,000 for the year ended December 31, 2025, which is included in Administrative Service Fees in General and Administrative Expenses in the Statements of Revenues, Expenses and Changes in Net Position.

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

Year Ending December 31,	
2026	\$ 200,000
2027	200,000
2028	200,000
2029	200,000
2030	200,000
Thereafter	200,000
	<u>\$ 1,200,000</u>

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 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.

In October 2025, the Authority entered into a construction contract with H.B. Frazer for LV Switchgear Rehab and MCC Replacements, related to improvements at the wastewater treatment plant. The total contract amount is \$2,170,000, of which \$709,425 was fulfilled as of December 31, 2025, and \$1,460,575 remains outstanding. The contract provides for a construction period of 320 days from notice to proceed through substantial completion.

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

LAST TEN YEARS ENDED DECEMBER 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	\$ 50,261	\$ 53,343	\$ 47,414	\$ 45,357	\$ 44,953	\$ 48,450	\$ 44,600	\$ 44,326	\$ 39,425	\$ 40,389
Interest	118,687	111,225	107,670	100,894	86,525	81,166	74,975	70,454	69,505	66,307
Changes in benefits	-	-	-	-	-	-	7,839	-	-	-
Differences between expected and actual experience	(89,596)	-	(73,919)	-	81,874	-	15,884	-	(56,441)	(19,325)
Changes of assumptions	(68,960)	-	-	-	81,563	-	-	-	45,498	(15,688)
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(19,364)	(19,364)	(19,364)	(19,131)	(24,053)	(24,053)	(34,241)	(23,766)	(25,493)	(38,116)
Net Changes in Total Pension Liability	(8,972)	145,204	61,801	127,120	270,862	105,563	109,057	91,014	72,494	33,567
Total Pension Liability - Beginning	2,219,998	2,074,794	2,012,993	1,885,873	1,615,011	1,509,448	1,400,391	1,308,377	1,236,883	1,203,316
Total Pension Liability - Ending (a)	\$ 2,211,026	\$ 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
Plan Fiduciary Net Position:										
Contributions - employer	\$ 39,144	\$ 38,065	\$ 18,515	\$ 16,446	\$ 16,796	\$ 14,198	\$ 7,521	\$ 10,413	\$ 2,179	\$ -
Contributions - PMRS assessment	340	320	20	20	20	320	20	-	-	20
Contributions - employee	23,920	26,995	24,100	23,056	23,727	25,570	23,254	23,105	22,230	20,937
PMRS investment income	111,289	103,434	99,860	93,622	86,056	80,583	74,925	70,981	70,817	72,597
Market value investment income	109,182	113,184	(435,744)	139,950	182,358	223,521	(156,140)	155,603	21,493	(167,194)
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(19,364)	(19,364)	(19,364)	(19,131)	(24,053)	(24,053)	(34,241)	(23,766)	(25,493)	(38,116)
PMRS administrative expense	(340)	(320)	(360)	(340)	(340)	(320)	(320)	(320)	(340)	(340)
Additional administrative expense	(6,095)	(5,793)	(5,276)	(5,303)	(3,749)	(2,785)	(3,344)	(3,264)	(3,469)	(3,026)
Net Change in Plan Fiduciary Net Position	258,076	256,521	(318,249)	248,320	280,815	317,034	(88,325)	232,752	87,417	(115,122)
Plan Fiduciary Net Position - Beginning	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
Plan Fiduciary Net Position - Ending (b)	\$ 2,470,061	\$ 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
Net Pension Liability (Asset) - Ending (a-b)	\$ (259,035)	\$ 8,013	\$ 119,330	\$ (260,720)	\$ (139,520)	\$ (129,567)	\$ 81,904	\$ (115,478)	\$ 26,260	\$ 41,183
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.72%	99.64%	94.25%	112.95%	107.40%	108.02%	94.57%	108.25%	97.99%	96.67%
Covered Payroll	\$ 726,729	\$ 771,294	\$ 688,622	\$ 658,737	\$ 677,900	\$ 730,624	\$ 664,296	\$ 660,216	\$ 635,183	\$ 598,226
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-35.64%	1.04%	17.33%	-39.58%	-20.58%	-17.73%	12.33%	-17.49%	4.13%	6.88%

See accompanying notes to required supplementary information.

