

NEW ISSUE
BOOK-ENTRY ONLY

RATING: S&P Global Ratings: " " (____ Outlook)
(See "RATING" herein)

In the opinion of Bond Counsel, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the conditions described in "TAX MATTERS." Interest on the Bonds will not be a specific preference for purposes of Federal alternative minimum tax imposed on individuals and applicable corporations (as defined in Section 59K of the Internal Revenue Code of 1986, as amended (the "Code")); however, such interest may be subject to certain other federal taxes affecting corporate holders of the Bonds and such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations. This opinion of Bond Counsel is subject to continuing compliance by the Authority with its covenants in the Trust Indenture and other documents to comply with requirements of the Code and applicable regulations thereunder. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the Bonds are exempt from Pennsylvania personal property taxes and the interest on the Bonds is exempt from Pennsylvania income tax and Pennsylvania corporate net income tax, but this exemption does not extend to profits, gains or income derived from the sale, exchange or other disposition of the Bonds, nor to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds. For a more complete discussion see "TAX MATTERS."

The Bonds are "qualified tax-exempt obligations", for purposes and effect contemplated by Section 265 of the Internal Revenue Code of 1986, as amended (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

\$9,995,000*

DOVER TOWNSHIP SEWER AUTHORITY
York County, Pennsylvania
Guaranteed Sewer Revenue Bonds, Series of 2025

Dated: Date of Delivery
Interest Due: May 1 and November 1

Principal Due: May 1, as shown herein
First Interest Payment: May 1, 2026

The Guaranteed Sewer Revenue Bonds, Series of 2025, in the aggregate principal amount of \$9,995,000* (the "Bonds"), of the Dover Township Sewer Authority (the "Authority") will be issued in registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

Interest on each of the Bonds is payable initially on May 1, 2026, and thereafter semiannually on May 1 and November 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. TD Bank, National Association, as successor trustee (the "Trustee"), Mt. Laurel, New Jersey, is anticipated to be trustee under the Indenture. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of, and interest on the Bonds, when due for payment, will be made directly to DTC by the Trustee, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book-Entry Only System for the Bonds is ever discontinued, the principal of the Bonds will be payable, when due, upon surrender of such Bond to the Trustee at its corporate trust office located in Philadelphia, Pennsylvania (or any successor Trustee at its designated office(s)) and interest on such Bond will be payable by check made out and mailed to the person(s) in whose name(s) such Bond is registered as of the Record Date with respect to the particular interest payment date (See "THE BONDS," *infra*).

The Bonds are subject to redemption prior to maturity as described herein.

The proceeds of the Bonds will be used to fund: (i) the planning, design and construction of additions, improvements, renovations and extraordinary repairs to, the acquisition of real estate rights and interest for, and the acquisition and installation of related equipment, machinery and furnishings for various buildings, facilities and infrastructure of the Authority, including, but not limited to, the Joint Interceptor Phase 2 Upstream and Fox Run Interceptor Projects; (ii) the issuance costs of the 2025 Bonds; and (iii) and such other projects, portions of projects, capital additions or purchases of equipment as the Authority's Board may approve.

(MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, CUSIPS)
(as shown on inside cover)

THE BONDS ARE PAYABLE AS TO PRINCIPAL AND INTEREST FROM THE LEASE RENTALS PAYABLE BY THE TOWNSHIP OF DOVER, YORK COUNTY, PENNSYLVANIA (THE "TOWNSHIP") TO THE AUTHORITY UNDER A LEASE (SEE "SECURITY FOR THE BONDS" HEREIN) BETWEEN THE AUTHORITY AS LESSOR AND THE TOWNSHIP AS LESSEE. NEITHER THE CREDIT NOR THE TAXING POWER OF THE COUNTY OF YORK, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE TOWNSHIP) IS PLEDGED FOR THE PAYMENT OF THE BONDS; THE TOWNSHIP HAS UNCONDITIONALLY GUARANTEED THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS UNDER A GUARANTY AGREEMENT. THE AUTHORITY HAS NO TAXING POWER.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as and if issued and received by the Underwriter and subject to the approving legal opinion of Barley Snyder LLP, Lancaster, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon for the Authority by MPL Law Firm LLP, York, Pennsylvania. PFM Financial Advisors LLC, Malvern, Pennsylvania, will act as Municipal Advisor to the Authority in connection with the Bonds. The Bonds will be delivered in New York, New York on or about December 16, 2025.

PFM Financial Advisors LLC
Municipal Advisor to the Authority

Dated:

*Estimated, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

\$9,995,000*
DOVER TOWNSHIP SEWER AUTHORITY
York County, Pennsylvania
Guaranteed Sewer Revenue Bonds, Series of 2025

PRINCIPAL MATURITY DATES AND AMOUNTS, INTEREST RATES, INITIAL OFFERING YIELDS AND CUSIP NUMBERS

Dated: Date of Delivery
Interest Due: May 1 and November 1

Principal Due: May 1, as shown below
First Interest Payment: May 1, 2026

Maturity Date (May 1) Year	Principal Amounts	Interest Rates	Initial Offering Yields	CUSIP Numbers⁽¹⁾
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				

⁽¹⁾ The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority 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 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 Authority nor the Underwriter has agreed to, and there is no duty or obligation to, update this Preliminary Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

(A portion of the Bonds may be structured as Term Bonds. See “Invitation to Bid”.)

^{*}Estimated, subject to change.

DOVER TOWNSHIP SEWER AUTHORITY
York County, Pennsylvania

MEMBERS OF THE AUTHORITY

Robert Stone	Chairman
Stephen Stefanowicz	Vice-Chairman
Mark Miller	Treasurer
Christian Mitchell	Secretary
Bill Newbould, Jr.	Member

BOND COUNSEL
BARLEY SNYDER LLP
Lancaster, Pennsylvania

AUTHORITY SOLICITOR
MPL LAW FIRM LLP
York, Pennsylvania

CONSULTING ENGINEER
BUCHART - HORN, INC.
York, Pennsylvania

TOWNSHIP SOLICITOR
MPL LAW FIRM, LLP
York, Pennsylvania

TRUSTEE
TD BANK, NATIONAL ASSOCIATION
Mt. Laurel, New Jersey

MUNICIPAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Malvern, Pennsylvania

UNDERWRITER

AUTHORITY ADDRESS
851 Graffius Road
York, Pennsylvania 17404

No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriter to give any information or make any representations with respect to the Bonds other than those contained in this Preliminary Official Statement, and if given or made, such information or representations must not be relied upon. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any state or jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration or qualification of the Bonds pursuant to the applicable securities laws of any such state or jurisdiction. The information set forth herein has been obtained from the Authority and other sources that are believed to be reliable but the Underwriter does not guarantee the accuracy or completeness of such information and such information is not to be construed as a representation by the Underwriter. Any statements herein involving matters of opinion or forecasts of the occurrence of future events or circumstances whether or not expressly so stated, are intended as such and not as representation of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the Authority since the date hereof.

In connection with this offering, the Underwriter 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, without prior notice.

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PRELIMINARY OFFICIAL STATEMENT

\$9,995,000*

DOVER TOWNSHIP SEWER AUTHORITY

York County, Pennsylvania

Guaranteed Sewer Revenue Bonds, Series of 2025

INTRODUCTION

This Preliminary Official Statement of the Dover Township Sewer Authority, York County, Pennsylvania (the "Authority"), which includes the cover page hereof and the Appendices attached hereto, provides information relating to the Authority, the Township of Dover, York County, Pennsylvania (the "Township") and the Authority's \$9,995,000* Guaranteed Sewer Revenue Bonds, Series of 2025 (the "Bonds"). The Bonds are being issued pursuant to the Indenture, effective upon the acceptance thereof by TD Bank, National Association, Mt. Laurel, New Jersey (the "Trustee"), as trustee.

The Bonds are being issued pursuant to the Municipality Authorities Act of May 2, 1945, P.L. 382, as amended and supplemented (the "1945 Act") which 1945 Act is continued by Act No. 22, approved June 9, 2001, 53 Pa.C.S.A. §5601 et. seq., as amended and supplemented ("Act 22", and together with the 1945 Act, collectively, the "Act") and the Local Government Unit Debt Act of July 12, 1972, No.185, as amended and reenacted by Act 1978-52, approved April 28, 1978, as amended (the "Debt Act") and pursuant to a Trust Indenture dated as of February 15, 1996 (the "Original Indenture"), as amended and supplemented by the First Supplemental Trust Indenture, dated as of March 1, 1997 (the "First Supplemental Indenture"), as amended and supplemented by the Second Supplemental Trust Indenture, dated as of August 1, 2001 (the "Second Supplemental Indenture"), as amended and supplemented by the Third Supplemental Trust Indenture, dated as of May 1, 2004 (the "Third Supplemental Indenture") and as amended and supplemented by the Fourth Supplemental Trust Indenture, dated as of October 1, 2007 (the "Fourth Supplemental Indenture"), as amended and supplemented by the Fifth Supplemental Trust Indenture, December 15, 2008, (the "Fifth Supplemental Indenture"), as amended and supplemented by the Sixth Supplemental Trust Indenture, dated November 1, 2010, (the "Sixth Supplemental Indenture"), as amended and supplemented by the Seventh Supplemental Trust Indenture dated as of August 30, 2012, (the "Seventh Supplemental Indenture") as amended and supplemented by the Eighth Supplemental Trust Indenture dated as of August 14, 2013 (the "Eighth Supplemental Indenture") as amended and supplemented by the Ninth Supplemental Trust Indenture dated as of January 30, 2015 (the "Ninth Supplemental Indenture") as amended and supplemented by the Tenth Supplemental Trust Indenture dated as of March 29, 2016, as amended and supplemented by the Eleventh Supplemental Trust Indenture dated as of April 16, 2019 (The "Eleventh Supplemental Indenture"), as amended and supplemented by the Twelfth Supplemental Trust Indenture dated as of November 23, 2021 (The "Twelfth Supplemental Indenture") as amended and supplemented by the Thirteenth Supplemental Trust Indenture dated as of the dated date of the Bonds (The "Thirteenth Supplemental Indenture") (the Original Indenture, the First Supplemental Trust Indenture, the Second Supplemental Trust Indenture, the Third Supplemental Trust Indenture, the Fourth Supplemental Trust Indenture, the Fifth Supplemental Trust Indenture, the Sixth Supplemental Trust Indenture, the Seventh Supplemental Trust Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Trust Indenture, the Eleventh Supplemental Trust Indenture, the Twelfth Supplemental Indenture, and the Thirteenth Supplemental Trust Indenture are collectively referred to as the "Indenture"), by and between the Authority and the Trustee.

The "Sewer System" as used herein shall mean the collection system and treatment facilities which provide sewer service to or for the residents of the Township, and to certain portions of the Townships of Conewago, Manchester and West Manchester, York County, Pennsylvania, together with all future improvements, additions, alterations and enlargements thereto. Certain information contained herein concerning the Sewer System, including sewer rates and charges, was supplied by Bucharth-Horn, Inc. (the "Consulting Engineer").

Brief descriptions of the area served by the Sewer System, the Township, the Bonds, the Security for the Bonds, the Guaranty Agreement and the Indenture are included in this Preliminary Official Statement. All summaries of documents herein are qualified in their entirety by reference to such documents in their entirety, copies of which are available for inspection at the offices of the Authority and the Trustee.

THE AUTHORITY

The Authority is a municipal authority incorporated under the Act, and pursuant to appropriate legal action of the Supervisors of the Township. The Authority was incorporated on March 10, 1969, and Articles of Amendment to extend the life of the Authority were filed on February 28, 1997. The Authority is presently duly existing under the constitution and laws of the Commonwealth of Pennsylvania (the "Commonwealth").

PURPOSE OF THE ISSUE

The proceeds of the Bonds will be used to fund: (i) the planning, design and construction of additions, improvements, renovations and extraordinary repairs to, the acquisition of real estate rights and interest for, and the acquisition and installation of related equipment, machinery and furnishings for various buildings, facilities and infrastructure of the Authority, including, but not limited to, the Joint Interceptor Phase 2 Upstream and Fox Run Interceptor Projects; (ii) the issuance costs of the 2025 Bonds; and (iii) and such other projects, portions of projects, capital additions or purchases of equipment as the Authority's Board may approve.

*Estimated, subject to change.

SOURCES AND USES OF FUNDS

Sources of Funds

Par Amount of Bonds

Plus/Minus Original Issue Premium/Discount

Total Sources of Funds

Uses of Funds

Deposit to Construction Fund

Cost of Issuance⁽¹⁾

Miscellaneous Expenses/Rounding

Total Uses of Funds

⁽¹⁾ Includes Underwriter's discount, rating fee, legal fees, municipal advisory fee, printing, Trustee fees, CUSIP fee and miscellaneous expenses.

THE BONDS

Description

The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof, will be in the aggregate principal amount of \$9,995,000* will be dated as of the Date of Delivery and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially May 1, 2026, and thereafter semiannually on May 1 and November 1.

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.

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 Authority with respect to, and to the extent of, principal, redemption premium, if any, 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, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs.

The principal of the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of the Bonds to the Trustee, at its principal corporate trust office in Philadelphia, Pennsylvania (or to any successor Trustee at its designated office(s)).

Interest is payable to the registered owner of 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 May 1, 2026, in which event such Bond shall bear interest from Date of Delivery, or (d) as shown by the records of the Trustee, 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 shall be paid initially May 1, 2026, and thereafter, semiannually on May 1 and November 1 of each year, until the principal sum is paid. Interest on each Bond is payable by check drawn on the Trustee, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) calendar day of the month next preceding each interest payment date (whether or not a business day)(the "Record Date"), on the registration books maintained by the Trustee, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the Authority 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 Trustee to the registered owner of such Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name such Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

*Estimated, subject to change.

If the date for payment of the principal or interest on any Bonds of or interest on any Bonds on an interest payment date, at maturity, or at redemption shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized 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 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 Bonds

Subject to the provisions described below under “Book-Entry Only System,” Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Trustee, accompanied by a written instrument or instruments in form, with instructions, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Trustee shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The Authority and the Trustee may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a 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 Authority and the Trustee shall not be affected by any notice to the contrary.

Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Trustee, at its specified trust office accompanied by a written instrument or instruments in form, with instructions, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Trustee shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations, maturity and interest rate for the aggregate principal amount, which the registered owner is entitled to receive. The Authority and the Trustee may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a 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 Authority and the Trustee shall not be affected by any notice to the contrary.

REDEMPTION PROVISIONS

Optional Redemption

The Bonds stated to mature on and after May 1, 2032, are subject to redemption prior to maturity, at the option of the Authority, as a whole, on May 1, 2031, or on any date thereafter, upon payment of a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. If less than all Bonds of any maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Trustee.

Notice of Redemption

Notice of any redemption of the Bonds under the above provision is required to be mailed by first class mail (postage paid) to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the bond register maintained by the Trustee. Such notice shall be mailed not less than 30 days prior to any such redemption date and shall be made in the manner and under the terms and conditions and with the effect provided for in the Indenture. No defect, whether in the notice of redemption or in the mailing thereof (including failure to mail the notice) with respect to the redemption of any Bond shall affect the validity of the redemption proceedings for any other Bonds.

On the date designated for redemption, and money for payment of the principal and accrued interest being held by the Trustee, interest on the Bonds and portions thereof so called for redemption shall cease to accrue and such Bonds and portions thereof shall cease to be entitled to any benefit or security under the Indenture, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized by law or executive order to close, then the date for payment of the principal, 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 to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

Manner of Redemption

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 that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bonds being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The Authority (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 Authority or the Underwriter.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or in such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for the Bonds of each maturity will be issued in principal amount equal to the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest Bonds 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 Bonds 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 Standard & Poor's rating: 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 and www.dtc.org.

Purchases of the 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 (the “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 Owners 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 the Beneficial Owners. ***Beneficial Owners will not receive certificates representing their ownership interests in the 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 effect 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 transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners to Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices of Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds (or all Bonds of a particular series or subseries and maturity) are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue (or maturity) to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails on Omnibus Proxy to the 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as the Bonds are held by DTC under a book-entry system, payments of the principal of and interest on the Bonds and, if applicable, any premium payable upon redemption thereof, 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 the Issuer or the Trustee on the 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 Participants and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of and interest on Bonds and, if applicable, any premium payable upon redemption thereof to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, 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 its services as a securities depository for the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

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

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The Authority and the Trustee will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal or redemption price of and interest on the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders under the Resolution. Neither the Authority nor the Trustee will have any responsibility or obligation to Participants or Beneficial Owners with respect to payments or notices to Bondholders.

NEITHER THE AUTHORITY NOR THE TRUSTEE 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 RESOLUTION 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 Issuer and the Trustee 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 Preliminary Official Statement.

