

TOWNSHIP OF BETHLEHEM

**Financial Statements,
Independent Auditor's Report
and Supplementary Information**

December 31, 2024

**TOWNSHIP OF BETHLEHEM
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
Township of Bethlehem
Bethlehem, PA

Report on the Audited Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Bethlehem, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Township of Bethlehem's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Bethlehem, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Bethlehem Township Municipal Authority, which represent 74.61%, 71.06% and 11.85%, respectively, of the assets, net position and revenues of the business-type activities and represent 0.89%, 0.89% and 4.45%, respectively, of the assets, net position and additions of the fiduciary-type activities. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Bethlehem Township Municipal Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with 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. 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 Township of Bethlehem and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Township of Bethlehem'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 Township of Bethlehem'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.

Report on Summarized Comparative Information

We have previously audited Township of Bethlehem's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-10, and the budgetary comparison, pension and other postemployment benefit information on pages 72-86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township of Bethlehem's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 August 13, 2025 on our consideration of Township of Bethlehem'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 Township of Bethlehem's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Bethlehem's internal control over financial reporting and compliance.

Campbell, Rappold & Yucasita LLP

August 13, 2025

**TOWNSHIP OF BETHLEHEM
2024 FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Township of Bethlehem's discussion and analysis provides an overview of the Township's financial activities for the fiscal year ended December 31, 2024. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Township's financial statements beginning on page 11.

FINANCIAL HIGHLIGHTS

- The net position all government funds (excluding pensions and custodial funds) increased by \$3,632,092 during 2024. This is primarily due to Act 511 Tax Proceeds, Permits and Federal, State and Local grants.
- The General Fund balance decreased \$569,738 during 2024.
- The net position of the Sewer fund increased by \$335,937 during 2024.
- The net position of the Stormwater fund increased by \$950,496 during 2024.

USING THIS ANNUAL REPORT

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 11-12 provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. Since Township of Bethlehem is a general purpose government we have elected to combine fund financial statements into government-wide financial statements for single presentation. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

REPORTING ON THE TOWNSHIP AS A WHOLE

The analysis of the Township as a whole begins on page 11. One of the most important questions asked about the Township's finances is "is the Township as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net position and changes in them. You can think of the Township's net position – the difference between assets and liabilities – as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Township's property tax base and the condition of the Township's roads, to assess the overall health of the Township.

**TOWNSHIP OF BETHLEHEM
2024 FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In the Statement of Net Position and the Statement of Activities, the Township presents Governmental and Business-Type Activities. All of the Township's basic services are reported here. The Township's Governmental Activities include the General Fund, Special Revenue Fund (includes State Liquid Fuels Fund, Fire Fund and D.A.R.E.-Canine Fund) and Capital Projects Fund (includes Capital Reserve Fund and Parks and Recreation Fund). These fund types are explained in more detail on pages 23-24. The Township has two Business Type Activities which are its Sewer Fund and Stormwater Fund.

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

Our analysis of the Township's governmental funds begins on page 13 and provides detailed information about the most significant funds – General Fund, Capital Projects Funds and Special Revenue Funds - not the Township as a whole. All of the Township's basic services are reported in the general fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting. The general fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

THE TOWNSHIP AS TRUSTEE

The Township is the trustee, or fiduciary, over its employees' pension trust funds. It is also responsible for other assets which can only be used for the depositors based on the trust agreement with those depositors. All of the Township's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 20-21. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

TOWNSHIP OF BETHLEHEM AS A WHOLE

Township of Bethlehem's combined net position increased from \$52,807,466 in 2023 to \$56,439,558 in 2024, or a net increase of \$3,632,092, mainly due to Act 511 Tax Proceeds, Permits and Federal, State and Local grants.

**TOWNSHIP OF BETHLEHEM
2024 FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our analysis below focuses on the net position and changes in net position of the Township's governmental and business type activities.

	<u>Governmental</u> <u>Funds</u> <u>2024</u>	<u>Business-</u> <u>Type</u> <u>Activities</u> <u>2024</u>	<u>Government</u> <u>Wide</u> <u>2024</u>
Current and Other Assets	\$ 14,982,178	\$ 8,262,861	\$ 23,245,039
Capital Assets, Net	37,209,632	10,699,536	47,909,168
Total Assets	<u>\$ 52,191,810</u>	<u>\$ 18,962,397</u>	<u>\$ 71,154,207</u>
 Total Deferred Outflows of Resources	 <u>\$ 2,048,936</u>	 <u>\$ -</u>	 <u>\$ 2,048,936</u>
 Current Liabilities	 \$ 2,790,380	 \$ 1,521,978	 \$ 4,312,358
Long-Term Liabilities	6,004,756	5,256,031	11,260,787
Total Liabilities	<u>\$ 8,795,136</u>	<u>\$ 6,778,009</u>	<u>\$ 15,573,145</u>
 Total Deferred Inflows of Resources	 <u>\$ 1,190,440</u>	 <u>\$ -</u>	 <u>\$ 1,190,440</u>
 Invested in Capital Assets, Net of Debt	 \$ 33,651,718	 \$ 4,783,320	 \$ 38,435,038
Restricted	6,237,101	-	6,237,101
Unrestricted	4,366,351	7,401,068	11,767,419
Total Net Position	<u>\$ 44,255,170</u>	<u>\$ 12,184,388</u>	<u>\$ 56,439,558</u>

Net position of the Township's government activities increased by 5.60% in 2024. Therefore, the Township increased its net position for governmental activities by \$2,345,659 in 2024.

