



NEW ISSUE - BOOK ENTRY ONLY

RATING: S&P: “AA-” (Stable Outlook)
(See “RATING” herein)

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. The Bonds, and interest income therefrom, are free from taxation for purposes of personal, and corporate net, income taxes within the Commonwealth of Pennsylvania.

The Township has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. For a more complete discussion, see “TAX MATTERS” herein.

\$3,000,000*

TOWNSHIP OF CHARTIERS
(Washington County, Pennsylvania)
General Obligation Bonds, Series of 2024

Bonds Dated: Date of delivery
Principal Due: August 1, as shown on inside cover
Denomination: Integral multiples of \$5,000

Interest Payable: February 1 and August 1
First Interest Payment: February 1, 2025
Form: DTC Book-Entry Only

Legal Investment for Fiduciaries in Pennsylvania: The Bonds are legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508 as amended and supplemented.

General: The General Obligation Bonds, Series of 2024 (the “Bonds” or “2024 Bonds”) are being issued by the Township of Chartiers (the “Township”), Washington County, Pennsylvania, pursuant to the Pennsylvania Local Government Unit Debt Act and under an Ordinance enacted by the Township Board of Supervisors (the “Ordinance”). The Bonds will be dated the date of delivery and will bear interest from the date of delivery payable semiannually on February 1 and August 1 of each year, commencing February 1, 2025, at the interest rates set forth on the inside cover. The Bonds will be issued as fully registered Bonds without coupons, and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Beneficial ownership interests in the Bonds will be recorded in book-entry-only form in denominations of \$5,000, or any integral multiple thereof. Principal of and interest on the Bonds are payable directly to CEDE & CO. for redistribution to DTC Participants and in turn to Beneficial Owners as described herein by the Township to Zions Bancorporation, National Association, Pittsburgh, Pennsylvania as Paying Agent. Purchasers will not receive physical delivery of certificates representing their ownership interests in the Bonds purchased. For so long as any purchaser is the Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Bonds. See “**BOOK-ENTRY-ONLY SYSTEM**” herein.

Security: In the Ordinance, the Township covenants with the holders of the Bonds that it will include the amount of the debt service to be paid on the Bonds for each fiscal year in which such sums are payable in its budget for that fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township has pledged its full faith, credit and taxing power. As provided in the Pennsylvania Local Government Unit Debt Act, the foregoing covenant shall be specifically enforceable.

Optional Redemption: The Bonds are subject to optional redemption prior to their stated maturity dates, as described herein.

Purpose: Proceeds of the Bonds will be used for and towards certain Township capital projects, capitalizing interest on a portion of the Bonds and to pay the allocable costs of issuing the Bonds.

The Bonds are offered for delivery when, as and if issued by the Township and received by the Underwriter, subject to the approving legal opinion of Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, as Bond Counsel to the Township, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Liekar and Liekar, Canonsburg, Pennsylvania, as Solicitor for the Township, and for the Underwriter by its limited scope underwriter’s counsel, Cozen O’Connor, Pittsburgh, Pennsylvania. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about December ____, 2024.

RAYMOND JAMES®

*Preliminary, subject to change.

This Preliminary Official Statement and the information herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Township deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information on the cover hereof and certain pages herein which have been omitted in accordance with such Rule and which will be supplied in the final Official Statement.

\$3,000,000*

TOWNSHIP OF CHARTIERS
(Washington County, Pennsylvania)
General Obligation Bonds, Series of 2024

Bonds Dated: Date of delivery
Principal Due: August 1, as shown on inside cover
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Interest Payable: February 1 and August 1
First Interest Payment: February 1, 2025
Form: DTC Book-entry Only

BOND MATURITY SCHEDULE

(August 1)	Principal	Interest			CUSIP
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Numbers</u> ⁽¹⁾

⁽¹⁾The CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Township or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of Noteholders and Bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Township nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the Township or the Underwriter to give any information or to make any representation, other than that given or made in this Official Statement, and if given or made, any such other information or representation may not be relied upon as having been authorized by the Township or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement has been approved by the Township and, while the information set forth in this Official Statement has been furnished by the Township and other sources which are believed to be reliable, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters or, as to information obtained from other sources, by the Township. The information and expressions of opinion set forth in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that the affairs of the Township have remained unchanged since the date of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER'S MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS ARE MADE ONLY BY THE MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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SUMMARY PAGE

This Summary Statement is subject in all respects to more complete information in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without the entire Official Statement. A full review of the entire Official Statement should be made by potential Bond purchasers.

Issuer	Township of Chartiers, Washington County, Pennsylvania (the “Township”).
Bonds	The General Obligation Bonds, Series of 2024 in the principal amount of \$3,000,000* (the “Bonds”), dated as of the date of delivery, maturing on August 1, 20__ through August 1, 20__. Interest on the Bonds shall be payable semiannually on February 1 and August 1. See “ DESCRIPTION OF THE BONDS ” herein.
Optional Redemption	The Bonds stated to mature on or after August 1, 20__, are subject to redemption prior to maturity at the option of the Township in whole or, from time to time, in part, in any order of maturities as the Township shall select, on any date or dates on or after _____, 20__, at a price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption.
Form	Book-Entry Only.
Purpose	Proceeds of the Bonds will be used for and towards certain Township capital projects, capitalizing interest on a portion of the Bonds and to pay the allocable costs of issuing the Bonds.
Security	The Bonds are general obligations of the Township, for the payment of which the Township has pledged its full faith, credit and taxing power.
Rating	S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned an underlying rating of “AA-” (stable outlook) to the Bonds, subject to their issuance. (See “ RATING ” herein.)
Continuing Disclosure Undertaking	The Township has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the “Rule”). (See “ CONTINUING DISCLOSURE UNDERTAKING ” and “ APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE .”)

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**TOWNSHIP OF CHARTIERS
(Washington County, Pennsylvania)**

2 Buccaneer Drive
Houston, Pennsylvania 15342

TOWNSHIP BOARD OF SUPERVISORS

Bronwyn Maggi-Kolovich..... Chairman
Harlan Shober Vice-Chairman
Frank Wise Secretary

TOWNSHIP ADMINISTRATION

Jodi Noble Township Manager
Jamie Rozzo Assistant Township Manager

BOND COUNSEL

Dinsmore & Shohl LLP
Pittsburgh, Pennsylvania

SOLICITOR

Liekar and Liekar
Canonsburg, Pennsylvania

UNDERWRITER

Raymond James & Associates, Inc.
Pittsburgh, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

Cozen O'Connor
Pittsburgh, Pennsylvania

PAYING AGENT

Zions Bancorporation, National Association
Pittsburgh, Pennsylvania

OFFICIAL STATEMENT

\$3,000,000*

**TOWNSHIP OF CHARTIERS
(Washington County, Pennsylvania)
General Obligation Bonds, Series of 2024**

INTRODUCTION

This Official Statement is furnished by the Township of Chartiers, Washington County, Pennsylvania (the "Township"), in connection with the offering of its General Obligation Bonds, Series of 2024 in the aggregate principal amount of \$3,000,000* (the "Bonds" or "2024 Bonds"). to be dated their date of delivery (the "Delivery Date") when the Bonds are issued and delivered to DTC (described below) or its agent. The Bonds are being issued under the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the "Act"), pursuant to an Ordinance duly enacted by the Township Board of Supervisors on October 8, 2024 (the "Ordinance") and following approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Commonwealth"), pursuant to the Act.

The Bonds shall each be issued in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable semiannually, on February 1 and August 1 of each year, commencing February 1, 2025. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any physical delivery of Bond certificates and beneficial ownership of the Bonds will be evidenced only by book entries. See "**BOOK-ENTRY ONLY SYSTEM**" herein. Zions Bancorporation, National Association, located in Pittsburgh, Pennsylvania will serve as paying agent for the Bonds (the "Paying Agent").

The information which follows contains summaries of the Ordinance, the Township's financial statements and certain other financial information of the Township. Such summaries do not purport to be complete and reference is made to such documents, copies of which are on file and available for examination at the offices of the Township.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used for and towards certain Township capital projects, capitalizing interest on a portion of the Bonds and pay the allocable costs of issuing the Bonds.

SOURCES AND USES OF FUNDS

	<u>Total</u>
<u>Sources of Funds</u>	
Proceeds of the Bonds.....	
[Net] Original Issue Premium [Discount]	
Total Sources of Funds	
<u>Uses of Funds</u>	
Construction Fund Deposit.....	
Capitalized Interest	
Costs of Issuance ⁽¹⁾	
Total Uses of Funds	

⁽¹⁾ Includes legal fees, underwriter's discount, paying agent fees, rating fee, CUSIP, printing and miscellaneous fees.

*Preliminary, subject to change.

DESCRIPTION OF THE BONDS

The Bonds will be issued in book-entry form, in denominations of \$5,000 principal amount and integral multiples thereof. The Bonds will bear interest from the Delivery Date at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable initially on February 1, 2025, and thereafter, semiannually on February 1 and August 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

When issued, the Bonds will be registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers of the Bonds (the “Beneficial Owners”) will not receive any physical delivery of bond certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. See “BOOK-ENTRY ONLY SYSTEM” herein.

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the Township with respect to, and to the extent of, principal and interest so paid. If the use of the book-entry only system for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal and interest on the Bonds shall be made as described in the following paragraphs.

The principal of any certificated Bonds, when due upon maturity or any earlier mandatory or optional redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to the Paying Agent at its designated corporate trust office (or to any successor paying agent at its designated office(s)).

Interest on any certificated Bonds will be payable to the registered owner of such a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding, February 1, 2025, in which event such Bond shall bear interest from the Delivery Date, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on a certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day of the month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the Township shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names such certificated Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

Transfer, Exchange and Registration of Certificated Bonds

Subject to the provisions herein under “BOOK-ENTRY ONLY SYSTEM”, any certificated Bonds are transferable or exchangeable by the registered owners thereof upon surrender of such Bonds to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of such Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered and certificated bond or bonds of authorized denominations of the same, maturity and interest rate for the aggregate principal amount that the registered owner is entitled to receive. The Township and the Paying Agent may deem and treat the registered owner of any certificated Bond as the absolute owner thereof (whether such Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the Township and the Paying Agent shall not be affected by any notice to the contrary.

The Township and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such interest payment date; (b) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be given; (c) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of the Bonds to receive notice of any Special Record Date and the close of business on the special record date; or (d) register the transfer or exchange of any Bond after it has been selected or called for redemption, in whole or in part. Certificated Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity, and interest rate.

REDEMPTION OF BONDS

Mandatory Sinking Fund Redemptions

In the manner and upon the terms and conditions provided in the Ordinance, the following Bond maturities are subject to mandatory redemption in direct order of maturity, pursuant to operation of the Mandatory Sinking Fund in the manner set forth in the Ordinance at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest, on August 1st of the following years and in the following principal amounts:

<u>Year</u>	<u>Amount</u>
-------------	---------------

Optional Redemption

The Bonds maturing on and after August 1, _____, are subject to redemption prior to maturity at the option of the Township, in whole or in part, in any order of maturities as the Township shall select, on any date on or after August 1, _____, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption. In the event that less than all Bonds of a particular maturity are to be redeemed, the Bonds of such maturity shall be drawn by lot by the Paying Agent.

Notice of Redemption

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, however, the Township and the Paying Agent shall send redemption notices only to Cede & Co. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding conveyance of notices and Beneficial Owners.

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than twenty (20) days prior to the date fixed for redemption, addressed to each of the registered owners of any certificated Bonds to be redeemed, at the addresses shown on the registration books kept by the Paying Agent as of the date such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption.

The notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent or other escrow agent on the redemption date in sufficient time to effectuate the redemption of Bonds. If, after issuing a notice of redemption, the Township is unable or otherwise fails to deposit with the Paying Agent (or other bank or depository acting as refunding escrow agent) money sufficient to redeem the Bonds called for redemption, such notice may be withdrawn or be of no effect until such money is so deposited.

Manner of Redemption

So long as Cede & Co., nominee of DTC, is the registered owner of the Bonds, however, payment of the redemption price shall be made by Cede & Co. in accordance with the existing arrangements by and among the Township, the Paying Agent and DTC and, if less than all of the Bonds in a particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner on such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a certificated Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for certificated Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

If any maturity of the Bonds which is subject to mandatory sinking fund redemption shall be called for optional redemption in part, the Township shall be entitled to designate whether the principal amount redeemed is to be credited against the principal amount of the Bonds of such maturity required to be called for mandatory sinking fund redemption on any particular future date or dates, or shall be credited against the principal amount of such Bonds to be due and payable at stated maturity, in each case in a whole multiple of \$5,000 principal amount.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The Township (herein referred to as the "Issuer") and the Underwriter do not guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of the Township or the Underwriter

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each series of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible

after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

The Township and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation Pledge

The Bonds are general obligations of the Township, payable from its local taxes and other general revenues, including available state subsidies, on a parity basis with each other, and other existing or future general obligation debt of the Township. The taxing powers of the Township are described more fully in **APPENDIX A – TAXING POWERS AND LIMITS**. The Township has covenanted in the Ordinance that it will include in its budget for each fiscal year, and will appropriate in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay, or cause to be paid, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment, the Township has irrevocably pledged its full faith, credit and taxing power.

Actions in the Event of Default on the Bonds

In the event of a failure by the Township to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to remedies specified by the Debt Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of the county in which the Township is located. The Debt Act provides any judgment shall have an appropriate priority upon the funds next coming into the treasury of the Township. The Debt Act also provides that upon a default of at least 30 days, holders of at least 25% of the Bonds may appoint a trustee to represent them. The Debt Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

Pennsylvania's Municipalities Financial Recovery Act, Act No. 1987-47, as amended and supplemented ("Act 47") became effective on September 8, 1987. Under Act 47, upon a determination that a municipality is financially distressed (one indication of which is a default of the payment of principal of or interest on any bonds or Bonds), the Pennsylvania Secretary of the Department of Community and Economic Development shall appoint a coordinator who shall prepare a plan for restoring financial integrity to the municipality. All creditors are entitled to notice of the plan's adoption by the municipality's governing body. The intent of Act 47 is to provide for the adjustment of municipal debt by negotiated agreement with creditors. The plan, however, may recommend that the municipality file for relief under Chapter 9 of the United States Bankruptcy Code. The municipality's governing body is also authorized, subject to certain preconditions including insolvency or an inability to

meet its debts, to independently file for bankruptcy. A bankruptcy filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the municipality and its property. A plan for the adjustment of debts filed by a municipality in such a proceeding could include provisions modifying or altering the rights of creditors, including the registered owners of the Bonds. Such a plan, if confirmed by a court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the municipality in the plan.

The rights and remedies of Bondholders are also subject to the provisions of Chapter 9 of the United States Bankruptcy Code. In general, the Chapter permits, under prescribed circumstances, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debt. Such plan may, on being approved by a certain percentage of creditors and the court, include provisions modifying or altering the rights of creditors.

Any reference herein to Act 47 or the United States Bankruptcy Code should not be taken as any indication that the Township intends to proceed under either of those statutes.

