

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY  
(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP)  
WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA  
CHESTER COUNTY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**



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**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY  
(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA)  
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## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
West Brandywine Township Municipal Authority  
West Brandywine Township, Pennsylvania

### **Opinion**

We have audited the financial statements of West Brandywine Township Municipal Authority, a component unit of West Brandywine Township, Chester County, Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the West Brandywine Township Municipal Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the West Brandywine Township Municipal Authority, as of December 31, 2024, and the respective changes in financial position and its 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the West Brandywine Township Municipal Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Other Matter**

The financial statements of West Brandywine Township Municipal Authority for the year ended December 31, 2023, were audited by other auditors, who expressed an unmodified opinion on those financial statements dated July 24, 2024.

### **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 West Brandywine Township 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.

***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 and *Government 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 GAAS and *Government 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 West Brandywine Township 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 the West Brandywine Township 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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 audits 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of West Brandywine Township Municipal Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West Brandywine Township Municipal Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Brandywine Township Municipal Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

King of Prussia, Pennsylvania  
February 12, 2026

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY  
(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
DECEMBER 31, 2024**

Management's discussion and analysis ("MD&A") of the West Brandywine Township Municipal Authority (the "Authority") provides an overview of the Authority's financial performance for 2023. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Authority's financial performance.

The Authority was established through Ordinance Number 95-02 of West Brandywine Township (the "Township") on April 6, 1995. The Township created the Authority for the purpose of acquiring, holding, constructing, financing, improving, maintaining and operating a sewerage system for the collection and treatment of wastewater for the benefit of the residents of the Township. The activities of the Authority are accounted for as an enterprise fund of the proprietary fund type. An enterprise fund accounts for the operations that are financed and operated in a manner similar to private enterprises where the intent is that the cost of providing goods and services be recovered primarily through user fees and charges. The operating revenues of the Authority consist primarily of charges for services from customers.

### **FINANCIAL HIGHLIGHTS**

- At December 31, 2024, the Authority's assets and deferred outflow of resources exceeded its liabilities by \$2,087,898.
- At December 31, 2023, the Authority's assets and deferred outflow of resources exceeded its liabilities by \$2,154,722.
- During 2024, the Authority's net position increased by \$281,163. The operating income for 2024 was \$99,202, while nonoperating revenues and expenses were net revenues which consisted primarily of interest paid and amortization on its sewer revenue bonds payable of \$239,800 net of nonoperating revenues of \$421,761 consisting of contributions from developers, intergovernmental grant revenues and interest income.
- During 2023, the Authority's net position increased by \$793,885. The operating income for 2023 was \$762,958, while nonoperating revenues and expenses were a net revenue of \$30,927 which consisted primarily of interest paid and amortization on its sewer revenue bonds payable of \$245,652 net of nonoperating revenues of \$276,579 consisting of contributions from developers, intergovernmental grant revenues and interest income.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) basic financial statements and 2) notes to the basic financial statements.

### **BASIC FINANCIAL STATEMENTS**

The Statement of Net Position presents information on all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Authority is improving or deteriorating.

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MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
DECEMBER 31, 2024**

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents the sources and uses of cash during the course of the fiscal year. The net effect of cash flows is reconciled to cash balances held by the Authority at the beginning and end of the reporting period.

The basic financial statements can be found on Pages 9 through 11 of this report.

**NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The notes to the financial statements can be found on Pages 12 through 17 of this report.

**FINANCIAL ANALYSIS**

As noted above, net position may serve over time as a useful indicator of an entity's financial health. In the case of the Authority, assets and deferred outflows exceeded liabilities by \$2,087,898 at December 31, 2024 and \$2,154,722 at December 31, 2023. A summary of the Statement of Net Position as of December 31, 2024, 2023 and 2022 is presented below.