OUTSTANDING AUTHORITY DEBT

On April 16, 2019, the Authority issued \$18,230,000 Guaranteed Sewer Revenue Bonds, Series of 2019 (the "2019 Bonds") for new money purposes and to refund the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series of 2016 (the "2016 Bonds") and the Guaranteed Sewer Revenue Bonds, Series of 2013 (the "2013 Bonds"). As of November 1, 2025 \$10,420,000 of the 2019 Bonds will be outstanding.

On November 23, 2021, the Authority issued \$7,585,000 Guaranteed Sewer Revenue Bonds, Series of 2021 (the "2021 Bonds") for new money purposes and to refund the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series of 2015 (the "2015 Bonds"). As of November 1, 2025 \$5,710,000 of the 2021 Bonds will be outstanding.

SECURITY FOR THE BONDS

The Bonds, in the opinion of Bond Counsel, are valid and binding obligations of the Authority and are enforceable against the Authority in accordance with the terms thereof and of the Indenture subject as to enforcement of remedies, to any applicable bankruptcy, insolvency, moratorium, or any other law or equitable principles affecting the enforcement of creditors' rights.

The Bonds are limited obligations of the Authority, payable from the Lease Rentals (hereinafter defined), the Pledged Revenues (hereinafter defined) and the payments by the Township under the Township Guaranty. The Township Guaranty is a general obligation of the Township, secured by the Township's full faith and credit and taxing power.

A Lease, dated as of February 15, 1996 (the "Original Lease"), as amended and supplemented by the First Supplemental Lease, dated as of March 1, 1997 (the "First Supplemental Lease"), and as amended and supplemented by the Second Supplemental Lease, dated as of August 1, 2001 (the "Second Supplemental Lease"), as amended and supplemented by the Third Supplemental Lease, dated as of May 1, 2004 (the "Third Supplemental Lease"), as amended and supplemented by the Fourth Supplemental Lease, dated as of October 1, 2007 (the "Fourth Supplemental Lease"), as amended and supplemented by the Fifth Supplemental Lease, dated as of December 15, 2008 (the "Fifth Supplemental Lease"), as amended and supplemented by the Sixth Supplemental Lease, dated November 1, 2010, (the "Sixth Supplemental Lease"), as amended and supplemented by the Seventh Supplemental Lease, dated as of August 30, 2012, (the "Seventh Supplemental Lease"), as amended and supplemented by the Eighth Supplemental Lease, dated as of August 14, 2013 (the "Eighth Supplemental Lease"), as amended and

supplemented by the Ninth Supplemental Lease, dated as of January 30, 2015 (the "Ninth Supplemental Lease"), as amended and supplemented by the Tenth Supplemental Lease, dated as of March 29, 2016 (the "Tenth Supplemental Lease"), as amended and supplemented by the Eleventh Supplemental Lease, dated as of April 16, 2019 (the "Eleventh Supplemental Lease"), as amended and supplemented by the Twelfth Supplemental Lease, dated as of November 23, 2021 (the "Twelfth Supplemental Lease"), as amended and supplemented by the Thirteenth Supplemental Lease, dated as of the delivery date (the "Thirteenth Supplemental Lease") (the Original Lease, the First Supplemental Lease, the Second Supplemental Lease, the Third Supplemental Lease, the Fourth Supplemental Lease, the Fifth Supplemental Lease, the Sixth Supplemental Lease, the Seventh Supplemental Lease, the Eighth Supplemental Lease, the Ninth Supplemental Lease, the Tenth Supplemental Lease, the Eleventh Supplemental Lease, the Twelfth Supplemental Lease, and the Thirteenth Supplemental Lease are collectively referred to as the "Lease"), of the Sewer System from the Authority, as Lessor, to the Township, as Lessee, operates and maintains the Sewer System under the provisions thereof.

Under the Indenture, the Authority assigns and pledges to the Trustee, as security for all of the Bonds issued thereunder, the Lease, together with all sums of money due and payable or to become due and payable thereunder to the Authority by the Township.

The minimum fixed amounts of rental provided for in the Lease to be received by the Authority from the Township will be equal in each year to at least the principal of and interest on all Bonds issued under the Indenture payable in each such year. Payments under the Lease are secured by a pledge of the sewer rentals and other charges, including connection charges which the Township has covenanted to impose upon the users of the Sewer System which shall be sufficient in each year, together with other available funds for such purposes, including moneys received from Intermunicipal Agreement (defined below), to produce net revenues equal to at least the annual Lease Rental payable each year (the "Pledged Revenues").

THE INDENTURE

Introduction

The Bonds will be secured under the Indenture. Under the Indenture, a number of funds are created and provisions are made for the deposit, investment and withdrawal of moneys from said funds. The Indenture also provides for the issuance of Additional Bonds of the Authority, and defines certain rights of holders of the Bonds in the event of a default on the part of the Authority.

A summary of certain provisions of the Indenture follows. It is qualified in all respects by reference to the Indenture which is available for inspection from the Trustee or the Authority. Certain terms capitalized but not defined herein, are defined in the Indenture.

Pledge and Security

Pursuant to the Indenture the Authority has pledged to the Trustee all its right, title and interest in and to the Lease, all rentals and other amounts becoming due and payable under the Lease, and other revenues of the Authority derived from the Sewer System in order to secure the principal of and interest on all Bonds issued and outstanding under the Indenture. The Authority is not liable for the payment of principal of or interest on the Bonds except from the moneys subject to the lien of the Indenture.

Clearing Fund

All rentals payable by the Township under the Lease and any amounts payable pursuant to the Township's guaranty shall be deposited initially in the Clearing Fund immediately upon receipt by the Trustee. Certain investment income earned in various funds established under the Indenture shall be deposited in the Clearing Fund. Moneys held in the Clearing Fund shall be held by the Trustee, in trust, and shall be secured and applied as provided in the Indenture.

Debt Service and Sinking Fund

On or before May 1 and November 1 of each year, so long as any Bonds are outstanding, the Trustee shall transfer from the Clearing Fund to the Debt Service and Sinking Fund created under the Indenture an amount sufficient to pay the interest on the Bonds due on May 1 and November 1, respectively, according to the terms of the Bonds and the Indenture.

On or before May 1, 2026 the Trustee shall transfer from the Clearing Fund to the Debt Service and Sinking Fund the amount sufficient to pay the appropriate principal amount of the Bonds which mature by their terms or are subject to mandatory redemption on May 1, 2026.

On or before May 1 and November 1 of each year, so long as any Bonds shall remain outstanding, the Trustee shall transfer from the Clearing Fund to the Debt Service and Sinking Fund one-half (1/2) of the amount sufficient to pay the aggregate principal amount of the Bonds which mature by their terms or are subject to mandatory redemption on May 1, 2027 and each May 1 thereafter.

Maintenance Reserve Fund

At the time of issuance of the 1996 Bonds, the Authority deposited with the Trustee \$100,000 into the Maintenance Reserve Fund, which equals the required balance, as defined in the Indenture. The Maintenance Reserve Fund shall be available for extraordinary repairs or replacements to the Sewer System and, if used, shall be replenished as set forth in the Indenture.

Bond Redemption and Improvement Fund

From time to time, as specified in the Indenture, the Trustee shall transfer certain funds to the Bond Redemption and Improvement Fund. Whenever there is a deficiency in the Debt Service and Sinking Fund, Debt Service Reserve Fund or Construction Fund, and there is insufficient money in the Revenue Fund to eliminate such deficiency, the Trustee forthwith shall transfer sufficient moneys from the Bond Redemption and Improvement Fund to eliminate such deficiency to the extent of available moneys therein.

Moneys in the Bond Redemption and Improvement Fund may be used or applied by the Authority from time to time (provided there is no deficiency in any of the Funds above referred to and no Event of Default has occurred which is continuing), for any of the following purposes, in the manner provided in the Indenture:

- (a) To pay the cost of the renewals and replacements to the Sewer System or extraordinary maintenance and repairs not paid out of the Sewer Revenue Account;
- (b) To make deposits in the Construction Fund to the extent that additional funds are required therein in order to complete any Project;
- (c) To pay all or any part of the cost of constructing or acquiring Capital Additions or a Restoration Project approved in writing by the Authority Consulting Engineer;
- (d) To repay temporary loans, including interest thereon, or any part thereof, incurred for the purpose of acquiring, constructing or completing Capital Additions or a Restoration Project;
- (e) To the purchase of the Bonds at not more than the current redemption price;
- (f) To the redemption of the Bonds;
- (g) To the purchase or redemption of Additional Bonds, if any, issued pursuant to the Indenture; and
- (h) To pay, as and when the same shall become payable, any other debts, liabilities and obligations of the Authority with respect to the Sewer System, the Bonds or the Indenture for which provision for payment has not otherwise been made.

Construction Fund

At the time of issuance of the Bonds, the Authority shall deposit a portion of the proceeds of the Bonds into the Construction Fund created pursuant to the Indenture. The proceeds of the Bonds deposited into the Construction Fund shall be held by the Trustee in trust and shall be applied to the payment of the costs of the 2025 Capital Project in accordance with the Indenture.

Rebate Fund

The Trustee shall deposit in the Rebate Fund any amount transferred by the Authority in payment of its obligation through rebate, certain arbitrage profit earned on funds held under the Indenture, all in accordance with provisions of the Indenture and the Internal Revenue Code, as amended.

Investment of Funds

Moneys held by the Trustee in any of said funds shall, upon request of the Authority, be invested and reinvested solely in obligations which meet the requirements of the Indenture, subject to the limits set forth therein.

Additional Bonds

The Authority may, from time to time, issue Additional Bonds on a parity with the Bonds for the purpose of constructing additions to or improvements of the Sewer System, completing Capital Projects and/or refunding prior bonds of the Authority. If Additional Bonds are issued, the Indenture requires, among other things, that the Authority execute a supplemental lease with the Township requiring the payment, among other things, of additional Lease Rentals sufficient to provide for the debt service on any of said Additional Bonds. The Indenture imposes a number of other specific conditions upon the issuance of Additional Bonds.

Defaults and Remedies

The Indenture defines events which may constitute an Event of Default and such events include, among other events, the failure to pay the principal of any Bond when due and the failure to pay an installment of interest on any Bond when due. The Act and Indenture provide remedies to the holders of Bonds upon an Event of Default. Under the Indenture, in the event of any such default as therein defined, the Trustee may enforce, and upon the written request of the holders of 25% in principal amount of the Bonds then outstanding accompanied by indemnity as provided in the Indenture, shall enforce, for the benefit of all holders of the Bonds all their rights under the laws of the Commonwealth of Pennsylvania. For a more complete statement of rights and remedies of the holders of the Bonds and of the limitations thereon, reference is made to the Indenture.

Annual Audit

The Authority will employ a certified public accountant to perform the accounting functions and duties required by the Act. Said accountant shall make an annual audit of the operations, records, and accounts of the Authority, including those held by the Trustee. The Authority shall forthwith furnish copies of each annual audit to such holders of the Bonds as make written request therefor.

Modifications and Amendments

The Authority and the Trustee, as applicable and appropriate, may enter into supplemental indentures in connection with the issuance of Additional Bonds (see "Additional Bonds"), to cure ambiguities, formal defects or omissions in the Indenture, or to grant additional rights, powers, and security for the benefit of the holders of the Bonds, without consent of the holders of the Bonds. All other supplemental indentures or any amendments or modifications to the Indenture require the consent and approval of the holders of not less than 50% of the aggregate principal amount of all Bonds then outstanding, but no such supplemental indenture shall (1) change the maturity, principal, interest rate or redemption provisions on any Bond; (2) permit creation by the Authority of any lien or encumbrance prior to or on a parity with the lien described herein; or (3) reduce the percentage of bondholders required to consent to such supplemental indenture, without consent of all holders of all affected Bonds then outstanding.

THE LEASE

Description

The Authority has entered into the Lease, under which the Authority will lease to the Township the Sewer System (as said term is defined in the Lease) which includes all of the land, structures and facilities presently owned by the Authority and used by the Township to provide sewer service to the residents living within the area serviced by the Sewer System. Under terms of the Lease, the Township agrees to pay rentals to the Authority which are required to be sufficient, among other things, to enable the Authority to meet all payments of interest on and principal of the Bonds when due, to fund certain reserves, and to pay the administrative expenses of the Authority and the fees of the Trustee in a timely manner. The Lease also provides that the Township will, among other things, operate and maintain the Sewer System. The Lease will be assigned to the Trustee as security for the Bonds.

A summary of certain provisions of the Lease follows. It is qualified in all respects by reference to the Lease which is available for inspection from the Trustee or the Authority. Certain terms capitalized but not defined herein, are defined in the Lease.

Rentals

The rentals due under the Lease are payable by the Township to the Authority semi-annually from its sewer revenues in amounts which are sufficient to pay the debt service on the Bonds and the reasonable administrative expenses of the Authority. Lease rentals are due on or before April 15 and October 15 of each year. The lease rentals may be reduced by other available sewer revenues as determined by the Township with the concurrence of the Authority.

Mandatory Connections

The Township has enacted and covenants to keep in full force and effect an ordinance requiring all owners of improved property within the Township accessible to the Sewer System to connect therewith, and such ordinance provides for enforcement as may be permitted by law.

Connection Fees

The Township or the Authority will charge a connection fee and a tapping fee against the owner of each property who connects such property with the Sewer System and any connection and tapping fees collected will be deposited in the Township's Sewer Revenue Account.

Rate Covenant

Under the Lease, the Township covenants to impose sewer charges or rentals pursuant to ordinances against owners of property connected to or the users of the Sewer System which will be sufficient in each year, together with connection fees, any moneys received by the Township pursuant to the Intermunicipal Agreement for the purposes hereinafter set forth, or any other legally available funds, and any other sums received by the Township on account of operation of the Sewer System, to provide for: (a) payment of operating expenses, maintenance and repair of the Sewer System, (b) payment of the Authority's debt service and (c) additional sums payable to the Authority for Administrative Expenses.

Township Sewer Revenue Account - Pledge of Sewer Revenues

The Township covenants in the Lease to maintain an ordinance imposing sewer rentals or charges upon owners of improved property located within the Township and users of the Sewer System which shall be connected to the Sewer System for use thereof. The Township covenants in the Lease to pay additional amounts sufficient to pay interest on and principal of the Bonds, when due, through May 1, 2040.

The Township also covenants in the Lease to deposit all of such sewer rentals and charges payable to the Township for use of the Sewer System, plus any moneys received by the Township pursuant to the Intermunicipal Agreements for operation, maintenance or payment of lease rentals, into the Township Sewer Revenue Account, which is separate from all other accounts and funds of the Township. Sewer revenues include, among other things, all moneys realized from sewer rentals or charges imposed upon owners of properties which are connected to the Sewer System, receipts from tapping fees, receipts from investments, and any other moneys received by the Township on account of operation of the Sewer System. Proceeds of sewer assessments, proceeds of grants received in aid of construction, capital contributions and proceeds of the investment of said moneys all to the extent that they are pledged to pay other bonds to the Authority are not sewer revenues and are not deposited in the Township Sewer Revenue Account.

Moneys held in the Township Sewer Revenue Account shall be disbursed from time to time for the following purposes in the following order of priority:

- (a) To pay the rentals payable under the Lease and additional rentals, if any;
- (b) To pay, or reimburse the Township for, Operating Expenses;
- (c) To make deposits into the Sewer Reserve Account; and
- (d) To pay, or reimburse the Authority for the cost of such extensions, additions and improvements to the Sewer System as may be required to maintain adequate service, including the payment of debt service on obligations issued by the Authority to finance such extensions, additions and improvements; and to pay or reimburse the Township for the cost of sewer lines to serve additional property owners; and to pay refund obligations under extension agreements entered into by the Authority or the Township pursuant to the Indenture or the Lease.

Enforcement

In the event of failure to connect to the Sewer System after notice duly given, the Township covenants to take such action as may be necessary to make such connection and charge the property owner therefor. In the event of failure to pay a service assessment, or a sewer service charge or rental, the Township as authorized by law, will file or cause to be filed a lien against the property of the delinquent owner in order to secure the unpaid amount. In the event that a municipality fails to make part or all of its obligated payment under the Intermunicipal Agreement, the Township will take such action as may be necessary to collect the same.

Expenses of Operation, Maintenance and Repair

The Township covenants under the Lease to pay the costs of operating, maintaining and repairing the Sewer System, and to return the Sewer System to the Authority at the termination of the Lease in the condition in which it was received upon completion thereof, reasonable wear and tear expected.

Insurance

The Township covenants in the Lease to maintain insurance on the Sewer System in the name of the Township, the Authority and the Trustee as their interests may appear, with any loss payable to the Trustee. The total amount recovered from time to time in connection with any fire or other casualty covered by insurance shall, at the option of the Township, be made available by the Trustee to the Authority for the purpose of rebuilding, repairing or replacing such destroyed or partially destroyed Sewer System or to be retained by the Trustee and credited to the Bond Redemption and Improvement Fund provided for in the Indenture. The Township agrees to remain in possession of the Sewer System during the period of reconstruction or repair and to continue to pay the Lease Rentals irrespective of damage.