Sinking Fund

Under the Ordinance, the Township has created a “Sinking Fund - Series of 2024” (the “Sinking Fund Depository”) as required by the Debt Act and segregated from all other funds of the Township. The Township shall deposit in the respective Sinking Funds, not later than the date when principal or interest is to become due on the Bonds, an amount sufficient to provide for the payment of interest and principal becoming due on the Bonds.

The Sinking Fund shall be held by the Sinking Fund Depository and invested by the Sinking Fund Depository in such securities as are authorized by the Debt Act, upon direction of the Township. Such deposits and securities shall be in the name of the Township but subject to withdrawal or collection only by the Sinking Fund Depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Funds.

The Paying Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the respective Bonds when due and payable.

BONDHOLDER CONSIDERATIONS

The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Bonds; both the Township and the Underwriters disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Official Statement inclusive of its Appendices.

Cybersecurity

The Township, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the Township may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the Township’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The Township has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the Township’s current efforts to manage cyber threats and security will, in all cases, be successful. The Township cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. In addition to the various processes in place to safeguard against cyber security attacks, the Township also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The Township relies on other entities and service providers in the course of operating the Township, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the Township, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Township cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The Township has not experienced increases in extreme weather events, but has established reserves to address severe weather disasters and maintains a comprehensive insurance policy.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Township as the taxpayer and Bond purchasers may have no right to participate in such procedure. None of the Township, the Underwriter or Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See “TAX MATTERS” herein.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirement of Rule 15-c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”), the Township (being an “obligated person” with respect to the Bonds, within the meaning of the Rule), will agree to provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB, either directly, or indirectly through a designated agent, as set forth in its Continuing Disclosure Certificates substantially in the form attached hereto as Appendix D.

With respect to the filing of annual financial information and operating data, the Township reserves the right to modify from time to time the specific types of information and data provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the Township or its operations or financial reporting, but the Township will agree that any such modification will be done in a manner consistent with the Rule.

The Township is required to give notice of certain events as set forth in the Continuing Disclosure Certificate (not all of which will be relevant to the Township). The Township may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Certificates.

The Township acknowledges that its undertakings pursuant to the Rule described herein and in the Continuing Disclosure Certificates are intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holder and beneficial owner of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the Township’s continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the Township to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The Township’s obligations with respect to continuing disclosure described herein shall terminate upon the prior defeasance, redemption or payment in full of all of the Bonds or if and when the Township is no longer an “obligated person” with respect to the Bonds, within the meaning of the Rule.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other defined “obligated persons”) with respect to municipal securities issues) are made available through the MSRB’s Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

The Township has previously entered into Continuing Disclosure Agreements with respect to each one of its previously issued bond issues that are currently outstanding. The Township’s filing history of its annual financial and operating information during the past five (5) years is outlined in the following table.

Year Ending	Filing Due Date	Filing Dates:		
		Audit	Operating Data	Budget
12/31/2023	9/30/2024	9/30/2024 ⁽¹⁾	10/18/2024 ⁽¹⁾	10/18/2024 ⁽¹⁾
12/31/2022	9/30/2023	11/01/2023 ⁽²⁾	9/04/2023	9/04/2023
12/31/2021	9/30/2022	9/29/2022 ⁽³⁾	9/14/2022	9/14/2022
12/31/2020	9/30/2021	8/26/2021	9/01/2021	8/31/2021
12/31/2019	9/30/2020	9/8/2020	2/11/2021 ⁽⁴⁾	N/A

⁽¹⁾ A "Failure to Timely File Notice" was filed to EMMA on 9/30/2024. The Audit will be filed to EMMA, when it becomes available.
⁽²⁾ A "Failure to Timely File Notice" was filed to EMMA on 10/2/2024.
⁽³⁾ An interim filing of the "draft" financial statements, along with a "Failure to Timely File Notice" was filed to EMMA on this date. The Audit was filed when it became available to EMMA on 11/10/2022.
⁽⁴⁾ A "Failure to Timely File Notice" was filed to EMMA, as well.
N/A – there was no budget requirement under the previous Continuing Disclosure Certificate for the General Obligation Bonds, Series of 2016, which are no longer outstanding.

The Township has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements. Digital Assurance Certification, LLC (“DAC”) currently serves as the Township’s dissemination agent.

NO LITIGATION

As a condition to the settlement for the Bonds, the Township will deliver a certificate, and the Township's Solicitor's opinion will include a paragraph, stating that there is no pending litigation challenging or pertaining to the Bonds.

TAX MATTERS

State Tax Matters

In the opinion of Bond Counsel, the Bonds, and the interest income therefrom, are free from taxation for purposes of personal income and corporate net income taxes within the Commonwealth of Pennsylvania.

The residence of a holder of a Bond in a state other than Pennsylvania, or being subject to tax in a state other than Pennsylvania, may result in income or other tax liabilities being imposed by such other state or its political subdivisions based on the interest or other income from the Bonds.

Federal Income Tax Matters

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including for this purpose, in the case of Bonds sold at an original issue discount, the difference between the initial offering price and accrued value) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal alternative minimum taxes on individuals.

Original Issue Discount

The Bonds that mature on _____ and on _____ (collectively, the "Tax-Exempt Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at their maturity. OID is the excess of the stated redemption price of a bond at maturity (par) over the price to the public at which a substantial amount of bonds of the same maturity are sold pursuant to the initial offering. Under the Code, OID on each Tax-Exempt Discount Bond will accrue over its term and the amount of accretion will be based on the yield to maturity, compounded semi-annually. The amount of OID that accrues during each semi-annual period will do so ratably within that period on a daily basis. With respect to an initial purchaser of a Tax-Exempt Discount Bond at its initial offering price, the portion of OID that accrues during the period that such purchaser owns such Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale, or other disposition of that Tax-Exempt Discount Bond and thus, in practical effect, is treated as interest, which is excludable from gross income for federal income tax purposes.

Holders of Tax-Exempt Discount Bonds should consult their own tax advisors as to the effect of OID with respect to their federal tax liability.

Original Issue Premium

The Bonds that mature on _____ and on _____ (collectively, the "Tax-Exempt Premium Bonds") are being sold at an original issue premium ("OIP"). An amount equal to the excess of the issue price of a Tax-Exempt Premium Bond over its stated redemption price at maturity constitutes OIP on such Tax-Exempt Premium Bond. An initial purchaser of a Tax-Exempt Premium Bond must amortize any OIP over such Tax-Exempt Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Tax-Exempt Premium Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization decreases the purchaser's basis in such Tax-Exempt Premium Bond resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Tax-Exempt Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Tax-Exempt Premium Bonds should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Tax-Exempt Premium Bond.

Interest Expense Deductions for Financial Institutions

Under Section 265 of the Code, financial institutions are denied any deduction for interest expenses that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which permits a deduction for 80% of such interest expenses, is provided in respect of certain tax-exempt obligations issued by a qualified issuer that specifically designates such obligations as "qualified tax-exempt obligations" under Section 265 of the Code.

The Township has designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

Continuing Compliance

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Township has covenanted to comply with all such requirements, including non-arbitrage requirements under Section 148 of the Code, that are necessary to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Bonds, which could result in gain or loss to the holder of a Bond, and a consequent tax liability.

Pursuant to its continuing disclosure obligations made pursuant to SEC Rule 15c2-12 (see “Continuing Disclosure Undertaking” herein), the Township may be required to provide notice of such changes or actions, as Material Events under said Rule. However, holders of the Bonds should consult their own tax advisors as to the effect of such changes or actions with respect to their federal tax liability.

Collateral Tax Liabilities

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for Federal and Pennsylvania income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may result in other collateral effects on a Bondholder’s Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder’s other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Bondholder or potential Bondholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Bonds on its tax liabilities.

Examples of tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain S corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, limiting the use of the refundable credit for coverage under a qualified health plan under Section 36B of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Bonds have been designated by the issuer as “qualified tax-exempt obligations”).

Change in Law: Adverse Determinations

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States or the various state legislatures, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal and state tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures, the Service may treat the Township as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, such as the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON.

LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, as Bond Counsel to the Township, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Liekar and Liekar, Canonsburg, Pennsylvania, as Solicitor for the Township, and for the Underwriter by its limited scope underwriter's counsel, Cozen O' Connor, Pittsburgh, Pennsylvania, will pass upon certain legal matters as limited scope undertaking counsel to the underwriter.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned the Township an underlying rating of "AA-" (stable outlook). This underlying rating may be changed, suspended or withdrawn as a result in, or unavailability of, information.

The above rating are not recommendations to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Raymond James & Associates, Inc., Lancaster, Pennsylvania (the "Underwriter") subject to certain conditions, has purchased the Bonds from the Township at a purchase price of \$_____ (representing the par amount of the Bonds of \$_____, [plus/less] an original issue [premium/discount] of \$_____ less an underwriting discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds on the Delivery Date if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Township. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Township. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

PAYING AGENT

Pursuant to the provisions of the Ordinance, as paying agent and sinking fund depository, the Paying Agent has the limited duty of receiving payments from the Township, depositing such payments in a sinking fund and making payments to the owners of the Bonds of the principal of, interest on, and premium, if any, on the Bonds when due, but only to the extent such moneys have been received. As registrar and transfer agent, the Paying Agent has the limited duty of handling the registration and transfer of the Bonds. Accordingly, the Paying Agent performs ministerial duties not involving the exercise of discretion and assumes no fiduciary relationship with respect to the owners of the Bonds.

The Paying Agent may now or in the future have banking relationships with the Township which involve making loans to the Township; these loans may have a security feature which is different from that of the security feature associated with the Bonds. The Paying Agent may also serve as trustee or paying agent and sinking fund depository on other obligations issued by or on behalf of the Township.

CERTAIN OTHER MATTERS

All references to sections or language of the Debt Act, the Bonds and the Ordinance set forth in this Official Statement are made subject to all the detailed provisions thereof, to which reference is hereby made for further information, and this Official Statement does not purport to be complete statements of any or all such provisions.

All information, estimates and assumptions herein have been obtained from officials of the Township, other governmental bodies, trade and statistical services, and other sources, which we believe to be reliable; but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended as such and not representations of fact.

The Township has authorized the distribution of this Official Statement.

TONWSHIP OF CHARTIERS
Washington County, Pennsylvania

By:
Chairman (Vice Chairman), Board of Supervisors

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APPENDIX A

SUMMARIES OF OPERATING DATA REGARDING THE TOWNSHIP

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DESCRIPTION OF THE TOWNSHIP

Introduction

The Township of Chartiers (the "Township") is a 24.53 square mile municipality located in central Washington County, Pennsylvania five miles north of the City of Washington and twenty-five miles southwest of the major metropolitan area of Pittsburgh. The Township is bordered on the northwest by Mount Pleasant Township, the northeast by Cecil Township, the east by Canonsburg Borough, Houston Borough and North Strabane Township, the southeast by South Strabane Township and the southwest by Canton Township. Along its southeastern border, runs Chartiers Creek separating it from North and South Strabane. The Township serves a 2010 U.S. Census population of 7,818.

The Township is a second class Township (Townships within the Commonwealth are classified as first or second class, according to population) at the time of organization. The Township is governed by a three member Board of Supervisors, whose members are elected at large for six-year terms of office.

TOWNSHIP FINANCES

Financial Reporting

The Township's annual Audit and Financial Reports filed with the Department of Community and Economic Development are audited annually by a firm of independent certified public accountants. The firm of Cypher & Cypher, Certified Public Accountants, Pittsburgh, Pennsylvania currently serves as the Township's auditor. Such auditor also has not reviewed or performed any procedures related to the presentation of financial information in this Official Statement.

Process for Establishment of the Budget

The Township follows these procedures in establishing the budgetary data presented in the financial statements.

A. Operating Budget

During June, Township Department heads and Township Manager begin budget discussion.

The process includes meetings with the Board of Supervisors and Department Heads which typically start in August, as well as comparisons with prior year spending patterns and forecasting future needs.

The proposed budget is made available for public inspection at least 20 days prior to the required date of adoption, December 31. Subsequent to approval, the Board of Supervisors adopts the appropriation measures required to put the budget into effect and fix the rate of taxation.

By March 15, the Township Manager files a copy of the budget with the Department of Community and Economic Development of the Commonwealth of Pennsylvania. Should supplemental budget appropriations be required, the Board of Supervisors may, within statutory limitations, authorize the transfer of funds between line items by means of a Ordinance approved at the Board of Supervisors' meetings.

B. Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

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Summary and Discussion of Financial Results

The table presents a summary of the Township’s General Fund financial condition for year’s ending December 31, 2019 through December 31, 2022, unaudited December 31, 2023 and budgeted December 31, 2024. For more complete information, the individual financial statements and the budget of the Township may be reviewed at the Township’s Office.

As of the date of this Preliminary Official Statement, the Auditor has not completed the audit of the Township’s financial statements for the year ended December 31, 2023. The Township currently has the unaudited information presented in the Preliminary Official Statement. The Township expects this information to be in line with the audit and does not expect the audit to contain any information that would have a material adverse effect on the Township’s financial condition. The audit will be filed to EMMA, when it becomes available.

**TOWNSHIP OF CHARTIERS
General Fund Revenues, Expenditures and Fund Balances
(Years Ending December 31st)**

REVENUES	ACTUAL				Unaudited	Budgeted
	2019	2020	2021	2022	2023	2024
Real Estate Taxes.....	\$629,473	\$649,978	\$696,366	\$749,760	\$754,500	\$719,725
Local Enabling Taxes	1,728,452	1,726,738	1,901,057	1,977,477	1,959,073	1,682,500
Licenses and Permits.....	121,731	117,443	107,131	110,762	131,148	103,300
Fines and Forfeits.....	8,924	20,933	26,182	25,278	21,185	16,000
Interest and Rents.....	44,348	11,366	4,280	30,660	60,115	52,000
Intergovernmental Revenues.....	226,143	494,300	210,711	264,296	290,000	229,500
Departmental Earnings.....	328,549	232,200	247,810	338,880	391,966	329,000
Miscellaneous	<u>754,393</u>	<u>709,460</u>	<u>767,800</u>	<u>739,719</u>	<u>771,924</u>	<u>784,000</u>
TOTAL REVENUES	\$3,842,013	\$3,962,418	\$3,961,337	\$4,236,832	\$4,379,911	\$3,916,025
EXPENDITURES						
General Government.....	\$447,519	\$578,681	\$529,322	\$561,747	\$524,002	\$579,240
Public Safety	1,784,600	1,831,723	1,960,013	2,137,664	2,269,332	2,206,123
Health and Sanitation.....	100,295	108,186	114,958	114,260	175,341	184,500
Highways and Streets.....	732,248	737,677	805,315	872,007	876,888	907,425
Culture and Recreation	44,409	29,848	30,751	47,623	35,970	42,000
Employee Benefits, Insurance and Miscellaneous	<u>525,107</u>	<u>549,183</u>	<u>624,914</u>	<u>672,463</u>	<u>665,146</u>	<u>666,505</u>
TOTAL EXPENDITURES	\$3,634,178	\$3,835,298	\$4,065,273	\$4,405,764	\$4,546,679	\$4,585,793
REVENUES OVER EXPENDITURES	\$207,835	\$127,120	\$(103,936)	\$(168,932)	\$(166,768)	\$(669,768)
Other Financing Sources (Uses)						
Sale of Fixed Assets.....	\$3,471	\$1,436	\$0	\$31,638	\$0	\$0
Interfund Transfers In	0	0	0	0	0	0
Interfund Transfers (Out).....	<u>(25,000)</u>	<u>(10,000)</u>	<u>0</u>	<u>(5,000)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	\$(21,529)	\$(8,564)	\$0	\$26,638	\$0	0
Net Changes in Fund Balances	186,306	118,556	(103,936)	(142,294)	0	0
Fund Balances at Beginning of Year	\$1,937,307	\$2,123,613	\$2,242,169	\$2,138,233	\$1,995,939	\$1,829,171
Fund Balances at End of Year	\$2,123,613	\$2,242,169	\$2,138,233	\$1,995,939	\$1,829,171	\$1,159,403

Source: Township Audits and Budget.