**Statements of Net Position**

	2024	2023	2022
Assets			
Current and Other Assets	\$ 2,418,792	\$ 2,568,461	\$ 2,082,217
Capital Assets, Net	7,614,370	7,494,893	7,441,970
Total Assets	10,033,162	10,063,354	9,524,187
Deferred Outflow of Resources			
Deferred Amounts on Debt Refunding	577,709	625,853	673,995
Liabilities			
Current Liabilities	512,986	531,485	502,345
Noncurrent Liabilities	7,662,000	8,003,000	8,335,000
Total Liabilities	8,174,986	8,534,485	8,837,345
Net Position			
Net Investment in Capital Assets (Deficit)	189,079	(214,254)	(542,035)
Restricted	562,657	562,572	573,383
Unrestricted	1,684,149	1,806,404	1,329,489
Total Net Position	\$ 2,435,885	\$ 2,154,722	\$ 1,360,837

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MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
DECEMBER 31, 2024**

The Authority's total assets as of December 31, 2024 were \$10,033,162, of which \$7,614,370 or 75.89% consisted of the Authority's investment in capital assets. The Authority's total liabilities as of December 31, 2024 were \$8,174,986, of which \$8,003,000 or 97.90% consisted of the Authority's sewer revenue bonds and notes payable.

The Authority's total assets as of December 31, 2023 were \$10,063,354, of which \$7,494,893 or 74.48% consisted of the Authority's investment in capital assets. The Authority's total liabilities as of December 31, 2023 were \$8,534,485, of which \$8,335,000 or 97.66% consisted of the Authority's sewer revenue bonds and notes payable.

Of the Authority's total net position \$562,657 at December 31, 2024 and \$562,672 at December 31, 2023 is considered restricted. All of the Authority's restricted net position relates to the Authority's restricted investments under the provisions of the bond indenture between the Authority and trustee.

The largest portion of the Authority's net position reflects its unrestricted net position which totaled \$1,684,149 as of December 31, 2024 and \$1,806,404 as of December 31, 2023. This may be used to meet the Authority's ongoing obligations to citizens and creditors. The Authority has internally reserved net position of \$1,222,063 as of December 31, 2024 and \$1,494,174 as of December 31, 2023 as a capital reserve. The Authority's unrestricted net position decreased by \$122,255 during 2024 and increased by \$476,915 during 2023 primarily due to the results of operations.

A portion of the Authority's net position reflects its net investment in capital assets (infrastructure and machinery and equipment), less any outstanding debt used to acquire those assets. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Authority's net investment in capital assets was \$189,079 as of December 31, 2024 and a deficit of \$214,254 as of December 31, 2023. Net investment in capital assets increased by \$403,333 in 2024 and \$327,781 in 2023, because the debt used to acquire capital assets was being repaid faster than the Authority's capital assets were being depreciated and capital assets were acquired with sources other than long-term debt.

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MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
DECEMBER 31, 2024**

The Authority's net position increased by \$281,163 during 2024 and increased by \$793,885 during 2023. A summary of the Statement of Revenues, Expenses and Changes in Net Position for the years ending December 31, 2024, 2023 and 2022 is presented on the following page.

**Statements of Revenues, Expenses and Changes in Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 1,568,046	\$ 2,286,004	\$ 1,512,627
Operating Expenses	<u>1,462,578</u>	<u>1,523,046</u>	<u>1,167,138</u>
Operating Income	105,468	762,958	345,489
Nonoperating Revenues (Expenses)			
Interest Income	65,563	43,378	4,717
Contributions from Developers	-	7,252	7,252
Intergovernmental Grant Revenues	349,932	225,949	45,874
Amortization of Deferred Amounts on Debt Refunding	(48,144)	(48,142)	(48,142)
Interest Expense	<u>(191,656)</u>	<u>(197,510)</u>	<u>(202,620)</u>
Total Nonoperating Revenues (Expenses)	<u>175,695</u>	<u>30,927</u>	<u>(192,919)</u>
Change in Net Position	<u>\$ 281,163</u>	<u>\$ 793,885</u>	<u>\$ 152,570</u>

The Authority's operating revenues for 2024 and 2023 consisted primarily of sewer usage charges from customers (\$1,501,509 or 96.14% in 2024 and \$1,558,073 or 68.16% in 2023). Sewer user charges from customers decreased by \$56,564 or 3.63% in 2024 compared to 2023 due to a decrease in delinquent sewer charges. Tapping fees decreased by \$696,274 or 97.00% in 2024 compared to 2023 due to new housing the Traditions of America at West Brandywine development in 2023 and no such activity in 2024.

The Authority's operating expenses for 2024 and 2023 consisted primarily of wastewater treatment services (\$908,167 or 62.09% in 2024 and \$1,033,466 or 67.86% in 2023) and depreciation expense (\$250,686 or 17.14% in 2024 and \$234,987 or 15.43% in 2023). Operating expenses decreased by \$60,468 or 3.97% in 2024 compared to 2023 primarily as a result of a decrease in wastewater treatment services.

