

**NEWTOWN TOWNSHIP, DELAWARE COUNTY,
MUNICIPAL AUTHORITY**

FINANCIAL STATEMENTS

Year Ended December 31, 2023

INTRODUCTORY SECTION

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY

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YEAR ENDED DECEMBER 31, 2023

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FINANCIAL SECTION

Independent Auditors' Report

To the Board of Directors
Newtown Township, Delaware County,
Municipal Authority
Newtown Square, Pennsylvania

Opinion

We have audited the financial statements of the Newtown Township, Delaware County, Municipal Authority (a component unit of the Township of Newtown, Delaware County, Pennsylvania), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Newtown Township, Delaware County, Municipal Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Newtown Township, Delaware County, Municipal Authority, as of December 31, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Newtown Township, Delaware County, Municipal Authority's 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 Newtown Township, Delaware County, Municipal 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.

To the Board of Directors
Newtown Township, Delaware County,
Municipal Authority
Newtown Square, Pennsylvania

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Newtown Township, Delaware County, Municipal 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 Newtown Township, Delaware County, Municipal 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.

To the Board of Directors
Newtown Township, Delaware County,
Municipal Authority
Newtown Square, Pennsylvania

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 5 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, appearing to read "Mailli UF".

Limerick, Pennsylvania
March 20, 2026

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

Newtown Township, Delaware County, Municipal Authority's (the "Authority") discussion and analysis offers readers of the Authority's financial statements a narrative overview and analysis of the Authority's financial activities for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$12,872,937 (representing its net position). Operating revenues amounted to \$6,115,255 including \$4,198,492 in sewer fees, and \$1,909,764 in tapping fees. Operating expenses were \$3,726,519, including \$2,090,288 in sewer authority treatment charges.

USING THIS ANNUAL REPORT

The Authority is a special-purpose government entity engaged in a single business-type activity of assisting the Township to acquire or facilitate ownership of land, buildings and equipment for any use approved by the Township, as well as sewer and industrial waste disposal. Therefore, it only maintains one fund, an Enterprise Fund (a component of proprietary funds). The accompanying financial statements of the Authority are the financial statements of its Enterprise Fund, as required by U.S. generally accepted accounting principles.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. These financial statements are comprised of the financial statements presented in the statement of net position, similar to businesses in the private sector. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority and about its activities in a way that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is paid or received.

These two statements report the Authority's net position and changes to the net position. You can think of the Authority's net position, the difference between assets, what the Authority owns, and liabilities, what the Authority owes, as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Authority's fee structure and the condition of the Authority's sewer system, to assess the overall health of the Authority.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

The Statement of Cash Flows provides additional information about the Authority's sources and uses of cash (its "cash flows").

In the Statement of Revenues, Expenses and Changes in Net Position, we present the Authority's one kind of activity, a business-type activity. The Authority charges a fee to customers to help it cover all or most of the cost of the sewer wastewater treatment services it provides.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes can be found immediately following the basic financial statements in this report.

Reporting the Authority's Single Business-Type Activity Financial Statements

The Authority only has one fund, which is an Enterprise Fund (a component of proprietary type funds).

Proprietary Fund: When the Authority charges customers for the services it provides, these services are reported in its Enterprise Fund (a proprietary type fund).

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The Authority's total net position increased \$1,301,123 which represents a 11.24% increase from 2022. The analysis below focuses on net position and changes in net position of the Authority's business-type activities.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$11,252,326 at December 31, 2022, to \$12,144,594 at the end of this year.