TAXING POWERS AND LIMITS

In General

The Township Board of Supervisors adopts an annual budget (which includes various funds including the Sewer Fund) and also levies local taxes prior to the beginning of the fiscal year on January 1. Under provisions of the Pennsylvania Second Class Township Code, the Township may levy the following annual taxes upon all real property within the Township made taxable for township purposes, as ascertained by the last adjusted valuation for county purposes:

<u>Potential Tax Sources</u> <u>GENERAL PURPOSE TAX LEVIES</u>	<u>Legal Limit⁽¹⁾</u>	<u>Potential Tax Sources</u> <u>SPECIAL PURPOSE TAXES</u>	<u>Legal Limit⁽¹⁾</u>
Real Estate	14 mills ⁽²⁾	Municipal Building	½ general rate
Act 511 Taxes*		Fire Equipment & Firehouses	3 mills ⁽⁶⁾
Per Capita	\$10 ⁽³⁾	Recreation	No limit
Occupation (Flat Rate)	\$10 ⁽³⁾	Debt Service	No limit
Occupation (Millage)	No limit	Permanent Improvement Fund	5 mills
Local Services	\$52 ⁽³⁾	Road Machinery Fund	2 mills
Earned Income	1% ⁽³⁾	Library	No limit
Realty Transfer	1% ⁽³⁾	Ambulance and Rescue Squads	½ mill ⁽⁶⁾
Mechanical Devices	10% ⁽³⁾	Fire Hydrants for Township	2 mills
Amusement ⁽⁴⁾	10% ⁽³⁾	Street Lights and Township	5 mills
Business Gross Receipts ⁽⁵⁾	1 mill wholesale ⁽³⁾ 1 ½ mill retail ⁽³⁾	Debt Payment ⁽⁷⁾	No limit
	No limit other businesses	Open Space (real estate or earned income) ⁽⁸⁾	Set by voters
		Community College	(9)
		Distressed Pension System Recovery Program	No limit
		Municipalities Financial Recovery Program ⁽⁷⁾	No limit

Source: Taxation Manual, Pennsylvania Department of Economic and Community Development.

⁽¹⁾Home rule townships may set rates higher than the limits provided in state law for property taxes and for personal taxes levied on residents. They may not create new subjects of taxation.

⁽²⁾Five additional mills available with court approval.

⁽³⁾Maximum rate subject to sharing with school district.

⁽⁴⁾For taxes first levied after December 31, 1997, maximum rate is 5%.

⁽⁵⁾Only if enacted before November 15, 1988.

⁽⁶⁾Higher rate may be approved by voters in referendum.

⁽⁷⁾Levied only on court order.

⁽⁸⁾Requires approval of voters in referendum.

⁽⁹⁾Local sponsors may levy any tax permitted by law to support a community college. Revenues from the tax cannot exceed 5 mills of the market price of real estate.

*Under the Act of December 31, 1965, P.L. 1257 No. 511, effective January 1, 1966 (The Local Tax Enabling Act), additional taxes may be levied by townships (subject to division with other political subdivisions to levy similar taxes on the same person, subject, business, transaction or privilege), subject to the following limitations:

The aggregate amount of taxes under the Local Tax Enabling Act shall not, in the case of any political subdivision, including school district of the second, third and fourth classes, exceed an amount equal to the product of twelve mills on the latest total market value of real estate as determined by the board of assessment and revision of taxes or any similar board established by the assessment laws which determined market values of real estate within the political subdivision. If no such board has determined such values, then the values as certified by the State Tax Equalization Board shall be used.

All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

Act No. 7, approved by the General Assembly of the Commonwealth of Pennsylvania on February 10, 1970, provides that tax notices be sent out by the tax collector within thirty days following receipt of the tax duplicate by the tax collector unless extended by the taxing district, but in no case later than the first day in March. A two percent discount is allowed for payment within sixty days of date of notice. Taxes are collected at face value for the next sixty days, and a penalty of ten percent is imposed thereafter. Delinquent real estate taxes are lienied by filing a notice in the Washington County Tax Claim Bureau by the last day of February in the year following the year of tax levy. The Township levies its own taxes and is independent of any other taxing authority.

TRENDS OF THE TEN LARGEST TAXPAYERS/ASSESSED VALUES, REAL PROPERTY TAX COLLECTION, TAX RATES, MARKET/ASSESSED VALUE TRENDS OF THE TOWNSHIP

Real Property Millage Rates and Other Non-Realty Tax Rates of the Township

2024 Tax Rates

	Real Estate	Earned Income	Local Service	Realty Transfer
	(Mills)	(%)	(\$)	(%)
Township	0.8632	0.5	47.00	0.5

Source: Local Government Officials

Real Property Tax Collection

The Township's realty tax collection record for the current and previous four years ending December 31st, of the years shown below, is as follows:

Year	Tax Levy	Current Collections	Current Percent of Collected	Total Collections	Total Percent of Total Collected
2019	\$628,623	\$603,893	96.07%	\$629,473	100.14%
2020	653,634	638,098	96.07%	653,071	100.14%
2021	682,823	662,214	96.07%	695,259	100.14%
2022	713,524	690,323	96.75%	700,737	98.21%
2023	745,007	721,957	96.9%	728,536	97.78%

Source: Township Officials

Market Values and Assessed Values of the Township

The trend in market and assessed valuations of real estate in the Township are shown below:

Year	Market Value	Assessed Value	Ratio
2019	\$611,172,641	\$729,170,569	90.10%
2020	651,924,857	738,262,569	85.40
2021	698,745,580	785,870,719	86.80
2022	759,644,553	815,461,709	84.30
2023	808,567,545	862,542,809	

Source: Pennsylvania State Tax Equalization Board (STEB). Valuations are certified in June of following year.

Ten Largest Taxpayers and their Aggregate Assessed Values

The following table represents the ten real estate parcels having the highest assessed values in the Township. These taxpayers represent approximately 8.4% of the Township's total most recent assessed value.

Taxpayer	Taxable Assessed Valuation
Thirty Six Old Hickory Ridge LLC	\$14,320,700
Perryman Co.	12,136,100
Markwest Liberty Midstream	8,522,600
Western Ave. LLC	6,894,900
Washington EST MHC LLC	6,361,500
Perryman Co.	5,546,000
Stone Wendell H. Co. Inc.	5,005,700
Range Resources Appalachia LLC	4,854,400
Two Thousand Hundred	4,468,000
AEC Real Est	<u>4,307,700</u>
Total	\$72,417,600

Source: County Assessment Office

DEBT STATEMENT AND DEBT LIMITS

Residents of the Township are responsible for the following debt within the Township, the School District and the County following the settlement of the Bonds. The Township has never defaulted on the payment of debt service.

	Amount Outstanding
Nonelectoral Debt:	
General Obligation Bonds, Series of 2024.....	\$3,000,000
General Obligation Bonds, Series of 2021.....	1,825,000
Guaranteed Revenue Note (PennVest)(McClane Farm Road Sewer Project).....	<u>572,843</u>
Nonelectoral Debt	\$5,397,843
Lease Rental Debt:	
Total Lease Rental Debt	\$0
TOTAL NONELECTORAL AND NET LEASE RENTAL DEBT	\$5,397,843
Overlapping Debt:	
Washington County ⁽¹⁾	\$1,222,556
Chartiers-Houston School District ⁽²⁾	<u>12,478,860</u>
Total Overlapping Debt	<u>13,701,416</u>
Total Net Direct & Overlapping Debt	\$19,099,259

DEBT RATIOS OF DIRECT AND OVERLAPPING DEBT

Direct Debt to Market and Assessed Values	
Market Valuation of Real Estate	0.67%
Assessed Valuation of Real Estate.....	0.63%
Per Capita (2019 Population).....	\$666.07
Overlapping Debt to Market and Assessed Values	
Market Valuation of Real Estate	1.69%
Assessed Valuation of Real Estate.....	1.59%
Per Capita (2019 Population).....	\$1,690.70

FINANCIAL FACTORS OF THE TOWNSHIP

Market Value	\$808,567,545
Assessed Value	\$862,542,809
Population (2019)	8,104

*Preliminary, subject to change.

⁽¹⁾ Represents the Township’s pro rata share of the County’s outstanding debt (4.68%).

⁽²⁾ Represents the Township’s share of the School District’s outstanding debt (92.61%).

FUTURE FINANCING

The Township does not anticipate issuing additional long-term debt to fund capital improvements in the near future.

BORROWING CAPACITY
(Under Local Government Unit Debt Act)

Under the Debt Act as presently in effect, there is no limit on the amount of electoral debt (debt incurred with the approval of the voters) which may be incurred or outstanding, but (i) the Township may not incur new nonelectoral debt (debt not approved by the voters) if the total amount of such new nonelectoral debt plus all other nonelectoral debt to remain outstanding upon issuance of such new nonelectoral debt, net of the amount of any nonelectoral debt that constitutes subsidized debt (debt the principal of and interest on which will be covered by subsidies or reimbursements to be paid to the Township by the Commonwealth or the federal government or, under a subsidy contract with the Township, by another local government unit or an authority) or self-liquidating debt (debt to be paid solely from rents, rates or other charges to the ultimate users of the project to be financed by such debt), will exceed 250% of the borrowing base, and (ii) the Township may not incur new lease rental debt (debt represented by obligations of an authority or another local government unit to be repaid by the Township pursuant to a lease, subsidy contract, guarantee or other form of agreement where such debt is or may be payable out of the tax revenues and other general revenues of the Township), if the total amount of such new lease rental debt plus all other nonelectoral debt and lease rental debt to remain outstanding upon issuance of such new lease rental debt, net of the amount of any nonelectoral or lease rental debt that constitutes subsidized debt or self-liquidating debt, will exceed 350% of the borrowing base. The following is a calculation of the Township's current net debt limitations.

The Township's borrowing limit is computed as a percentage of its Borrowing Base. The Borrowing Base is calculated as the annual arithmetic average of the Township's total revenues for the three full fiscal years immediately preceding the date of the incurrence of new debt.

<u>General Fund:</u>	<u>2021</u>	<u>2022</u>	<u>Unaudited 2023</u>
Total Revenue	\$4,201,151	\$4,266,584	\$4,387,708
<u>Less: Required Deductions</u>			
a. Rental and Sinking Fund Reimbursement.....	0	0	0
b. Revenues for Self-Liquidating Debt	0	0	0
c. Interest Earned on Sinking Funds	0	0	0
d. Grant and Gifts for Capital Projects.....	0	0	0
e. Sale of Equipment and Non-Recurring Items (i.e., insurance recoveries)..	0	0	0
Total Deductions	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Net Revenues	\$4,201,151	\$4,266,584	\$4,387,708
 Total Net Revenues for Three Years		\$12,855,444	
Borrowing Base - Average Net Revenues for Three-Year Period.....		\$4,285,148	
 <u>Computation of Borrowing Capacity</u>			
Legal Limit - Net Nonelectoral Debt: 250% OF Borrowing Base.....		\$9,641,583	
Net Nonelectoral Debt Outstanding.....		5,397,843	
Current Non-Electoral Remaining Borrowing Capacity.....		\$4,243,740	
 Legal Limit - Net Nonelectoral and Lease Rental Debt: 350% OF Borrowing Base.....		\$14,998,018	
Net Nonelectoral and Lease Rental Debt Outstanding.....		5,397,843	
Current Net Nonelectoral and Lease Rental Debt Remaining Borrowing Capacity		\$9,600,175	

LABOR RELATIONS

Employees

The Township presently employs 29 full-time employees. Although not all employees are unionized, there are a few collective bargaining units representing Township employees, that are: (1) Teamster's Union Local #25 – Public Works, 7 employees, including the t, under a contract that expires on December 31, 2024; and (2) Chartiers Township Certified Wage & Policy Committee for the Police, under a contract that expires on December 31, 2025.

Pension Program

The Township administers two defined benefit pension plans; the Chartiers Township Police Pension Plan and the Chartiers Township Non-Uniform Pension Plan, which cover substantially all employees of the Township.

The Police Pension Plan is invested with Nationwide Financial. The Combined Balance Sheet for the Pension Trust Fund includes year 2022 net position held in trust pension benefits of \$5,381,920.

Plan Description. The Chartiers Township Police Pension Plan (CTPPP) is a single employer defined benefit pension plan administered by the Girard Pension Services. CTPPP provided retirement, disability, and death benefits to plan members and beneficiaries. Cost of living adjustments are provided at the discretion of Chartiers Township Supervisors. The plan was established under authority of the Chartiers Township Supervisors and is subject to funding and reporting requirements of Commonwealth Act 205 of 1984 and Act 600. A separate financial report is issued by the plan through the plan actuary.

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Chartiers Township Board of Supervisors. Plan members are required to contribute 5.00% of their annual covered salary. The Township is required by Act to contribute at an actuarially determined rate; the current rate is 14.60% of annual covered payroll. The Commonwealth of Pennsylvania provides an allocation of funds that must be used for police pension funding. Any excess of this funding may be used to fund other plans of the Township.

Annual Pension Costs. For 2022, the Township's annual pension cost of \$444,257 for CTPPP was equal to the Township's required and actual contributions. The required contribution was determined as part of the January 1, 2021 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return and (b) projected salary increases of 4.5%.

The Township maintains the Chartiers Township Non-Uniform Pension Plan. It is a money purchase pension plan where the amount of pension benefits is determined by the monies accumulated in the individual employee accounts at retirement.

The Township makes mandatory contributions of 8% of the covered payroll. The Employee may make a contribution of up to 3% of payroll.

Employer contributions paid in 2022 were \$77,741.

Pension assets are invested with Nationwide Financial Services. As of December 31, 2022 the total value of plan assets was \$1,036,950.

Other Post-Employment Benefits

The Township has made retirement benefits available to certain employees. The benefit is 1) payment for unused sick days at retirement. With respect to other employees that do not meet the criteria established by the Township for retirement, these employees are not eligible to receive payment for their unused sick days at retirement.

Please refer to Appendix E – Notes to the Financial Statements for further information.

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APPENDIX B

LOCAL DEMOGRAPHIC AND STATISTICAL AND ECONOMIC INFORMATION

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DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables provide population trends, age, wealth and housing indices for the Township, County and Pennsylvania.