The net position of the Township's Business-Type Activities increased by 11.80%. Accordingly, the Township increased its net position for Business Type Activities by \$1,286,433. The unrestricted net position – that part of net position that can be used to finance daily business type activities is \$7,401,068 at the end of 2024.

	<u>Governmental</u> <u>Funds</u> <u>2024</u>	<u>Business-</u> <u>Type</u> <u>Activities</u> <u>2024</u>	<u>Government</u> <u>Wide</u> <u>2024</u>
<u>Revenue</u>			
Charges for Services	\$ 1,440,072	\$ 8,600,004	\$ 10,040,076
Operating Grants and Contributions	2,008,978	-	2,008,978
Capital Grants and Contributions	843,439	-	843,439
Taxes	16,471,325	-	16,471,325
Licenses and Permits	1,213,623	-	1,213,623
Fines and Forfeits	78,976	-	78,976
Miscellaneous Income	1,059,982	-	1,059,982
Interest Income	560,970	265,380	826,350
Total Revenue	<u>\$ 23,677,365</u>	<u>\$ 8,865,384</u>	<u>\$ 32,542,749</u>
 <u>Expenditures</u>			
General Government	\$ 9,708,106	\$ -	\$ 9,708,106
Public Safety	5,521,403	-	5,521,403
Public Works	2,037,477	7,008,669	9,046,146
Cultural and Recreation	1,480,976	-	1,480,976
Interest on Long-Term Debt	64,298	168,326	232,624
Unallocated Depreciation	2,370,560	327,995	2,698,555
Bad Debt Expense	-	222,847	222,847
Total Expenses	<u>\$ 21,182,820</u>	<u>\$ 7,727,837</u>	<u>\$ 28,910,657</u>
 Transfers	 <u>(148,886)</u>	 <u>148,886</u>	 <u>-</u>
 Change in Net Position	 <u>\$ 2,345,659</u>	 <u>\$ 1,286,433</u>	 <u>\$ 3,632,092</u>

**TOWNSHIP OF BETHLEHEM
2024 FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Overall, the Township's governmental program revenues, including intergovernmental aid increased from \$23,268,412 in 2023 to \$23,677,365 in 2024 primarily due to Act 511 Tax Proceeds, Permits and Federal, State and Local grants.

Business-Type revenue decreased by \$67,100 in 2024 from 2023.

Governmental Activities

The cost of all governmental activities (government-wide activities) in 2024 was \$21,182,820 compared to \$19,946,336 in 2023. The increase in cost is mainly costs associated with the repairs and maintenance of related capital improvements and equipment. As shown in the Statement of Activities on page 12, the amount our taxpayers ultimately financed for these activities through Township taxes, fines, licenses, and other revenue was \$17,763,924. Some of the cost was paid by those who directly benefitted from the program which amounted to \$1,440,072. Other governments and organizations that subsidized certain programs with grants and contributions amounted to \$2,852,417.

Business-Type Activities

Overall, the Sewer and Stormwater Funds (business type activities) net position increased from \$10,897,955 in 2023 to \$12,184,388 in 2024.

The following table presents the cost of each of the Township's largest programs (General Government, Public Safety, Public Works, Culture and Recreation) and business-type activities as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Township's taxpayers by each of these functions.

		Charges	Operating	Capital	<u>2024</u> Net (Revenue)
	Expenses	For Service	Grants	Grants	Expense
General Government	\$ 9,708,106	\$ 57,036	\$ 769,323	\$ 7,580	\$ 8,874,167
Public Safety	5,521,403	135,592	353,325	535,759	4,496,727
Public Works	2,037,477	16,939	886,330	225,100	909,108
Culture and Recreation	1,480,976	1,230,505	-	75,000	175,471
Sewer and Stormwater	7,727,837	8,600,004	-	-	(872,167)

TOWNSHIP OF BETHLEHEM FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a fund balance of \$13,518,712.

A significant contributor to the fund balance is the operating grants and contributions received in 2024. The year end fund balance consists of \$6,046,362 in unassigned funds, \$3,822,263 in restricted funds, \$590,272 in committed funds and \$3,059,815 in assigned funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenue of the general fund (the main operating fund of the Township) was \$639,653 above budget projections, with the largest increase seen in charges for services.

