

Arbitrage Rebate Counselors, LLC

Arbitrage Rebate Compliance for Issuers of Tax-Exempt Bonds

September 9, 2024

Steve Repasch, Executive Director
Bethlehem Authority
City Administration Bldg., Rm. B311
10 East Church Street
Bethlehem, PA 18018

Re: \$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022
2nd Annual Arbitrage Report for the period August 31, 2023 to August 31, 2024

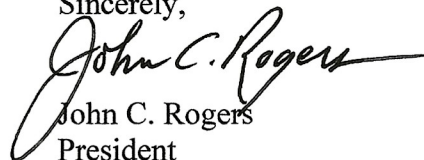
Dear Mr. Repasch:

Please find attached the "2nd Annual Arbitrage Report" for the above-referenced 2022 Bonds.

The 2nd Annual Arbitrage Report shows that Bethlehem Authority **had not incurred an arbitrage liability** on the 2022 Bonds as of August 31, 2024. Although the Construction Fund earned an arbitrage profit of \$58,392.75 (see Page C-2), this liability was offset by a \$73,733.92 loss in the escrow fund established to refund the Authority's 2014 Bonds. The result is as a \$15,341.17 arbitrage credit as of August 31, 2024.

Please note that the next annual arbitrage report for the Series 2022 Bonds is due August 31, 2025.

Sincerely,



John C. Rogers
President

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022

2nd Annual Arbitrage Report
For the Period August 31, 2023 to August 31, 2024

September 9, 2024

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022

Sources and Uses of Funds Upon Issuance of the 2022 Bonds

Sources of Funds:

Par Amount of 2017 Bonds	\$27,100,000.00
Plus: Net Original Issue Premium	3,844,483.05
Existing Debt Service Reserve Fund	7,395,685.81
DSRF Termination Payment	<u>710,000.00</u>
	<u>\$39,050,168.86</u>

Uses of Funds:

Redemption of 2014 Bonds	\$28,668,533.80
Capital Improvements	9,859,006.00
Costs of Issuance	<u>522,629.06</u>
	<u>\$39,050,168.86</u>

Note:

(1) Source: Official Statement for the 2022 Bonds, dated June 9, 2022.

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022

Pricing Report - 2022 Bonds

Dated Date:	8/17/2022	Principal	Interest	Yield	Price	Bond	Production
Issuance Date:	8/17/2022	Amount	Rate			Years	
	11/15/2029	\$5,285,000.00	5.000%	2.620%	115.607%	38,286.89	\$824,829.950
	11/15/2030	5,545,000.00	5.000%	2.710%	116.813%	45,715.44	932,280.850
	11/15/2031	4,890,000.00	5.000%	2.810%	116.012%	45,205.33	782,986.800
	11/15/2032	4,600,000.00	5.000%	2.900%	115.296%	47,124.44	703,616.000
	11/15/2033	1,230,000.00	5.000%	3.020%	114.350%	13,830.67	176,505.000
	11/15/2034	1,290,000.00	5.000%	3.130%	113.491%	15,795.33	174,033.900
	11/15/2035	1,355,000.00	5.000%	3.170%	113.180%	17,946.22	178,589.000
	11/15/2036	1,425,000.00	5.000%	3.640%	102.539%	20,298.33	36,180.750
	11/15/2037	1,480,000.00	4.000%	3.660%	102.396%	22,561.78	35,460.800
		<u>\$27,100,000.00</u>				<u>266,764.44</u>	<u>\$3,844,483.05</u>

Principal Amount	\$27,100,000.00
Plus: Original	3,844,483.05
Issue Premium	<u>\$30,944,483.05</u>
Gross Interest Cost	\$12,909,621.11
Less: Original	(3,844,483.05)
Issue Premium	<u>\$9,065,138.06</u>
NIC %	3.3982%
Bond Years	266,764.44
Average Coupon	4.8393%
Average Life (Years)	9.84

Note: (1) Source: Official Statement for the 2022 Bonds, dated June 9, 2022.

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022
2022 Bonds - Debt Service Payable

Dated Date:	8/17/2022	Principal Amount	Interest Rate	Interest	Semiannual Debt Service	Annual Debt Service
First Interest Payment Date:	11/15/2022					
Date						
11/15/2022				\$324,121.11	\$324,121.11	\$324,121.11
5/15/2023				662,975.00	662,975.00	662,975.00
11/15/2023				662,975.00	662,975.00	1,325,950.00
5/15/2024				662,975.00	662,975.00	662,975.00
11/15/2024				662,975.00	662,975.00	1,325,950.00
5/15/2025				662,975.00	662,975.00	662,975.00
11/15/2025				662,975.00	662,975.00	1,325,950.00
5/15/2026				662,975.00	662,975.00	662,975.00
11/15/2026				662,975.00	662,975.00	1,325,950.00
5/15/2027				662,975.00	662,975.00	662,975.00
11/15/2027				662,975.00	662,975.00	1,325,950.00
5/15/2028				662,975.00	662,975.00	662,975.00
11/15/2028				662,975.00	662,975.00	1,325,950.00
5/15/2029				662,975.00	662,975.00	662,975.00
11/15/2029	\$5,285,000.00		5.00%	662,975.00	5,947,975.00	6,610,950.00
5/15/2030				530,850.00	530,850.00	530,850.00
11/15/2030	5,545,000.00		5.00%	530,850.00	6,075,850.00	6,606,700.00
5/15/2031				392,225.00	392,225.00	392,225.00
11/15/2031	4,890,000.00		5.00%	392,225.00	5,282,225.00	5,674,450.00
5/15/2032				269,975.00	269,975.00	269,975.00
11/15/2032	4,600,000.00		5.00%	269,975.00	4,869,975.00	5,139,950.00
5/15/2033				154,975.00	154,975.00	154,975.00
11/15/2033	1,230,000.00		5.00%	154,975.00	1,384,975.00	1,539,950.00
5/15/2034				124,225.00	124,225.00	124,225.00
11/15/2034	1,290,000.00		5.00%	124,225.00	1,414,225.00	1,538,450.00
5/15/2035				91,975.00	91,975.00	91,975.00
11/15/2035	1,355,000.00		5.00%	91,975.00	1,446,975.00	1,538,950.00
5/15/2036				58,100.00	58,100.00	58,100.00
11/15/2036	1,425,000.00		4.00%	58,100.00	1,483,100.00	1,541,200.00
5/15/2037				29,600.00	29,600.00	29,600.00
11/15/2037	1,480,000.00		4.00%	29,600.00	1,509,600.00	1,539,200.00
	\$27,100,000.00			\$12,909,621.11	\$40,009,621.11	\$40,009,621.11