Such rentals shall be paid by the Township directly to the Trustee.

Unconditional Obligation

The obligation of the Township to pay the lease rentals and all other sums payable under the Lease is absolute and unconditional. The payments are required to be made in full when due without delay or diminution for any cause whatsoever, including, without limitation thereto, damage or destruction of the Sewer System. The Township covenants to pay all charges against or which might diminish the lease rentals.

Conversion to Operating Authority

The Authority and the Township reserve the right to convert the Authority to an operating authority with a management agreement which would replace the Lease. Under this arrangement, the Authority would establish the sewer rentals and the Township would operate the Sewer System for the Authority. The Authority would be bound by the same rate covenant as the Township. No bondholder rights or security would be altered.

TOWNSHIP GUARANTY

The Bonds are being issued with a guaranty of payment of principal and interest, when due, by the Township. The specific provisions of the guaranty are set forth in a Guaranty Agreement (the "Guaranty"). Under the Guaranty, the Township unconditionally guarantees for the benefit of the holders from time to time of the Bonds outstanding under and as defined in the Indenture, the following:

- (a) the full and prompt payment of the principal or redemption price of every Bond when and as the same shall become due whether at the stated maturity thereof, by acceleration, at call for redemption or otherwise;
- (b) the full and prompt payment of any interest on every Bond when and as the same shall have become due.

In order to insure performance of the above guaranty, the Township covenants with the holders from time to time of the Bonds outstanding that the Township shall include the amount of debt service and the amounts payable in respect of the Lease for each fiscal year in

which such sums are reasonably expected to be payable in its budget for that year, and in the event the Authority shall fail to pay debt service on the Bonds when due, shall appropriate such amount to the payment of such debt service, and duly and punctually pay or cause to be paid the principal and interest on every Bond at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof. For such budgeting, appropriation and payment the Township pledges its full faith, credit and taxing power.

The Bonds do not pledge the credit or taxing power and are not obligations of the Commonwealth of Pennsylvania or any political subdivision thereof, except for the Township under the terms of the Guaranty to the extent principal and/or interest on the Bonds is guaranteed by the Township.

DESCRIPTION OF THE SEWER SYSTEM

The Dover Township Wastewater Treatment Facility (“WWTF”) is located directly southeast of Graffius Road and northeast of Bull Road in Conewago Township, York County. Treated effluent from the WWTF discharges into the Little Conewago Creek, downstream of the confluence with Fox Run.

The WWTF is located within the Chesapeake Bay watershed, and, therefore, is subject to stringent Total Phosphorous (“TP”) and Total Nitrogen (“TN”) limits of the Commonwealth of Pennsylvania’s Chesapeake Bay Tributary Strategy.

The Authority is the owner and the Township is the lessee and operator of the Township’s sewer collection system and the Dover Township Wastewater Treatment Facility (“WWTF”). The original treatment facility and the Little Conewago Creek interceptor were jointly constructed by Dover Township and West Manchester Township in 1972. The treatment facility is located in the southern portion of Conewago Township. The bulk of the collection system was installed over the next several years.

The Little Conewago Creek interceptor conveys flows to the Treatment Plant from Dover Township and from Conewago Township, Manchester Township, and West Manchester Township, all of York County, Pennsylvania, as municipal customers (the “Municipal Customers”). The plant was expanded in 1986, 1989, and 1997 to meet increasing customer demand. The Treatment Plant currently has a design capacity of 8.0 million gallons per day and provides advanced treatment to remove solids, Biological Oxygen Demand (“BOD”), and nutrients from the sewage. In 2011, a Biological Nutrient Removal Project was completed to have the WWTF be in compliance with the Chesapeake Bay Initiative. The final steps of treatment are disinfection and reaeration to produce an effluent for release into the Little Conewago Creek.

Treatment plant processes include grinding, grit removal, addition of ferric chloride for phosphorus removal and “oxidation ditch” biological treatment with ferric chloride addition and sedimentation for removal of solids, and dissolved organic material, phosphate, and ammonia. The solids removed from the water are conditioned through aerobic digestion and dewatered through a belt filter press. These “biosolids” are hauled and applied to agricultural land by a contractor. A computerized control and data management system is in place to assure proper operations and reporting. Most of the routine process control and effluent testing is conducted at the PA DEP certified plant laboratory. Other testing is provided by Pennsylvania registered contract laboratories.

The collection system includes approximately 60 miles of gravity pipe and no pump stations. The Little Conewago Creek interceptor arrives at the plant as a 48” diameter pipe. Flow from major connections from the Municipal Customers are metered. Flows from small connections are estimated from house counts. The flow into the system increases after rainfall and the Township and the Municipal Customers have instituted a program to locate and control inflow and infiltration of storm water.

The 2024 wasteload management report is the most recent, completed evaluation of the sewage systems. It indicates no projected overload to either the collection or treatment system for the next five years. There are no development restrictions currently in place because of sewer capacity. Based on 2024’s projections, an additional 1173 connections will be added to Dover Township’s collection system, and another 244 connections to be added elsewhere on the system through 2029. The 2024 wasteload management report shows 141 connections were added to the Dover system in 2024. Another 4 connections were made elsewhere, bringing the total to 15206 retail customers at year end.

Dover Township and the Municipal Customers have entered into an agreement with the Authority to pay debt service for expansion and upgrade projects based on an agreed upon share of treatment capacity, and to pay operations and maintenance costs based on their share of annual flows (See “Intermunicipal Agreement” herein).

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TOWNSHIP OF DOVER
SUMMARY STATEMENT OF SEWER FUND REVENUES AND EXPENDITURES

	2020	2021	2022	2023	2024
OPERATING REVENUE					
Rental and Service Charges	\$3,849,459	\$3,909,978	\$4,078,353	\$4,491,439	\$4,666,616
Connection Fees	390,813	180,138	316,862	0	0
Sludge Dumping Fees	60,772	25,324	12,818	14,905	6,675
Grants	7,909	0	111,624	0	0
Miscellaneous Revenues	11,487	26,200	16,773	4,559	21,656
TOTAL REVENUES	\$4,320,440	\$4,141,640	\$4,536,430	\$4,510,903	\$4,694,947
OPERATING EXPENSES					
Operation of facilities net of treatment expenses charged to other municipalities	\$1,651,875	\$1,717,096	\$1,976,125	\$1,798,463	\$2,222,821
Depreciation	1,284,085	1,313,306	1,338,073	1,405,838	1,490,187
TOTAL OPERATING EXPENSES	\$2,935,960	\$3,030,402	\$3,314,198	\$3,204,301	\$3,713,008
Net operating Income before Depreciation and amortization	\$1,384,480	\$1,111,238	\$1,222,232	\$1,306,602	\$981,939
NET OPERATING INCOME	\$1,384,480	\$1,111,238	\$1,222,232	\$1,306,602	\$981,939
NON-OPERATING INCOME (EXPENSES)					
Other municipalities' share of lease rental	\$1,098,813	\$1,086,340	\$1,164,492	\$1,178,168	\$1,166,919
Connection and tapping fees	0	0	0	601,067	649,291
Intergovernmental Grants	0	0	0	0	0
Interest Earning	47,215	3,669	88,304	306,138	438,604
Gain or Loss on Disposal of Capital Assets	0	(10,913)	30,200	121,000	0
Insurance Recovery	0	0	126,294	0	0
Interest Expense	0	0	0	(9,185)	(11,554)
TOTAL NON-OPERATING INCOME	\$1,146,028	\$1,079,096	\$1,409,290	\$2,197,188	\$2,243,260
NET INCOME BEFORE OPERATING TRANSFERS	\$2,530,508	\$2,190,334	\$2,631,522	\$3,503,790	\$3,225,199
INTERFUND OPERATING TRANSFER	\$3,382,635	(\$3,524,096)	(\$180,455)	(\$248,952)	\$2,427,464
NET INCOME (LOSS)	\$5,913,143	(\$1,333,762)	\$2,451,067	\$4,596,174	\$5,652,663
CONTRIBUTED CAPITAL	\$0	\$0	\$0	\$1,341,336	\$0
RETAINED EARNINGS JANUARY 1	\$13,718,245	\$20,236,388	\$18,902,626	\$21,353,693	\$26,116,901
RETAINED EARNINGS END OF YEAR	\$19,631,388	\$18,902,626	\$21,353,693	\$25,949,867	\$31,769,564

*Restated.

Source: Township Audited Financial Statements.

TOWNSHIP OF DOVER

2025 BUDGET SEWER FUND REVENUES AND EXPENSES

	Budgeted 2025
BEGINNING BALANCE	
REVENUES	
Permits	\$450,680
Interest	233,250
Intergovernmental	3,059,702
Charges for Services	4,990,128
TOTAL REVENUES	\$8,733,760
EXPENDITURES	
General Government	\$779,497
Health & Public Welfare	4,716,373
Debt Service	3,016,800
Miscellaneous Expenses	125,500
Benefits	95,590
TOTAL EXPENDITURES	\$8,733,760

Historical Treatment Plant Flows

Year	Average Daily Flow	Year	Average Daily Flow
1997	2.690	2012	4.118
1998	3.500	2013	4.482
1999	2.950	2014	4.706
2000	3.300	2015	4.052
2001	2.550	2016	3.681
2002	2.800	2017	4.150
2003	5.010	2018	6.497
2004	4.400	2019	4.814
2005	3.600	2020	3.831
2008	4.430	2021	4.314
2009	3.920	2022	3.350
2010	3.580	2023	2.846
2011	5.090	2024	3.750

Source: Consulting Engineer

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Sewer Rates and Charges

At the present time residential customers of the Sewer System are billed a flat rate of \$141.37 per quarter, or \$565.48 per year. Tapping fees are also charged for new customers, as shown below:

Commercial and industrial customers are charged a minimum of \$141.37 per quarter for up to 15,000 gallons per quarter and \$9.00 for each 1,000 gallons above that amount.

Tapping Fees:

Regular	\$3,933.00
Grenway	5,529.00
Palomino	4,397.00
Locust Point (low pressure)	5,897.00

The table below sets forth the five largest users of the Sewer System and their most recent monthly billing:

<u>Five Largest Users</u>	<u># of EDU's</u>	<u>Monthly Billing</u>
Tall Oaks Estate	240	\$11,311.20
Thunderbird Terrace	174	8,200.62
Meadowview MHP	139	6,551.07
The Reserve at Coper Chase	133	6,268.29
Dover Run at Terra Vista	108	5,090.04

OPERATION OF THE SEWER SYSTEM

The Authority has leased the Sewer System to the Township for operation for a period ending May 1, 2040, the term of the Lease.

INTERMUNICIPAL AGREEMENT

Through an Intermunicipal Agreement among the Conewago Township Sewer Authority, the Township of Dover, Manchester Township and West Manchester Township, dated January 1, 2005 (the "Agreement"), the debt service on various Authority bond issues is shared in accordance with the table below.

Debt Service Allocations

<u>Name of Municipality</u>	<u>2019 Bonds</u>	<u>2021 Bonds</u>	<u>2025 Bonds*</u>
Dover Township	57.03%	37.70%	43.02%
West Manchester Township	35.49%	62.30%	39.50%
Manchester Township	6.31%	0.00%	13.68%
Conewago Township	1.17%	0.00%	3.80%
	100.00%	100.00%	100.00%

*Estimated, subject to change.

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\$9,995,000*
BOND AMORTIZATION SCHEDULE

**Dover Township Sewer Authority
York County, Pennsylvania
Guaranteed Sewer Revenue Bonds, Series of 2025**

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Annual Debt Service</u>
5/1/2026				
11/1/2026				
5/1/2027				
11/1/2027				
5/1/2028				
11/1/2028				
5/1/2029				
11/1/2029				
5/1/2030				
11/1/2030				
5/1/2031				
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5/1/2038				
11/1/2038				
5/1/2039				
11/1/2039				
5/1/2040				
11/1/2040				
TOTALS				

FUTURE FINANCING

The Authority anticipates issuing approximately \$27 million in long-term debt in the next 5 years in addition to refunding certain outstanding bonds if economic conditions allow.

TAX EXEMPTION

Tax Exemption and Other Tax Matters

On the date of delivery of the Bond Counsel will issue an opinion to the effect that under existing statutes, regulations and judicial decisions, interest on the Bonds is excludable from gross income for purposes of federal income taxation and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and applicable corporations (as defined in Section 59K of the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations.

The Authority will issue its certificate to the effect that on the basis of the facts, estimate and circumstances in existence on the date of delivery of the Bonds it will make no use of the proceeds of the Bonds if such use on the date of issuance reasonably had been expected to cause the Bonds to be “arbitrage bonds” under Section 148 of the Code or the United States Treasury regulations relating to “arbitrage bonds” or corresponding provisions of any Federal tax laws or regulations from time to time proposed or enacted and at the time applicable or proposed to be applicable to the Bonds.

Failure of the Authority to comply with certain provisions of the Code, including the requirements to pay certain arbitrage profits to the United States Treasury (unless the Authority qualifies for exemption from such requirement) may result in the interest on the Bonds becoming includable in the gross income of the Bondholders. In certain circumstances, such taxability of the interest on the Bonds may be retroactive to the date of the original issuance.

Pennsylvania Tax Matters

On the date of delivery of the Bonds, Bond Counsel will issue an opinion to the effect that under existing laws of the Commonwealth, the Bonds are exempt from personal property taxes in the Commonwealth and the interest thereon is exempt from the Commonwealth’s personal income tax and the Commonwealth’s corporate net income tax. Bond Counsel will express no opinion regarding other state consequences arising with respect to the Bonds.

The Act provides that the Bonds, their transfer and the income therefrom shall be free from taxation for state and local purposes within the Commonwealth. This exemption does not apply to gift, inheritance, succession or estate taxes or any other taxes not levied directly on the Bonds, the transfer or the income therefrom. Under Act No. 1993-68 of the Commonwealth, profits, gain or income derived from the sale, exchange or other disposition of the Bonds are subject to state and local taxation. It is in the opinion of Bond Counsel that the profit, gain or income derived from the sale, exchange or other disposition, are subject to state and local taxation. Prospective purchasers of the Bonds should consult their tax advisors as to taxes that apply.

Prospective purchasers of the Bonds issued with original discount or premium should consult their tax advisors for information and advice concerning the reporting of profits, gains or other income related to a sale, exchange or other disposition of such bonds for Pennsylvania tax purposes, including information with respect to pertinent regulations issued by the Department of Revenue.

Deductions for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Bonds have been designated as a “qualified tax-exempt obligation” for purposes and effect contemplated by Section 265 of the Code.

Other Federal Tax Matters

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, but not limited to, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and subchapter C earnings and profits, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. No opinion or representative concerning these matters is being given or made by the Authority, Bond Counsel or any other party associated with the issuance, offering or sale of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisor concerning these matters.

Other Changes in Federal and State Tax Law

Proposals to alter or eliminate the exclusion of interest on tax-exempt bonds from gross income for some or all taxpayers have been made in the past and may be made again in the future.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Tax Treatment of Premium

The Bonds are reoffered at a price in excess of the principal amount thereof (the “Premium Bonds”). Under the Code, the difference between the principal amount of a Premium Bond and the cost basis of such Premium Bond to an owner thereof is “bond premium.” Under the Code, bond premium is amortized over the term of a Premium Bond (*i.e.*, the maturity date of a Premium Bond or its earlier call date) for federal income tax purposes. An owner of a Premium Bond is required to decrease his or her basis in such Premium Bond by the amount of the amortizable bond premium attributable to each taxable year (or portion thereof) he or she owns such Premium Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate determined with respect to the yield on a Premium Bond compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Owners of a Premium Bonds (including purchasers of Premium Bonds in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium

upon sale, redemption or other disposition of Premium Bonds and with respect to the state and local consequences of owning and disposing of Premium Bonds.

Information Reporting

Under 2006 amendments to the Code, payments of interest on the Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the bondholder is an “exempt person” under Section 6049 of the Code. A Bondholder, who is not an exempt person, may be subject to “backup withholding” at a specified rate prescribed in the code if the Bondholder does not file Form W-9 with the payor advising the payor of the Bondholder’s taxpayer identification number. Bondholders should consult their brokers regarding this matter.

The Paying Agent will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any “reportable payments” during such year and the amount of tax, if any, with respect to payments made on the Bonds.

LITIGATION

There is no material litigation of any nature pending or threatened against the Authority at the date of this Preliminary Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence or powers of the Authority.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (“SEC”), the Township and Authority will execute and deliver a written continuing disclosure obligation with respect to the Bonds. See the form of the Continuing Disclosure Agreement (the “Agreement”) at Appendix E to this Preliminary Official Statement.