**TOWNSHIP OF BETHLEHEM
2024 FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The actual expenditures of the general fund were \$1,253,589 below budget amounts. The most significant favorable variances were \$220,717 in general government and \$1,182,162 was in public works – highways and streets.

CAPITAL PROJECTS AND DEBT ADMINISTRATION

Debt

Long-term debt includes notes payable maturing at various dates through April 2027 related to refinance of previous notes and financing capital improvements. Long-term debt balance at December 31, 2024 is \$1,736,164.

At December 31, 2024, the Township has lease obligations of \$71,750 and financed purchase obligations of \$1,797,917.

The Township is also liable for lease rental debt with the Bethlehem Township Municipal Authority maturing at various dates thru October 2044. Lease rental debt balance at December 31, 2024 is \$5,488,399.

BETHLEHEM TOWNSHIP DEMOGRAPHICS & ECONOMIC OUTLOOK

July 2023 US Census data estimate the population of Township of Bethlehem is 26,012 with 10,114 housing units and 636 businesses.

81.1 percent of the population is above 18 and 20.9 percent of the population is above 65.

The per capita income is \$54,025. The median household income is \$114,898.

The median home value is \$347,400, of which 82 percent are owner occupied and 18 percent are rental units.

Township of Bethlehem has a total of 636 businesses. In 2023, the leading industries were Health Care, Social Services, Transportation and Warehousing.

As of December 2024, the assessed value of all property in Township of Bethlehem is \$958,391,300. An **assessed** value is the dollar value assigned to a property to measure applicable taxes. **Assessed valuation** determines the value of a residence for tax purposes and takes comparable home sales and inspections into consideration. It is the price placed on a home by the corresponding government municipality to calculate property taxes.

**TOWNSHIP OF BETHLEHEM
2024 FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed in writing to the Township Manager, 4225 Easton Avenue, Bethlehem, PA 18020.

TOWNSHIP OF BETHLEHEM
STATEMENT OF NET POSITION
DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	2024 Total	2023 Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 5,729,291	\$ 7,272,154	\$ 13,001,445	\$ 11,246,070
Investments	7,111,692	400,000	7,511,692	8,310,334
Accounts Receivable, Net	-	590,707	590,707	916,533
Taxes Receivable, Net	1,323,013	-	1,323,013	1,264,486
Lease Receivable	15,637	-	15,637	14,449
Internal Balances	802,545	-	802,545	8,846
Total Current Assets	14,982,178	8,262,861	23,245,039	21,760,718
Noncurrent Assets:				
Land	4,059,744	-	4,059,744	4,059,744
Building and Building Improvements	26,742,685	-	26,742,685	25,319,391
Parks	7,174,489	-	7,174,489	6,659,904
Vehicles and Equipment	23,696,079	2,204,384	25,900,463	23,835,637
Road and Systems Improvements	11,902,739	-	11,902,739	11,313,325
Storm Sewer and Drainage	2,111,153	-	2,111,153	2,111,153
Sewer System	-	8,442,385	8,442,385	8,246,579
Stormwater System	-	3,489,765	3,489,765	2,671,245
Right-of-Use Assets	110,877	-	110,877	82,929
Accumulated Depreciation	(38,968,034)	(3,436,998)	(42,405,032)	(39,761,900)
Lease Receivable	379,900	-	379,900	395,537
Total Noncurrent Assets	37,209,632	10,699,536	47,909,168	44,933,544
TOTAL ASSETS	52,191,810	18,962,397	71,154,207	66,694,262
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension	1,997,114	-	1,997,114	3,348,024
Deferred Outflows of Resources - OPEB	51,822	-	51,822	57,883
Total Deferred Outflows of Resources	2,048,936	-	2,048,936	3,405,907
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,116,123	-	1,116,123	998,681
Accrued Expenses	330,955	49,216	380,171	262,246
Internal Balances	751	801,794	802,545	3,586
Current Portion of Lease Obligations	21,901	-	21,901	8,472
Current Portion of Financed Purchase Obligations	347,457	132,550	480,007	310,938
Current Portion of Notes Payable	973,193	24,477	997,670	1,946,316
Current Portion of Authority Loans Payable	-	513,941	513,941	433,049
Total Current Liabilities	2,790,380	1,521,978	4,312,358	3,963,288
Noncurrent Liabilities:				
Net Pension Liability	3,543,733	-	3,543,733	4,166,967
Net OPEB Liability	472,961	-	472,961	536,776
Compensated Absences Provision	152,599	10,783	163,382	140,388
Notes Payable	738,494	-	738,494	1,735,405
Lease Obligations	49,849	-	49,849	14,751
Financed Purchase Obligations	1,047,120	270,790	1,317,910	952,505
Authority Loans Payable	-	4,974,458	4,974,458	4,232,913
Total Noncurrent Liabilities	6,004,756	5,256,031	11,260,787	11,779,705
TOTAL LIABILITIES	8,795,136	6,778,009	15,573,145	15,742,993
Deferred Inflows of Resources				
Deferred Revenue	118,230	-	118,230	171,010
Deferred Inflows of Resources - Lease	313,312	-	313,312	334,103
Deferred Inflows of Resources - Pension	618,990	-	618,990	947,354
Deferred Inflows of Resources - OPEB	139,908	-	139,908	97,243
Deferred Inflows of Resources	1,190,440	-	1,190,440	1,549,710
NET POSITION				
Invested in Capital Assets, Net of Related Debt	33,651,718	4,783,320	38,435,038	39,569,620
Restricted for:				
Capital Projects	5,479,215	-	5,479,215	5,790,528
Special Revenue	757,886	-	757,886	588,180
Unassigned	4,366,351	7,401,068	11,767,419	6,859,138
TOTAL NET POSITION	\$ 44,255,170	\$ 12,184,388	\$ 56,439,558	\$ 52,807,466