Note: (1) Source: Official Statement for the 2022 Bonds, dated June 9, 2022.

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022
2022 Bonds - Debt Service Payable - Yield to Call

Dated Date: First Interest Payment Date:	Date	Principal Amount	Interest Rate	Principal Amount	Interest Rate	Interest Amount	Semiannual Debt Service	Annual Debt Service
	11/15/2022					\$324,121.11	\$324,121.11	\$324,121.11
	5/15/2023					662,975.00	662,975.00	1,325,950.00
	11/15/2023					662,975.00	662,975.00	1,325,950.00
	5/15/2024					662,975.00	662,975.00	1,325,950.00
	11/15/2024					662,975.00	662,975.00	1,325,950.00
	5/15/2025					662,975.00	662,975.00	1,325,950.00
	11/15/2025					662,975.00	662,975.00	1,325,950.00
	5/15/2026					662,975.00	662,975.00	1,325,950.00
	11/15/2026					662,975.00	662,975.00	1,325,950.00
	5/15/2027					662,975.00	662,975.00	1,325,950.00
	11/15/2027					662,975.00	662,975.00	1,325,950.00
	5/15/2028					662,975.00	662,975.00	1,325,950.00
	11/15/2028					662,975.00	662,975.00	1,325,950.00
	5/15/2029					662,975.00	662,975.00	1,325,950.00
	11/15/2029	\$5,285,000.00	5.00%			662,975.00	5,947,975.00	6,610,950.00
	5/15/2030					530,850.00	530,850.00	
	11/15/2030	18,910,000.00	5.00%	\$2,905,000.00	4.00%	530,850.00	22,345,850.00	22,876,700.00
		<u>\$24,195,000.00</u>		<u>\$2,905,000.00</u>		<u>\$10,667,471.11</u>	<u>\$37,767,471.11</u>	<u>\$37,767,471.11</u>

Note: (1) Source: Official Statement for the 2022 Bonds, dated June 9, 2022.

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022

Proof of Yield - 2022 Bonds

P.V. Date: 8/17/2022
2022 Bond Yield: 2.93101917%

<u>Date (1)</u>	<u>Semiannual Debt Service (1)</u>	<u>Muni Days To Computation Date</u>	<u>P.V. Factor</u>	<u>Present Value</u>
11/15/2022	\$324,121.11	88	0.99291251	\$321,823.91
5/15/2023	662,975.00	268	0.97857146	648,768.41
11/15/2023	662,975.00	448	0.96443753	639,397.97
5/15/2024	662,975.00	628	0.95050775	630,162.88
11/15/2024	662,975.00	808	0.93677916	621,061.16
5/15/2025	662,975.00	988	0.92324886	612,090.91
11/15/2025	662,975.00	1168	0.90991398	603,250.22
5/15/2026	662,975.00	1348	0.89677171	594,537.22
11/15/2026	662,975.00	1528	0.88381925	585,950.07
5/15/2027	662,975.00	1708	0.87105387	577,486.94
11/15/2027	662,975.00	1888	0.85847287	569,146.05
5/15/2028	662,975.00	2068	0.84607358	560,925.63
11/15/2028	662,975.00	2248	0.83385338	552,823.95
5/15/2029	662,975.00	2428	0.82180968	544,839.27
11/15/2029	5,947,975.00	2608	0.80993993	4,817,502.48
5/15/2030	530,850.00	2788	0.79824163	423,746.57
11/15/2030	<u>22,345,850.00</u>	2968	0.78671228	<u>17,579,754.67</u>
Total	<u>\$37,767,471.11</u>			<u>\$30,883,268.33</u> (2)

Notes: (1) See Page B-2 (B).

(2) \$30,883,268.33 = \$27,100,000.00 [Principal Amount of 2022 Bonds] + \$3,844,483.05
[Original Issue Premium on 2022 Bonds] - \$61,214.72 [Bond Insurance Premium].

\$27,100,000
Bethlehem Authority
Guaranteed Water Revenue Bonds, Series of 2022

Arbitrage Credit - 2nd Annual Computation Period

Construction Fund (1)	\$58,392.75
Escrow Fund For Refunded Bonds (2)	<u>(73,733.92)</u>
Total	<u>(\$15,341.17)</u>

Notes:

(1) See Page C-2.

(2) See Page C-3.

Arbitrage Credit - 2022 Bonds - Annual Computation Period

Notes: (1) See Page B-3.
(2) Source: Trust Fund statements of Bank of New York Mellon, Philadelphia, Pennsylvania.

Escrow Account for Refunded Bonds

Notes: (1) See Page B-3.
(2) Source: Verification Report, Exhibit D.