Nonoperating revenues and expenses consist primarily of interest expense on the Authority's sewer revenue bonds payable and intergovernmental grant revenues for funding received related to capital improvements.

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DECEMBER 31, 2024**

The Authority approves annual sewer rates that generate operating revenues in its two sewer districts – Kimberwick district and Friendship Village district. The schedule of each district’s approved rates for 2024 and 2023 are as follows:

	2024	2023
<b><u>Kimberwick</u></b>		
<b>Residential</b>		
Quarterly Debt Service Charge	\$ 45.00	\$ 45.00
Quarterly Usage Rate/1,000 gallons	\$ 21.83	\$ 21.83
<b><u>Friendship Village</u></b>		
<b>Bulk Users</b>		
Monthly Debt Service Charge	\$ 15.00	\$ 15.00
Monthly Usage Rate /1,000 gallons	\$ 21.83	\$ 21.83
<b>Residential</b>		
Quarterly Debt Service Charge	\$ 45.00	\$ 45.00
Quarterly Usage Rate/1,000 gallons	\$ 21.83	\$ 21.83
<b><u>Flat Rate</u></b>		
Quarterly Flat Rate (flate usage and debt service charge)	\$ 425.00	\$ 425.00

\*Note: Effective October 1, 2024 the quarterly usage rate/1,000 gallons was increased to \$23.83 and the quarterly flat rate was increased to \$455.00

**CAPITAL ASSETS**

The Authority’s investment in capital assets, net of accumulated depreciation amounted to \$7,614,370 as of December 31, 2024 and \$7,494,893 as of December 31, 2023. This investment in capital assets includes infrastructure and machinery and equipment. The increase in the Authority’s investment in capital assets was \$119,477 or 1.59% in 2024 and \$52,923 or 0.71% in 2023, For 2024, capital additions were \$370,163 and in excess of depreciation expense of \$250,686. For 2023, capital additions were \$287,910 and in excess of depreciation expense of \$234,987. Capital additions for 2024 consisted primarily of generator replacement and hatch door replacement projects, while capital additions for 2023 consisted primarily of construction for the pump station controls project.

**DEBT**

The Authority had outstanding sewer revenue bonds payable of \$8,003,000 as of December 31, 2024 and \$8,335,000 as of December 31, 2023. The decrease in the Authority’s sewer revenue bonds and notes payable was \$332,000 or 3.98% for 2024 and \$323,000 or 3.73% for 2023. Proceeds from sewer revenue bonds payable were used to finance the planning, construction, renovation and acquisition of a sewer system for the benefit of the Township or to finance the retirement (refund) of prior sewer revenue bonds payable. The sewer revenue notes are secured by the assignment and pledge of the revenues of the sewer system and the guaranty of the Township.

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**FACTORS BEARING ON THE AUTHORITY'S FUTURE**

The Authority's operating revenues are anticipated to rise slightly over the next year due to increases in usage from existing customers and the potential inflow from new sewer connections. In planning the 2025 budget, the Authority determined that sewer rates would need to increase cover operating costs. In 2025 the usage rate per 1000 gallons increased to \$23.83 and the quarterly flat rate increased to \$455.

The Authority's sewer system is sufficient to meet the Township's current needs. As new and/or extended service to existing development is required, the Authority will evaluate the need to and options available to finance enhancements to the sewer system and accommodate future growth in the Township. The Authority has designated approximately \$1.5 million for future capital needs.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrator, West Brandywine Township Municipal Authority, 199 Lafayette Road, Coatesville, PA 19320.