Condensed Statements of Net Position
December 31, 2023 and 2022

	December 31,		Variance	
	2023	2022	Amount Increase (Decrease)	%
ASSETS				
Cash and investments	\$ 11,815,296	\$ 12,662,042	\$ (846,746)	-6.69%
Other current assets	2,617,760	1,316,200	1,301,560	98.89%
Capital assets, net	33,952,790	33,837,053	115,737	0.34%
TOTAL ASSETS	48,385,846	47,815,295	570,551	1.19%
LIABILITIES				
Other liabilities	1,778,969	1,717,482	61,487	3.58%
Long-term debt	33,733,940	34,525,999	(792,059)	-2.29%
TOTAL LIABILITIES	35,512,909	36,243,481	(730,572)	-2.02%
NET POSITION				
Net investment in capital assets	728,343	319,488	408,855	127.97%
Unrestricted	12,144,594	11,252,326	892,268	7.93%
TOTAL NET POSITION	\$ 12,872,937	\$ 11,571,814	\$ 1,301,123	11.24%

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

**Condensed Statements of Revenues, Expenses and
Changes in Net Position
Years Ended December 31, 2023 and 2022**

	December 31,		Variance	
	2023	2022	Amount Increase (Decrease)	%
OPERATING REVENUES				
Charges for services	\$ 6,115,255	\$ 5,611,833	\$ 503,422	8.97%
OPERATING EXPENSES				
Sewage treatment charges	2,090,288	2,010,599	79,689	3.96%
Other operating expenses	859,321	589,284	270,037	45.82%
Depreciation and amortization	776,910	776,910	-	0.00%
TOTAL OPERATING EXPENSES	3,726,519	3,376,793	349,726	10.36%
OPERATING INCOME	2,388,736	2,235,040	153,696	6.88%
NONOPERATING REVENUES (EXPENSES)				
Interest income	249,139	89,316	159,823	178.94%
Interest expense	(1,336,752)	(1,367,010)	(30,258)	-2.21%
NONOPERATING REVENUES (EXPENSES), net	(1,087,613)	(1,277,694)	190,081	14.88%
CHANGE IN NET POSITION	1,301,123	957,346	\$ 343,777	35.91%
NET POSITION AT BEGINNING OF YEAR	11,571,814	10,614,468		
NET POSITION AT END OF YEAR	\$ 12,872,937	\$ 11,571,814		

The Authority's total operating revenues increased by 8.97% relative to an increase in operating expenditures of 10.36%. This resulted in the operating income increasing from \$2,235,040 in 2022 to \$2,388,736 in 2023. After considering the nonoperating revenues and expenditures, the Authority had an increase in net position of \$1,301,123.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of 2023, the Authority had \$33,952,790 invested in capital assets. This amount represents a net increase (including additions and deductions) of \$115,737 relative to the current year depreciation expense of \$776,910. See Footnote F for more detail.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

Debt

The Authority has one bonds payable:

The Guaranteed Sewer Revenue Bond Series of 2018 was issued in the amount of \$33,520,000. In 2023, \$720,000 was paid in principal and \$1,425,169 was paid in interest. The balance as of December 31, 2023 is \$31,435,000.

ECONOMIC FACTORS

The Authority's operating revenues are anticipated to rise over the next year due to the increase in system users. The Authority's operating expenses are likely to increase over the next year in proportion with the overall rate of inflation in the southeastern Pennsylvania region.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the funds it receives and disburses. Questions concerning any of the information provided in this report or additional requests for financial information should be addressed to the Board of Directors, Newtown Township, Delaware County, Municipal Authority, 209 Bishop Hollow Road, Newtown Square, Pennsylvania, 19073.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 11,815,296
Accounts receivable, less allowances for uncollectible accounts of \$176,923	2,571,721
Prepaid expenses	46,039
TOTAL CURRENT ASSETS	14,433,056

NONCURRENT ASSETS

Land	1,234,825
Construction in progress	3,221,467
Sewer system	35,739,761
Less accumulated depreciation	(6,243,263)
TOTAL NONCURRENT ASSETS	33,952,790

TOTAL ASSETS	48,385,846
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	226,866
Escrow deposits	1,086,647
Accrued interest payable	465,456
Bonds payable, current	817,059
TOTAL CURRENT LIABILITIES	2,596,028