Population

	<u>2010</u>	<u>2019</u>
Township	7,821	8,104
Washington County	207,820	206,865
Pennsylvania	12,702,379	12,801,989

Source: Census

**Income
(5 Year Estimates – 2019)**

	<u>Median Household Income</u>	<u>Per Capita</u>
Township	\$74,423	\$35,841
Washington County	60,341	25,224
Pennsylvania	53,599	29,291

Source: Census

Transportation

Interstate Routes 70 and 79, which intersect just outside the City of Washington provide vital links to the Pennsylvania Turnpike and the cities of Pittsburgh, Erie, Morgantown, West Virginia and points west. Route 22 traverses the northwestern are of the County and also acts as an important connection with Pittsburgh International Airport, the City of Pittsburgh and cities in West Virginia and Ohio.

There are two major infrastructure projects underway that will increase accessibility to the Pittsburgh International Airport. The first is the Mon Valley/Fayette Expressway; the Pennsylvania Turnpike Commission has completed a major portion of the construction of the Mon Valley/Fayette Expressway which will serve as the cornerstone of the economic revitalization of the region.

The expressway is a sixty-five mile toll road which runs from Morgantown, West Virginia, north to the City of Uniontown. From Uniontown, the expressway runs west to the Borough of Brownsville, where a completed six mile section of the expressway now runs parallel to Route 40 and intersects with Route 70. The next section of the expressway runs parallel to Route 70 and connects with Route 51 and ends in the City of Duquesne, where access to the City of Pittsburgh is available.

Penn’s Southwest Economic Development Association has defined the Mon Valley region as a major growth corridor between the later part of the 1990’s and the 21st century. Upon completion of the expressway, the Belle Vernon Interchange of Route 70 will be connected with such points as the City of Pittsburgh to the northwest, the City of Uniontown to the south and the City of Greensburg to the east. A toll road feasibility study conducted by the Turnpike Commission indicated that some 45,000 construction jobs will be created annually throughout the construction period; approximately 62,000 permanent jobs will be created over the following twenty year period.

Additional benefits which will be associated with the expressway include population increases, land development, new construction and enhanced access to education and healthcare institutions.

The second project is the southern beltway, the first leg of a beltway around the City of Pittsburgh.

In addition, Route 79 has an interchange at the northern end of the south-pointe development that provides direct access to this mixed use industrial development.

There are 73 trucking and warehousing companies headquartered in the County.

Three railroad carriers, CSX transportation, Conrail and Norfolk Southern which serve the County.

Along the eastern border of the County, the Monongahela River provides a link to ports along the Ohio and Mississippi Rivers. An estimated 38.6 million tons of coal, petroleum and other materials are shipped along the Monongahela River annually.

The County airport is located south of the City of Washington. The airport accommodates business jets and many companies operate aircraft from the facility.

Medical Facilities

The UPMC Health System provides health care to all western Pennsylvania residents. Additionally, the Washington Hospital, Canonsburg General Hospital and Monogahela Valley Hospital provide health care to Township residents. The County has eleven extended care hospitals and facilities, nine outpatient clinics and on state hospital.

Educational Institutions

The County has two institutions of higher learning. Washington and Jefferson College is a private liberal arts college located in the City of Washington. California University of Pennsylvania is a public university with its main campus in California and a branch located in the Township's Southpointe development. Numerous institutions of higher education are located in the nearby city of Pittsburgh, including University of Pittsburgh, Carnegie Mellon University, Duquesne University, Robert Morris University, Point Park College.

ECONOMIC INFORMATION

Top Employers in Washington County

Employer

The Washington Hospital
Crown Castle USA Inc.
Pathways of Southwestern PA Inc.
Giant Eagle Inc.
Wal-Mart Associates Inc.
Monongahela Valley Hospital Inc.
Washington County
ANSYS Inc.
Canon-McMillan School District
Washington Trotting Association

Source: Pennsylvania Department of Labor and Industry, 1st Quarter 2023

Washington County, PA Area Labor Force, Employment and Unemployment Data Table

The table below shows the monthly Labor Force, Employment and Unemployment data for Washington County and PA in June 2023.

<u>Area</u>	<u>Civilian Labor Force</u>	<u>Number Employed</u>	<u>Number Unemployed</u>	<u>Unemployment Rate</u>
Washington County	105,500	101,500	4,000	3.8%
Pennsylvania	6,541,000	6,293,000	248,000	3.8%

Source: PA Dept of Labor and Industry

Classification of Employment by Industry

PITTSBURGH METROPOLITAN STATISTICAL AREA

(Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties)

June 2023

NONFARM JOBS - NOT SEASONALLY ADJUSTED

ESTABLISHMENT DATA	Industry Employment				Net Change From:	
	Jun 2023	May 2023	Apr 2023	Jun 2022	May 2023	Jun 2022
TOTAL NONFARM	1,182,600	1,174,300	1,170,600	1,149,500	8,300	33,100
TOTAL PRIVATE	1,070,200	1,061,500	1,057,600	1,038,600	8,700	31,600
GOODS-PRODUCING	154,000	152,400	151,400	152,800	1,600	1,200
Mining and Logging	8,300	8,200	8,300	8,000	100	300
Construction	59,500	58,600	57,500	61,500	900	-2,000
Specialty trade contractors	34,200	33,500	32,700	35,700	700	-1,500
Manufacturing	86,200	85,600	85,600	83,300	600	2,900
Durable Goods	63,000	62,500	62,500	60,400	500	2,600
Primary metal mfg.	10,200	10,100	10,100	9,700	100	500
Iron and steel mills and ferroalloy mfg.	5,300	5,200	5,200	5,000	100	300
Non-Durable Goods	23,200	23,100	23,100	22,900	100	300
SERVICE-PROVIDING	1,028,600	1,021,900	1,019,200	996,700	6,700	31,900
PRIVATE SERVICE-PROVIDING	916,200	909,100	906,200	885,800	7,100	30,400
Trade, Transportation, and Utilities	206,600	207,300	204,300	202,400	-700	4,200
Wholesale Trade	41,800	41,700	41,600	41,400	100	400
Retail Trade	116,500	116,100	113,700	116,000	400	500
Building material and supplies dealers	8,500	8,500	8,300	8,800	0	-300
Food and beverage retailers	22,300	22,100	22,000	22,300	200	0
General merchandise retailers	24,600	24,600	24,200	24,400	0	200
Department stores	8,200	8,300	8,200	8,400	-100	-200
Clothing, clothing accessories, shoe, and jewelry	6,300	6,300	6,200	6,400	0	-100
Transportation, Warehousing, and Utilities	48,300	49,500	49,000	45,000	-1,200	3,300
Utilities	5,300	5,400	5,400	5,300	-100	0
Truck transportation	10,800	10,800	10,700	10,900	0	-100
Information	21,700	21,700	21,500	21,400	0	300
Financial Activities	76,400	75,700	75,600	74,200	700	2,200
Finance and insurance	60,500	60,100	60,100	58,700	400	1,800
Credit Intermediation and Related Activities incl.	27,000	27,000	27,000	26,600	0	400
Depository Credit Intermediation including Moneta	23,600	23,500	23,500	23,100	100	500
Insurance carriers and related activities	25,900	25,800	25,800	25,000	100	900
Professional and Business Services	198,200	194,500	196,000	190,400	3,700	7,800
Professional and technical services	94,000	91,500	92,600	88,700	2,500	5,300
Architectural and engineering services	17,100	16,800	16,700	16,200	300	900
Scientific research and development services	11,800	11,600	11,600	11,100	200	700
Management of companies and enterprises	45,000	44,300	45,100	43,800	700	1,200
Administrative and waste services	59,200	58,700	58,300	57,900	500	1,300
Administrative and support services	55,200	54,400	54,100	53,600	800	1,600
Employment services	19,900	20,300	20,100	19,500	-400	400
Education and Health Services	240,400	243,500	247,400	233,400	-3,100	7,000
Educational services	45,100	50,900	53,900	42,400	-5,800	2,700
Colleges and universities	32,000	36,300	39,300	29,800	-4,300	2,200
Health care and social assistance	195,300	192,600	193,500	191,000	2,700	4,300
Ambulatory health care services	71,200	70,100	70,500	69,100	1,100	2,100
Offices of physicians	29,200	29,000	29,300	28,400	200	800
Hospitals	51,000	50,400	50,700	50,600	600	400
General medical and surgical hospitals	48,600	48,100	48,400	48,200	500	400
Nursing and residential care facilities	31,600	31,200	31,400	31,400	400	200
Social assistance	41,500	40,900	40,900	39,900	600	1,600

ESTABLISHMENT DATA	Industry Employment				Net Change From:	
	Jun 2023	May 2023	Apr 2023	Jun 2022	May 2023	Jun 2022
Leisure and Hospitality	124,300	119,100	114,700	117,100	5,200	7,200
Accommodation and food services	95,300	92,100	90,700	92,500	3,200	2,800
Food services and drinking places	86,600	84,700	83,600	85,000	1,900	1,600
Full-service restaurants	42,000	41,100	40,300	40,700	900	1,300
Limited service eating places	35,300	34,100	33,300	35,200	1,200	100
places	48,600	47,300	46,700	46,900	1,300	1,700
Other Services	112,400	112,800	113,000	110,900	-400	1,500
Government	18,900	18,900	18,900	18,600	0	300
Federal Government	12,300	12,400	13,500	12,200	-100	100
State Government	81,200	81,500	80,600	80,100	-300	1,100
Local Government	45,700	47,900	47,500	45,500	-2,200	200
Local government educational services	35,500	33,600	33,100	34,600	1,900	900
Local government excluding educational services						
Data benchmarked to March 2022	***Data changes of 100 may be due to rounding***					

Source: Commonwealth of Pennsylvania, Department of Labor & Industry, Center for Workforce Information and Analysis

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APPENDIX C
FORM OF OPINION OF BOND COUNSEL

OPINION OF BOND COUNSEL

The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement its opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Bonds, whether or not it has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents its considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.

We have served as Bond Counsel to the Township of Chartiers (Washington County, Pennsylvania) (the “Local Government Unit”) and do hereby undertake to advise you in connection with the issuance, sale and delivery of its \$ _____, aggregate principal amount of General Obligation Bonds, Series of 2024 (the “Bonds”) issued in fully registered form, denominated in \$5,000.00 or any integral multiple thereof, dated and bearing interest from _____, maturing on various annual dates ending _____, and subject to redemption at the option of the Local Government Unit prior to maturity beginning _____.

In that capacity, we have examined the Constitution of the Commonwealth of Pennsylvania; the Local Government Unit Debt Act, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177), (the “Debt Act”); the formal action of the Governing Body of the Local Government Unit authorizing the incurrence of nonelectoral debt evidenced by the Bonds (the “Debt Ordinance”); the corresponding Certificate of Approval of the Department of Community and Economic Development; the Internal Revenue Code of 1986, as amended (the “Tax Code”); the opinion of Liekar & Liekar, solicitor for the Local Government Unit, upon which we have relied, and such other certificates, proceedings and law as we deemed necessary in order to render this opinion. We have reviewed the Federal Income Tax Certificate of an authorized officer of the Local Government Unit, along with other closing certificates of the Local Government Unit and other parties to the issuance and sale of the Bonds. Unless separately noted, we have relied upon, but have not independently verified, factual certifications made to us by the Local Government Unit, its officers and agents, and by said other parties, both in such certificates and otherwise during the course of our engagement.

Both principal of, and interest on, the Bonds are payable at the designated corporate trust office of Zions Bancorporation, National Association, Pittsburgh, Pennsylvania, as Paying Agent for the Local Government Unit; said bank has additionally been appointed Registrar and Sinking Fund Depository for the Bonds.

These proceedings demonstrate that, in the absence of any meritoriously-based action in a governmental or judicial forum affecting the validity of the Bonds, the same have been delivered upon full payment.

We have not been engaged nor undertaken to review the adequacy of disclosure in the Official Statement nor in any other securities offering material produced in respect of the Bonds and, except as to matters set forth in this opinion and described as such in said Official Statement, we express no opinion or belief with respect thereto.

1. Based on the foregoing, we are of the opinion on this date as follows:

- (a) The Bonds are valid and binding general obligations of the Local Government Unit.
- (b) The Bonds, and all other outstanding debt of the Local Government Unit, are within constitutional and statutory limitations.
- (c) The Debt Ordinance authorizing the Bonds was duly and properly enacted and is in full force and effect.
- (d) The Bonds conform, in all substantial respects, to the form provided in the Debt Ordinance.

2. The Bonds are secured by a pledge of the full faith, credit and taxing power of the Local Government Unit. The Local Government Unit has effectively covenanted in the Debt Ordinance to include the amount of debt service on this issue, in each fiscal year for which such sums are due, in its budget for that year; to appropriate such amount to the payment of such debt service; and to pay or cause to be paid, from time to time as and when due, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds.

3. Presently included among the general revenues of the Local Government Unit available for the payment of the Bonds are ad valorem taxes which may be levied, without limitation as to rate or amount, upon all taxable real property situate within the corporate limits of the Local Government Unit.

4. The Bonds are payable and enforceable according to their own terms, those of the Debt Ordinance and all provisions of the Debt Act; however, any such payment and enforcement could be restrained by a court of proper jurisdiction operating under the authority of bankruptcy, receivership and other similar laws of accommodation and adjustment of creditors' rights, as then applicable. Upon the satisfaction of certain preconditions under the Municipalities Financial Recovery Act, a municipality may seek to restructure its debt under the supervision of the Department of Community and Economic Development and is also authorized to file a Federal municipal debt adjustment action under Chapter 9 of the U.S. Bankruptcy Code.

5. The Bonds, having all the qualities and incidents of securities under Article 8 of the Uniform Commercial Code, are negotiable instruments.

6. The Bonds are authorized investments, under the Probate, Estates and Fiduciaries Code, as amended, for fiduciaries and personal representatives (as such terms are therein defined) within the Commonwealth of Pennsylvania.

7. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds is excludible from gross income for Federal income tax purposes, pursuant to the Tax Code. Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Tax Code, in computing the alternative minimum tax for individuals. Due to the designation of the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Tax Code, certain financial institutions may be able to deduct 80% of the interest expense incurred in purchasing or carrying the Bonds. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Tax Code. We express no opinion as to any other Federal income tax consequence arising from ownership of the Bonds.

8. The Bonds, and interest income therefrom, are free from taxation for purposes of personal income and corporate net income taxes within the Commonwealth of Pennsylvania.

This opinion is rendered as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstance that may hereafter be brought to our attention, or any changes in law that may hereafter arise.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the Township of Chartiers (Washington County, Pennsylvania) (the “Issuer”), in connection with the issuance of its \$ _____, aggregate principal amount, General Obligation Bonds, Series of 2024 (the “Obligations”). The Obligations are being issued pursuant to an ordinance enacted by the Board of Supervisors of the Issuer (the “Governing Body”) on October 8, 2024 (the “Ordinance”). The Issuer covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Undertaking.*** This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders of the Obligations and in order to comply with, and constitutes the written undertaking for the benefit of the holders of the Obligations required by, Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the “Rule”).

Section 2. ***Definitions.*** In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“*Disclosure Representative*” means the Township Manager of the Issuer or her (or his) designee, or such other officer or employee of the Issuer as the Governing Body may designate from time to time.