## **BASIC FINANCIAL STATEMENTS**

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY**  
**(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA)**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 1,117,829	\$ 1,673,312
Escrow Cash	54,454	34,337
Accounts Receivable	335,865	298,240
Grant Receivable	347,987	-
Noncurrent Assets:		
Restricted Cash		
Debt Service Reserve Fund	562,657	562,572
Capital Assets, Net	7,614,370	7,494,893
Total Assets	10,033,162	10,063,354
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts on Debt Refunding	577,709	625,853
 <b>LIABILITIES</b>		
Current Liabilities:		
Current Portion of Sewer Revenue Bonds and Notes	341,000	332,000
Accounts Payable and Accrued Expenses	108,662	155,945
Accrued Interest Payable	8,003	8,337
Other Current Liabilities	55,321	35,203
Noncurrent Liabilities:		
Sewer Revenue Bonds, Net of Current Portion	7,662,000	8,003,000
Total Liabilities	8,174,986	8,534,485
 <b>NET POSITION</b>		
Net Investment in Capital Assets (Deficit)	189,079	(214,254)
Restricted	562,657	562,572
Unrestricted	1,684,149	1,806,404
Total Net Position	\$ 2,435,885	\$ 2,154,722

See accompanying Notes to Basic Financial Statements.

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY**  
**(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA)**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>OPERATING REVENUES</b>		
Sewer Usage Charges	\$ 1,507,775	\$ 1,558,073
Tapping Fees	21,526	717,800
Planning and Inspection Fees	28,697	660
Other	10,048	9,471
Total Operating Revenues	1,568,046	2,286,004
<b>OPERATING EXPENSES</b>		
Administrative Expenses	13,275	11,689
Depreciation Expense	250,686	234,987
Engineering Fees	58,213	15,281
Insurance	19,936	18,075
Professional Services	19,112	25,728
Repairs and Maintenance	104,922	101,424
Salaries and Benefits	60,245	57,162
Utilities	28,022	25,234
Wastewater Treatment Services	908,167	1,033,466
Total Operating Expenses	1,462,578	1,523,046
<b>OPERATING INCOME (LOSS)</b>	105,468	762,958
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	65,563	43,378
Contributions from Developers	-	7,252
Intergovernmental Grant Revenues	349,932	225,949
Amortization of Deferred Amounts on Debt Refunding	(48,144)	(48,142)
Interest Expense	(191,656)	(197,510)
Total Nonoperating Revenues (Expenses)	175,695	30,927
<b>CHANGE IN NET POSITION</b>	281,163	793,885
Net Position - Beginning of Year	2,154,722	1,360,837
<b>NET POSITION - END OF YEAR</b>	\$ 2,435,885	\$ 2,154,722

See accompanying Notes to Basic Financial Statements.

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY**  
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**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 1,470,150	\$ 1,550,282
Other Operating Receipts	80,389	709,072
Cash Paid to Vendors for Goods and Services	(1,198,930)	(1,191,624)
Cash Paid to Employees for Services	(60,245)	(57,162)
Net Cash Provided by Operating Activities	291,364	1,010,568
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributions from Developers	-	7,252
Acquisition of Capital Assets	(370,163)	(287,910)
Repayment of Sewer Revenue Notes	(332,000)	(323,000)
Intergovernmental Revenues	1,945	243,456
Interest Paid	(191,990)	(197,784)
Net Cash Used by Capital and Related Financing Activities	(892,208)	(557,986)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	65,563	43,378
Net Cash Provided by Investing Activities	65,563	43,378
<b>NET INCREASE (DECREASE) IN CASH</b>	(535,281)	495,960
Cash - Beginning of Year	2,270,221	1,774,261
<b>CASH - END OF YEAR</b>	\$ 1,734,940	\$ 2,270,221
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 105,468	\$ 762,958
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	250,686	234,987
(Increase) Decrease in:		
Accounts Receivable	(37,625)	(7,791)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(47,283)	39,273
Other Liabilities	20,118	(18,859)
Net Cash Provided by Operating Activities	\$ 291,364	\$ 1,010,568
<b>RECONCILIATION OF CASH</b>		
Current Cash	\$ 1,117,829	\$ 1,673,312
Escrow Cash	54,454	34,337
Restricted Cash - Debt Service Reserve Fund	562,657	562,572
Total Cash	\$ 1,734,940	\$ 2,270,221

See accompanying Notes to Basic Financial Statements.

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY  
(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA)  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the West Brandywine Township Municipal Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards. The significant accounting principles and policies utilized by the Authority are described below.