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF BETHLEHEM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		2024 Total	2023 Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		
Governmental Activities:								
General Government	\$ 9,708,106	\$ 57,036	\$ 769,323	\$ 7,580	\$ (8,874,167)	\$ -	\$ (8,874,167)	\$ (8,550,287)
Public Safety	5,521,403	135,592	353,325	535,759	(4,496,727)	-	(4,496,727)	(4,421,290)
Public Works	2,037,477	16,939	886,330	225,100	(909,108)	-	(909,108)	(905,219)
Cultural and Recreation	1,480,976	1,230,505	-	75,000	(175,471)	-	(175,471)	221,516
Interest on Long-Term Debt	64,298	-	-	-	(64,298)	-	(64,298)	(80,459)
Unallocated Depreciation	2,370,560	-	-	-	(2,370,560)	-	(2,370,560)	(2,141,487)
Total Governmental Activities	21,182,820	1,440,072	2,008,978	843,439	(16,890,331)	-	(16,890,331)	(15,877,226)
Business Type Activities:								
Sewer	6,326,736	6,263,522	-	-	-	(63,214)	(63,214)	628,450
Stormwater	1,401,101	2,336,482	-	-	-	935,381	935,381	1,104,576
Total Business-Type Activities	7,727,837	8,600,004	-	-	-	872,167	872,167	1,733,026
Total Primary Government	\$ 28,910,657	\$ 10,040,076	\$ 2,008,978	\$ 843,439	\$ (16,890,331)	\$ 872,167	\$ (16,018,164)	\$ (14,144,200)
General Revenues:								
Taxes:								
Property Taxes, levied for general purposes, net					\$ 7,144,149	\$ -	\$ 7,144,149	\$ 6,983,319
Property Taxes, levied for fire protection, net					140,169	-	140,169	138,598
Local Service Tax					746,136	-	746,136	714,703
Earned Income Taxes					6,000,650	-	6,000,650	5,738,536
Other Taxes					2,440,221	-	2,440,221	2,417,925
Licenses and Permits					1,213,623	-	1,213,623	1,192,131
Fines and Forfeitures					78,976	-	78,976	53,186
Miscellaneous Income					1,059,982	-	1,059,982	1,351,355
Interest Income					560,970	265,380	826,350	758,341
Transfers In/(Out)					(148,886)	148,886	-	-
Total General Revenues, Special Items, Extraordinary Items, and Transfers					19,235,990	414,266	19,650,256	19,348,094
Change in Net Position					2,345,659	1,286,433	3,632,092	5,203,894
Net Position - Beginning					41,909,511	10,897,955	52,807,466	47,603,572
Net Position - Ending					\$ 44,255,170	\$ 12,184,388	\$ 56,439,558	\$ 52,807,466

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

	Major Funds		Non-Major Funds	2024	2023
	General	Capital Projects	Special Revenue	Total	Total
ASSETS					
Cash and Cash Equivalents	\$ 2,135,877	\$ 3,004,167	\$ 589,247	\$ 5,729,291	\$ 5,943,037
Investments	4,469,030	2,475,048	167,614	7,111,692	7,910,334
Taxes Receivable, Net	1,323,013	-	-	1,323,013	1,264,486
Accounts Receivable, Net	-	-	-	-	400,547
Due from Other Funds	801,520	-	1,025	802,545	848
TOTAL ASSETS	\$ 8,729,440	\$ 5,479,215	\$ 757,886	\$ 14,966,541	\$ 15,519,252
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,116,123	\$ -	\$ -	\$ 1,116,123	\$ 998,681
Accrued Expenses	330,955	-	-	330,955	226,928
Deferred Revenue	-	-	-	-	60,000
Due to Other Funds	-	-	751	751	3,586
TOTAL LIABILITIES	1,447,078	-	751	1,447,829	1,289,195
FUND BALANCES					
Assigned	1,236,000	1,823,815	-	3,059,815	3,418,447
Restricted	-	3,655,400	166,863	3,822,263	3,968,469
Committed	-	-	590,272	590,272	264,156
Unassigned	6,046,362	-	-	6,046,362	6,578,985
TOTAL FUND BALANCES	7,282,362	5,479,215	757,135	13,518,712	14,230,057
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,729,440	\$ 5,479,215	\$ 757,886	\$ 14,966,541	\$ 15,519,252