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SCHEDULE OF AUTHORITY CONTRIBUTIONS

LAST TEN YEARS ENDED DECEMBER 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Schedule of Authority Contributions										
Actuarially determined contribution	\$ 39,484	\$ 38,385	\$ 18,515	\$ 16,446	\$ 16,796	\$ 14,498	\$ 7,521	\$ 8,235	\$ 2,179	\$ -
Actual contributions	39,484	38,385	18,535	16,466	16,816	14,518	7,541	10,413	2,179	20
Contribution deficiency (excess)	\$ -	\$ -	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (2,178)	\$ -	\$ (20)
Covered payroll	\$ 726,729	\$ 771,294	\$ 688,622	\$ 658,737	\$ 677,900	\$ 730,624	\$ 664,296	\$ 660,216	\$ 635,183	\$ 598,226
Contributions as a percentage of covered payroll	5.43%	4.98%	2.69%	2.50%	2.48%	1.99%	1.14%	1.58%	0.34%	0.00%

See accompanying notes to required supplementary information.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

Actuarial Methods and Assumptions

Contributions are determined using actuarially determined rates based on the following methods and assumptions:

Actuarial valuation date	January 1, 2024 – County Plans and Cash Balance Plans (active and vested terminated accounts) January 1, 2023 – Plans that are neither County nor Cash Balance Plans and retiree liabilities.
Actuarial cost method	Entry age normal
Amortization method	Level dollar for Plan Bases and an average for Aggregate Gain/Loss, 10% of surplus is credited against aggregate cost where applicable.
Remaining amortization period	N/A years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.25%
Projected salary increases	2.2%-6.22% based on age and service
Inflation rate	2.2% per year up to plan maximum
Cost-of-living adjustments	Not applicable
Retirement age	Normal retirement age
Mortality table	PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generally using Scale MP-2018 to reflect mortality improvement.
Changes in benefit terms since January 1, 2024	
None	

SUPPLEMENTARY INFORMATION

BOROUGH OF CONSHOHOCKEN AUTHORITY
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SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance
Operating Revenues:			
Sewer rentals	\$ 3,252,274	\$ 3,419,947	\$ 167,673
Stormwater service	825,000	856,012	31,012
Connection fees	-	280,000	280,000
Penalties	20,000	30,079	10,079
Certifications	11,900	9,886	(2,014)
NSF fees	140	40	(100)
MIPP fees	5,775	5,678	(97)
Miscellaneous fees and permits	3,500	8,961	5,461
Lien fees	-	5,377	5,377
Legal fees	-	15,055	15,055
Contract revenues - Plymouth Township	340,000	397,945	57,945
Total Operating Revenues	<u>\$ 4,458,589</u>	<u>\$ 5,028,980</u>	<u>\$ 570,391</u>
Sewer Operating Expenses:			
Plant expenses:			
Wages	410,000	446,000	(36,000)
Payroll taxes	30,750	34,289	(3,539)
Worker's compensation insurance	13,400	11,671	1,729
Pension	20,781	(908)	21,689
Medical and dental benefits	78,000	64,380	13,620
HRA medical copay	21,000	26,053	(5,053)
Life insurance	4,900	4,493	407
Utilities - gas and electric	140,000	213,161	(73,161)
Utilities - water	12,220	18,444	(6,224)
Plant security	2,000	912	1,088
Vehicle maintenance	1,500	4,557	(3,057)
Repairs/maintenance - building	35,000	16,692	18,308
Repairs/maintenance - plant	200,000	164,898	35,102
Employee drug testing	500	285	215
Engineering fees	10,000	337	9,663
Engineering - wasteload management	4,000	5,064	(1,064)
Uniforms/safety supplies	8,000	7,168	832
Inside lab costs	5,000	5,101	(101)
Outside lab costs	35,000	48,783	(13,783)
Sludge removal	275,000	190,845	84,155
Sodium hypochlorite	35,000	27,592	7,408
Sodium bisulfite	17,000	17,012	(12)
Lime	500	122	378
Polymer	12,000	8,620	3,380
DEP permit fee	3,500	1,048	2,452
Plant mats, deodorizers, gloves	1,000	1,940	(940)
Total sewer plant expenses	<u>1,376,051</u>	<u>1,318,559</u>	<u>57,492</u>