“*Dissemination Agent*” means, initially, Digital Assurance Corporation, or any third-party so designated by the Governing Body of the Issuer as being responsible, in whole or in part, for the duties and obligations of the Issuer set forth herein.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

“*Financial Obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Undertaking with respect to the Obligations.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Official Statement*” means the Preliminary Official Statement relating to the Obligations, dated _____, and the Official Statement relating to the Obligations, dated _____.

[“*Operating Data*” for any particular fiscal year means (i) a summary of the Issuer’s budget for the ensuing fiscal year, and (ii) an update of the information contained in Appendix A – under the heading “TAX REVENUES OF THE TOWNSHIP” in the tables titled “Ten Largest Taxpayers and their Aggregate

Assessed Values”, “Real Property Tax Collection”, “Real Property Millage Rates and Other Non-Realty Tax Rates of the Township” and “Market Values and Assessed Values of the Township”.]

“*Purchaser*” means Raymond James & Associates, in its role as original purchaser and underwriter of the Obligations.

“*Tax-exempt*” means that interest on the Obligations is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. ***Provision of Annual Reports.*** The Issuer shall provide the Annual Report no later than September 30 following the end of each fiscal year (the “Report Date”), beginning for the fiscal year ending December 31, 2024, to EMMA which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The Annual Report must be submitted in the manner prescribed by the Municipal Securities Rulemaking Board, currently by uploading a machine word-searchable .pdf file to the EMMA Dataport web site. If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Report Date (or, if such Report Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB.

Section 4. ***Content of Annual Reports.*** The Issuer's Annual Report shall contain or incorporate by reference the following financial information and operating information for the Issuer:

- (a) audited financial statements for the Issuer for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units; and
- (b) the Operating Data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or EMMA. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. ***Reporting of Significant Events.*** (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Obligations:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701-TEB) or other similar events affecting the tax-exempt status of the security;
- (vii) modifications to the rights of security holders, if material;
- (viii) bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event;
- (ix) tender offers and defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event, such as determination of distressed status, affecting the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition of the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) the incurrence of a Financial Obligation of the Issuer, if material, or the agreement, in connection with a Financial Obligation, to new, or additional, covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) If the Issuer has determined the occurrence of a Listed Event, the Issuer shall promptly notify the Paying Agent in writing and report the event pursuant to subsection (c) so that the requirements of the Rule may be satisfied.

(c) If the Issuer determines to report the occurrence of a Listed Event pursuant to subsection (b) above, then the Issuer shall file a notice of such occurrence with EMMA in a timely manner not to exceed ten (10) business days after occurrence of the Listed Event.

Section 6. **Termination of Reporting Obligation.** The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Obligations.

Section 7. **Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may

discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Obligations or any other party. If no replacement Dissemination Agent is appointed, the Issuer shall undertake all obligations thereof hereunder.

Section 8. ***Amendment; Waiver.*** Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. ***Additional Information.*** Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. ***Default.*** In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any holder of Obligations may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed a default under the Ordinance or the Obligations and the rights and remedies provided by the Ordinance and the Obligations upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. ***Immunities of Individuals.*** No recourse shall be had for any claim based hereon against any member, director, officer or employee, past, present or future, of the Issuer or the officers of the Issuer or of any successor body, as such.

Section 12. ***Beneficiaries.*** This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the initial purchaser of the Obligations, and holders from time to time of the Obligations, and shall create no rights in any other person or entity.

Section 13. *Notices.*

Any notices or communications to or with the Issuer may be given as follows:

Township of Chartiers
2 Buccaneer Drive
Houston, PA 15342
Attention: Township Manager
Telephone: (724) 745-3415

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IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of this __ day of _____, 2024.

TOWNSHIP OF CHARTIERS

By: _____
Chairman, Board of Supervisors

APPENDIX E

FINANCIAL STATEMENTS



CHARTIERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

ANNUAL FINANCIAL REPORT
AS OF DECEMBER 31, 2022



Cypher & Cypher

Accountants | Auditors | Advisors

CHARTIERS TOWNSHIP

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Independent Auditor's Report

To the Township Supervisors
Chartiers Township
Washington County, Pennsylvania

Ladies and Gentlemen:

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chartiers Township as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Chartiers Township'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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chartiers Township, as of December 31, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund 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 Chartiers Township, 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.

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 Chartiers Township'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 opinions. 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 Chartiers Township'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 Chartiers Township'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 management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chartiers Township's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CYPHER & CYPHER

Cypher & Cypher

CERTIFIED PUBLIC ACCOUNTANTS

Canonsburg, Pennsylvania
September 14, 2023

Communication of Material Weakness

To the Township Supervisors
Chartiers Township
Washington County, Pennsylvania

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chartiers Township as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Chartiers Township'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 Chartiers Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Chartiers Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses, or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in internal control to be a material weakness.

Financial Statement Finding #2022-001	
Criteria	Criteria – A principal requirement of accurate financial recordkeeping and internal controls is the preparation of monthly bank account reconciliations.
Condition	Condition – Monthly bank reconciliations were not accurately completed for any of the Township’s bank accounts.
Cause/Effect	<p>Cause of the Finding – Accurate general ledger balances were not recorded to begin the 2022 year. This, along with a lack of training necessary to understand the reconciliation process with this software caused the financial balances to be misstated from the start. Bank reconciliations were attempted through the year, but were not completed accurately.</p> <p>Effect of the Finding – The Township did not provide accurate bank account balances at year end as well as during the year. Many general ledger balances per the Township’s records were found to be significantly misstated. Interfund and other internal activity was not balanced. In several instances, deposits were made to the incorrect account and were not accounted for correctly. One entire payroll was found to be missing from the Township’s records. In an attempt to balance the Township’s bank accounts, numerous audit entries were required.</p>
Recommendations	The Township needs to adopt a procedure with the use of its accounting software to require the accurate and timely preparation of monthly bank reconciliations.
Township’s Response and Corrective Action Plan	The Township’s administration agrees with this finding. Procedures are being implemented with the new accounting software to ensure that monthly bank reconciliations are prepared going forward.

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

CYPHER & CYPHER

Cypher & Cypher

CERTIFIED PUBLIC ACCOUNTANTS

Canonsburg, Pennsylvania
September 14, 2023

Management's Discussion & Analysis

CHARTIERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

Management's Discussion and Analysis (MD&A)

December 31, 2022

Our discussion and analysis of Chartiers Township's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2022. The MD&A should be read in conjunction with the financial statements and footnotes.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued June 1999.

The Township

The Township is organized under laws of the Commonwealth of Pennsylvania (the "Commonwealth").

The governing body of the Township is an elected Board of three supervisors. The daily operation and management of the Township is carried out by the administrative staff of the Township.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations:

- The General fund reported a net decrease in fund balance of \$142,294 on the financial statements. The budgeted loss totaled \$477,578, but ended with a reduced loss due to over budget revenue amounts in the area of real estate transfer and earned income taxes.
- The Sewer funds reported a net increase in fund balance of \$151,241.
- The Capital Projects fund reported an increase in fund balance of \$52,092.
- The non-major funds reported a net increase in fund balance of \$194,538.

Reporting the Township as a Whole

The Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the Township as a whole and its activities. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the Township's net position and changes in them. The change in net position provides the reader with a tool to assist in determining whether the Township's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, and facility conditions in arriving at a conclusion regarding the overall health of the Township.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position As of December 31, 2022

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Current and Other Assets	\$ 5,507,529	\$ 6,044,450	\$ 2,513,361	\$ 2,747,042	\$ 8,020,890	\$ 8,791,492
Noncurrent Assets	6,683,984	6,731,789	8,947,547	8,677,388	15,631,531	15,409,177
Deferred Outflows	363,869	1,295,113			363,869	1,295,113
Total Assets & Deferred Inflows	<u>12,555,382</u>	<u>14,071,352</u>	<u>11,460,908</u>	<u>11,424,430</u>	<u>24,016,290</u>	<u>25,495,782</u>
Current Liabilities	552,547	985,132	255,094	227,864	807,641	1,212,996
Long-Term Liabilities	1,475,568	2,777,149	2,280,735	2,120,246	3,756,303	4,897,395
Deferred Inflows	435,956	54,024			435,956	54,024
Total Liabilities & Deferred Outflows	<u>2,464,071</u>	<u>3,816,305</u>	<u>2,535,829</u>	<u>2,348,110</u>	<u>4,999,900</u>	<u>6,164,415</u>
Net Investment in Capital Assets	6,683,984	6,731,789	6,517,886	6,397,925	13,201,870	13,129,714
Restricted	2,928,657	3,177,016			2,928,657	3,177,016
Unrestricted	478,670	346,242	2,407,193	2,678,395	2,885,863	3,024,637
Total Net Position	<u>\$ 10,091,311</u>	<u>\$ 10,255,047</u>	<u>\$ 8,925,079</u>	<u>\$ 9,076,320</u>	<u>\$ 19,016,390</u>	<u>\$ 19,331,367</u>

Assets, Liabilities & Net Position

As of December 31, 2022 the Township had total assets and deferred outflows of \$25.5 million with 30% in cash and cash equivalents and 5% as other current assets. The remaining 65% is made up of long term fixed assets net of accumulated depreciation and deferred outflows.

Total liabilities and deferred inflows as of December 31, 2022 totaled \$6.2 million. This amount includes current liabilities of \$1.2 million comprised mainly of unearned revenues of \$850 thousand, the current portion of noncurrent liabilities of \$159 thousand, and \$159 thousand of accounts payable. Accounts payable balances are primarily the result of expenditures incurred to December 31, 2022 and paid subsequent to December 31, 2022. Non current liabilities include \$2.1 million of bonds and notes payable and \$421 thousand of accumulated compensated absences liability. Also included this year is \$2.3 million of a pension liability related to the Township's police pension plan. This was included due to the required implementation of GASB Statement #68 that became effective in 2015.

The resulting \$19.3 million in net position include \$13.1 million reserved for net amounts invested in capital assets, \$1.2 million restricted for capital projects, \$2.08 million for other reserves, and \$3.0 million of undesignated amounts not reserved for specific purposes identified in this paragraph.

The following table reflects Changes in Net Position:

Fiscal year ended December 31, 2022
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Program Revenues:						
Charges for Services	\$ 408,771	\$ 515,341	\$ 1,541,988	\$ 1,324,707	\$ 1,950,759	\$ 1,840,048
Operating Grants and Contributions	553,956	828,972			553,956	828,972
General Revenues:						
Property Taxes	849,633	912,118			849,633	912,118
Other Taxes	2,046,530	2,125,169			2,046,530	2,125,169
Grants Subsidies and Contributions	482,454	724,539			482,454	724,539
Other	1,007,832	1,192,831	4,595	36,097	1,012,427	1,228,928
	<u>5,349,176</u>	<u>6,298,970</u>	<u>1,546,583</u>	<u>1,360,804</u>	<u>6,895,759</u>	<u>7,659,774</u>
Expenditures:						
Depreciation	569,623	591,848			569,623	591,848
General Government	555,341	583,492			555,341	583,492
Public Safety	2,244,909	2,479,303			2,244,909	2,479,303
Health and Sanitation	114,958	114,260			114,958	114,260
Highways and Streets	1,274,106	1,478,153			1,274,106	1,478,153
Culture and Recreation	134,476	175,092			134,476	175,092
Employee Benefits, Insurance, and Miscellaneous	349,992	713,086			349,992	713,086
Debt Service	938				938	-
Sewer Operations			1,323,108	1,209,475	1,323,108	1,209,475
Other			12,800	88	12,800	88
	<u>5,244,343</u>	<u>6,135,234</u>	<u>1,335,908</u>	<u>1,209,563</u>	<u>6,580,251</u>	<u>7,344,797</u>
Change in Net Position	<u>\$ 104,833</u>	<u>\$ 163,736</u>	<u>\$ 210,675</u>	<u>\$ 151,241</u>	<u>\$ 315,508</u>	<u>\$ 314,977</u>

Revenues

The Township’s General Fund received 64% of its funding from taxes. Revenue from property and other taxes is the primary source of revenue for the general fund. The property assessments, from which real estate tax receipts are based, continue to increase slowly but future increases in millage may be necessary.

Expenditures

Total General Fund spending for 2022 totaled \$4.41 million. Public safety expenditures amounted to \$2.14 million or 48% of all General Fund spending. Highways and streets totaled \$872 thousand or 20%. Employee benefits and miscellaneous totaled \$672 thousand or 15%. General government totaled \$561 thousand or 13%. Health and sanitation totaled \$114 thousand or 3% and culture and recreation totaled \$47 thousand or 1%.

The following table reflects the Sewer Operations Fund, the Township’s only business type activity.

Year Ended December 31, 2022	
Business Type Activities	
<u>Profit (Loss)</u>	<u>Net Position</u>
\$ 151,241	\$ 9,076,320

Financial Analysis of Governmental Funds

The following table reflects changes in fund balance:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Funds</u>
December 31, 2021	\$ 2,138,233	\$ 1,155,271	\$ 1,655,478
Increase (Decrease)	(142,294)	52,092	194,538
December 31, 2022	<u>\$ 1,995,939</u>	<u>\$ 1,207,363</u>	<u>\$ 1,850,016</u>

Debt Administration

The following table reflects the Township’s long term debt obligations:

<u>Sewer Notes & Bonds Payable</u>	<u>Pension Liability</u>	<u>Compensated Absences</u>	<u>Total</u>
\$ 2,279,463	\$ 2,356,038	\$ 421,111	\$ 5,056,612

Long term debt obligations are anticipated to be paid in full in the 2039 year. More detailed information relating to the Township's long term obligations can be found in Note 4 to the financial statements.

Contacting the Township's Financial Management

Our financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to illustrate the Township's accountability for the funds it receives. Questions concerning this report or a request for additional information should be addressed to Chartiers Township, 2 Buccaneer Drive, Houston, PA 15342, telephone (724) 745-3415.