**Organization and Reporting Entity**

West Brandywine Township (the Township), a Second Class Township of the Commonwealth of Pennsylvania, adopted Resolution Number 95-02 on April 6, 1995, under the provisions of the Municipality Authorities Act of 1945, as amended, for the purpose of acquiring, holding, constructing, financing, improving, maintaining, and operating a sewerage system for the collection and treatment of wastewater for the benefit of the residents of the Township. A Certification of Incorporation for the Authority was filed and recorded with the Office of the Secretary of the Commonwealth of Pennsylvania. The Authority's Board consists of five members appointed for a five-year term by the Township Board of Supervisors.

The Authority is a component unit of the Township. The Authority is reported as if it were part of the primary government because its sole purpose is to operate a sewer system for the benefit of the residents of the Township.

**Measurement Focus and Basis of Accounting and Financial Statement Presentation**

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources associated with the operation of the Authority are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The net position of the Authority represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the Authority is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

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(A COMPONENT UNIT OF WEST BRANDYWINE TOWNSHIP, PENNSYLVANIA)  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)**

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Cash and Cash Equivalents**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Accounts Receivable**

The Authority's accounts receivable are reported at net realizable value. The Authority's sewer operations experience very small losses from uncollectible accounts. Sewer fees constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accounts receivable are shown net of an allowance for doubtful accounts. There was no allowance for doubtful accounts at December 31, 2024 and 2023.

**Capital Assets**

The Authority defines capital assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets of the Authority are recorded at cost. Donated assets are valued at their estimated fair value on the date donated. Depreciation is computed using the straight-line method over estimated assets lives as follows: machinery and equipment (5-15 years) and infrastructure (50 years). Major additions and betterments are capitalized while expenses for maintenance and repairs that do not add value to the asset or materially extend asset lives are charged to operations as incurred.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impairment of Long-Lived Assets**

The Authority evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset. No impairment losses were recognized in 2024 and 2023.

**Revenues and Expenses**

Revenues and expenses are segregated into operating and nonoperating items. Operating revenues generally result from providing service in connection with the Authority's principal operations. The principal operating revenues of the Authority are charges for services from customers. Operating expenses include the costs associated with the operation and administration of the sewer system. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

**NOTE 2 DEPOSITS**

State statutes authorize the Authority to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation, or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools, or mutual funds.

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**NOTE 2 DEPOSITS (CONTINUED)**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a policy for custodial credit risk on deposits. At December 31, 2024, the carrying amount of the Authority's deposits was \$1,734,940 and the bank balance was \$1,747,440. At December 31, 2023, the carrying amount of the Authority's deposits was \$2,270,221 and the bank balance was \$2,280,141. The Authority is required by state statute to deposit funds in depositories that are either banks, banking institutions, or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania, or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance at December 31, 2024, \$250,000 was covered by federal depository insurance, and \$1,497,440 was collateralized by the Authority's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. Of the bank balance at December 31, 2023, \$250,000 was covered by federal depository insurance, and \$2,030,141 was collateralized by the Authority's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds.

**NOTE 3 RESTRICTED CASH**

The Authority maintains restricted cash held by a fiscal agent, which are restricted by the indenture between the Authority and the trustee pursuant to which the sewer revenue bonds were issued (see Note 5).

**Debt Service Reserve Fund**

The indenture established a debt service reserve fund which will be pledged to and be available for payment of debt service requirements as they become due. In the event that any funds in the debt service reserve fund are applied to pay the debt service on the outstanding bonds and notes, the Authority shall make additional deposits to maintain the debt service reserve requirement in the debt service reserve fund as outlined in the indenture.

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**NOTE 4 CAPITAL ASSETS**

A summary of the changes in the Authority's capital assets for 2024 and 2023 is as follows:

	Beginning Balance 1/1/2024	Increases	Decreases	Ending Balance 12/31/2024
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 7,885	\$ 339,155	\$ 330,667	\$ 16,373
Total Capital Assets, Not Being Depreciated	7,885	339,155	330,667	16,373
Capital Assets, Being Depreciated				
Infrastructure	11,691,321	361,675	-	12,052,996
Machinery and Equipment	13,318	-	-	13,318
Total Capital Assets, Being Depreciated	11,704,639	361,675	-	12,066,314
Less Accumulated Depreciation:				
Infrastructure	(4,204,313)	(250,686)	-	(4,454,999)
Machinery and Equipment	(13,318)	-	-	(13,318)
Total Accumulated Depreciation	(4,217,631)	(250,686)	-	(4,468,317)
Total Capital Assets Being Depreciated, Net	7,487,008	110,989	-	7,597,997
Total Capital Assets, Net	<u>\$ 7,494,893</u>	<u>\$ 450,144</u>	<u>\$ 330,667</u>	<u>\$ 7,614,370</u>
	Beginning Balance 1/1/2023	Increases	Decreases	Ending Balance 12/31/2023
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 40,142	\$ 279,969	\$ 312,226	\$ 7,885
Total Capital Assets, Not Being Depreciated	40,142	279,969	312,226	7,885
Capital Assets, Being Depreciated				
Infrastructure	11,371,154	320,167	-	11,691,321
Machinery and Equipment	13,318	-	-	13,318
Total Capital Assets, Being Depreciated	11,384,472	320,167	-	11,704,639
Less Accumulated Depreciation:				
Infrastructure	(3,969,326)	(234,987)	-	(4,204,313)
Machinery and Equipment	(13,318)	-	-	(13,318)
Total Accumulated Depreciation	(3,982,644)	(234,987)	-	(4,217,631)
Total Capital Assets Being Depreciated, Net	7,401,828	85,180	-	7,487,008
Total Capital Assets, Net	<u>\$ 7,441,970</u>	<u>\$ 365,149</u>	<u>\$ 312,226</u>	<u>\$ 7,494,893</u>

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**NOTE 4 CAPITAL ASSETS (CONTINUED)**

As of December 31, 2024, the Authority had a construction commitment totaling \$22,993 related to the pump station hatches replacement project which commenced in December 2024.

**NOTE 5 SEWER REVENUE NOTES PAYABLE**

On October 17, 2019, the Authority issued Guaranteed Sewer Revenue Note, Series of 2019 (the Series 2019 Note) in the aggregate principal amount of \$9,170,000. The proceeds of the Series 2019 Note was used to (a) refund the outstanding amounts on the Authority's Guaranteed Sewer Revenue Bonds, Series of 2012, in the amount of \$1,539,000, (b) refund the outstanding amounts on the Authority's Guaranteed Sewer Revenue Notes, Series of 2016, in the amount of \$7,631,000, (c) fund a debt service reserve fund, and (d) pay the costs of issuance. The Series 2019 Notes are payable annually in varying amounts from December 2020 to December 2044 and interest is payable semi-annually at rates from 2.25% to 5.25%. The Series 2019 Notes are secured by the assignment and pledge of the revenues of the sewer system and the guaranty of the Township.

A summary of the changes in the Authority's sewer revenue notes payable for 2024 and 2023 is as follows:

	Balance 1/1/2024	Additions	Deductions	Balance 12/31/2024
Series 2019	\$ 8,335,000	\$ -	\$ 332,000	\$ 8,003,000
	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023
Series 2019	\$ 8,658,000	\$ -	\$ 323,000	\$ 8,335,000

Annual debt service requirements under the Authority's Guaranteed Sewer Revenue Bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 341,000	\$ 182,568	\$ 523,568
2026	350,000	174,789	524,789
2027	341,000	222,407	563,407
2028	351,000	212,616	563,616
2029	362,000	201,358	563,358
2030-2034	1,981,000	835,275	2,816,275
2035-2039	1,866,000	852,774	2,718,774
2040-2044	2,411,000	398,582	2,809,582
Total	\$ 8,003,000	\$ 3,080,369	\$ 11,083,369

**WEST BRANDYWINE TOWNSHIP MUNICIPAL AUTHORITY  
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**NOTE 6 RISK MANAGEMENT**

The Authority is exposed various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters. Significant losses are covered by commercial insurance for all major programs. For insured programs, there were no significant reductions in insurance coverage during 2024. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 7 CONTINGENCIES**

The Authority is subject to various disputes and legal proceedings which arise in the normal course of its operations. In the opinion of management, the amount of ultimate liability with respect to these activities will not be material to the Authority's financial condition.

**NOTE 8 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 12, 2026, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2024 that required recognition or disclosure in the financial statements.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board  
West Brandywine Township Municipal Authority  
West Brandywine Township, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the West Brandywine Township Municipal Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 12, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

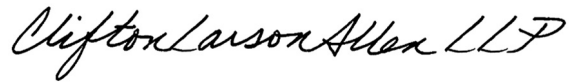
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

King of Prussia, Pennsylvania  
February 12, 2026



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