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF BETHLEHEM
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 13,518,712

**Amounts Reported for Governmental Activities in the
Statement of Net Position are Different Because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$75,686,889 and the accumulated depreciation is \$38,925,394. 36,761,495

Right-of-Use assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$110,877 and the accumulated amortization is \$42,640. 68,237

Lease receivable will be collected next year, but are not available soon enough to pay this year's expenditures, and therefore are not recognized in the governmental funds. 395,537

Deferred revenue represents the portion of the Community Center memberships, which relate to a subsequent period. Such receipts are revenues and available for appropriation in the funds statements, but are recognized when earned in the statement of activities. (118,230)

Deferred outflows and inflows of resources related to pensions, postemployment benefits, and leases are applicable to future periods and, therefore, not reported in governmental funds:

Deferred Outflows of Resources Related to Pension	\$ 1,997,114	
Deferred Inflows of Resources Related to Pension	(618,990)	
Deferred Outflows of Resources Related to OPEB	51,822	
Deferred Inflows of Resources Related to OPEB	(139,908)	
Deferred Inflows of Resources Related to Leases	<u>(313,312)</u>	
		<u>976,726</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.
Long-term liabilities at year end consist of:

Compensated Absences	\$ (152,599)	
Net Pension Liability	(3,543,733)	
Net OPEB Liability	(472,961)	
Right-of-Use Lease Obligations	(71,750)	
Financed Purchase Obligations	(1,394,577)	
Notes Payable	<u>(1,711,687)</u>	
		<u>(7,347,307)</u>

**TOTAL NET POSITION -
GOVERNMENTAL ACTIVITIES** \$ 44,255,170

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Funds		Non-Major Funds	2024	2023
	General	Capital Projects	Special Revenue	Total	Total
REVENUES					
Taxes	\$ 16,331,156	\$ -	\$ 140,169	\$ 16,471,325	\$ 15,993,081
Licenses and Permits	1,213,623	-	-	1,213,623	1,192,131
Fines and Forfeitures	78,976	-	-	78,976	53,186
Interest and Rents	317,858	180,916	55,857	554,631	517,815
Intergovernmental Revenues	1,348,240	681,029	823,148	2,852,417	2,583,573
Charges for Services	1,430,046	16,939	307	1,447,292	1,508,056
Other Revenues	877,026	-	182,956	1,059,982	1,351,355
TOTAL REVENUES	21,596,925	878,884	1,202,437	23,678,246	23,199,197
EXPENDITURES					
General Government	9,350,668	-	-	9,350,668	9,029,966
Public Safety	5,505,851	-	-	5,505,851	4,900,463
Public Works	1,139,629	3,501,336	882,422	5,523,387	5,023,484
Cultural and Recreation	1,480,976	-	-	1,480,976	1,398,787
Principal and Interest	2,229,291	-	150,532	2,379,823	2,624,207
TOTAL EXPENDITURES	19,706,415	3,501,336	1,032,954	24,240,705	22,976,907
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,890,510	(2,622,452)	169,483	(562,459)	222,290
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	2,758,724	223	2,758,947	2,979,399
Operating Transfers Out	(2,460,248)	(447,585)	-	(2,907,833)	(2,895,139)
Total Other Financing Sources (Uses)	(2,460,248)	2,311,139	223	(148,886)	84,260
Net Change in Fund Balances	(569,738)	(311,313)	169,706	(711,345)	306,550
Fund Balances, January 1	7,852,100	5,790,528	587,429	14,230,057	13,923,507
FUND BALANCES, DECEMBER 31	\$ 7,282,362	\$ 5,479,215	\$ 757,135	\$ 13,518,712	\$ 14,230,057

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF BETHLEHEM
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Governmental Funds \$ (711,345)

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$ 4,655,563	
Less: Depreciation and Amortization Expense	<u>(2,370,560)</u>	
		2,285,003

Land lease rental payments will not be collected for several months after the Township's year end. The collections on the lease receivable are not considered "available" revenues in the fund statements, but is recognized when earned in the Statement of Activities. (14,449)

Deferred revenue represents community center membership receipts available for appropriation in the fund statements, but is recognized when earned in the Statement of Activities. (7,219)

Repayment of note principal, financed purchases, and lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,350,369

Proceeds from issuance of debt, including leases, is a current resource as a financing source in the governmental funds, but an increase in a liability in the Statement of Net Position. (1,170,715)