Basic Financial Statements

CHARTIERS TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,375,987	\$ 2,224,968	\$ 7,600,955
Investments		215,612	215,612
Taxes Receivable (Net)	113,936		113,936
Internal Balances	5,184	(5,184)	
Other Receivables	428,405	311,646	740,051
Prepaid Expenditures	120,938		120,938
Capital Assets (net)	6,731,789	8,677,388	15,409,177
TOTAL ASSETS	12,776,239	11,424,430	24,200,669
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	1,295,113		1,295,113
Total Deferred Outflows of Resources	1,295,113		1,295,113
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 14,071,352	\$ 11,424,430	\$ 25,495,782
LIABILITIES			
Accounts Payable	\$ 117,503	\$ 42,172	\$ 159,675
Payroll Deductions and Withholdings	6,029		6,029
Accrued Interest Payable		11,875	11,875
Current Portion of Long-Term Liabilities		159,217	159,217
Unearned Revenues	850,921		850,921
Other Current Liabilities	10,679	14,600	25,279
Long-Term Liabilities:			
Bonds and Notes Payable		2,120,246	2,120,246
Compensated Absences Payable	421,111		421,111
Net Pension Liability	2,356,038		2,356,038
Total Liabilities	3,762,281	2,348,110	6,110,391
DEFERRED INFLOWS OF RESOURCES			
Pension Related	54,024		54,024
Total Deferred Inflows of Resources	54,024		54,024
NET POSITION			
Net Investment In Capital Assets	6,731,789	6,397,925	13,129,714
Restricted for:			
Capital Projects	1,207,363		1,207,363
Other Reserves	1,969,652		1,969,652
Unrestricted	346,243	2,678,395	3,024,638
Total Net Position	10,255,047	9,076,320	19,331,367
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
	\$ 14,071,352	\$ 11,424,430	\$ 25,495,782

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities						
Depreciation - unallocated	\$ 591,848	\$ -	\$ -	\$ (591,848)	\$ -	\$ (591,848)
General Government	583,492	66,486	-	(517,006)	-	(517,006)
Public Safety	2,479,303	25,278	58,979	(2,395,046)	-	(2,395,046)
Health and Sanitation	114,260	-	-	(114,260)	-	(114,260)
Highways and Streets	1,478,153	327,905	566,455	(583,793)	-	(583,793)
Culture and Recreation	175,092	95,672	1,500	(77,920)	-	(77,920)
Employee Benefits, Insurance, and Miscellaneous	713,086	-	202,038	(511,048)	-	(511,048)
Total Governmental Activities	<u>6,135,234</u>	<u>515,341</u>	<u>828,972</u>	<u>(4,790,921)</u>	<u>-</u>	<u>(4,790,921)</u>
Business Type Activities						
Sewer Operations	<u>1,209,475</u>	<u>1,324,707</u>	<u>-</u>	<u>-</u>	<u>115,232</u>	<u>115,232</u>
Total Business Type Activities	<u>1,209,475</u>	<u>1,324,707</u>	<u>-</u>	<u>-</u>	<u>115,232</u>	<u>115,232</u>
Total Government	<u>7,344,709</u>	<u>1,840,048</u>	<u>828,972</u>	<u>(4,790,921)</u>	<u>115,232</u>	<u>(4,675,689)</u>
General Revenues						
Taxes						
Property Taxes				912,118		912,118
Other Taxes				2,125,169		2,125,169
Grants, Subsidies and Contributions, Unrestricted				724,539		724,539
Investment Earnings				87,371	36,097	123,468
Fees and Charges for Services				733,777		733,777
Miscellaneous Income (Expense)				371,683	(88)	371,595
Total General Revenues				<u>4,954,657</u>	<u>36,009</u>	<u>4,990,666</u>
Change in Net Position				163,736	151,241	314,977
Net Position - Beginning				<u>10,091,311</u>	<u>8,925,079</u>	<u>19,016,390</u>
Net Position - Ending				<u>\$ 10,255,047</u>	<u>\$ 9,076,320</u>	<u>\$ 19,331,367</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Governmental Funds			Totals
	General Fund	Capital Projects Fund	Non-Major Funds	
ASSETS				
Cash and Cash Equivalents	\$ 1,477,450	\$ 1,129,376	\$ 2,769,161	\$ 5,375,987
Taxes Receivable (Net)	103,926		4,010	107,936
Accounts Receivable (Net of Allowances)	277,983	14,253		292,236
Interfund Receivable	140,288	78,123	35,200	253,611
Prepaid Expenditures	120,938			120,938
TOTAL ASSETS	\$ 2,120,585	\$ 1,221,752	\$ 2,808,371	\$ 6,150,708
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 106,640	\$ 2,965	\$ 2,653	\$ 112,258
Accounts Payable	11,977	745	104,781	117,503
Payroll Deductions and Withholdings	6,029			6,029
Deposits		10,679		10,679
Unearned Revenue			850,921	850,921
Total Liabilities	124,646	14,389	958,355	1,097,390
Fund Balances:				
Nonspendable:				
Prepaid Expenditures	120,938			120,938
Assigned to:				
Highways			154,794	154,794
Street Lighting and Fire Hydrants			149,794	149,794
Municipal Improvements		1,207,363		1,207,363
Operational Reserve	119,636			119,636
Budget Deficit	695,000			695,000
Designated Purposes			1,545,428	1,545,428
Unassigned	1,060,365			1,060,365
Total Fund Balances	1,995,939	1,207,363	1,850,016	5,053,318
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,120,585	\$ 1,221,752	\$ 2,808,371	\$ 6,150,708

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2022

Total Fund Balances - Governmental Funds	\$ 5,053,318
Capital Assets used in Governmental Activities are not accounted for in the Governmental Fund financial statements. The costs of the assets is \$13,894,274 and the accumulated depreciation is \$7,162,485.	6,731,789
Long-term liabilities, including accumulated compensated absences, are not due and payable in the current period and are not reported as liabilities in the funds.	(421,111)
Delinquent property taxes receivable will be collected, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	6,000
Net Pension Obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(2,356,038)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions.	1,295,113
Deferred inflows of resources related to pensions.	<u>(54,024)</u>
Net Position - Governmental Activities	<u><u>\$ 10,255,047</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Funds			Totals
	General	Capital Projects Fund	Non-Major Funds	
Revenues				
Real Estate Taxes	\$ 749,760	\$	\$ 162,358	\$ 912,118
Local Enabling Taxes	1,977,477		147,692	2,125,169
Licenses and Permits	110,762			110,762
Fines and Forfeits	25,278			25,278
Interest and Rents	30,660	71,275	135,619	237,554
Intergovernmental Revenues	264,296		1,039,158	1,303,454
Departmental Earnings	338,880	1,000	1,451	341,331
Miscellaneous	739,719	51,664	374,455	1,165,838
Total Revenues	<u>4,236,832</u>	<u>123,939</u>	<u>1,860,733</u>	<u>6,221,504</u>
Expenditures				
General Government	561,747	5,896	25,283	592,926
Public Safety	2,137,664	3,271	436,674	2,577,609
Health and Sanitation	114,260			114,260
Highways and Streets	872,007	99,590	1,089,948	2,061,545
Culture and Recreation	47,623	7,177	120,292	175,092
Employee Benefits, Insurance, and Miscellaneous	672,463		739	673,202
Debt Service				
Principal and Interest				-
Total Expenditures	<u>4,405,764</u>	<u>115,934</u>	<u>1,672,936</u>	<u>6,194,634</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(168,932)	8,005	187,797	26,870
Other Financing Sources (Uses)				
Sale of Fixed Assets	31,638	44,087	1,741	77,466
Interfund Transfers In			5,000	5,000
Interfund Transfers (Out)	(5,000)			(5,000)
Total Other Financing Sources (Uses)	<u>26,638</u>	<u>44,087</u>	<u>6,741</u>	<u>77,466</u>
Net Change in Fund Balances	(142,294)	52,092	194,538	104,336
Fund Balances - Beginning	<u>2,138,233</u>	<u>1,155,271</u>	<u>1,655,478</u>	<u>4,948,982</u>
Fund Balances - Ending	<u>\$ 1,995,939</u>	<u>\$ 1,207,363</u>	<u>\$ 1,850,016</u>	<u>\$ 5,053,318</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	104,336
Depreciation Expense		(591,848)
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		639,653
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, these items are measured by the amounts paid.		51,479
Governmental funds report Township pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Township pension contributions		444,256
Cost of benefits earned		(484,140)
		(39,884)
Change in Net Position - Governmental Activities	\$	163,736

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
 BUDGETARY COMPARISON SCHEDULE
 BUDGET VS ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under) Budget - Final
Revenues				
Real Estate Taxes	\$ 660,000	\$ 660,000	\$ 749,760	\$ 89,760
Local Enabling Taxes	1,567,500	1,567,500	1,977,477	409,977
Licenses and Permits	108,800	108,800	110,762	1,962
Fines and Forfeits	13,000	13,000	25,278	12,278
Interest and Rents	4,500	4,500	30,660	26,160
Intergovernmental Revenues	323,500	323,500	264,296	(59,204)
Departmental Earnings	285,000	285,000	338,880	53,880
Miscellaneous	784,000	784,000	739,719	(44,281)
Total Revenues	<u>3,746,300</u>	<u>3,746,300</u>	<u>4,236,832</u>	<u>490,532</u>
Expenditures				
General Government	524,596	524,596	561,747	37,151
Public Safety	2,077,347	2,077,347	2,137,664	60,317
Health and Sanitation	112,114	112,114	114,260	2,146
Highways and Streets	771,528	771,528	872,007	100,479
Culture and Recreation	45,250	45,250	47,623	2,373
Employee Benefits, Insurance, and Miscellaneous	669,043	669,043	672,463	3,420
Total Expenditures	<u>4,199,878</u>	<u>4,199,878</u>	<u>4,405,764</u>	<u>205,886</u>
Excess (Deficiency) of Revenues Over Expenditures	(453,578)	(453,578)	(168,932)	284,646
Other Financing Sources (Uses)				
Sale of Fixed Assets	1,000	1,000	31,638	30,638
Interfund Transfers In				
Interfund Transfers (Out)	(25,000)	(25,000)	(5,000)	20,000
Total Other Financing Sources (Uses)	<u>(24,000)</u>	<u>(24,000)</u>	<u>26,638</u>	<u>50,638</u>
Net Change in Fund Balances	(477,578)	(477,578)	(142,294)	335,284
Fund Balances - Beginning	<u>2,138,233</u>	<u>2,138,233</u>	<u>2,138,233</u>	
Fund Balances - Ending	<u>\$ 1,660,655</u>	<u>\$ 1,660,655</u>	<u>\$ 1,995,939</u>	<u>\$ 335,284</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF NET POSITION – PROPRIETARY FUND
DECEMBER 31, 2022

	Sewer Operations
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,224,968
Investments	215,612
Due from Other Funds	1,920
Due from Other Governments	
Other Receivables	311,646
Total Current Assets	2,754,146
Noncurrent Assets:	
Machinery and Equipment (Net of Depreciation)	8,677,388
Total Noncurrent Assets	8,677,388
TOTAL ASSETS	\$ 11,431,534
LIABILITIES	
Current Liabilities:	
Due to Other Funds	\$ 7,104
Accounts Payable	42,172
Accrued Interest Payable	11,875
Current Portion of Noncurrent Liabilities	159,217
Other Current Liabilities	14,600
Total Current Liabilities	234,968
Noncurrent Liabilities:	
Sewage Revenue Bonds Payable	1,636,524
Notes Payable	483,722
Total Noncurrent Liabilities	2,120,246
Total Liabilities	2,355,214
NET POSITION	
Net Investment in Capital Assets	6,397,925
Unrestricted	2,678,395
Total Net Position	9,076,320
TOTAL LIABILITIES AND NET POSITION	\$ 11,431,534

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Sewer Operations
Operating Revenues	
Sewage Revenue	\$ 1,324,707
Total Operating Revenue	1,324,707
Operating Expenses	
Personal Services - Salaries and Benefits	41,705
Personal Services - Benefits	3,080
Other Operating Expenses	844,051
Debt Service - Interest Expense	42,557
Depreciation and Amortization	278,082
Total Operating Expenses	1,209,475
Operating Income (Loss)	115,232
Non-Operating Revenues (Expenses)	
Earnings on Investments	36,097
Refund of Prior Year Expenditures	(88)
Total Non-Operating Revenue and Expense	36,009
Change in Net Position	151,241
Net Position - Beginning	8,925,079
Net Position - Ending	\$ 9,076,320

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Sewer Operations
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,333,336
Cash Paid to Employees for Services	(44,785)
Cash Paid to Suppliers for Goods and Services	(888,944)
Cash Paid for Interest on Long-term Debt	(35,366)
Net Cash Provided (Used) by Operating Activities	364,241
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(9,193)
Principal Payments on Notes Payable	(148,927)
Net Cash Provided (Used) by Capital and Related Financing Activities	(158,120)
Cash Flows from Investing Activities:	
Earnings on Investments	36,097
Nonoperating Revenues	(88)
Withdrawals (Purchases of) from Investment Pools	(3,751)
Net Cash Provided (Used) by Investing Activities	32,258
Net Increase (Decrease) in Cash and Equivalents	238,379
Balances - Beginning of the Year	1,986,589
Balances - End of the Year	\$ 2,224,968
Cash Flows From Operating Activities:	
Operating Income	\$ 115,232
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	278,082
(Increase) Decrease in Accounts Receivable	8,629
(Increase) Decrease in Inventories	
(Increase) Decrease in Other Assets	
(Increase) Decrease in Due/From to Other Funds	(180)
Increase (Decrease) in Accounts Payable	(44,713)
Increase (Decrease) in Other Liabilities	7,191
Total Adjustments	249,009
Net Cash Provided (Used) by Operating Activities	\$ 364,241

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2022

	Pension Trust Funds		Escrow Funds
	Non-Uniform	Uniform	
ASSETS			
Cash and Cash Equivalents	\$	\$	\$ 287,403
Investments	1,028,298	5,381,920	
Other receivables	8,652		
	<u>1,036,950</u>	<u>5,381,920</u>	<u>287,403</u>
 TOTAL ASSETS	 <u>\$ 1,036,950</u>	 <u>\$ 5,381,920</u>	 <u>\$ 287,403</u>
LIABILITIES			
Due to Other Funds	\$	\$	\$ 136,169
Deposits			151,234
Total Liabilities			<u>287,403</u>
 NET POSITION			
Unrestricted	<u>1,036,950</u>	<u>5,381,920</u>	
Total Net Position	<u>1,036,950</u>	<u>5,381,920</u>	
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 1,036,950</u>	 <u>\$ 5,381,920</u>	 <u>\$ 287,403</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARTIERS TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Pension Trust Funds		Escrow Funds
	Non-Uniform	Uniform	
Additions			
Contributions	\$ 124,770	\$ 504,602	\$ -
Total Additions	<u>124,770</u>	<u>504,602</u>	
Deductions			
Distributions	395,890	496,101	
Loss on Investment	233,483	1,100,439	
Other Deductions		58,029	
Total Deductions	<u>629,373</u>	<u>1,654,569</u>	
Changes in Net Position	(504,603)	(1,149,967)	
Net Position-Beginning of the Year	<u>1,541,553</u>	<u>6,531,887</u>	
Net Position-End of the Year	<u>\$ 1,036,950</u>	<u>\$ 5,381,920</u>	<u>\$</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Chartiers Township

Notes to the Basic Financial Statements

Year Ended December 31, 2022

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Chartiers Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The Township is organized under laws of the Commonwealth of Pennsylvania. And as such, the Township is an independent entity.

A. Reporting Entity

The Township is a primary government organized within the laws of the Commonwealth of Pennsylvania. The Township is governed by an elected Board of Supervisors. It has the power of taxation and the ability to incur long term debt.

In evaluating the Township as a primary government in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," management has addressed all potential component units. Consistent with this Statement, the criteria used by the Township to evaluate possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. Upon review of this criteria, the Township determined that there were no potential component units that met the criteria for inclusion in the reporting entity.

B. Basis of Presentation

The financial statements of Chartiers Township have been prepared in conformity with U.S. generally accepted accounting principles (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.

Following are the more significant of the Township's accounting policies.

The Township's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Township at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's

governmental activities and business-type activity. Direct expenses are those that are specifically associated with a service program or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Township.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts that are reported as interfund activity and balances are eliminated.

2. Fund Financial Statements

During the fiscal year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The Township uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions of the Township are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The General Fund and Capital Projects Fund are the Township's major governmental funds.

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Capital Projects Fund – Capital Reserve Fund – The Capital Projects Funds are used to account for major capital facilities and repairs. Major sources of revenues for this fund are derived from long term notes and bond issues.