NONCURRENT LIABILITIES

Bonds payable	32,407,389
Due to Newtown Township	509,492
TOTAL NONCURRENT LIABILITIES	32,916,881

TOTAL LIABILITIES	35,512,909
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NET POSITION

Net investment in capital assets	728,343
Unrestricted	12,144,594
TOTAL NET POSITION	\$ 12,872,937

See accompanying notes to the basic financial statements.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

OPERATING REVENUES

Charges for services - sewer fees	\$ 4,198,492
Charges for services - tapping fees	1,909,764
Miscellaneous	6,999
TOTAL OPERATING REVENUES	<u>6,115,255</u>

OPERATING EXPENSES

Treatment charges - sewer authorities	2,090,288
Sewer line maintenance	47,165
Pump station maintenance	227,728
Utilities	46,519
Other services and charges	61,327
Office expense	99,380
Professional fees	63,710
Management fee	171,733
Depreciation	776,910
Other	141,759
TOTAL OPERATING EXPENSES	<u>3,726,519</u>

OPERATING INCOME	<u>2,388,736</u>
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NONOPERATING REVENUES (EXPENSES)

Interest earned	249,139
Interest expense	<u>(1,336,752)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,087,613)</u>

CHANGE IN NET POSITION	1,301,123
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NET POSITION AT BEGINNING OF YEAR	<u>11,571,814</u>
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NET POSITION AT END OF YEAR	<u><u>\$ 12,872,937</u></u>
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See accompanying notes to the basic financial statements.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 4,813,695
Payments to suppliers for goods and services	<u>(2,878,522)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,935,173</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES

Acquisition and construction of capital assets	(892,647)
Principal paid on debt	(720,000)
Interest paid on debt	<u>(1,418,411)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,031,058)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>249,139</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(846,746)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>12,662,042</u>
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CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 11,815,296</u></u>
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RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 2,388,736
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	776,910
(Increase) decrease in Account receivable	(1,301,560)
Increase in Accounts payable	6,888
Escrow deposits	<u>64,199</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,935,173</u></u>
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See accompanying notes to the basic financial statements.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Authority

The Newtown Township, Delaware County, Municipal Authority (the "Authority") is a corporate body organized and existing under the laws of the Commonwealth of Pennsylvania. The Authority was incorporated on August 7, 1961, under the Municipal Authorities Act of 1945, as amended, pursuant to a resolution adopted by the Township of Newtown, Delaware County. The purpose of the Authority is to assist the Township to acquire or facilitate ownership of land, buildings and equipment for any use approved by the Township, as well as sewer and industrial waste disposal. The Authority will cease existence after 2050, unless terminated earlier by operation of law.

The Authority is considered a component unit of the Township of Newtown, Delaware County, Pennsylvania. The Authority's Board is officially appointed by the Township Board of Supervisors.

Fund Accounting

The Authority is considered an Enterprise Fund, which is a fund type used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The Authority's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when the underlying goods or services are received, regardless of when paid.

Revenue Recognition

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an Enterprise Fund's principal ongoing operations. The principal operating revenues of the Authority charges for services directly associated with sewer treatment. Operating expense for Enterprise Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Property and Equipment

Capital assets, which include the property, sewer system and equipment are reported in the financial statements at cost net of accumulated depreciation. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The depreciation provision for the has been calculated primarily on the basis of depreciating the capital asset costs over the estimated useful life of the assets using the straight-line method with one half of one year's depreciation recorded in the year the assets are placed in service.

