

# Arbitrage Rebate Counselors, LLC

*Arbitrage Rebate Compliance for Issuers of Tax-Exempt Bonds*

September 13, 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

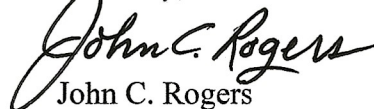
Dear Mr. Repasch:

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

The 2<sup>nd</sup> Annual Arbitrage Report shows that Bethlehem Authority **incurred a \$92,685.21 arbitrage liability** on the 2022 Bonds 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

32 Whitemarsh Road, Ardmore, PA 19003 Tel. 610-764-7998 Email:

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

2<sup>nd</sup> Annual Arbitrage Report  
For the Period August 31, 2023 to August 31, 2024

September 13, 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	<u>1,480,000.00</u>	4.000%	3.660%	102.396%	<u>22,561.78</u>	<u>35,460.800</u>
		<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.

Dated Date:	8/17/2022
First Interest	
Payment Date:	11/15/2022

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

Dated Date:	8/17/2022
First Interest	
Payment Date:	11/15/2022

**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)	\$166,419.13
Escrow Fund For Refunded Bonds (2)	<u>(73,733.92)</u>
Total	<u>\$92,685.21</u>

Notes:

(1) See Page C-2.

(2) See Page C-3.