The other governmental funds of the Township are used to account for other resources. These include the Liquid Fuels Fund, the Light and Hydrant Fund, the Arden Force Main Fund, the Revenue Gaming Fund, the Act 13 Impact Fee Fund, the Community Center Operating Fund, the Local Services Tax Fund, the American Rescue Plan Fund, and the Fire Tax Fund whose uses are restricted to particular purposes.

2. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following is the Township's proprietary fund:

Enterprise Fund

The Enterprise Fund may be used to account for any activity for which a fee is charged to external users for goods or services.

Sewer Operations

The Sewer Operations Fund accounts for the financial transactions related to the sewer operations of the Township. This fund is the Township's only enterprise fund and it is reported as a major fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund are sewer usage charges. Operating expenses for the Township's enterprise fund include sewer facility repairs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. Custodial funds are custodial in nature and are used to account for fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The Township maintains two pension trust funds and five custodial funds.

Trust Funds

Pension Trust Funds – Police Pension Fund and Non-Uniform Pension Fund – These are trust funds established to account for revenues and pension expenditures to the Township's defined benefit plans. Pension trust funds are accounted for in essentially the same manner as governmental funds.

Custodial Funds

Fire Escrow Fund – This fund is utilized to account for monies held in escrow for fire damage claims.

Industrial Park Escrow Fund – This fund is utilized to account for monies held in escrow for the industrial park.

Engineer Review Escrow Fund – This fund is utilized to account for monies held in escrow for engineering plan reviews.

Allison Hollow Financial Security Fund – This fund is utilized to account for monies held in escrow for maintenance and repair of Township roads that are being used in connection with the construction of a development within the Township.

Summerfield Woods Bond Fund – This fund is utilized to account for monies held in escrow for the Summerfield Woods plan.

D. Fixed Assets and Long-Term Liabilities:

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operation statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

E. Basis of Accounting:

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Fiduciary Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

F. Budgets and Budgetary Accounting:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to December 31, the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

The Township is not permitted to amend the budget during the year to change the original appropriation. The control level at which the budget must report is function and object.

The General Fund is the only fund for which a budget is required to be adopted.

At December 31st of each year, appropriations lapse and may not be carried forward.

Encumbrances are utilized to the extent necessary for the Township to maintain proper control over the budget. Open encumbrances at year-end lapse and are reappropriated in the next year's budget.

G. Cash and Investments:

Deposits

Below is a summary of the Township's deposits which are insured by the Federal Depository Insurance Company, and those which are not insured or collateralized in the Township's name, but collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the financial institution to pool collateral for all government deposits and have the collateral held by an approved custodian in the institution's name.

	<u>FDIC Insured</u>	<u>Pooled Collateral</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and Deposits	<u>\$250,000</u>	<u>\$7,894,560</u>	<u>\$8,144,560</u>	<u>\$7,888,358</u>

For purposes of the statement of cash flows, the proprietary fund considers all liquid investments with a maturity of three months or less when purchased and pooled funds investments subject to daily withdrawal to be cash equivalents.

Investments

The Township's investments at December 31, 2022 consist of:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Nationwide Investments	\$ 6,410,218	\$ 6,410,218
Pennsylvania Local Government Investment Trust	<u>215,612</u>	<u>215,612</u>
Total	<u>\$ 6,625,830</u>	<u>\$ 6,625,830</u>

The Board of Supervisors has designated Nationwide Financial as custodial and trustee of Chartiers Township's retirement assets. When applicable, the Township measures investments at fair value. The fair value measurement guidelines, set forth by generally accepted accounting principles, recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs: Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g., an equity

security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

- Level 2 inputs: The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.
- Level 3 inputs: Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Nationwide Investments

For the township pension assets invested with Nationwide Investments, the fair value measurements have been reported in the quarterly account reports provided to the township by Nationwide Investments. Nationwide Investments measures and records its investments at fair market value, unless otherwise stated by the issuer of the investment.

At December 31, 2022, the following table reflects the Township investments held by Nationwide Investments:

NATIONWIDE INVESTMENTS PORTFOLIO

As of December 31, 2022

FAIR VALUE MEASUREMENTS USING INVESTMENTS BY FAIR VALUE LEVEL	2022	Level 1	Level 2	Level 3
Mutual Funds	\$ 6,410,218	\$ 6,410,218		
Total investments by fair value level	6,410,218	6,410,218		
Total investments	\$ 6,410,218			

Investment Risks

Custodial Credit Risk – Custodial credit risk is the risk of loss resulting from the failure of the custodian such that Nationwide Investments would not be able to recover the value of its investments or collateral securities in the possession of the custodian. The Township is permitted to invest funds consistent with sound business practices in the following types of investments, certain money market mutual funds, and deposit accounts:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Act 20, a Pennsylvania law enacted in June of 1995, expands the allowable investment vehicles to include certain money market mutual funds rated as "AAA" whose investments are limited to those mentioned in the previous paragraph.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

For the portion of township pension assets invested with Nationwide Investments, because the investment securities are uninsured, unregistered, and in the possession of the counterparty or its safekeeping department, the investment securities are subject to custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a fixed income investment. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – Credit risk concentration is the risk of loss attributed to investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represented five percent or more of the plan's net position. The Township places no limit on the amount it may invest in any one issue.

The portion of Township pension assets invested with Nationwide Investments had five issuers that exceeded five percent of total investments at December 31, 2022.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Investments in Nationwide could be subject to foreign currency risk.

H. Interfund Receivables/Payables

During the course of operations, transactions sometime occur between individual funds for goods provided or services rendered. These receivables and payables, to the extent they exist, are classified as "Interfund Receivable" or "Interfund Payable" on the balance sheet.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Subsequent Events

The Township evaluated subsequent events for recognition and disclosure through September 14, 2023, the date the financial statements were available to be issued.

K. Fund Balances

In accordance with Governmental Accounting Standards Board Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions, the Township classifies governmental fund balances as follows:

- Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as non-spendable at December 31, 2022 by the Township are non-spendable in form.
- Restricted – includes amounts that are restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to formal action taken by the Board of Supervisors, the Township’s highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Supervisors.
- Assigned – includes amounts that the Township intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the Administration and/or the Board of Supervisors.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Township Board of Supervisors has provided otherwise in its commitment or assignment actions.

Fund balances in the Township’s major funds are \$1,995,939 for the general fund, consisting of \$119,636 that is assigned as operational reserves, \$695,000 that is assigned for the 2023 budget deficit, \$120,938 that is nonspendable for prepaid expenditures, and \$1,060,365 that is unassigned for daily operational needs of the Township. The capital projects fund has \$1,207,363 assigned for capital needs of the Township.

Fund balances in the Township’s non-major funds consist of assigned amounts of \$561,329 for the Act 13 Impact fee Fund, \$239,160 for Arden Force Main, \$400,930 for the revenue gaming fund, \$154,794 for highways, \$149,794 for street lighting and fire hydrants, \$7,043 for the community center operating fund, \$282,121 for the local services tax fund, \$44,308 for the Fire Tax Fund and \$10,537 for the American Rescue Plan Fund.

Net position in the Township’s sewer fund totals \$9,076,320. Of this amount, \$3,974,391 is the sewer operations fund, \$3,206,551 is the Route 18 Sewage Fund, \$1,384,855 is the Midland Sewage Fund, and \$510,523 is the McClane Farm Sewer Fund.

Note 2 – Property Taxes

Property taxes attach as an enforceable lien on property as of January 15 of the following year. Taxes are levied on April 1 of the prior year and are payable in one installment. The Township bills and collects its own property taxes through a locally elected tax collector. The tax levy for 2022 was

based on assessed values on January 1, 2022 of \$826,603,409. The Township tax rate for the year ended December 31, 2022 is 1.0632 mills as levied by the Township.

Taxes may be paid at a 2% discount until June 1, at face until August 1, and at a 10% penalty until January 15 of the following year, at that time, they will be liened with the County, who then are responsible for their collections.

The Township, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements. This balance, net of allowances, is \$107,936.

Note 3 – Changes in Capital Assets

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Non-Depreciable Assets:				
Land	\$ 219,673	\$ -	\$ -	\$ 219,673
Depreciable Assets				
Land improvements	3,300			3,300
Buildings	4,301,023			4,301,023
Infrastructure	5,516,292	556,540		6,072,832
Equipment	3,214,333	83,113		3,297,446
Totals at historical cost	<u>13,254,621</u>	<u>639,653</u>	<u>-</u>	<u>13,894,274</u>
Less accumulated depreciation for:				
Accumulated Depreciation	<u>(6,570,637)</u>	<u>(591,848)</u>		<u>(7,162,485)</u>
Total accumulated depreciation	<u>(6,570,637)</u>	<u>(591,848)</u>	<u>-</u>	<u>(7,162,485)</u>
Governmental activities capital assets, net	<u>\$ 6,683,984</u>	<u>\$ 47,805</u>	<u>\$ -</u>	<u>\$ 6,731,789</u>
Business-type Activities				
Depreciable Assets:				
Equipment	<u>\$ 11,184,654</u>	<u>\$ 9,193</u>	<u>\$ -</u>	<u>\$ 11,193,847</u>
Totals at historical cost	<u>11,184,654</u>	<u>9,193</u>		<u>11,193,847</u>
Less accumulated depreciation for:				
Equipment	<u>(2,237,107)</u>	<u>(279,352)</u>		<u>(2,516,459)</u>
Total accumulated depreciation	<u>(2,237,107)</u>	<u>(279,352)</u>		<u>(2,516,459)</u>
Business-type activities capital asset, net	<u>\$ 8,947,547</u>	<u>\$ (270,159)</u>	<u>\$ -</u>	<u>\$ 8,677,388</u>

Depreciation expense was charged to governmental functions as follows:

General Government	
Public Safety	
Health and Sanitation	
Highways and Streets	
Unallocated-Governmental Funds	\$ 591,848
Total depreciation expense	<u>\$ 591,848</u>

In the 2022 year, equipment purchases and infrastructure upgrades added \$639,653 to the historical cost of governmental activities and \$9,193 to the historical cost of business activities. Depreciation expense for that same time period was \$591,848 for the governmental activities and \$279,352 for the business activities, resulting in a net book value increase of \$47,805 and a decrease of \$270,159 for the governmental activities and business-type activities respectively.

Note 4 – General Long-Term Debt

Changes in the Township’s long-term obligations during the year 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Pension Liability	\$ 1,002,978	\$ 1,797,317	\$ (444,257)	\$ 2,356,038	
Compensated Absences	472,590	87,285	(138,764)	421,111	
Total Governmental Activities	<u>1,475,568</u>	<u>1,884,602</u>	<u>(583,021)</u>	<u>2,777,149</u>	<u>-</u>
Business-Type activities:					
Sewer Notes & Bonds Payable	\$ 2,411,866	\$ -	\$ (148,927)	\$ 2,262,939	\$ 159,217
Add: Bond Premium	35,575		(2,541)	33,034	
Less: Bond Discount	(17,780)		1,270	(16,510)	
Total Business-Type activities	<u>2,429,661</u>	<u>-</u>	<u>(150,198)</u>	<u>2,279,463</u>	<u>159,217</u>
Total Long-term liabilities	<u>\$ 3,905,229</u>	<u>\$ 1,884,602</u>	<u>\$ (733,219)</u>	<u>\$ 5,056,612</u>	<u>\$ 159,217</u>

Sewer Notes and Bonds Payable

The Township issued General Obligation Bonds, Series of 2021 for the purpose of refunding the General Obligation Bonds, Series of 2016, refunding the Midland Sanitary Sewer Project PennVest loan, and paying all costs and expenses incurred by the Township in connection with the issuance and sale of the Bonds. These bonds consist of an original principal amount of \$2,425,000. Of this amount, \$520,000 is the responsibility of Canton Township and \$1,905,000 is the responsibility of Chartiers Township. The bonds bear variable interest of 0.20% to 2.00%, with the final payment due 08-01-2035. The balance of these bonds was \$1,750,000 at December 31, 2022.

The Township issued General Obligation Bonds, Series of 2016 for the purpose of refunding the General Obligation Bonds, Series of 2010 and paying all costs and expenses incurred by the Township in connection with the issuance and sale of the Bonds. These bonds consist of an original principal amount of \$1,435,000. Of this amount, \$885,395 is the responsibility of Canton Township and \$549,605 is the responsibility of Chartiers Township. The bonds bear variable interest of 3.00% to 3.375%, with the final payment due 08-01-2040. These bonds were refunded during the 2021 year with the issuance of the Series of 2021 bonds.

The Township issued General Obligation Bonds, Series of 2010, for the purpose of funding the Route 18 Sewer Project and paying all costs and expenses incurred by the Township in connection with the issuance and sale of the Bonds. The bonds bear variable interest of 1.70% for the years through 2014, 4.00% for the years 2015 through 2026 and 4.5% for the years 2027 through 2039, with the final payment due 08-01-2040. This note was refinanced in 2016 with the issuance of the 2016 General Obligation Bonds.

The Township entered into a loan with PennVest for the Midland Sanitary Sewer Project. The loan bears interest at the rate of 1.715% with final maturity date of 2-1-2035. This note was refunded during the 2021 year with the issuance of the Series of 2021 bonds.

The Township entered into a loan with PennVest for the McClane Farm Road Sewer Project. The loan bears interest at the rate of 1.00%. The balance of this note totaled \$512,939 at December 31, 2022.

The amount needed to amortize the sewer notes and bonds payable outstanding as of December 31, 2022 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 159,217	\$ 33,496	\$ 192,713
2024	153,329	34,509	187,838
2025	158,402	33,661	192,063
2026	158,901	31,862	190,763
2027	164,409	30,055	194,464
2028-2032	854,980	107,513	962,493
2033-2037	569,082	26,486	595,568
2038-2039	44,619	520	45,139
Total	<u>\$ 2,262,939</u>	<u>\$ 298,102</u>	<u>\$ 2,561,041</u>

Note 5 – Compensated Absences & Other Post-Employment Benefits

The Township has made retirement benefits available to certain employees. The benefit is 1) payment for unused sick days at retirement. With respect to other employees that do not meet the criteria established by the Township for retirement, these employees are not eligible to receive payment for their unused sick days at retirement. The General Fund has been used to accumulate funds to provide for the payment of these liabilities. The dollar amounts of the benefits are as follows:

	<u>Sick Day Liability</u>	<u>Total</u>
December 31, 2021 Balance	\$ 472,590	\$ 472,590
Increases	87,285	87,285
Decreases	<u>(138,764)</u>	<u>(138,764)</u>
December 31, 2022 Balance	<u>\$ 421,111</u>	<u>\$ 421,111</u>

Note 6 – Pension Plans

Agent Single-Employer Defined Benefit Pension Plan Disclosure

The Township maintains the Chartiers Township Police Pension Plan and the Chartiers Township Non-Uniform Pension Plan, which cover substantially all employees of the Township.

Police Pension Plan

The Police Pension Plan is invested with Nationwide Financial. The Combined Balance Sheet for the Pension Trust Fund includes year 2022 net position held in trust pension benefits of \$5,381,920.