The net result of deferred inflows of resources and deferred outflows of resources of net pension liabilities, postemployment benefits, and leases. (363,433)

In the Statement of Activities, certain operating expenses -- compensated absences (vacations), special termination benefits (early retirement) and pensions -- are measured by the amounts earned during the year. In the governmental funds; however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. (22,552)

Change in Net Position of Governmental Activities \$ 2,345,659

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

	2024		December 31, 2024	2023		December 31, 2023		
	Sewer Fund	Stormwater Fund		Sewer Fund	Stormwater Fund			
ASSETS								
Current Assets:								
Cash and Cash Equivalents - Unrestricted	\$ 5,580,046	\$ 1,692,108	\$ 7,272,154	\$ 4,968,977	\$ 334,056	\$ 5,303,033		
Investments	400,000	-	400,000	400,000	-	400,000		
Accounts Receivable, Net	562,608	28,099	590,707	489,549	26,437	515,986		
Due from Other Funds	-	-	-	7,998	-	7,998		
Total Current Assets	6,542,654	1,720,207	8,262,861	5,866,524	360,493	6,227,017		
Noncurrent Assets:								
Fixed Assets, Less Accumulated Depreciation	7,211,718	3,487,818	10,699,536	7,322,033	2,671,245	9,993,278		
Total Noncurrent Assets	7,211,718	3,487,818	10,699,536	7,322,033	2,671,245	9,993,278		
TOTAL ASSETS	\$ 13,754,372	\$ 5,208,025	\$ 18,962,397	\$ 13,188,557	\$ 3,031,738	\$ 16,220,295		
LIABILITIES								
Current Liabilities:								
Accrued Expenses	\$ 49,216	\$ -	\$ 49,216	35,318	\$ -	\$ 35,318		
Due to Other Funds	801,794	-	801,794	-	-	-		
Current Portion of Long-Term Debt	24,477	-	24,477	43,849	-	43,849		
Current Portion of Authority Loans Payable	409,653	104,288	513,941	433,049	-	433,049		
Current Portion of Financed Purchases	132,550	-	132,550	124,602	-	124,602		
Total Current Liabilities	1,417,690	104,288	1,521,978	636,818	-	636,818		
Noncurrent Liabilities:								
Compensated Absences	10,783	-	10,783	10,341	-	10,341		
Financed Purchase Obligations	270,790	-	270,790	403,340	-	403,340		
Authority Loans Payable	2,192,629	2,781,829	4,974,458	2,572,587	1,660,326	4,232,913		
Notes Payable	-	-	-	38,928	-	38,928		
Total Noncurrent Liabilities	2,474,202	2,781,829	5,256,031	3,025,196	1,660,326	4,685,522		
TOTAL LIABILITIES	3,891,892	2,886,117	6,778,009	3,662,014	1,660,326	5,322,340		
NET POSITION								
Invested in Capital Assets, Net of Related Debt	4,181,619	601,701	4,783,320	6,711,314	2,671,245	9,382,559		
Unrestricted	5,680,861	1,720,207	7,401,068	2,815,229	(1,299,833)	1,515,396		
Total Net Position	9,862,480	2,321,908	12,184,388	9,526,543	1,371,412	10,897,955		
TOTAL LIABILITIES AND NET POSITION	\$ 13,754,372	\$ 5,208,025	\$ 18,962,397	\$ 13,188,557	\$ 3,031,738	\$ 16,220,295		

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	2024		Year Ended December 31, 2024	2023		Year Ended December 31, 2023
	Sewer Fund	Stormwater Fund		Sewer Fund	Stormwater Fund	
OPERATING REVENUES:						
Charges for Services	\$ 6,259,590	\$ 2,199,428	\$ 8,459,018	\$ 6,436,264	\$ 2,181,581	\$ 8,617,845
Other Revenue	3,932	-	3,932	81,587	-	81,587
Intergovernmental Revenues	-	137,054	137,054	-	-	-
Total Operating Revenues	6,263,522	2,336,482	8,600,004	6,517,851	2,181,581	8,699,432
OPERATING EXPENSES:						
Personnel	1,087,681	283,894	1,371,575	1,023,562	268,511	1,292,073
Supplies	152,882	100,860	253,742	184,141	79,483	263,624
Professional Services	471,858	467,891	939,749	209,531	416,967	626,498
Employee Benefits	487,272	112,939	600,211	445,352	110,042	555,394
Insurance	93,086	35,734	128,820	101,813	35,660	137,473
Repairs and Maintenance	2,279	-	2,279	62,086	1,917	64,003
Disposal System	3,353,468	358,825	3,712,293	3,291,162	161,334	3,452,496
Depreciation and Amortization	326,048	1,947	327,995	331,931	-	331,931
Bad Debt Expense	222,847	-	222,847	182,425	-	182,425
Total Operating Expenses	6,197,421	1,362,090	7,559,511	5,832,003	1,073,914	6,905,917
OPERATING INCOME	66,101	974,392	1,040,493	685,848	1,107,667	1,793,515
NON-OPERATING REVENUES (EXPENSES):						
Interest Revenue	244,626	20,754	265,380	219,113	13,939	233,052
Interest Expense	(129,315)	(39,011)	(168,326)	(57,398)	(3,091)	(60,489)
Total Non-operating Revenues (Expenses)	115,311	(18,257)	97,054	161,715	10,848	172,563
Income Before Contributions and Transfers	181,412	956,135	1,137,547	847,563	1,118,515	1,966,078
Transfers In (Out)	154,525	(5,639)	148,886	16,268	(100,528)	(84,260)
Change in Net Position	335,937	950,496	1,286,433	863,831	1,017,987	1,881,818
Total Net Position - January 1	9,526,543	1,371,412	10,897,955	8,662,712	353,425	9,016,137
TOTAL NET POSITION - December 31	\$ 9,862,480	\$ 2,321,908	\$ 12,184,388	\$ 9,526,543	\$ 1,371,412	\$ 10,897,955