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2025
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Sewer Operating Expenses (Continued):			
Sewer Collection Expenses:			
Wages - road crew	160,000	146,510	13,490
Payroll taxes	12,000	11,205	795
Medical and dental benefits	17,000	16,928	72
Worker's compensation insurance	4,700	4,515	185
Pension	8,312	1,185	7,127
HRA medical copay	3,500	770	2,730
Life insurance	2,000	1,904	96
Maintenance - sewer	65,000	46,948	18,052
Pump station - utilities	8,500	13,200	(4,700)
Vehicle expenses	6,000	5,019	981
Jet truck expenses	2,000	1,867	133
Vaccum trailer	1,000	2,516	(1,516)
Camera and vacuum trailer	3,000	12,077	(9,077)
Uniforms - road crew	2,000	1,810	190
Engineering fees - collection system	5,000	622	4,378
Miscellaneous operating expenses - collection system	-	58	(58)
Total sewer collection expenses	<u>300,012</u>	<u>267,134</u>	<u>32,878</u>
Sewer administrative expenses:			
Wages	360,000	319,584	40,416
Payroll taxes	27,000	25,043	1,957
Medical and dental benefits	40,000	31,857	8,143
Worker's compensation insurance	400	305	95
Pension	12,469	(3,187)	15,656
HRA medical copay	10,535	10,752	(217)
Life insurance	3,000	2,875	125
Insurance	115,800	111,792	4,008
Rent	5,200	5,135	65
Legal	75,000	42,722	32,278
Legal - plant	3,000	7,872	(4,872)
Legal - collections and liens	20,000	20,122	(122)
Auditing and accounting	60,000	59,249	751
Engineering fees	10,000	4,950	5,050
Administrative service fee	200,000	200,000	-
Board expense payment	7,500	7,500	-
Consulting fees	15,000	-	15,000
Dues, subscriptions, and conferences	23,000	17,650	5,350
Office supplies and expense	25,000	23,635	1,365
Computer expense	30,000	42,076	(12,076)
Telephone	12,000	15,898	(3,898)
Advertising	5,000	1,746	3,254
Postage - billing and general	8,000	3,745	4,255
Billing services	10,500	28,430	(17,930)
Collection expense	8,500	7,034	1,466
Upper Merion sewer rental contract	7,800	8,294	(494)
Miscellaneous	170	469	(299)
Bank fees	15,500	19,671	(4,171)
Donations	5,000	3,000	2,000
Payroll processing fees	5,500	5,078	422
Total sewer administrative expenses	<u>\$ 1,120,874</u>	<u>\$ 1,023,297</u>	<u>\$ 97,577</u>

(Continued)

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2025
(Continued)

	Budget	Actual	Variance
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	-	678,505	(678,505)
Legal services	20,000	-	20,000
Program engineering costs	50,000	-	50,000
Total Stormwater Plant Expenses	<u>382,600</u>	<u>678,505</u>	<u>(295,905)</u>
Stormwater Administrative Expenses:			
Legal	5,000	9,739	(4,739)
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	20,548	(5,548)
Project management costs	75,000	-	75,000
Contingency fund	35,000	-	35,000
Miscellaneous	1,500	-	1,500
Total Stormwater Administrative Expenses	<u>344,500</u>	<u>30,287</u>	<u>314,213</u>
Total Operating and General and Administrative Expenses	<u>3,524,037</u>	<u>3,317,782</u>	<u>206,255</u>
Operating Income Before Depreciation	<u>934,552</u>	<u>1,711,198</u>	<u>364,136</u>
Depreciation - Sewer	-	1,023,367	(1,023,367)
Depreciation - Stormwater	-	1,088,974	(1,088,974)
Operating Income (Loss)	<u>934,552</u>	<u>(401,143)</u>	<u>2,476,477</u>
Nonoperating Revenues (Expenses):			
Interest income	200,000	288,755	88,755
Rental income	-	-	-
Grant revenue	-	447,517	447,517
Grant expense	-	(862,740)	862,740
Insurance claim income	-	-	-
Insurance claim expense	-	-	-
Gain/loss on sale	-	5,100	5,100
Interest expenses	(151,356)	(148,068)	(3,288)
Total Nonoperating Revenues (Expenses)	<u>48,644</u>	<u>(269,436)</u>	<u>318,080</u>
Loss Before Capital Contributions	<u>983,196</u>	<u>(670,579)</u>	<u>1,653,775</u>
Capital contribution - sewer	-	-	-
Capital contribution - stormwater	-	-	-
Change in Net Position	<u>\$ 983,196</u>	<u>\$ (670,579)</u>	<u>\$ 1,653,775</u>