Under the terms of the Agreement, the Township and Authority will undertake to file with the MSRB financial and other information concerning the Township and Authority (annual audited financial statements, annual budgets, certain operating and financial information and notice of certain events affecting the Township and Authority). The Township’s and Authority’s obligations with respect to continuing disclosure as it relates to the Bonds shall terminate upon the prior redemption or payment in full of all of the Bonds.

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 “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>.

Existing Continuing Disclosure Filing History

The Township and Authority have previously entered into Continuing Disclosure Agreements with respect to each one of its previously issued bond issues that are currently outstanding. The Township’s and Authority’s filing history of its annual financial and operating information during the past five (5) years is outlined in the table below. In addition, the Township and Authority are an obligated person under the existing Dover Township Sewer Authority bonds.

Authority Related Audited Financial Statements and Budgets

Fiscal Year Ending	Filing Deadline ^[1]	Financial Statements		Budget	
		Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]
12/31/2020	6/29/2021	6/17/2021	P21121683	12/1/2020	P21084230
12/31/2021	9/27/2022	5/24/2022	P11218899	12/7/2021	P31095564
12/31/2022	9/27/2023	8/3/2023	P11281918	12/5/2022	P11239693
12/31/2023	9/26/2024	7/19/2024	P21382724	12/1/2023	P11294323
12/31/2024	9/27/2025	8/25/2025	P11417577	11/27/2024	P21407009

Authority Related Operating Data

Fiscal Year Ending	Filing Deadline ^[1]	Largest Sewer Customers		Rate Structure	
		Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]
12/31/2020	6/29/2021	2/16/2021	P11118672	2/16/2021	P11118672
12/31/2021	9/27/2022	2/22/2022	P11191604	2/22/2022	P11191604
12/31/2022	9/27/2023	2/13/2023	P21258347	2/13/2023	P21258347
12/31/2023	9/26/2024	2/14/2024	P21344230	2/14/2024	P21344230
12/31/2024	9/27/2025	2/24/2025	P21434209	2/24/2025	P21434209

Based on the information above, the Authority's annual financial and operating filing history over the past five (5) years can be summarized as follows:

For fiscal years ending December 31, 2020 through December 31, 2024, the Authority filed the annual financial statements, budgets and operating data timely.

Future Continuing Disclosure Compliance

The Authority has conducted a thorough review of its continuing disclosure obligations and submissions. Upon discovering any inadvertent omissions with respect to these filings, the Authority, to the best of its knowledge, has attempted to bring its continuing disclosure filings up to date.

In an effort to augment the Authority's procedures and policies to maintain future compliance, the Authority has taken additional steps intended to assure future compliance with its Continuing Disclosure Agreements. These steps include implementing the MSRB's EMMA's internal notification system whereby the Authority will receive timely email reminders a month in advance for all of the Authority's annual disclosure filings and coordinating with the Authority's municipal advisor to ensure all disclosure obligations have been made on a timely basis and in all material respects.

A member of the Authority's finance office will be responsible for ensuring ongoing continuing disclosure compliance. Members of the Authority's finance office will make an effort to participate in any ongoing continuing education regarding continuing disclosure undertaking if offered by local groups or affiliated organizations such as MSRB or GFOA. The Authority may communicate with its municipal advisor, underwriter(s), bond counsel, or solicitor regarding any questions or concerns regarding ongoing continuing disclosure compliance. The Authority may also communicate with its local auditor and advise of the Authority's need for financial statements in a timely manner.

Township Audited Financial Statements, Budgets & Operating Data

Fiscal Year Ending	Filing Deadline ^[1]	Financial Statements		Budget		Operating Data	
		Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]
12/31/2020	6/29/2021	5/6/2021	P21111846	12/1/2020	P21084230	2/16/2021	P11118672
12/31/2021	8/28/2022	5/24/2022	P11218896	12/7/2021	P31095564	2/22/2022	P11191604
12/31/2022	8/28/2023	8/3/2023	P11281918	12/5/2022	P11239693	2/13/2023	P21258347
12/31/2023	8/27/2024	7/19/2024	P21382724	12/1/2023	P11294323	2/14/2024	P21344230
12/31/2024	8/28/2025	9/4/2025	P21477667	11/27/2024	P21407009	2/24/2025	P21434209

⁽¹⁾ The Township filed a failure to file notice in relation to its fiscal year ending December 31, 2024, audited financial statements on August 25, 2025.

Based on the information above, the Township's annual financial and operating filing history over the past five (5) years can be summarized as follows:

For fiscal years ending December 31, 2020 through December 31, 2023, the Township filed the annual financial statements, budgets and operating data timely. For fiscal year ending December 31, 2024, the Township filed the budget and operating data timely, but the annual financial statements were filed late on September 4, 2025, accompanied by a timely failure to file notice filed on August 25, 2025.

Failure to Provide Annual Financial Information

As outlined in the table above, the Township failed to provide certain annual financial information in a timely manner. The Township filed a "Failure to Provide Annual Financial Information" notice to EMMA on August 25, 2025, prior to the deadline.

Future Continuing Disclosure Compliance

The Township has conducted a thorough review of its continuing disclosure obligations and submissions. Upon discovering any inadvertent omissions with respect to these filings, the Township, to the best of its knowledge, has attempted to bring its continuing disclosure filings up to date.

In an effort to augment the Township's procedures and policies to maintain future compliance, the Township has taken additional steps intended to assure future compliance with its Continuing Disclosure Agreements. These steps include implementing the MSRB's EMMA's internal notification system whereby the Township will receive timely email reminders a month in advance for all of the Township's annual disclosure filings and coordinating with the Township's municipal advisor to ensure all disclosure obligations have been made on a timely basis and in all material respects.

A member of the Township's finance office will be responsible for ensuring ongoing continuing disclosure compliance. Members of the Township's finance office will make an effort to participate in any ongoing continuing education regarding continuing disclosure undertaking if offered by local groups or affiliated organizations such as MSRB or GFOA. The Township may communicate with its municipal advisor, underwriter(s), bond counsel, or solicitor regarding any questions or concerns regarding ongoing continuing disclosure compliance. The Township may also communicate with its local auditor and advise of the Township's need for financial statements in a timely manner.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters pertaining to the authorization and issuance of the Bonds will be passed upon by Barley Snyder LLP, Lancaster, Pennsylvania, Bond Counsel. Certain other legal matters pertaining to the Authority will be passed upon by its counsel MPL Law Firm LLP, York, Pennsylvania. Certain other legal matters pertaining to the Township will be passed upon by its counsel MPL Law Firm LLP, York, Pennsylvania.

RATING

S&P Global Ratings ("S&P") has assigned a rating to the Bonds of "___" (___ Outlook), subject to their issuance. Such rating reflects only the view of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address Standard and Poor's Rating Group, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased from the Authority for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$___ (consisting of Underwriter's Discount of \$___ and plus Original Issue Premium/Discount of \$___) from the par amount set forth on the cover page hereof, plus accrued interest, if any. The contract of purchase provides that the Underwriter will purchase all the Bonds, if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the contract of purchase. The Underwriter may offer and sell certain Bonds to certain dealers and others (including sales for deposit into investment trusts) at prices lower than the public offering price stated on the cover page hereof. The Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those which might otherwise prevail in the open market; such stabilizing, if commenced, may be discontinued at any time without prior notice.

MUNICIPAL ADVISOR

The Authority has retained PFM Financial Advisors LLC, Malvern, Pennsylvania, as municipal advisor (the "Municipal Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

So far as any statements made in this Preliminary Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Preliminary Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

The execution and delivery of this Preliminary Official Statement has been duly authorized by the Authority.

DOVER TOWNSHIP SEWER AUTHORITY
YORK COUNTY, PENNSYLVANIA

By: _____
Chairman

APPENDIX A

DESCRIPTION AND ECONOMICS OF THE AREA

THE TOWNSHIP

Introduction

The Township of Dover is a Township of the Second Class under the laws of the Commonwealth of Pennsylvania and operates under the authority of the Second Class Township Code. Police protection for the Township is provided by the Northern York County Regional Police Department, funded by six townships and two boroughs within York County. The Department is governed by a joint commission of persons composed of representatives from each municipality.

The governing body of the Township is the Board of Supervisors, which consists of five members. Each member of the Board of Supervisors is elected at large to a six-year term. The Township Manager, appointed by the Board of Supervisors, administers the daily operations of the Township. The current Township Manager, Laurel Oswalt, was hired as Township Manager in 2006. Ms. Oswalt has over 25 years of municipal government experience.

The Township provides a wide range of public services to its residents, including police protection, health, recreation, maintenance of highways, parks and other public areas.

TOWNSHIP FINANCES

The Budget Process

The Township's process for establishing its annual operating budget involves submission of the budget by the Township Manager to the Board of Supervisors for its approval and adoption.

The budgetary process consists of the evaluation and review of appropriation requests of the various Township departments. Revenue estimates are made throughout the process to determine the amount of Township taxes and other revenues required to balance the budget.

The Township Manager is required to introduce the budget by the end of November after which it is advertised and reviewed at public hearings held by the Board of Supervisors. After the close of the public hearings, the Board of Supervisors approves and adopts the budget on or before December 31, the close of the Township's fiscal year. In preparing the Township's budget, appropriations for interest and principal payments due and payable during the fiscal year must be made in full.

Basis of Accounting

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units and to requirements prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

The General Fund and accounts of the Township therein are maintained on a modified accrual basis, under which revenues are recognized when available and expenditures are recognized when incurred. The enterprise funds are maintained on a full accrual basis.

Summary and Discussion of Financial Results

A summary of the balance sheet and receipts and expenditures in fund balances are presented in the Tables 1 and 2 which follow. The budgeted revenues and expenditures are presented in Table 3.

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TABLE 1
TOWNSHIP OF DOVER
SUMMARY OF COMPARATIVE FUND BALANCE SHEET
(January 1-December 31)

	2020	2021	2022	2023	2024
ASSETS					
Cash and Cash Equivalents	\$6,734,376	\$8,366,110	\$11,566,711	\$10,093,852	\$11,108,978
Investments	0	0	0	1,500,000	500,000
Restricted:					
Cash and Cash Equivalents	201,673	155,611	31,167	215,928	146,466
Accounts Receivable	327,375	300,844	308,245	347,492	278,165
Grants Receivable	1,091,514	0	228,964	263,805	141,110
Taxes Receivable	1,157,762	1,238,228	1,442,515	1,510,108	1,149,999
Lease Receivable	0	0	0	76,849	40,991
Due from Other Funds	0	172,794	0	764,981	1,402,205
TOTAL ASSETS	\$9,512,700	\$10,233,587	\$13,577,602	\$14,773,015	\$14,767,914
LIABILITIES					
Accounts Payable	\$1,264,518	\$77,325	\$160,385	\$273,163	\$121,734
Accrued Expenses	50,814	59,460	51,633	58,148	18,296
Deferred Revenues	269,939	1,360,102	645,208	202,770	153,629
Due to Other Funds	566,257	0	456,433	0	0
Escrows/Reserves Payable	201,673	155,611	31,167	60,806	43,521
TOTAL LIABILITIES	\$2,353,201	\$1,652,498	\$1,344,826	\$594,887	\$337,180
DEFERRED INFLOWS OF RESOURCES	\$746,826	\$514,612	\$792,934	\$1,029,736	\$674,568
FUND BALANCE					
Unassigned	\$6,412,673	\$8,066,477	\$11,439,842	\$13,148,392	\$13,756,166
Total Fund Balances	\$6,412,673	\$8,066,477	\$11,439,842	\$13,148,392	\$13,756,166
TOTAL LIABILITIES AND FUND BALANCES	\$9,512,700	\$10,233,587	\$13,577,602	\$14,773,015	\$14,767,914

Source: Audited Financial Statements.

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TABLE 2
TOWNSHIP OF DOVER
STATEMENT OF REVENUES AND EXPENDITURES FOR THE GENERAL FUND

	Actual				
	2020	2021	2022	2023	2024
REVENUES					
Taxes	\$5,008,055	\$5,839,399	\$5,885,654	\$6,137,707	\$6,369,193
Licenses & Permits	1,032,827	793,277	795,664	1,014,563	1,083,582
Fines & Forfeits	124,751	132,068	137,738	106,130	112,978
Rents and Royalties	603,676	605,717	674,108	791,090	775,461
Intergovernmental Revenue	1,830,859	407,479	2,805,273	1,378,023	706,297
Interest Income	41,852	4,074	94,131	419,324	504,111
Charges for Service	262,118	538,407	598,955	767,037	671,361
Miscellaneous Revenue	0	26,964	0	532,500	0
TOTAL REVENUES	\$8,904,138	\$8,347,385	\$10,991,523	\$11,146,374	\$10,222,983
EXPENDITURES					
General Government	\$2,584,870	\$1,175,349	\$1,425,331	\$2,367,931	\$1,943,170
Public Safety	3,509,761	3,480,828	3,730,598	4,344,245	4,332,136
Sanitation	32,885	34,185	110,661	26,301	32,685
Highway and Streets	734,845	851,057	792,773	856,655	1,039,380
Culture and Recreation	532,994	558,659	1,014,448	1,237,394	1,211,142
Employer Paid Benefits & Withholding Items	24,139	30,902	37,271	0	0
Insurance Premiums	42,279	40,252	50,455	83,017	105,620
Debt Service	1,392,494	281,508	369,154	558,040	951,601
TOTAL EXPENDITURES	\$8,854,267	\$6,452,740	\$7,530,691	\$9,473,583	\$9,615,734
Excess of Revenues Over (Under)					
Expenditures	\$49,871	\$1,894,645	\$3,460,832	\$1,672,791	\$607,249
OTHER FINANCING SOURCES AND USES					
Proceeds From Sale of Capital Assets	\$8,729	\$0	\$121,600	\$39,369	\$17,100
Bond fiscal agent fees	0	0	0	0	(1,422)
Proceeds From Debt Issuance	5,959,660	0	4,210,600	8,215,000	0
Contributions form private sector	0	0	0	0	25,342
Premium on Bonds	0	0	0	16,802	0
Debt Issuance Fees	(251,323)	(1,724)	(539)	(233,248)	0
Transfer In	1,205,661	0	0	0	0
Transfer Out	(4,856,242)	(239,117)	(4,419,128)	(8,002,164)	(40,495)
Total Other Financing Sources and Uses:	\$2,066,485	(\$240,841)	(\$87,467)	\$35,759	\$525
Excess of Revenue and Other Sources Over (Under)					
Expenditures	\$2,116,356	\$1,653,804	\$3,373,365	\$1,708,550	\$607,774
Balance Beginning of Year	\$4,296,317	\$6,412,673	\$8,066,477	\$11,439,842	\$13,148,392
Balance End of Year	\$6,412,673	\$8,066,477	\$11,439,842	\$13,148,392	\$13,756,166

Source: Audited Financial Statements.

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**TABLE 3
TOWNSHIP OF DOVER
2025 BUDGET**

Beginning Balance	<u>2025</u>
REVENUES	
Taxes	\$6,087,452
Licenses and Permits	1,081,602
Fines and Forfeits	124,000
Interest, Rents & Royalties	1,120,698
Intergovernmental Revenue	382,625
Charges for Service	425,000
Other Financing Sources	36,200
TOTAL REVENUES	\$9,257,577
EXPENDITURES	
General Government	\$1,838,953
Public Safety	3,976,472
Health & Welfare/Public Works	64,581
Highways, Roads & Streets	976,534
Culture/Recreation	948,406
Debt Service	1,314,806
Miscellaneous Expenses	137,825
Other Financing Sources	0
TOTAL EXPENDITURES	\$9,257,577

Source: Township Budget Report.