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	2024		Year Ended December 31, 2024	2023		Year Ended December 31, 2023
	Sewer Fund	Stormwater Fund		Sewer Fund	Stormwater Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	\$ 5,963,684	\$ 2,197,766	\$ 8,161,450	\$ 6,623,202	\$ 2,181,581	\$ 8,804,783
Cash Payment to Suppliers for Goods and Services	(3,263,781)	(963,310)	(4,227,091)	(3,897,565)	(695,033)	(4,592,598)
Cash Payments to Employees for Services	(1,560,613)	(396,833)	(1,957,446)	(1,459,532)	(378,553)	(1,838,085)
Other Operating Receipts	3,932	137,054	140,986	81,587	-	81,587
Net Cash Provided by Operating Activities	1,143,222	974,677	2,117,899	1,347,692	1,107,995	2,455,687
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating Transfers In (Out)	154,525	(5,639)	148,886	16,268	(100,528)	(84,260)
Net Cash Provided by (Used in) Noncapital Financing Activities	154,525	(5,639)	148,886	16,268	(100,528)	(84,260)
CASH FLOWS FROM CAPITAL ACTIVITIES:						
Principal Paid on Long-Term Debt	(58,300)	-	(58,300)	(143,540)	-	(143,540)
Interest Paid on Long-Term Debt	(485)	-	(485)	(1,355)	(3,091)	(4,446)
Principal Paid on Financed Purchase Obligations	(124,602)	-	(124,602)	(161,847)	-	(161,847)
Interest Paid on Financed Purchase Obligations	(80,964)	-	(80,964)	(3,872)	-	(3,872)
Borrowings on Authority Lease	-	1,251,710	1,251,710	-	1,660,326	1,660,326
Principal Paid on Authority Lease	(403,354)	(25,919)	(429,273)	(397,081)	-	(397,081)
Interest Paid on Authority Lease	(47,866)	(39,011)	(86,877)	(52,171)	-	(52,171)
Purchase of Fixed Assets	(215,733)	(818,520)	(1,034,253)	(263,387)	(2,671,245)	(2,934,632)
Net Cash Provided by (Used in) Capital Activities	(931,304)	368,260	(563,044)	(1,023,253)	(1,014,010)	(2,037,263)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest Received	244,626	20,754	265,380	219,113	13,939	233,052
Net Cash Provided by Investing Activities	244,626	20,754	265,380	219,113	13,939	233,052
Net Increase in Cash and Cash Equivalents	611,069	1,358,052	1,969,121	559,820	7,396	567,216
Cash and Cash Equivalents, January 1	4,968,977	334,056	5,303,033	4,409,157	326,660	4,735,817
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 5,580,046	\$ 1,692,108	\$ 7,272,154	\$ 4,968,977	\$ 334,056	\$ 5,303,033
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income	\$ 66,101	\$ 974,392	\$ 1,040,493	\$ 685,848	\$ 1,107,667	\$ 1,793,515
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	326,048	1,947	327,995	331,931	-	331,931
Bad Debts	222,847	-	222,847	182,425	-	182,425
Loss on Disposal of Fixed Assets	-	-	-	202,222	-	202,222
Changes in Assets and Liabilities:						
Increase (Decrease) in Amounts Due to Other Funds	801,794	-	801,794	(40,834)	-	(40,834)
(Increase) Decrease in Amounts Due from Other Funds	7,998	-	7,998	(7,998)	328	(7,670)
Increase in Accounts Receivable	(295,906)	(1,662)	(297,568)	(15,284)	-	(15,284)
Increase in Accrued Expenses	14,340	-	14,340	9,382	-	9,382
Total Adjustments	1,077,121	285	1,077,406	661,844	328	662,172
Net Cash Provided by Operating Activities	\$ 1,143,222	\$ 974,677	\$ 2,117,899	\$ 1,347,692	\$ 1,107,995	\$ 2,455,687