	<u>Years</u>
Sewer system	30-50

Unamortized Bond Discounts and Premiums

Bond discounts and premiums are deferred and amortized over the term of the related bonds on a basis which approximates the interest method.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of charges for services directly associated with sewage conveyance. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities. Nonoperating revenues consist of capital grants, capital contributions and interest income. When an expense is incurred for purposes for which there is both restricted and unrestricted net position available, it is the Authority's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Receivables

All receivables are shown net of any allowances for uncollectibles. The allowance for uncollectibles was \$176,923 as of December 31, 2023.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2023, \$250,000 of the total bank balance of \$11,805,171 was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$11,555,171 was exposed to credit risk because it was uninsured, although these funds are collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Authority's name. This includes collateralization of securities on a pooled basis in accordance with Act No. 72 of the PA General Assembly. Under such Act, financial institutions have the responsibility to maintain sufficient assets in a pooled asset account to collateralize adequately all public deposits, including any interest accrued thereon, in excess of applicable deposit insurance coverage.

NOTE C - CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

Changes in capital asset activity for the year ended December 31, 2023 were as follows:

	January 1, 2023	Increases	Decreases	December 31, 2023
Capital assets, not being depreciated				
Land	\$ 1,234,825	\$ -	\$ -	\$ 1,234,825
Construction in progress	2,328,820	892,647	-	3,221,467
Total capital assets, not being depreciated	3,563,645	892,647	-	4,456,292
Capital assets, being depreciated				
Sewer system	35,739,761	-	-	35,739,761
Less: Accumulated depreciation	(5,466,353)	(776,910)	-	(6,243,263)
Total capital assets, being depreciated, net	30,273,408	(776,910)	-	29,496,498
CAPITAL ASSETS, net	\$ 33,837,053	\$ 115,737	\$ -	\$ 33,952,790

Land is comprised of Drexel Lodge Park valuing \$909,825 and an assortment of other smaller properties with a cumulative value of \$325,000.

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE D - LONG-TERM LIABILITIES

Long-term liability for the year ended December 31, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
BONDS PAYABLE					
Guaranteed Sewer Revenue					
Bond, Series of 2018	\$ 32,155,000	\$ -	\$ (720,000)	\$ 31,435,000	\$ 745,000
Bond premiums	<u>1,861,507</u>	<u>-</u>	<u>(72,059)</u>	<u>1,789,448</u>	<u>72,059</u>
TOTAL BONDS PAYABLE	<u>\$ 34,016,507</u>	<u>\$ -</u>	<u>\$ (792,059)</u>	<u>\$ 33,224,448</u>	<u>\$ 817,059</u>

Bonds Payable

On November 5, 2018, Guaranteed Sewer Revenue Bonds, Series of 2018, were issued in the original amount of \$33,520,000. Interest rates range from 3.0% to 5.0% with interest payable semi-annually and principal payable annually from September 2019 through September 2048. These bonds were issued to provide funds for the capital program, for payment of certain capitalized interest, and for payment of costs of issuing the Bonds.

Annual debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 745,000	\$ 1,425,169
2025	775,000	1,396,369
2026	805,000	1,366,569
2027	840,000	1,335,569
2028	875,000	1,303,369
2029 to 2033	4,915,000	5,984,845
2034 to 2038	5,930,000	4,995,595
2039 to 2043	7,270,000	3,775,788
2044 to 2048	<u>9,280,000</u>	<u>102,000</u>
	<u>\$ 31,435,000</u>	<u>\$ 21,685,273</u>

NEWTOWN TOWNSHIP, DELAWARE COUNTY, MUNICIPAL AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE E - RELATED-PARTY TRANSACTIONS

At December 31, 2023, the Authority had a balance due to the primary government (Township of Newtown) of \$509,492.

The balance of \$509,492 due to the Township as of December 31, 2023 resulted from the advances from the Township to the Authority during the years 2011-2014 to fund their engineering costs and debt service payments. During 2015, the Township transferred the majority of the cash from the Townships' sewer funds prior to the transfer of operations effective January 1, 2016. There are no formal set terms of repayment to the Township.

The Township of Newtown provides management and support services for the Authority. The Authority pays a management fee to the Township for these services. Management fees were calculated at \$171,733 for the year ended December 31, 2023, which were paid in full during 2023.