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2025
(With Comparative Totals at December 31, 2024)

	2025			2024
	Stormwater	Sewer	Total	Total
Operating Expenses:				
Plant expenses:				
Building maintenance	\$ -	\$ 181,590	\$ 181,590	\$ 125,441
Engineering fees	-	5,401	5,401	8,568
Laboratory expenses	-	53,884	53,884	51,314
Miscellaneous	-	1,333	1,333	5,272
Operating costs	678,505	-	678,505	458,169
Payroll taxes and benefits	-	139,978	139,978	148,903
Plant security	-	912	912	1,162
Plant supplies and repair expense	-	8,975	8,975	4,585
Plant wages	-	446,000	446,000	394,302
Sludge removal	-	190,845	190,845	133,012
Treatment chemicals	-	53,346	53,346	50,567
Uniforms	-	4,690	4,690	8,413
Utilities	-	231,605	231,605	212,297
Total plant expenses	<u>678,505</u>	<u>1,318,559</u>	<u>1,997,064</u>	<u>1,602,005</u>
Collection expenses:				
Engineering fees	-	622	622	657
Miscellaneous	-	58	58	58
Payroll taxes and benefits	-	36,507	36,507	37,831
Road crew wages	-	146,510	146,510	110,003
Sewer supplies and repair expense	-	46,948	46,948	25,165
Vehicle expenses	-	21,479	21,479	13,334
Uniforms	-	1,810	1,810	1,908
Utilities	-	13,200	13,200	10,917
Total collection expenses	<u>-</u>	<u>267,134</u>	<u>267,134</u>	<u>199,873</u>
Total Operating Expenses	<u>\$ 678,505</u>	<u>\$ 1,585,693</u>	<u>\$ 2,264,198</u>	<u>\$ 1,801,878</u>

BOROUGH OF CONSHOHOCKEN AUTHORITY
(A COMPONENT UNIT OF THE BOROUGH OF CONSHOHOCKEN)

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

YEAR ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Totals at December 31, 2024)

	2025			2024
	Stormwater	Sewer	Total	Total
General and Administrative Expenses:				
Advertising	\$ -	\$ 1,746	\$ 1,746	\$ 2,892
Administrative service fees	-	200,000	200,000	200,000
Bank fees	-	19,671	19,671	17,159
Board expense	-	7,500	7,500	7,000
Collection expense	-	7,034	7,034	6,884
Computer expense and supplies	-	42,076	42,076	33,912
Dues and conferences	-	17,650	17,650	20,876
Insurance	-	111,792	111,792	110,286
Miscellaneous	-	40,193	40,193	37,981
Office and management salaries	-	319,584	319,584	325,446
Office supplies and expense	-	23,635	23,635	19,743
Payroll processing fees	-	5,078	5,078	5,014
Payroll taxes and benefits	-	67,645	67,645	87,472
Postage	-	3,745	3,745	4,505
Professional fees	30,287	134,915	165,202	168,470
Rent	-	5,135	5,135	5,135
Telephone	-	15,898	15,898	14,071
Total General and Administrative Expenses	\$ 30,287	\$ 1,023,297	\$ 1,053,584	\$ 1,066,846