TAXING POWER OF THE TOWNSHIP

Maximum Allowable Township Real Property Taxes

The following summarizes total taxing power available to the Township under present law:

The Township may levy *ad valorem* taxes for general purposes on the assessed value of taxable real estate up to 14 mills (up to 5 mills additional with permission of the Court of Common Pleas for the County of York) and unlimited for the payment of any indebtedness incurred under the Act, including the Bonds. Other specific millages are permitted under the Second Class Township Code and under other laws for certain specific purposes as follows:

- An annual tax not exceeding 5 mills to light the highways, roads and other public places in the Township;
- An annual tax not exceeding 50% of the rate of assessment for the general Township tax to procure land and erect public buildings thereon and for the payment of indebtedness incurred in connection therewith;
- An annual tax not exceeding 3 mills to purchase and maintain fire apparatus and fire house, etc. (higher than 3 mills with consent of electorate);
- An annual tax not exceeding 2 mills to establish and maintain fire hydrant water service;
- A tax to acquire, maintain and operate parks, playgrounds, playfields, gymnasiums, swimming pools and recreation centers;
- An annual tax not to exceed 5 mills to create a revolving fund for permanent improvements to street, sidewalk, sewer and water facilities (project must be assessed and fund reimbursed, if expended);
- An annual tax not exceeding 2 mills for road equipment fund; and
- An annual tax of ½ mill for supporting ambulance and rescue squads serving the Township (higher with consent of electorate)

UNDER ACT OF DECEMBER 31, 1965, P.L. 1257, EFFECTIVE JANUARY 1, 1986 (THE LOCAL TAX ENABLING ACT), WHICH REPLACED AND REPEALED ACT 481 OF JUNE 25, 1947, P.L. 11134, ADDITIONAL TAXES MAY BE LEVIED (SUBJECT TO DIVISION WITH OTHER POLITICAL SUBDIVISIONS AUTHORIZED TO LEVY SIMILAR TAXES ON THE SAME PERSON, SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE), SUBJECT TO THE FOLLOWING LIMITATIONS:

- Tax on Occupations: No rate limit set by the Local Tax Enabling Act if a millage or percentage of the assessed valuation of occupations is used as a base.
- Per Capita Tax \$10.00
- Wages, salaries, commissions and other earned income of individuals 1%
- Transfer of title of real property 1%
- Local Services Tax \$52.00
- Admissions (except Motion Picture Theaters) 10%

The aggregate amount of taxes under the Local Tax Enabling Act shall not, in the case of any political subdivision, including townships of the second, third and fourth classes, exceed an amount equal to the product of 12 mills on the latest total market value of real estate as determined by the board for the assessment and revision of taxes or any similar board established by the assessment laws which determine market values of real estate within the political subdivision, or if no such board has determines such values, then the values as certified by the State Tax Equalization Board shall be used.

Tax Levy Trends

The following tables 4 and 5 show the recent trend of tax rates levied by the Township and the comparative trend of real property tax rates for the Township, the School District, and the County.

**TABLE 4
TOWNSHIP OF DOVER
TAX RATES**

Fiscal Year Ending	Real Estate (mills)	Real Estate Transfer (%)	Wage and Income (%)	Local Service Tax (\$)	Mechanical Device Tax (\$)	Mercantile Tax (mills)
12/31/2020	1.3000 ⁽¹⁾	0.50%	0.50%	\$52.00	\$100.00	1.000-1.500
12/31/2021	1.3000 ⁽¹⁾	0.50%	0.50%	\$52.00	\$100.00	1.000-1.500
12/31/2022	1.3000 ⁽¹⁾	0.50%	0.50%	\$52.00	\$100.00	1.000-1.500
12/31/2023	1.3000 ⁽¹⁾	0.50%	0.50%	\$52.00	\$100.00	1.000-1.500
12/31/2024	1.3000 ⁽¹⁾	0.50%	0.50%	\$52.00	\$100.00	1.000-1.500
12/31/2025	1.6000 ⁽²⁾	0.50%	0.50%	\$52.00	\$100.00	1.000-1.500

⁽¹⁾ 1.135 mills for general purposes and 0.165 mills for fire equipment and firehouses.

⁽²⁾ 1.400 mills for general purposes and 0.200 mills for fire equipment and firehouses.

Source: Department of Community and Economic Development

**TABLE 5
TOWNSHIP OF DOVER
COMPARATIVE REAL PROPERTY TAX RATES
(Mills on Assessed Value)**

	2021	2022	2023	2024	2025
Dover Township	1.300	1.300	1.300	1.300	1.600
York County	5.900	6.900	6.900	6.900	6.900
	2021-22	2022-23	2023-24	2024-25	2025-26
Dover Area School District	23.715	23.715	24.307	24.307	24.307

Source: Department of Community and Economic Development

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data.

**TABLE 6
TOWNSHIP OF DOVER
REAL PROPERTY ASSESSMENT DATA**

Year	Market Value	Assessed Value	Ratio
2020	\$1,244,378,570	\$1,158,944,927	93.13%
2021	1,262,087,605	1,176,544,047	93.22%
2022	1,394,081,949	1,204,504,752	86.40%
2023	1,429,032,385	1,229,414,643	86.03%
2024	1,598,629,347	1,241,189,888	77.64%

Source: Pennsylvania State Tax Equalization Board/Tax Equalization Division.

**TABLE 7
TOWNSHIP OF DOVER
ASSESSMENT BY LAND USE**

	2020	2021	2022	2023	2024
Residential	\$957,334,923	\$968,880,953	\$983,655,807	\$1,009,417,448	\$1,012,055,198
Trailers	14,859,186	14,924,106	15,435,066	15,534,836	15,728,831
Lots	13,652,281	13,652,281	13,739,812	11,233,342	14,193,712
Industrial	8,106,510	8,541,480	8,498,360	8,498,360	7,995,950
Commercial	95,221,563	99,985,793	112,444,793	112,444,793	118,129,953
Agriculture	65,833,604	66,622,574	66,541,744	68,100,254	68,186,664
Land	3,936,860	3,936,860	4,189,170	4,185,610	4,899,580
Total	\$1,158,944,927	\$1,176,544,047	\$1,204,504,752	\$1,229,414,643	\$1,241,189,888

Source: Pennsylvania State Tax Equalization Board/Tax Equalization Division.

**TABLE 8
TOWNSHIP OF DOVER
REAL PROPERTY TAX COLLECTION DATA**

Year	Assessed Valuation	Tax Levy	Amount of Levy	Current Year Collections	% Current Collections to Current Levy	Current and Delinquent Collections Collected	% Current and Delinquent Collections to Current Levy
2020	\$1,225,482,147	1.135	\$1,390,922	\$1,293,534	93.00%	\$1,353,624	97.32%
2021	1,231,915,647	1.135	1,398,224	1,325,307	94.79%	1,365,771	97.68%
2022	1,283,485,033	1.135	1,456,756	1,318,927	90.54%	1,361,420	93.46%
2023	1,296,813,583	1.135	1,471,883	1,338,146	90.91%	1,378,402	93.65%
2024	1,321,249,148	1.135	1,499,618	1,409,412	93.98%	1,436,727	95.81%

Source: Township Officials.

The ten largest real property taxpayers, together with 2025 assessed values, are shown below. The aggregate assessed value of these ten taxpayers totals approximately 4.48 percent of total assessed value.

**TABLE 9
TOWNSHIP OF DOVER
TEN LARGEST REAL PROPERTY TAXPAYERS, 2025**

<u>Name</u>	2025 Assessed Valuation
Reserve At Copper Chase LLC	\$15,949,390
Boyd Hess Dover LLC	7,831,040
Providence Place of Dover Assisted Living	6,856,130
Chadaga P Chandra Sekhar Tr	5,688,420
Dover Gf LP	3,932,710
Chadaga P Chandra Sekhar Tr	3,400,940
Dover Highlands LP	3,298,690
Boyd Hess Dover LLC	3,178,580
Atg Properties LLC	2,597,920
Weis Markets Inc	2,392,250
TOTAL	\$55,126,070

Source: Township Officials.

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DEBT AND DEBT LIMITS

Debt Statement

The Table 10 below shows the debt of the Township of Dover as of October 15, 2025, including the issuance of the estimated Bonds.

**TABLE 10
TOWNSHIP OF DOVER
STATEMENT OF INDEBTEDNESS
(As of October 15, 2025)**

	Outstanding*
ELECTORAL DEBT	\$0
NONELECTORAL DEBT	
General Obligation Bonds, Series of 2023 (last maturity 2045)	\$7,965,000
General Obligation Bonds, Series of 2022 (last maturity 2044)	8,880,000
General Obligation Bonds, Series of 2020 (last maturity 2045)	4,995,000
General Obligation Bonds, Series of 2018 (last maturity 2039)	1,605,000
TOTAL NONELECTORAL DEBT	\$23,445,000
LEASE RENTAL DEBT	
Guaranteed Sewer Revenue Bonds, Series of 2025 (last maturity 2040)	\$9,995,000
Guaranteed Sewer Revenue Bonds, Series of 2021 (last maturity 2033)	5,710,000
Guaranteed Sewer Revenue Bonds, Series of 2019 (last maturity 2030)	9,665,000
TOTAL LEASE RENTAL DEBT	\$25,370,000
TOTAL, ELECTORAL, NONELECTORAL AND LEASE RENTAL DEBT	\$48,815,000
Less: Self Liquidating Debt ⁽¹⁾	(25,370,000)
TAX SUPPORTED NET NONELECTORAL DEBT	\$23,445,000
OVERLAPPING DEBT	
Dover Area School District ⁽²⁾	\$75,773,466
York County ⁽³⁾	10,312,184
Total Overlapping Debt	\$86,085,650
TOTAL TAX SUPPORTED DIRECT AND OVERLAPPING DEBT	\$109,530,650

⁽¹⁾ Includes the estimated Dover Township Sewer Authority's Guaranteed Sewer Revenue Bonds, Series of 2019, Series of 2021, and Series of 2025.

⁽²⁾ Township's share (94.20%) of the estimated \$80,435,000 general obligation debt of the Dover Area School District.

⁽³⁾ Township's proportional share (4.16%) of the \$248,098,829 general obligation debt of York County.

Types of Indebtedness under the Debt Act

The Debt Act establishes three forms of debt for a local government unit: (i) electoral debt (debt incurred with the approval of the electors for which there is no limitation on the amount that may be so incurred), (ii) nonelectoral debt (debt of a local government unit not being electoral or lease rental debt for which the limitation on all such net debt which may be incurred is 250 percent of the borrowing base for the Township), and (iii) lease rental debt (the principal amount of municipal authority debt or debt of another local government unit to be repaid by the local government unit 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; the limitation on all such net debt which may be incurred, including any net nonelectoral debt incurred, is 350 percent of the borrowing base for the Township). Any debt which is approved by the Pennsylvania Department of Community and Economic Development as subsidized or self-liquidating may be deducted or excluded from the determination of any such debt incurred in determining the net debt of the local governmental unit to which such limitations are applicable. Certain other deductions are allowed in determining net debt.

Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of the Township under the Act is computed as a percentage of the Township's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of total "Revenues" (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring debt. The Township calculates its present borrowing base and borrowing capacity as follows:

	2022	2023	2024
Total Revenues and Other Financing Sources	\$22,702,387	\$25,527,406	\$24,629,090
Deduct Excludable Items:			
1. State and Federal subsidies and reimbursements related to a particular project financed by debt.			
2. Revenues, receipts and assessments, etc. pledged for self-liquidating debt.	5,589,298	6,290,138	6,511,157
3. Interest on sinking funds.			
4. Grants and Gift-in-Aid	399,223	2,671,055	1,104,111
5. Nonrecurring receipts	1,407,948	202,907	17,100
Total Excludable Items	\$7,396,469	\$9,164,100	\$7,632,368
Total Revenues as defined in Act	\$15,305,918	\$16,363,306	\$16,996,722
Total Revenues for the three-year period ending 12/31/24			\$48,665,946
Borrowing Base			\$16,221,982

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Under the Act as presently in effect, (i) new nonelectoral debt may not be incurred if the net amount of such new nonelectoral debt plus all outstanding net nonelectoral debt would cause total net nonelectoral debt to exceed 250% of the Borrowing Base and (ii) new lease rental debt or new nonelectoral debt may not be incurred if the net amount of such new debt plus all outstanding net nonelectoral debt and net lease rental debt would cause the total net nonelectoral plus net lease rental debt to exceed 350% of the Borrowing Base. The application of the aforesaid percentages to the Township's Borrowing Base produces the following products:

A. Non-electoral Debt (includes the Bonds)	
1. Computation of Non-electoral Borrowing Capacity	
a. Debt Limitations – 250% of Borrowing Base	\$40,554,955
b. Less: Outstanding Net Non-electoral Debt	23,445,000
c. Remaining Non-Electoral Borrowing Capacity	<u>\$17,109,955</u>
B. Lease Rental Debt	
1. Computation of Lease Rental Debt	
a. Outstanding Principal	\$25,370,000
b. Less: Deductions (Qualified as Self-liquidating)	(25,370,000)
c. Net Lease Rental Debt	<u>\$0</u>
2. Computation of Lease Rental and Non-electoral Borrowing Capacity	
a. Debt Limitation – 350% of Borrowing Capacity	\$56,776,937
b. Less: Outstanding Lease Rental and Net Non-electoral Debt	23,445,000
c. Remaining Lease Rental and Non-electoral Borrowing Capacity	<u>\$33,331,937</u>

<u>Debt Ratios</u>	<u>Tax Supported Direct</u>	<u>Tax Supported Direct & Overlapping</u>
Per Capita (2020 population 22,366)	\$2,183	\$4,897
Percent 2024 Assessed Value (\$1,241,189,888)	3.93%	8.82%
Percent 2024 Market Value (\$1,598,629,347)	3.05%	6.85%

Future Financing

At this time the Township plans to issue an additional \$10 million of long-term debt in the next 1-2 years. The Township also contemplates refunding certain outstanding bonds within the next 5 years if economic conditions allow.

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LABOR RELATIONS

There are 48 full-time employees of the Township, as set forth below:

Office Employees	16
Highway Department	8
Water Department	5
Sewage Collection	5
Sewer Plant	9
Parks Ground	5
Total	<u>48</u>

The 19 employees of the Public Works Department belong to Teamsters Local Union 776. None of the other Township employees are affiliated with a union. Salary and employee benefits are arranged directly between the Township and each of the employees. The Township has consistently maintained a harmonious relationship with its employees.

Pension Program

The Township of Dover Non-uniformed Employees' Pension Plan is a single-employer defined contribution plan controlled by the provisions of Ordinance No. 2010-04, as amended, adopted pursuant to the Second Class Township Code Act of May 1, 1993, as amended, Act of June 26, 1975, P.L. 34, No. 17, 53 P.S. 56571. The Plan is governed by the Board of Supervisors of Township of Dover which is responsible for the management of plan assets.

Full-time employees become a participant of the plan on the anniversary date following completion of six months of full-time service and attainment of age 18. A participant is fully vested after seven years of participation in the plan.

The Township's contribution to the plan is 10% of each participant's base compensation. The 2024 year covered payroll was approximately \$2,710,469 and the total current year payroll for all employees was approximately \$2,953,639.

At December 31, 2024, the market value of the pension funds investments was \$3,398,145. Total contributions for 2024 were \$233,656 (10% of covered payroll). Plan distributions and expenses totaled \$426,464 for 2024. Net appreciation in fair value of Plan assets was \$366,437 for the year ended December 31, 2024.

Other Post-Retirement Benefit Plan (OPEB)

In addition to the pension benefits described above, the Township provides certain post-retirement healthcare benefits to its retirees through one agent multiple-employer plan. The Township has implemented accounting for other post-employment benefits prospectively. The Township's contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2024, the Township contributed \$8,449 to the Non-Uniformed OPEB Plan.

The Township's annual OPEB costs (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of government accounting standards.

Changes in the Total OPEB Liability

Balances as of January 1, 2024, as restated	\$44,558
Service Cost	3,429
Interest Cost	1,564
Changes for estimates	-
Changes for experience	<u>(3,144)</u>
Net Changes	<u>\$1,849</u>

Balances as of December 31, 2024	\$46,407
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APPENDIX B

**DEMOGRAPHIC AND ECONOMIC INFORMATION
RELATING TO THE TOWNSHIP OF DOVER**

DEMOGRAPHIC CHARACTERISTICS

The Township's population increased by 6.11% from 2010 to 2020. The table below shows population comparisons between the Township, York County and Pennsylvania.

POPULATION

	<u>2000</u>	<u>2010</u>	<u>2020</u>
Township	18,074	21,078	22,366
York County	381,751	434,972	456,438
Pennsylvania	12,281,054	12,702,379	13,002,700

Source: U.S. Census, 2000-2020 – Decennial Census

AGE COMPOSITION

	<u>0-17</u> <u>Years</u>	<u>18-64</u> <u>Years</u>	<u>65+</u> <u>Years</u>
Township of Dover	4,161	12,599	5,051
York County	98,737	270,627	78,264
Pennsylvania	2,649,582	7,810,199	2,335,104

Source: U.S. Census, 2020 – American Community Survey ACS 5-Year Estimates

HOUSING CHARACTERISTICS

<u>Municipality</u>	<u>Total Housing</u> <u>Units</u>	<u>Percent</u> <u>Occupied</u>	<u>Percent</u> <u>Vacant</u>
Township of Dover	8,715	95.90%	4.10%
York County	178,671	94.20%	5.80%
Pennsylvania	5,567,315	90.10%	9.90%

Source: U.S Census, 2010

RECENT TRENDS IN PER CAPITA INCOME*

Per Capita Income

	<u>2000</u>	<u>2010</u>	<u>2020</u>
Township of Dover	\$20,513	\$25,524	\$33,619
York County	21,086	27,086	33,587
Pennsylvania	20,880	26,374	35,518

Source: U.S. Census, 2000-2020 - American Community Survey ACS 5-Year Estimates & Decennial Census

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. Township income is the population-weighted average for political subdivisions.