Plan Description. The Chartiers Township Police Pension Plan (CTPPP) is a single employer defined benefit pension plan administered by the Girard Pension Services. CTPPP provided retirement, disability, and death benefits to plan members and beneficiaries. Cost of living adjustments are provided at the discretion of Chartiers Township Supervisors. The plan was established under authority of the Chartiers Township Supervisors and is subject to funding and reporting requirements of Commonwealth Act 205 of 1984 and Act 600. A separate financial report is issued by the plan through the plan actuary.

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Chartiers Township Board of Supervisors. Plan members are required to contribute 5.00% of their annual covered salary. The Township is required by Act to contribute at an actuarially determined rate; the current rate is 14.60% of annual covered payroll. The Commonwealth of Pennsylvania provides an allocation of funds that must be used for police pension funding. Any excess of this funding may be used to fund other plans of the Township.

Annual Pension Costs. For 2022, the Township’s annual pension cost of \$444,257 for CTPPP was equal to the Township’s required and actual contributions. The required contribution was determined as part of the January 1, 2021 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return and (b) projected salary increases of 4.5%.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/14	\$125,308	100.0%	\$-0-
12/31/15	\$178,112	100.0%	\$-0-
12/31/16	\$180,651	100.0%	\$-0-
12/31/17	\$282,113	100.0%	\$-0-
12/31/18	\$273,201	100.0%	\$-0-
12/31/19	\$354,938	100.0%	\$-0-
12/31/20	\$363,173	100.0%	\$-0-
12/31/21	\$422,063	100.0%	\$-0-
12/31/22	\$444,257	100.0%	\$-0-

Required Supplementary Information

Schedule of Funding Progress for CTPPP

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL – Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Covered Payroll (c)	UAAL as percentage of Covered Payroll ((b-a)/c)
<u>1/1/2021</u>	<u>\$5,602,695</u>	<u>\$7,022,324</u>	<u>\$ 1,419,629</u>	<u>\$928,236</u>	<u>152.94%</u>
<u>1/1/2019</u>	<u>\$3,952,791</u>	<u>\$5,603,773</u>	<u>\$ 1,650,982</u>	<u>\$950,105</u>	<u>173.77%</u>
<u>1/1/2017</u>	<u>\$3,208,537</u>	<u>\$4,815,744</u>	<u>\$ 1,607,207</u>	<u>\$984,032</u>	<u>163.33%</u>
<u>1/1/2015</u>	<u>\$2,704,478</u>	<u>\$4,050,581</u>	<u>\$ 1,346,103</u>	<u>\$810,448</u>	<u>166.1%</u>
<u>1/1/2013</u>	<u>\$2,143,404</u>	<u>\$3,011,023</u>	<u>\$ 867,619</u>	<u>\$866,061</u>	<u>100.2%</u>

Summary financial information as of December 31, 2022 follows:

Total Assets	\$ 5,381,920
Total Liabilities	-0-
Net Position	<u>\$ 5,381,920</u>
Total Additions	\$ 504,602
Total Deductions	<u>(1,654,569)</u>
Change in Net Position	<u>\$ (1,149,967)</u>

The following disclosures are presented in accordance with Governmental Accounting Standards Board Statement #68.

Net Pension Liability

The components of the net pension liability of the Plan as of December 31, 2022 were as follows:

Total Pension Liability (TPL)	\$ 7,760,534
Plan Fiduciary Net Position	\$ 5,404,496
Net Pension Liability (NPL)	\$ 2,356,038
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.6%

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the plan’s fiscal year ending December 31, 2022. This report was based upon the plan’s actuarial assumptions, asset valuation method, and cost method as described below.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.5% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 3,218,475	\$ 2,356,038	\$ 1,636,854

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at 12/31/2021	\$ 7,550,399	\$ 6,547,421	\$ 1,002,978
Changes for the year:			
Service Cost	141,662		141,662
Interest	558,528		558,528
Contributions - employer		242,219	(242,219)
Contributions - state aid		202,038	(202,038)
Contributions - member		61,342	(61,342)
Net investment income		(1,158,469)	1,158,469
Benefit Payments	(490,055)	(490,055)	-
Net changes	<u>210,135</u>	<u>(1,142,925)</u>	<u>1,353,060</u>
Balances at 12/31/2022	<u>\$ 7,760,534</u>	<u>\$ 5,404,496</u>	<u>\$ 2,356,038</u>

Pension Expense for Fiscal Year Ended December 31, 2022

Service Cost	\$ 141,662
Interest on Total Pension Liability	558,528
Differences Between Expected and Actual Experience	(10,427)
Changes of Assumptions	69,711
Employee Contributions	(61,342)
Projected Earnings on Pension Plan Investments	(483,310)
Differences Between Projected and Actual Earnings on Investments	<u>269,319</u>
Total Pension Expense	\$ 484,141

Deferred Outflows and Deferred Inflows of Resources

For the year ended December 31, 2022, the Township recognized a pension expense of \$484,141. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (54,024)
Changes in assumptions	294,158	
Net difference between projected and actual earnings on pension plan investments	<u>1,000,955</u>	
Total	<u>\$ 1,295,113</u>	<u>\$ (54,024)</u>

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

Year ended December 31:

2023	207,605
2024	274,665
2025	331,987
2026	369,218
2027	40,863
Thereafter	\$ 16,751

Schedule of Changes in Plan's Net Pension Liability and Related Ratios

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 83,402	\$ 93,607	\$ 98,287	\$ 118,422	\$ 124,047	\$ 103,023	\$ 107,917	\$ 135,562	\$ 141,662
Interest	288,106	326,083	351,829	379,701	412,400	447,820	485,720	531,625	558,528
Changes in Benefit Terms		453,871							
Differences Between Expected and Actual Experience		(263,068)		(22,400)		21,806		(80,098)	
Changes of Assumptions		197,395		122,846				382,890	
Benefit Payments, Including Refunds of Member Contributions	(30,414)	(136,310)	(68,779)	(69,608)	(94,034)	(66,351)	(67,075)	(139,112)	(490,055)
Net Change in Total Pension Liability	341,094	671,578	381,337	528,961	442,413	506,298	526,562	830,867	210,135
Total Pension Liability - Beginning	3,321,289	3,662,383	4,333,961	4,715,298	5,244,259	5,686,672	6,192,970	6,719,532	7,550,399
Total Pension Liability - Ending	<u>\$3,662,383</u>	<u>\$4,333,961</u>	<u>\$4,715,298</u>	<u>\$5,244,259</u>	<u>\$5,686,672</u>	<u>\$6,192,970</u>	<u>\$6,719,532</u>	<u>\$7,550,399</u>	<u>\$7,760,534</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ -	\$ 40,883	\$ 18,789	\$ 112,348	\$ 161,388	\$ 240,268	\$ 180,991	\$ 263,753	\$ 242,219
Contributions - State Aid	125,308	137,229	161,862	169,765	111,813	114,670	182,182	158,310	202,038
Contributions - Member	40,497	47,690	49,695	44,844	48,201	52,434	44,272	50,803	61,342
Net Investment Income	76,942	(67,015)	145,380	414,859	(304,389)	679,565	666,214	610,972	(1,158,469)
Benefit Payments, Including Refunds of Member Contributions	(30,414)	(136,310)	(68,779)	(69,608)	(94,034)	(66,351)	(67,075)	(139,112)	(490,055)
Administrative Expense	888								
Net Change in Plan Fiduciary Net Position	213,221	22,477	306,947	672,208	(77,021)	1,020,586	1,006,584	944,726	(1,142,925)
Plan Net Position - Beginning	2,437,693	2,650,914	2,673,391	2,980,338	3,652,546	3,575,525	4,596,111	5,602,695	6,547,421
Plan Net Position - Ending	<u>\$2,650,914</u>	<u>\$2,673,391</u>	<u>\$2,980,338</u>	<u>\$3,652,546</u>	<u>\$3,575,525</u>	<u>\$4,596,111</u>	<u>\$5,602,695</u>	<u>\$6,547,421</u>	<u>\$5,404,496</u>
Plan's Net Pension Liability	<u>\$1,011,469</u>	<u>\$1,660,570</u>	<u>\$1,734,960</u>	<u>\$1,591,713</u>	<u>\$2,111,147</u>	<u>\$1,596,859</u>	<u>\$1,116,837</u>	<u>\$1,002,978</u>	<u>\$2,356,038</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.4%	61.7%	63.2%	69.6%	62.9%	74.2%	83.4%	86.7%	69.6%
Covered Employee Payroll	\$ 857,100	\$ 775,178	\$ 836,672	\$ 959,597	\$ 823,535	\$ 915,343	\$1,032,406	\$ 891,711	\$1,022,702
Plan's Net Pension Liability as a Percentage of Covered Employee Payroll	118.0%	214.2%	207.4%	165.9%	256.4%	174.5%	108.2%	112.5%	230.4%

Non-Uniform Pension Plan

The Township maintains the Chartiers Township Non-Uniform Pension Plan. It is a money purchase pension plan where the amount of pension benefits is determined by the monies accumulated in the individual employee accounts at retirement.

The Township makes mandatory contributions of 8% of the covered payroll. The Employee may make a contribution of up to 3% of payroll.

Employer contributions paid in 2022 were \$77,741.

Pension assets are invested with Nationwide Financial Services. As of December 31, 2022 the total value of plan assets was \$1,036,950.

Note 7 – Contingent Liabilities and Events

Chartiers Township participates in grant programs sponsored by other governments. The programs are subject to program compliance audits by the grantor agencies or their representatives. The audits of some of these programs for and including the year ended December 31, 2022 have not yet been conducted. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts to be immaterial.

The COVID-19 pandemic has continued to impact the Township. As a response to COVID-19, the Coronavirus Aid, Relief and Economics Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act were enacted by Congress to provide budgetary relief to governmental agencies. This funding is reflected in these and in future financial statements.

Note 8 – Interfund Balances

Individual fund interfund receivable and payable balances at December 31, 2022 were:

<u>Interfund Receivable</u>	<u>Amount</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	\$ 140,288	Engineering Review Escrow	\$ 136,169
Capital Projects Fund	78,123	General Fund	106,640
Non-Major Funds	35,200	Sewer Fund	7,104
Sewer Fund	1,920	Capital Projects Fund	2,965
		Non-Major Funds	2,653
	<u>255,531</u>		<u>255,531</u>

The amount above due to the General Fund is the result of expenses being paid by the General Fund that are the responsibility of Engineering Review Escrow Fund. The above amounts due to the other funds are principally the result of amounts being deposited into the General Fund that are owed to these funds.

During the year ended December 31, 2022, the following fund level transfer was made.

<u>Expending Fund</u>	<u>Amount</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Fund	\$ 5,000	Community Center	\$ 5,000
	<u>\$ 5,000</u>		<u>\$ 5,000</u>

Note 9 – Risk Management and Litigation

The Township is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages most risk through the general fund with the purchase of commercial insurance coverage. There has been no reduction in insurance coverage from the previous year, nor have amounts of settlements exceeded coverage levels in the past three years.

The Township estimates that the amount of actual or potential claims against the Township as of December 31, 2022, will not materially affect the financial condition of the Township and will be covered under the present insurance coverage.

Supplementary Information

CHARTIERS TOWNSHIP
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Liquid Fuels Fund	Light & Hydrant Fund	Arden Force Main Fund	Act 13 Impact Fee Fund	Revenue Gaming Fund	American Rescue Plan Fund	Community Center Operating Fund	Local Services Tax Fund	Fire Tax Fund	Total
ASSETS										
Cash	\$ 154,794	\$ 157,964	\$ 239,160	\$ 631,966	\$ 397,965	\$ 861,458	\$ 5,811	\$ 276,663	\$ 43,380	\$ 2,769,161
Due From Other Funds				13,032	2,965		4,537	14,666		35,200
Taxes Receivable		1,504						248	2,258	4,010
TOTAL ASSETS	\$ 154,794	\$ 159,468	\$ 239,160	\$ 644,998	\$ 400,930	\$ 861,458	\$ 10,348	\$ 291,577	\$ 45,638	\$ 2,808,371
LIABILITIES AND FUND BALANCES										
Liabilities										
Interfund Payable	\$ -	\$ 1,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,221	\$ 2,653
Accounts Payable		8,242		83,669			3,305	9,456	109	104,781
Unearned Revenue						850,921				850,921
Total Liabilities		9,674		83,669		850,921	3,305	9,456	1,330	958,355
Fund Balances										
Fund Balances										
Assigned to Street Lighting and Fire Protection		149,794								149,794
Assigned to Designated Purposes			239,160	561,329	400,930	10,537	7,043	282,121	44,308	1,545,428
Assigned to Streets and Highways	154,794									154,794
Total Fund Balances	154,794	149,794	239,160	561,329	400,930	10,537	7,043	282,121	44,308	1,850,016
TOTAL LIABILITIES AND FUND BALANCES	\$ 154,794	\$ 159,468	\$ 239,160	\$ 644,998	\$ 400,930	\$ 861,458	\$ 10,348	\$ 291,577	\$ 45,638	\$ 2,808,371

CHARTIERS TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Liquid Fuels Fund	Light & Hydrant Fund	Arden Force Main Fund	Act 13 Impact Fee Fund	Revenue Gaming Fund	American Rescue Plan Fund	Community Center Operating Fund	Local Services Tax Fund	Fire Tax Fund	Total
Revenues										
Real Estate Taxes	\$	\$	\$	\$	\$	\$	\$	\$	162,358	\$ 162,358
Local Enabling Taxes								147,692		147,692
Interest and Rents	2,818	2,611	3,432	9,248	5,621	10,302	95,805	4,334	1,448	135,619
Intergovernmental Revenues	317,898			579,514	141,746					1,039,158
Departmental Earnings			1,451							1,451
Miscellaneous		123,351		248,557			1,500	1,047		374,455
Total Revenues	320,716	125,962	4,883	837,319	147,367	10,302	97,305	153,073	163,806	1,860,733
Expenditures										
General Government		1,599			21,710				1,974	25,283
Public Safety		59,982		88,009	8,775			63,811	216,097	436,674
Highways and Streets	341,643	35,710		490,622	58,014			163,959		1,089,948
Culture and Recreation							120,292			120,292
Employee Benefits, Insurance, and Miscellaneous		283							456	739
Total Expenditures	341,643	97,574		578,631	88,499		120,292	227,770	218,527	1,672,936
Excess (Deficiency) of Revenues Over Expenditures	(20,927)	28,388	4,883	258,688	58,868	10,302	(22,987)	(74,697)	(54,721)	187,797
Other Financing Sources (Uses)										
Sale of Fixed Assets							1,741			1,741
Interfund Transfers (Out)										
Interfund Transfers In							5,000			5,000
Total Other Financing Sources (Uses)							6,741			6,741
Net Change in Fund Balances	(20,927)	28,388	4,883	258,688	58,868	10,302	(16,246)	(74,697)	(54,721)	194,538
Fund Balances - Beginning	175,721	121,406	234,277	302,641	342,062	235	23,289	356,818	99,029	1,655,478
Fund Balances - Ending	\$ 154,794	\$ 149,794	\$ 239,160	\$ 561,329	\$ 400,930	\$ 10,537	\$ 7,043	\$ 282,121	\$ 44,308	\$ 1,850,016

APPENDIX F
BOND AMORTIZATION SCHEDULE