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

Arbitrage Credit - 2022 Bonds - 2nd Annual Computation Period

2nd Annual Computation Date: 2022 Bond Yield (1):	8/31/2024 2.93101917%	Transaction Description (2)	Invested (-) / Disbursed (+) (2)	Interest (2)	Realized Gain	Annual Computation Credit	Total	Balance (1)	Muni Days To Compu- tation Date	2022 Bond Yield		Investment Yield:	5.68808800%
										F.V. Factor	Future Value		
8/31/2023		Prior Arbitrage Liability (3)					<u>\$46,196.82</u>		360	1.02952496	<u>\$47,560.78</u>		
8/31/2023		Balance	(\$9,006,069.63)	\$0.00	\$0.00	\$0.00	(\$9,006,069.63)	\$9,006,069.63	360	1.02952496	(\$9,271,973.51)		(\$9,525,627.43)
9/5/2023		Div. Earn (+) / Reinvst. (-)	(13,304.79)	13,304.79	0.00	0.00	0.00	9,019,374.42	356	1.02919217	0.00		0.00
9/8/2023		Transfer Out	3,000,000.00	0.00	0.00	0.00	3,000,000.00	6,019,374.42	353	1.02894264	3,086,827.92		3,169,610.61
10/2/2023		Requisition	338,174.54	0.00	0.00	0.00	338,174.54	5,681,199.88	329	1.02694860	347,287.87		355,960.39
10/3/2023		Div. Earn (+) / Reinvst. (-)	(20,542.99)	20,542.99	0.00	0.00	0.00	5,701,742.87	328	1.02686560	0.00		0.00
11/1/2023		Requisition	502,473.22	0.00	0.00	0.00	502,473.22	5,199,269.65	300	1.02454428	514,806.07		526,515.91
11/2/2023		Div. Earn (+) / Reinvst. (-)	(12,492.43)	12,492.43	0.00	0.00	0.00	5,211,762.08	299	1.02446148	0.00		0.00
11/15/2023		Requisition	287,383.00	0.00	0.00	0.00	287,383.00	4,924,379.08	286	1.02338560	294,103.62		300,477.79
12/4/2023		Div. Earn (+) / Reinvst. (-)	(9,309.31)	9,309.31	0.00	0.00	0.00	4,933,688.39	267	1.02181519	0.00		0.00
12/19/2023		Requisition	183,058.38	0.00	0.00	0.00	183,058.38	4,750,630.01	252	1.02057710	186,825.19		190,388.37
1/3/2024		Div. Earn (+) / Reinvst. (-)	(8,678.44)	8,678.44	0.00	0.00	0.00	4,759,308.45	238	1.01942289	0.00		0.00
1/17/2024		Requisition	8,008.98	0.00	0.00	0.00	8,008.98	4,751,299.47	224	1.01827000	8,155.30		8,293.42
2/2/2024		Div. Earn (+) / Reinvst. (-)	(8,186.76)	8,186.76	0.00	0.00	0.00	4,759,486.23	209	1.01703620	0.00		0.00
2/14/2024		Requisition	439,848.02	0.00	0.00	0.00	439,848.02	4,319,638.21	197	1.01605024	446,907.69		453,557.17
3/4/2024		Div. Earn (+) / Reinvst. (-)	(6,646.41)	6,646.41	0.00	0.00	0.00	4,326,284.62	177	1.01440909	0.00		0.00
3/20/2024		Requisition	313,759.85	0.00	0.00	0.00	313,759.85	4,012,524.77	161	1.01309808	317,869.50		321,729.54
4/2/2024		Div. Earn (+) / Reinvst. (-)	(5,708.22)	5,708.22	0.00	0.00	0.00	4,018,232.99	149	1.01211594	0.00		0.00
4/16/2024		Requisition	222,013.59	0.00	0.00	0.00	222,013.59	3,796,219.40	135	1.01097131	224,449.37		226,732.57
4/18/2024		Int. Earn (+) / Reinvst. (-)	(91,290.00)	91,290.00	0.00	0.00	0.00	3,887,509.40	133	1.01080790	0.00		0.00
5/2/2024		Div. Earn (+) / Reinvst. (-)	(8,667.27)	8,667.27	0.00	0.00	0.00	3,896,176.67	119	1.00966474	0.00		0.00
5/14/2024		Requisition	490,830.44	0.00	0.00	0.00	490,830.44	3,405,346.23	107	1.00868593	495,093.76		499,081.32
6/4/2024		Div. Earn (+) / Reinvst. (-)	(11,574.00)	11,574.00	0.00	0.00	0.00	3,416,920.23	87	1.00591777	0.00		0.00
6/18/2024		Requisition	133,595.42	0.00	0.00	0.00	133,595.42	3,283,324.81	73	1.00591777	134,386.01		135,123.50
7/2/2024		Div. Earn (+) / Reinvst. (-)	(10,114.81)	10,114.81	0.00	0.00	0.00	3,293,439.62	59	1.00478014	0.00		0.00
7/17/2024		Requisition	338,686.00	0.00	0.00	0.00	338,686.00	2,954,753.62	44	1.00356269	339,892.63		341,015.70
8/2/2024		Div. Earn (+) / Reinvst. (-)	(9,436.34)	9,436.34	0.00	0.00	0.00	2,964,189.96	29	1.00234671	0.00		0.00
8/8/2024		Requisition	488,253.30	0.00	0.00	0.00	488,253.30	2,475,936.66	23	1.00186074	489,161.81		490,006.02
8/15/2024		Int. Earn (+) / Reinvst. (-)	(10,000.00)	10,000.00	0.00	0.00	0.00	2,485,936.66	16	1.00129406	0.00		0.00
8/31/2024		Annual Comput Credit	0.00	0.00	0.00	(2,070.00)	(2,070.00)	2,485,936.66	0	1.00000000	(2,070.00)		0.00
8/31/2024		Balance (4)	2,485,936.66	21,198.46	0.00	0.00	2,507,135.12	0.00	0	1.00000000	2,507,135.12		2,507,135.12
			<u>\$0.00</u>	<u>\$247,150.23</u>	<u>\$0.00</u>	<u>(\$2,070.00)</u>	<u>\$245,080.23</u>				<u>\$118,858.35</u>		<u>\$0.00</u>
													<u>\$166,419.13</u>

Arbitrage Liability

Cumulative Arbitrage Liability

Notes: (1) See Page B-3.  
(2) Source: Trust Fund statements of Bank of New York Mellon, Philadelphia, Pennsylvania.  
(3) See Page C-2 of Prior Arbitrage Report.  
(4) Balance includes \$21,198.46 accrued interest on Fannie Mae Discount Notes due 11/15/2024.

## Escrow Account for Refunded Bonds

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