Employment

Overall employment data are compiled for the County and the MSA.

The Table below shows the distribution of employment for the County and the MSA for August 2025.

DISTRIBUTION OF EMPLOYMENT*
(York County Metropolitan Statistical Area)

ESTABLISHMENT DATA	Industry Employment				Net Change From:	
	Aug 2025	Jul 2025	Jun 2025	Aug 2024	Jul 2025	Aug 2024
TOTAL NONFARM	193,800	193,500	194,500	192,800	300	1,000
TOTAL PRIVATE	175,400	175,500	175,800	174,000	-100	1,400
GOODS-PRODUCTION	45,300	45,400	45,300	45,600	-100	-300
Mining and Logging	13,000	13,100	12,900	12,900	-100	100
Manufacturing	32,300	32,300	32,400	32,700	0	-400
SERVICE-PROVIDING	148,500	148,100	149,200	147,200	400	1,300
PRIVATE SERVICE-PROVIDING	130,100	130,100	130,500	128,400	0	1,700
Trade, Transportation, and Utilities	42,900	42,900	43,000	42,700	0	200
Wholesale Trade	7,400	7,400	7,400	7,500	0	-100
Retail Trade	20,200	20,300	20,200	20,100	-100	100
Grocery stores	4,200	4,200	4,200	4,100	0	100
General merchandise stores	4,700	4,800	4,600	4,500	-100	200
Transportation, Warehousing and Utilities	15,300	15,200	15,400	15,100	100	200
Information	1,000	1,000	1,000	1,000	0	0
Financial Activities	6,300	6,300	6,300	6,200	0	100
Professional and Business Services	23,000	23,000	22,700	22,300	0	700
Educational and Health Services	31,200	31,000	31,200	29,900	200	1,300
Health care and social assistance	29,000	28,800	28,700	28,000	200	1,000
Leisure and Hospitality	15,800	16,000	16,300	16,500	-200	-700
Other Services	9,900	9,900	10,000	9,800	0	100
Government	18,400	18,000	18,700	18,800	400	-400
Federal Government	4,300	4,400	4,300	4,400	-100	-100
State Government	1,100	1,100	1,100	1,100	0	0
Local Government	13,000	12,500	13,300	13,300	500	-300
Data benchmarked to March 2024	***Data changes of 100 may be due to rounding***					

Recent trends in labor force, employment and unemployment for York County and the Commonwealth are shown below.

RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT*

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>	Compound Average Annual % Rate ⁽²⁾
York County							
Civilian Labor Force (000)	237.3	236.3	238.5	240.3	240.2	238.7	0.24%
Employment (000)	218.8	224.3	230.1	233.1	232.1	227.5	1.19%
Unemployment (000)	18.5	12.0	8.4	7.2	8.2	11.1	-15.02%
Unemployment Rate	7.8%	5.9%	3.5%	3.0%	3.4%	4.7%	
Pennsylvania							
Civilian Labor Force (000)	6,506.0	6,432.0	6,465.0	6,518.0	6,577.0	6,572.0	0.22%
Employment (000)	5,930.0	6,054.0	6,202.0	6,296.0	6,337.0	6,255.0	1.34%
Unemployment (000)	577.0	378.0	263.0	223.0	239.0	317.0	-16.16%
Unemployment Rate	8.9%	5.9%	4.1%	3.4%	3.6%	4.8%	

⁽¹⁾ As of August 2025.

⁽²⁾ Compound Average Annual Percentage Change calculated from 2020-2024.

Source: Department of Labor & Industry, Pennsylvania State Employment Service.

Major employers located within York County include:

York Hospital
Federal Government
WellSpan Health
Amazon.com Services LLC
WellSpan Medical Group
Wal-Mart Associates Inc
York County
Giant Food Stores LLC
BAE Systems Land & Armaments LP
Kinsley Construction LLC

Source: Quarterly Census of Employment and Wages- 1st Quarter 2025.

Higher Education

The County is home to several higher education facilities. York College of Pennsylvania is a four-year liberal arts college with an enrollment of approximately 4,378 full-time and 689 part-time and graduate students. The York Campus of Penn State University has a combined student enrollment of approximately 1,172. The York Technical Institute offers diploma and associate degrees in business, electronics, computers, mechanics, public safety, heating/air conditioning/refrigeration and culinary arts. The Consolidated School of Business has a York campus that offers associate and diploma degrees in various fields which include business management, accounting, office management, administrative assistant (legal and medical) and travel specialist. The Art Institute of York offers diploma and associate degrees in animation, web design and technology, digital arts, fashion marketing, print technology and interior design.

Utility Providers to the Township

Water Service -----	Township of Dover
Gas Service-----	Columbia Gas Company of Pennsylvania, Inc.
Electric Service -----	Metropolitan Edison and Adams Electric Cooperative, Inc.
Cable Television-----	AT&T, Comcast/Xfinity and Verizon
Sewer Service -----	Authority/Township

APPENDIX C

FORM OF BOND COUNSEL OPINION

Barley Snyder

ATTORNEYS AT LAW

126 EAST KING STREET
LANCASTER, PA 17602
TEL (717) 299-5201 FAX (717) 291-4660
WWW.BARLEY.COM

_____, 2025

TD Bank, National
Association
9000 Atrium Way
Mt. Laurel, NJ 08054

[Insert Underwriter]

Dover Township Sewer Authority
2480 West Canal Road
Dover, PA 17315

**Re: Dover Township Sewer Authority –
\$_____ Guaranteed Sewer Revenue Bonds, Series of 2025**

Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance and sale by the Dover Township Municipal Authority (the “Authority”) of its \$_____ aggregate principal amount of Guaranteed Sewer Revenue Bonds, Series of 2025 (the “2025 Sewer Bonds”). The 2025 Sewer Bonds are to be issued under the Authority’s Thirteenth Supplemental Sewer Indenture (the “Thirteenth Supplemental Sewer Indenture”) supplementing the Trust Indenture dated as of February 15, 1996 (the “Original Indenture”) as further supplemented by the First Supplemental Trust Indenture dated as of March 1, 1997 (the “First Supplemental Sewer Indenture”), as further supplemented by the Second Supplemental Trust Indenture dated as of August 1, 2001 (the “Second Supplemental Sewer Indenture”), as further supplemented by the Third Supplemental Trust Indenture dated as of May 1, 2004 (the “Third Supplemental Sewer Indenture”), as further supplemented by the Fourth Supplemental Trust Indenture dated as of October 1, 2007 (the “Fourth Supplemental Sewer Indenture”), as further supplemented by the Fifth Supplemental Trust Indenture dated as of December 15, 2008 (the “Fifth Supplemental Sewer Indenture”), as further supplemented by the Sixth Supplemental Trust Indenture dated as of November 1, 2010 (the “Sixth Supplemental Sewer Indenture”), as further supplemented by the Seventh Supplemental Trust Indenture dated as of August 30, 2012 (the “Seventh Supplemental Sewer Indenture”), as further supplemented by the Eighth Supplemental Trust

Indenture dated as of August 14, 2013 (the “Eighth Supplemental Sewer Indenture”), as further supplemented by the Ninth Supplemental Trust Indenture dated as of January 30, 2015 (the “Ninth Supplemental Sewer Indenture”), as further supplemented by the Tenth Supplemental Trust Indenture dated as of March 29, 2016 (the “Tenth Supplemental Sewer Indenture”), as further supplemented by the Eleventh Supplemental Trust Indenture dated as of April 16, 2019 (the “Eleventh Supplemental Sewer Indenture”), as further supplemented by the Twelfth Supplemental Trust Indenture dated as of November 23, 2021 (the “Twelfth Supplemental Sewer Indenture”). The Original Indenture and all supplements thereto are collectively referred to herein as the “Indenture”.

The 2025 Sewer Bonds are secured equally and ratably by the Indenture (except as otherwise provided therein) with any series of Additional Bonds which may hereafter be issued pursuant to the Indenture or any supplement thereto. In addition, the Township of Dover (the “Township”) has entered into a Guaranty Agreement dated as of even date herewith (the “Guaranty Agreement”) under which the Township has agreed to pay such amounts as may be necessary, for such purpose, to meet the debt service and sinking fund requirements of the 2025 Sewer Bonds as they become due and payable.

The 2025 Sewer Bonds are being issued for the purpose of providing funds for and toward: (i) the planning, design and construction of additions, improvements, renovations and extraordinary repairs to, the acquisition of real estate rights and interest for, and the acquisition and installation of related equipment, machinery and furnishings for various buildings, facilities and infrastructure of the Authority, including, but not limited to, the Joint Interceptor Phase 2 Upstream and Fox Run Interceptor Projects and (ii) paying issuance costs of the 2025 Sewer Bonds.

The Sewer System, by lease dated as of February 15, 1996, supplemented by a First Supplemental Lease dated as of March 1, 1997, a Second Supplemental Lease dated as of August 1, 2001, a Third Supplemental Lease dated as of May 1, 2004, a Fourth Supplemental Lease dated as of October 7, 2007, a Fifth Supplemental Lease dated as of December 15, 2008, a Sixth Supplemental Lease dated as of November 1, 2010, a Seventh Supplemental Lease dated as of August 30, 2012, an Eighth Supplemental Lease dated as of August 14, 2013, a Ninth Supplemental Lease dated as of August 14, 2013, a Tenth Supplemental Lease dated as of March 29, 2016, an Eleventh Supplemental Lease dated as of April 16, 2019, a Twelfth Supplemental Lease dated as of November 23, 2021 and a Thirteenth Supplemental Trust Indenture dated as of even date herewith (collectively, the “Lease”) has been leased by the Authority to the Township, as Lessee, for the maximum term of the Bonds. The Lease and the rentals payable thereunder have been assigned and pledged to the Trustee.

As more fully provided in the Indenture and the Thirteenth Supplemental Indenture, certain of the 2025 Sewer Bonds may be redeemed prior to their respective maturities either at

the option of the Authority or pursuant to the extraordinary redemption provisions of the Indenture and the Thirteenth Supplemental Indenture.

We have examined such proceedings, documents, resolutions, ordinances, certificates and affidavits, statutes and decisions as we consider necessary, as the basis for this opinion, including executed counterparts of the Indenture and the Guaranty Agreement.

We express no opinion relating to the Official Statement or other offering materials related to the 2025 Sewer Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority and the Township contained in the Indenture, the Guaranty Agreement, resolutions and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, as of the date of issuance of the 2025 Sewer Bonds, as follows:

(a) The Authority has been duly organized, is validly existing under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. §5601 et. seq. approved June 19, 2001, as amended and supplemented from time to time (the “Act”), and has the power to issue the 2025 Sewer Bonds and to perform all of its obligations under the Original Indenture and the Thirteenth Supplemental Indenture, and the Township has the power to perform its obligations under the Guaranty Agreement.

(b) The purposes for which the 2025 Sewer Bonds are being authenticated and delivered are authorized purposes for the Authority under the Indenture.

(c) The Thirteenth Supplemental Indenture has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by other parties thereto, constitutes a legal, valid, binding and enforceable instrument in accordance with its respective terms; subject, however, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors’ rights.

(d) The Township has the legal authority to authorize and has duly authorized the execution and delivery of the Guaranty Agreement and the Guaranty Agreement is a valid and binding instrument enforceable in accordance with its terms; subject, however, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors’ rights. The execution and delivery of the Guaranty Agreement by the Township has been duly approved by the Pennsylvania Department of Community and Economic Development.

(e) The 2025 Sewer Bonds have been duly authorized, issued and delivered by the Authority and, when authenticated by the Trustee, constitute the legal, valid and binding obligations of the Authority, enforceable in accordance with their terms and entitled to the benefits and security of the Indenture; subject, however, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights.

(f) The Authority has complied with all conditions precedent provided for in the Original Indenture and the Thirteenth Supplemental Indenture and acquired the consent of any governmental authority requisite to the issuance of the 2025 Sewer Bonds.

(g) The Authority has duly and lawfully adopted or enacted all resolutions and other documents required by the Indenture and all such resolutions and other documents are in full force and effect as of the date hereof.

(h) All right, title and interest of the Authority in and to the receipts, revenues and other funds generated by the Sewer System, as defined by the Indenture, have been duly pledged under the Indenture as security for the payment of the 2025 Sewer Bonds.

(i) Under the laws of the Commonwealth of Pennsylvania, as presently enacted and construed on the date hereof, the 2025 Sewer Bonds are exempt from Pennsylvania personal property tax and the interest on the 2025 Sewer Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

(j) Interest on the 2025 Sewer Bonds, as of the date hereof and under existing law, (1) is excludible from gross income of the registered owners thereof for federal income tax purposes, and (2) will not be a specific preference for purposes of Federal alternative minimum tax imposed on individuals and applicable corporations (as defined in Section 59K of the Internal Revenue Code of 1986, as amended (the "Code")); however, such interest may be subject to certain other federal taxes affecting corporate holders of the Bonds and such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations. The opinion set forth in clause (1) of this paragraph (j) is subject to the condition that the Authority continue to comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") necessary for interest on the 2025 Sewer Bonds to be (or continue to be) excluded from gross income. The Authority has covenanted to comply with these requirements. If the Authority should fail to perform its covenants concerning compliance with the Code, such failure could result in inclusion of interest on the 2025 Sewer Bonds in gross income of the registered owners thereof retroactive to the date of issuance of the 2025 Sewer Bonds.

(k) Each of the 2025 Sewer Bonds is a "qualified tax-exempt obligation" for the purposes and with the effect contemplated by Section 265 of the Code (relating to expenses and

interest relating to tax-exempt income of certain financial institutions). The opinion expressed in the preceding sentence is subject to the condition that interest on the 2025 Sewer Bonds is, and continues to be, excludible from gross income for federal income tax purposes under the Code.

We express no opinion regarding other federal tax consequences arising with respect to the 2025 Sewer Bonds.

Very truly yours,

BARLEY SNYDER LLP

By:_____

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

YEARS ENDED
DECEMBER 31, 2024 AND 2023



Brown Plus

ACCOUNTANTS + ADVISORS

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

YEARS ENDED DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

Members of the Board
Dover Township Sewer Authority
Dover, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Dover Township Sewer Authority (the Authority), a component unit of Dover Township (the Township), as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Dover Township Sewer Authority as of December 31, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 8 to the financial statements, the Authority's net position as of December 31, 2023 has been restated due to its custodian bank incorrectly recording the interest income earned in prior years on its bank statements. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Other Matters

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 inquires 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 basic financial statements that collectively comprise Dover Township Sewer Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Brown Plus

Camp Hill, Pennsylvania
June 18, 2025

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

The Management's Discussion and Analysis (MD&A) is a component part of the reporting model adopted by the Governmental Accounting Standards Board (GASB), as referenced in Statement No. 34 issued in June 1999. The intent of this MD&A is to summarize Dover Township Sewer Authority's (Authority) financial performance as a whole, in part, using comparative information from the current year analyzed against prior year.

The Authority's MD&A presents a narrative overview and analysis of the Authority's financial performance for the year ended December 31, 2024. It is recommended that it be read in conjunction with the accompanying basic financial statements and notes to the financial statements in order to obtain a thorough understanding of the Authority's financial condition as of December 31, 2024.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the year ended December 31, 2024:

- The Authority's total assets exceed total liabilities by \$7,346,340.
- The Authority's net position decreased by \$1,680,443(18.62%) due to increase in capital contributions to the Township.
- Total assets decreased by \$4,097,717 due to cash disbursements on capital construction projects and contributions to the Township.
- Total liabilities decreased by \$2,417,274 due to principal payments made on the Authority's long-term sewer revenue bonds.

As of December 31, 2024, the amount of restricted cash and cash equivalents available for continuing capital projects is \$8,003,653.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of five parts: management's discussion and analysis; statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows and notes to financial statements.

These statements offer short- and long-term financial information about the Authority's activities.

The statement of net position provides information about the Authority's assets and liabilities and serves as a useful indicator of the Authority's financial position. Increases and decreases in net position show whether the financial condition is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has recovered all of its costs in maintaining the sewer system.

The statement of cash flows provides information about the Authority's cash flows from operating activities, capital and related financing activities and investing activities. The statement reports cash receipts, cash payments and net changes in cash from each of these activities during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of the data in the statements. The notes present information about the Authority's accounting policies, deposits and investments, long-term debt, advance refundings, commitments, policy on interest and legal agreements that may affect the operation of the Authority.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

SUMMARY OF ORGANIZATION AND BUSINESS

The Authority was incorporated on May 23, 1969, and the Articles of Incorporation were amended on February 25, 1997, to extend the existence of the Authority for an additional 50 years.

The Authority is an independent organization directed by the five Board members appointed by the Dover Township Supervisors for staggered five-year terms. The Authority typically meets the fourth Wednesday of each month.

The original treatment facility and the Little Conewago Creek interceptor were jointly constructed by Dover Township and West Manchester Township in 1972. The treatment facility is located in the southern portion of Conewago Township. The bulk of the collection system was installed over the next several years. The interceptor conveys flow to the Treatment Plant from Dover Township and from Conewago Township, Manchester Township and West Manchester Township, all in York County, Pennsylvania, as municipal customers. The plant was expanded in 1986, 1989 and 1997 to meet increasing customer demand. The Treatment Plant currently has a design capacity of 8.0 million gallons per day and provides advanced treatment to remove solids, Biological Oxygen Demand and nutrients from the sewage. In 2011, a Biological Nutrient Removal Project was completed to have the Treatment Facility be in compliance with the Chesapeake Bay Initiative. The collection system includes approximately 78 miles of gravity pipe and no pump stations.

In 2020, a wasteload management report was prepared and provided an evaluation of the sewage system. The report indicated no projected overload to either the collection or treatment system for the next five years. There are no development restrictions currently in place because of sewer capacity. As of 2021, the retail customers totaled 12,163.

The Authority has leased the sewer system to the Township for operation for a period ending May 1, 2034, the term of the lease.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

FINANCIAL ANALYSIS

The following comparative Tables 1 and 2 are condensed financial statements that provide key financial data over the reporting period. Additional financial highlights for 2024 are provided after the tables.

Table 1
Condensed Statements of Net Position
December 31, 2024, 2023, and 2022

	2024	2023 (as restated)	2022 (as restated)	Variance 2024 vs. 2023	
				Amount	Percentage
Assets:					
Current	\$ 11,121,703	\$ 13,019,420	\$ 12,792,684	\$ (1,897,717)	-14.58%
Noncurrent	15,375,000	17,575,000	19,635,000	(2,200,000)	-12.52%
Total assets	<u>\$ 26,496,703</u>	<u>\$ 30,594,420</u>	<u>\$ 32,427,684</u>	<u>\$ (4,097,717)</u>	<u>-13.39%</u>
Liabilities:					
Current	\$ 2,828,294	\$ 2,762,544	\$ 2,290,667	\$ 65,750	2.38%
Long-term	16,322,069	18,805,093	21,184,100	(2,483,024)	-13.20%
Total liabilities	<u>19,150,363</u>	<u>21,567,637</u>	<u>23,474,767</u>	<u>(2,417,274)</u>	<u>-11.21%</u>
Net position:					
Restricted	7,545,659	10,372,918	10,633,567	(2,827,259)	-27.26%
Unrestricted (deficit)	<u>(199,319)</u>	<u>(1,346,135)</u>	<u>(1,680,650)</u>	<u>1,146,816</u>	<u>-85.19%</u>
Total net position	<u>7,346,340</u>	<u>9,026,783</u>	<u>8,952,917</u>	<u>(1,680,443)</u>	<u>-18.62%</u>
Total liabilities and net position	<u>\$ 26,496,703</u>	<u>\$ 30,594,420</u>	<u>\$ 32,427,684</u>	<u>\$ (4,097,717)</u>	<u>-13.39%</u>

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

FINANCIAL ANALYSIS (CONTINUED)

Noncurrent assets decreased due to current year lease rental payments from the Township. Total net position decreased from 2023 to 2024. This is primarily due to increased contributions of assets to the Township.

Table 2
Condensed Statements of Revenue, Expenses and Changes in Net Position
December 31, 2024, 2023, and 2022

	2024	2023 (as restated)	2022 (as restated)	Variance 2024 vs. 2023	
				Amount	Percentage
Operating revenue	\$ 696,250	\$ 754,300	\$ 888,133	\$ (58,050)	-7.70%
Operating expenses	25,074			25,074	100.00%
Total operating income	671,176	754,300	888,133	(83,124)	-11.02%
Nonoperating revenue	1,360,744	525,923	169,323	834,821	158.73%
Nonoperating expenses	(588,649)	(701,009)	(514,310)	112,360	-16.03%
Total nonoperating revenues (expenses)	772,095	(175,086)	(344,987)	947,181	-540.98%
Capital contributions to Dover Township	(3,123,714)	(505,348)	(707,677)	(2,618,366)	518.13%
Changes in net position	(1,680,443)	73,866	(164,531)	(1,754,309)	-2374.99%
Net position:					
Beginning of year, as restated	9,026,783	8,952,917	9,117,448	73,866	0.83%
End of year	<u>\$ 7,346,340</u>	<u>\$ 9,026,783</u>	<u>\$ 8,952,917</u>	<u>\$ (1,680,443)</u>	<u>-18.62%</u>

Total operating revenues decreased in 2024. The interest expense on the Authority's bonds decreased from 2023 to 2024 as expected resulting in less lease rental revenue received from the Township. Nonoperating revenue increased due to an increase in grant revenue.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

DEBT ADMINISTRATION

The Authority's long-term debt activity for 2024 is as follows and is detailed in Note 4 to the financial statements:

Table 3

	Beginning balance	Additions	Reductions	Ending balance
Series 2019	\$ 12,060,000	\$ -	\$ (200,000)	\$11,860,000
Series 2021	7,575,000	-	(1,860,000)	5,715,000
Unamortized premium	1,230,093	-	(283,024)	947,069
	<u>\$ 20,865,093</u>	<u>\$ -</u>	<u>\$ (2,343,024)</u>	<u>\$18,522,069</u>

At the end of 2024, the Authority had a total long-term debt, net of current maturities, amortized premium and deferred losses, in the amount of \$18,522,069 based on amounts under subsidy agreements with the Township. In April 2019, the Authority issued \$18,230,000 Guaranteed Sewer Revenue Bonds, Series 2019 to provide funds for various capital projects, refunding the Guaranteed Sewer Revenue Bonds, Series of 2013 and Series of 2016. In October 2021, the Authority issued \$7,585,000 Guaranteed Sewer Revenue Bonds, Series 2021 to provide funds for various capital projects, refunding the Guaranteed Sewer Revenue Bonds, Series of 2012 and Series of 2015.

The Bonds are limited obligations of the Authority, payable from the lease rentals, pledged revenues and the payments by the Township under the Township Guaranty. The Township Guaranty is a general obligation of the Township, secured by the Township's full faith and credit and taxing power. Dover Township and the municipal customers have entered into an agreement with the Authority to pay debt service for expansion and upgrade projects based on an agreed share of treatment capacity, and to pay operations and maintenance costs based on their share of annual flows.

RESULTS OF OPERATIONS

The Authority's revenues from operations are essentially from payments from the Township based on predetermined rates per bond issuance.

The Authority was able to proceed with capital projects during 2024 and contributed \$3,123,714 to Dover Township in assets.

FINANCIAL CONDITION

The Authority's financial condition remained strong at year end with sufficient liquid assets to complete the ongoing capital projects in progress. The Authority has a bond rating of AA- by S&P.

FINAL COMMENTS

The year ended December 31, 2024 continued a trend of strong financial performance by the Authority. The Authority recognized significant savings from prior year's bond refunding and was able to complete major capital projects during the year.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

CONTACTING THE AUTHORITY'S FINANCIAL MANAGER

This report is designed to provide our citizens, customers and creditors with a general overview of the Authority's finances and to demonstrate the accountability of the Authority. If you have any questions about this report or need additional information, contact the Dover Township Manager, 2480 West Canal Road, Dover, PA 17315.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023 (as restated)
Assets:		
Current assets:		
Restricted assets, cash and cash equivalents	\$ 8,003,653	\$ 10,959,420
Grant receivable	918,050	-
Lease rental payments receivable	2,200,000	2,060,000
Total current assets	11,121,703	13,019,420
Noncurrent assets, lease rental payments receivable, debt principal	15,375,000	17,575,000
Total assets	\$ 26,496,703	\$ 30,594,420
Liabilities:		
Current liabilities:		
Accounts payable	\$ 457,994	\$ 558,388
Retainage payable	-	28,114
Unearned revenue	70,000	-
Accrued interest	100,300	116,042
Sewer revenue bonds, current portion	2,200,000	2,060,000
Total current liabilities	2,828,294	2,762,544
Long-term liabilities, sewer revenue bonds, net of current portion and unamortized premium	16,322,069	18,805,093
Total liabilities	19,150,363	21,567,637
Net position:		
Restricted for capital projects	7,545,659	10,372,918
Unrestricted (deficit)	(199,319)	(1,346,135)
Total net position	7,346,340	9,026,783
Total liabilities and net position	\$ 26,496,703	\$ 30,594,420

See notes to financial statements.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023 (as restated)
Operating revenue, lease rentals	\$ 696,250	\$ 754,300
Operating expenses, administrative expenses	25,074	-
Total operating income	671,176	754,300
Nonoperating revenue (expenses):		
Grant revenue	918,050	-
Investment income	442,694	525,923
Interest expense	(397,484)	(454,786)
Arbitrage tax	(191,165)	(246,223)
Total nonoperating revenue (expenses), net	772,095	(175,086)
Income before capital contributions	1,443,271	579,214
Capital contributions to Dover Township	(3,123,714)	(505,348)
Changes in net position	(1,680,443)	73,866
Net position:		
Beginning of year, as restated	9,026,783	8,952,917
End of year	\$ 7,346,340	\$ 9,026,783

See notes to financial statements.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023 (as restated)
Cash flows from operating activities:		
Cash received from users	\$ 2,826,250	\$ 2,884,300
Cash payments to suppliers for goods and services	(25,074)	-
Net cash provided by operating activities	2,801,176	2,884,300
Cash flows from capital and related financing activities:		
Transfer to Dover Township Sewer Fund	(3,443,387)	(194,185)
Principal paid on bonds	(2,060,000)	(2,130,000)
Interest paid	(696,250)	(789,301)
Net cash used in capital and related financing activities	(6,199,637)	(3,113,486)
Cash flows provided by investing activities, earnings on investments	442,694	525,923
Net increase (decrease) in cash and cash equivalents	(2,955,767)	296,737
Cash and cash equivalents:		
Beginning of year, as restated	10,959,420	10,662,683
End of year	\$ 8,003,653	\$ 10,959,420
Reconciliation of operating income to net cash provided by operating activities	\$ 671,176	\$ 754,300
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in lease rental payments receivable	2,060,000	2,130,000
Increase in unearned revenue	70,000	-
Net cash provided by operating activities	\$ 2,801,176	\$ 2,884,300
Schedule of noncash capital and related financing activities:		
Amortization of premiums on bonds	\$ 283,024	\$ 319,007

See notes to financial statements.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Summary of significant accounting policies:

Reporting entity:

Dover Township Sewer Authority (the Authority) was incorporated, on May 23, 1969, under the Pennsylvania Sewer Authorities Act of 1954, PL 382, (the Act) as amended and supplemented pursuant to appropriate legal action of the Board of Supervisors of Dover Township (the Township), located in York County, Pennsylvania.

The decision to include a potential component unit in the reporting entity was made applying the criteria set forth in accounting principles generally accepted in the United States of America, which require a component unit to be included if the Authority's appointed officials are financially accountable for the component unit. The Authority is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. The Authority may be financially accountable if an organization is fiscally dependent on the Authority regardless of whether the organization has (1) a separately elected governing board; (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on these criteria, there are no other entities to be included in these financial statements as a component unit. The Authority is a component unit of the Township.

Basis of accounting and measurement focus:

The Authority prepares its financial statements on the accrual basis of accounting and is presented as an Enterprise Fund. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred. The funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities (current and noncurrent) associated with the operations of the funds are included on its statements of net position. The Enterprise Fund's statements of revenue, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Under this measurement focus, the Authority applies all Governmental Accounting Standards Board (GASB) pronouncements.

The Authority distinguishes 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 Authority's principal ongoing operations. The principal operating revenues of the Authority are lease rentals. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Use of estimates in the preparation of financial statements:

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

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Summary of significant accounting policies (continued):

Cash and cash equivalents:

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

Restricted cash and cash equivalents:

In accordance with the financial provisions of the various bond trust indentures securing Guaranteed Sewer Revenue Bonds, the debt service assets are accounted for in various accounts established by the indentures. The purpose of the accounts is to segregate the debt service asset accounts for the security of the bondholders. These accounts are maintained by an independent trustee as required by the indentures.

Grant receivable and grant revenue:

Revenue from federal, state, and local grants designated for payment of specific Authority expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Risk management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage in 2024 or 2023. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

New accounting pronouncements adopted:

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The Statement's objective is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The Authority adopted Statement No. 100 for its 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The Statement's objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority adopted Statement No. 101 for its 2024 financial statements.

Effective January 1, 2024, the Authority adopted the GASB statements above. There was no quantitative impact as a result of adopting these statements to the Authority's financial statements.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Summary of significant accounting policies (continued):

Pending GASB pronouncements:

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The Statement's objective is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The Authority will be required to adopt Statement No. 102 for its fiscal year 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The Statement's objective is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Authority will be required to adopt Statement No. 103 for its fiscal year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires capital assets held for sale be evaluated each reporting period and should disclose the ending balance of capital assets held for sale (with separate disclosure for historical cost and accumulated depreciation by major class of asset) and the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The Authority will be required to adopt Statement No. 104 for its fiscal year 2026 financial statements.

The effect of implementation of these statements on future years has not yet been determined.

2. Deposits:

Investing is performed in accordance with investment policies complying with state statutes and the Authority charter. The Pennsylvania Municipality Authorities Act requires that Authority deposits be federally insured. Deposits above the insured maximum are required to have collateral pledged in the name of the financial institution.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

2. Deposits (continued):

The Pennsylvania Municipality Authorities Act authorizes the following types of investments:

- United States treasury bills
- Obligations of the United States government and federal agencies
- Insured savings and checking accounts and certificates of deposits in banks, savings and loan associations and credit unions
- General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency or of any Pennsylvania political subdivision
- Shares of mutual funds whose investments are restricted to the above categories
- Repurchase agreements collateralized by United States treasury bills or federal agency securities
- Commercial paper issued by corporations or other business entities organized in accordance with federal and state law with a maturity not to exceed 270 days and the issuing corporation or business entity is rated in the top short-term category by at least two nationally recognized statistical rating organizations
- Bankers' acceptances that do not exceed 180 days' maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical rating organizations
- Negotiable certificates of deposit with a remaining maturity of three years or less, issued by a nationally or state-chartered bank, a federal or state savings and loan association or a state-licensed branch of a foreign bank

<u>Cash and cash equivalents, restricted</u>	<u>2024</u>	<u>2023</u> (as restated)
Pennsylvania Local Government Investment Trust (PLGIT) AAAM – Prime	\$ 1,793,875	\$ 1,702,018
Pennsylvania Local Government Investment Trust (PLGIT) AAAM – ARM	107,242	8,206,033
Government Money Market Fund	<u>6,102,536</u>	<u>1,051,369</u>
	<u><u>\$ 8,003,653</u></u>	<u><u>\$ 10,959,420</u></u>

External investment pool:

The Authority uses an external investment pool to ensure safety and maximize efficiency, liquidity and yield for Authority funds. The external investment pool is valued at amortized cost, which approximates fair value. The amortized cost method involves valuing a security at its costs on the date of purchase and recording a constant amortization or accretion to maturity of any discount or premium. The fair value of the security held by the external investment pool is evaluated at least on a weekly basis using prices supplied from an independent pricing service. These values are compared to the amortized cost of the securities.

The Authority has funds totaling \$1,901,117 and \$9,908,051 invested in PLGIT at December 31, 2024 and 2023, respectively. PLGIT separately issues audited financial statements that are available to the public via their website. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pools. At December 31, 2024 and 2023, PLGIT carries an AAAM rating and has an average maturity of less than one year.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

2. Deposits (continued):

External investment pool:

As of the years ended December 31, 2024 and 2023, the Authority had funds totaling \$6,102,536 and \$1,051,369, respectively, invested in a government money market fund. The money market fund invests at least 99.5% of its total assets in cash, U.S. government securities and/or repurchase agreements that are collateralized fully by cash or U.S. government securities as of years ended December 31, 2024 and 2023. The money market fund seeks to maintain a stable net asset value (NAV) of \$1.00 per share.

The Authority has the following recurring amortized cost measurement as of December 31, 2024 and 2023, including unfunded commitments and redemption terms as follows:

	2024			
	<u>Amortized costs</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Cash equivalents measured at amortized cost, external investment pool, PLGIT Prime ¹	\$ 1,793,875	None	2 per calendar month	0 days
Cash equivalents measured at amortized cost, external investment pool, PLGIT ARM ¹	107,242	None	None	0 days
Government Money Market Fund	6,102,536	None	None	0 days
	2023 (as restated)			
	<u>Amortized costs</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Cash equivalents measured at amortized cost, external investment pool, PLGIT Prime ¹	\$ 1,702,018	None	2 per calendar month	0 days
Cash equivalents measured at amortized cost, external investment pool, PLGIT ARM ¹	8,206,033	None	None	0 days
Government Money Market Fund	1,051,369	None	None	0 days

¹ External investment pool: This type includes pooled investments in bank repurchase agreements, certificates of deposit, U.S. treasuries and U.S. government obligations. The fair value of the investments in this type have been determined using amortized cost, which approximates fair value. Distributions from the fund will be received as the underlying investments of the funds are liquidated, which is expected to occur weekly.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

3. Grant receivable and grants revenue:

The Authority was a subrecipient of a federal award in 2024. The Commonwealth of Pennsylvania awarded the Authority with a COVID-19 ARPA H2O grant. The grant is funded by the Coronavirus State and Local Fiscal Recovery Funds which were provided to the Commonwealth of PA by the U.S. Department of Treasury through the American Rescue Plan Act. The Authority incurred eligible grant expenses in 2024 and recorded federal grant revenue and a grant receivable of \$918,050 as of December 31, 2024. Management expects to collect the entire grant reimbursement, and no losses are expected to be recorded. No grant revenue or grant receivable was recorded as of December 31, 2023.

4. Sewer revenue bonds:

Sewer revenue bond activity was as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Current Portion
Series 2019	\$ 12,060,000	\$ -	\$ (200,000)	\$ 11,860,000	\$ 2,195,000
Series 2021	7,575,000	-	(1,860,000)	5,715,000	5,000
Unamortized premium	1,230,093	-	(283,024)	947,069	-
	<u>\$ 20,865,093</u>	<u>\$ -</u>	<u>\$(2,343,024)</u>	<u>\$ 18,522,069</u>	<u>\$ 2,200,000</u>
	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Current Portion
Series 2019	\$ 14,185,000	\$ -	\$(2,125,000)	\$ 12,060,000	\$ 200,000
Series 2021	7,580,000	-	(5,000)	7,575,000	1,860,000
Unamortized premium	1,549,100	-	(319,007)	1,230,093	-
	<u>\$ 23,314,100</u>	<u>\$ -</u>	<u>\$(2,449,007)</u>	<u>\$ 20,865,093</u>	<u>\$ 2,060,000</u>

Guaranteed Sewer Revenue Bond, Series of 2019:

On April 16, 2019, the Authority issued Guaranteed Sewer Revenue Bond Series of 2019 in the aggregate principal amount of \$18,230,000 of a \$25,000,000 bond issue. The Township has guaranteed the 2019 Series with the full faith, credit and taxing power of the Township as security. Interest will accrue on the outstanding principal balance for five years from May 1, 2019 until November 1, 2030 at the annual rate of 5.50%.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

4. Sewer revenue bonds (continued):

Guaranteed Sewer Revenue Bond, Series of 2019:

The purpose of the bonds is: (i) to refund the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series of 2013 and Guaranteed Sewer Revenue Bond, Series of 2016, (ii) planning, design and construction of additions, improvements, renovations and upgrades to and the acquisition and installation of related equipment, machinery and furnishings for various buildings and facilities of the Authority, including without limitation its wastewater treatment plant and (iii) pay the costs and expenses related to issuance of the 2019 Series.

The Guaranteed Sewer Revenue Bond Series of 2019 annual debt service requirements are as follows:

	Principal	Interest	Total
2025	\$ 2,195,000	\$ 430,500	\$ 2,625,500
2026	2,250,000	341,600	2,591,600
2027	2,305,000	250,500	2,555,500
2028	2,395,000	156,500	2,551,500
2029	2,495,000	58,700	2,553,700
2030	220,000	4,400	224,400
	<u>\$ 11,860,000</u>	<u>\$ 1,242,200</u>	<u>\$ 13,102,200</u>

Guaranteed Sewer Revenue Bond, Series of 2021:

On October 27, 2021, the Authority issued Guaranteed Sewer Revenue Bond Series of 2021 in the aggregate principal amount of \$7,585,000. The Township has guaranteed the 2021 Series with the full faith, credit and taxing power of the Township as security. Interest will accrue on the outstanding principal balance from May 1, 2022 until May 1, 2023, at the annual rate of 2.00%, then increase to 5.00% until May 1, 2024, then decrease to 2.00% until May 1, 2026. Thereafter, until its final maturity in 2033, the balance will bear interest at the annual rate of 3.00%.

The purpose of the bonds is: (i) provide funds for various capital projects; (ii) refund the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series of 2015 and (iii) pay the costs and expenses related to issuance of the 2021 Series. The refunding reduces debt service payments over the next four years by \$269,000 and resulted in a savings of \$75,330 in interest.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

4. Sewer revenue bonds (continued):

Guaranteed Sewer Revenue Bond, Series of 2021:

The Guaranteed Sewer Revenue Bond Series of 2021 annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,000	\$ 171,300	\$ 176,300
2026	5,000	171,200	176,200
2027	5,000	171,075	176,075
2028	5,000	170,925	175,925
2029	5,000	170,775	175,775
2030-2033	<u>5,690,000</u>	<u>345,900</u>	<u>6,035,900</u>
	<u><u>\$ 5,715,000</u></u>	<u><u>\$ 1,201,175</u></u>	<u><u>\$ 6,916,175</u></u>

5. Lease rental payments:

On March 29, 2019, the Township entered into an Eleventh Supplemental Lease under which the Township agreed to make lease rental payments to the Trustee as security for the 2019 bonds.

On October 27, 2021, the Township entered into a Twelfth Supplemental Lease under which the Township agreed to make lease rental payments to the Trustee as security for the 2021 bonds.

The First Supplement through Tenth Supplements were for lease rental for the security of bonds that have been paid off or refinanced through additional bond issuances.

The Township operates the sewer system and has covenanted to impose and collect sewer rentals and charges sufficient, together with other available funds, to provide for the payment of such lease rentals and to pay operating costs of the sewer system. The Township has pledged the revenues and receipts of the sewer system to secure its obligations to make such lease rental payments. The lease rental payments totaled \$696,250 and \$754,300 in 2024 and 2023, respectively.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

5. Lease rental payments (continued):

The Township's minimum rentals of principal and interest for the next five years and each five years thereafter under the 2019 and 2021 supplemental leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,200,000	\$ 601,800	\$ 2,801,800
2026	2,255,000	512,800	2,767,800
2027	2,310,000	421,575	2,731,575
2028	2,400,000	327,425	2,727,425
2029	2,500,000	229,475	2,729,475
2029-2033	<u>5,910,000</u>	<u>350,300</u>	<u>6,260,300</u>
	<u><u>\$ 17,575,000</u></u>	<u><u>\$ 2,443,375</u></u>	<u><u>\$ 20,018,375</u></u>

The Authority has a formal agreement with the neighboring Townships of Manchester and West Manchester and Conewago Township Sewer Authority for use of the Township's sewage treatment plant facility. Pursuant to the agreement, the three townships are to remit to Dover Township semi-annually their portion of the annual minimum lease rentals, which are based on their allocated plant capacity which equals approximately 13.68%, 43.02% and 3.80%, respectively, of the annual lease rental payable to the Authority. This agreement also provides for the reimbursement of plant operation and maintenance costs based upon each Township's calculated flow percentages.

6. Economic dependencies:

The Authority derives a majority of its revenue from leases with the Township.

7. Construction commitments:

The Authority is subject to contractor claims in excess of approved contracts. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of a construction project. The Authority's management does not expect that the resolution of any outstanding contractor claims will have a material adverse effect on the accompanying financial statements.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

8. Restatement:

During fiscal year 2024, the Authority was notified by its custodian bank that the interest income earned in prior years was recorded incorrectly on its bank statements. This error by the bank resulted in adjustments to and restatements of the Authority's beginning net position. The bank did not record interest income of \$154,969 in 2022 and \$505,299 in 2023 resulting in restricted cash and cash equivalents and net position to be understated as of December 31, 2023. Please see the restatement below:

	2023 as previously reported	Restatement/ adjustment	2023 as restated
Statement of net position:			
Current assets, other receivable		\$ 660,268	\$ 660,268
Net position restricted for, capital projects	\$ 9,712,650	660,268	10,372,918
Statement of revenue, expenses and changes in net position:			
Net position, beginning of year	8,797,948	154,969	8,952,917
Non-operating revenue, interest income	20,624	505,299	525,923
Changes in net position	(431,433)	505,299	73,866
Net position, end of year	8,366,515	660,268	9,026,783

9. Subsequent events:

Subsequent events have been evaluated through June 18, 2025, which is the date the financial statements were available to be issued.

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024
(See independent auditor's report)

Federal grantor/ pass-through grantor/program title	Source code	Federal assistance listing number	Pass-through grantor's number	Grant period beginning/ ending date	Program or award amount	Total received (refunded) for the year	Accrued (unearned) revenue at January 1, 2024	Revenue recognized	Expenses incurred	Accrued (unearned) revenue at December 31, 2024	Passed through to subrecipients
<u>U.S. Department of Treasury</u>											
Passed through the Pennsylvania Commonwealth Financing Authority:											
Coronavirus State and Local Fiscal Recovery Funds	I	21.027	C000087881	12/19/2023 - 9/30/2026	\$ 918,050	\$ -	\$ -	\$ 918,050	\$ 918,050	\$ 918,050	\$ -
Total U.S. Department of Treasury					\$ 918,050	-	-	\$ 918,050	\$ 918,050	\$ 918,050	-
Total expenditures of federal awards					\$ 918,050	\$ -	\$ -	\$ 918,050	\$ 918,050	\$ 918,050	\$ -

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(See independent auditor's report)

Source codes:

I = Indirect funding

21.027 Coronavirus State and Local Fiscal Recovery Funds \$ 918,050

Total expenditures per above 918,050 = 100% Programs meet the 40% requirement

Notes to schedule of expenditures of federal awards:

Note 1 Significant accounting policies:

The schedule of expenditures of federal awards presents the activity of all federal award programs for the Authority for the year ended December 31, 2024. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position or changes in net position of the Authority.

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with
Government Auditing Standards

Independent Auditor's Report

Members of the Board
Dover Township Sewer Authority
Dover, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Dover Township Sewer Authority (the Authority), a component unit of Dover Township (the Township), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Brown Plus". The script is cursive and fluid.

Camp Hill, Pennsylvania
June 18, 2025

Report on Compliance for the
Major Federal Program and Report on Internal Control
Over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

Members of the Board
Dover Township Sewer Authority
Dover, Pennsylvania

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Dover Township Sewer Authority 's (the Authority), a component unit of Dover Township (the Township), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2024. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown Plus

Camp Hill, Pennsylvania
June 18, 2025

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

I. SUMMARY OF AUDITOR'S RESULTS:

Financial statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ yes X no

Identification of major programs:

Federal assistance listing numbers

Name of federal program or cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

II. FINANCIAL STATEMENT FINDINGS:

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

None

DOVER TOWNSHIP SEWER AUTHORITY
(A Component Unit of Dover Township)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2024

There were no prior year audit findings.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

DOVER TOWNSHIP SEWER AUTHORITY
(York County, Pennsylvania)
\$ _____ Guaranteed Revenue Bonds,
Series of 2025
Dated: December __, 2025

CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO
GUARANTEED SEWER REVENUE BONDS, SERIES OF 2025

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by **DOVER TOWNSHIP SEWER AUTHORITY**, York County, Pennsylvania (the “Issuer”) and the **TOWNSHIP OF DOVER**, York County, Pennsylvania (the “Guarantor”) in connection with the issuance of \$ _____ principal amount of Guaranteed Sewer Revenue Bonds, Series of 2025 (the “Bonds”). The Issuer and the Guarantor are collectively referred to herein as the “Obligated Party”. The Bonds are being issued pursuant to a Resolution of the Issuer dated October 22, 2025 and a Trust Indenture dated February 15, 1996, as amended and supplemented to date and by a Thirteenth Supplemental Trust Indenture dated April 16, 2019 between the Issuer and TD Bank, National Association, as Trustee, and an Ordinance of the Guarantor adopted on November 10, 2025 (the “Ordinance”). The Issuer and Guarantor each covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer and Guarantor for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer or the Guarantor pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Issuer and the Guarantor, respectively, or any successor Dissemination Agent designated in writing by the Issuer or Guarantor and which has filed with the Obligated Party who made such designation, a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System maintained by the MSRB.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Issuer” shall mean the Dover Township Sewer Authority.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“National Repository” shall mean EMMA and any subsequently approved nationally recognized municipal securities information repository for purposes of the Rule. Information to be filed with EMMA shall be filed at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the Commonwealth of Pennsylvania.

“State Repository” shall mean any public or private repository or entity designated by the Commonwealth as a state repository for the purpose of the Rule. As of the date of this Disclosure Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) Each Obligated Party shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year, commencing in the fiscal year ending December 31, 2025, provide to any person who requests it and to the MSRB and the State Repository (if any) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. 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 Certificate; provided, however, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date and the Issuer complies with Section 4. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB and State Repository an Annual Report by the date required in

subsection (a), the Issuer shall send a notice to the MSRB and the State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year, prior to the date for providing the Annual Report, the name and address of the State Repository, if any, and confirm the MSRB's then current designation for filing of the Annual report; and

(ii) (if the Dissemination Agent is other than the Issuer) file a report with the Obligated Party certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports.

The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) An annual update of the information contained in the Official Statement within the headings "Sewer Rates and Charges," - "Tapping Fees," and "Five Largest Customers" which may be contained within the budget for the current fiscal year without need for further cross reference; and

(c) A copy (or summary of) the budget for the current fiscal year.

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

The Guarantor's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Guarantor for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Guarantor's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial

statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) An annual update of the information contained under Appendix A of the Official Statement within the headings “Tax Rates,” “Real Property Assessment Data,” “Real Property Tax Collection Data” and “Ten Largest Real Property Taxpayers” which may be contained within the budget for the current fiscal year without need for further cross reference; and

(c) A copy (or summary of) the budget for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Guarantor or related public entities, which have been submitted to the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Guarantor shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Obligated Party shall, within ten (10) business days after the occurrence of any of any of the following events with respect to the Bonds (each a “Listed Event”), file with the EMMA system notice of the occurrence of any such event:

- (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, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) bond calls, if material, and tender offers;

- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes.
- (xii) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the Obligated Party obtains knowledge of the occurrence of a Listed Event, the Obligated Party shall as soon as possible determine if such event would be material under applicable federal securities laws.

SECTION 6. Termination of Reporting Obligation. The Obligated Party's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Each Obligated Party reserves the right to terminate its obligation to provide financial information and notices of material events as set forth above if and when such Obligated Party no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. If such termination occurs prior to the final maturity of the Bonds, the Obligated Party shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Obligated Party may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any

manner for the content of any notice or report prepared by the Obligated Party pursuant to this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Obligated Party may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of SECTION 3(a), SECTION 4, or SECTION 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Trust Indenture for amendments to the Trust Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Obligated Party shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Obligated Party. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under SECTION 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent an Obligated Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. If an Obligated Party 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 Certificate, the Obligated Party shall have no obligation under this Certificate 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 an Obligated Party to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Obligated Party to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under either the Bonds or the Trust Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Obligated Party to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and any agreement executed by an Obligated Party and a Dissemination Agent designated by such Obligated Party pursuant to Section 7 of this Agreement. The obligations of each Obligated Party under this Section shall survive resignation or removal of any Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of each Obligated Party, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Certificate shall also inure to the benefit of any Dissemination Agent designated by any Obligated Party from time to time.

SECTION 13. All requests for reports, notices and disclosures required to be given hereunder shall be in writing and shall be addressed as follows:

If the Issuer:

Dover Township Sewer Authority
851 Graffius Road
York, PA 17404

If the Guarantor:

Township of Dover
2480 West Canal Road
Dover, PA 17315

Each Obligated Party may, from time to time, change its address by giving written notice of such change of address in accordance with the provisions of any applicable law or regulation and, in the absence of such law or regulation, by giving written notice of such change of address to the other Obligated Party, to any Dissemination Agent and to the Repository.

[Signature Page Follows]

DOVER TOWNSHIP SEWER AUTHORITY

Date: December __, 2025

By: _____
Chairman

TOWNSHIP OF DOVER

Date: December __, 2025

By: _____
Chairman of Board of Supervisors

EXHIBIT A-1

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Dover Township Sewer Authority

\$ _____ Principal Amount Guaranteed Sewer Revenue
Bonds, Series of 2025

Date of Issuance: December __, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated as of December __, 2025 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Date: _____

DOVER TOWNSHIP SEWER AUTHORITY

By: _____

EXHIBIT A-2

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Guarantor: Township of Dover

Name of Bond Issue: \$_____ Principal Amount Guaranteed Sewer Revenue
Bonds, Series of 2025

Date of Issuance: December __, 2025

NOTICE IS HEREBY GIVEN that the Guarantor has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated as of December __, 2025, by the Guarantor. The Guarantor anticipates that the Annual Report will be filed by _____.

Date: _____

TOWNSHIP OF DOVER

By: _____