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF BETHLEHEM
STATEMENT OF NET POSITION
ALL FIDUCIARY FUNDS
DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023**

	Pension Funds	Custodial Funds	Total December 31, 2024	Total December 31, 2023
ASSETS:				
Cash and Cash Equivalents - Restricted	\$ -	\$ 874,554	\$ 874,554	\$ 822,274
Investments - at Amortized Cost				
PLGIT - Class	281,886	521,051	802,937	1,044,171
PLGIT - PLGIT/PRIME	271,621	386,471	658,092	938,772
Investments - at Fair Value				
Cash and Sweep Balances	225,314	-	225,314	429,632
Common Stocks	38,265,252	-	38,265,252	36,878,769
Mutual Funds	3,681,750	-	3,681,750	1,560,156
Total Assets	<u>\$ 42,725,823</u>	<u>\$ 1,782,076</u>	<u>\$ 44,507,899</u>	<u>\$ 41,673,774</u>
LIABILITIES:				
Accounts Payable	\$ (2,286)	\$ (36)	\$ (2,322)	\$ (2,322)
Due to Other Funds	-	-	-	5,260
Total Liabilities	<u>(2,286)</u>	<u>(36)</u>	<u>(2,322)</u>	<u>2,938</u>
NET POSITION:				
Restricted	<u>42,728,109</u>	<u>1,782,112</u>	<u>44,510,221</u>	<u>41,670,836</u>
Total Liabilities and Net Position	<u>\$ 42,725,823</u>	<u>\$ 1,782,076</u>	<u>\$ 44,507,899</u>	<u>\$ 41,673,774</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
STATEMENT OF CHANGES IN NET POSITION
ALL FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

	Pension Funds	Custodial Funds	Total Year Ended December 31, 2024	Total Year Ended December 31, 2023
ADDITIONS:				
Contributions:				
Employer	\$ 1,228,484	\$ -	\$ 1,228,484	\$ 1,214,903
Plan Members	163,560	-	163,560	156,808
Total Contributions	1,392,044	-	1,392,044	1,371,711
Investment Earnings:				
Interest, Dividends and Net Unrealized Gains	3,436,562	64,930	3,501,492	4,048,416
Less: Investment Expenses	(112,399)	-	(112,399)	(92,912)
Net Investment Gains	3,324,163	64,930	3,389,093	3,955,504
Collections from Other Entities	-	955,522	955,522	2,227,774
Total Additions	4,716,207	1,020,452	5,736,659	7,554,989
DEDUCTIONS:				
Administration	17,375	-	17,375	24,000
Benefit Payments	1,680,896	-	1,680,896	1,535,416
Payments to Other Entities	-	1,199,003	1,199,003	1,430,229
Total Deductions	1,698,271	1,199,003	2,897,274	2,989,645
NET INCREASE (DECREASE)	3,017,936	(178,551)	2,839,385	4,565,344
NET POSITION:				
Net Position, January 1	39,710,173	1,960,663	41,670,836	37,105,492
Net Position, December 31	<u>\$ 42,728,109</u>	<u>\$ 1,782,112</u>	<u>\$ 44,510,221</u>	<u>\$ 41,670,836</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Entity

Township of Bethlehem was founded in 1746 and incorporated as a First Class Township of the State of Pennsylvania in 1963. The Township operates under an elected Board of Commissioners and provides the following services to its residents: public safety (police and fire), highways and streets, sanitation, culture-recreation, planning and zoning, and general administrative services.

In evaluating the Township as a reporting entity, management has addressed all potential component units for which the Township may or may not be financially accountable, and as such, be includable within the Township's financial statements. In accordance with Statement of Governmental Accounting Standards Board (GASB) No. 14 and No. 39, the Township is financially accountable if it appoints a voting majority of the organization governing board 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 burden on the Township. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Following is a brief description of the component unit meeting the above criteria and as a result included within the financial reporting entity, a description of the component unit's relationship with the Township, and a discussion of how component unit information has been incorporated into the financial statements:

Bethlehem Township Municipal Authority ("Authority") - Operates under the laws of the Commonwealth of Pennsylvania with a board appointed by the Township Commissioners. The Authority was created November 18, 1952 by Township of Bethlehem for the initial purpose of constructing a sanitary sewer system which was financed by the issuance of Sewer Revenue Bonds. The Authority funds are blended into the Sewer and Stormwater Funds. Separate financial statements for Bethlehem Township Municipal Authority are audited by other auditors.

2. Summary of Significant Accounting Policies

The financial statements of Township of Bethlehem have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, expenditures, or expenses, and other financing sources and uses. These various funds are summarized by type in the financial statements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Township as a whole. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately in the government-wide financial statements from business-type activities which rely, to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activity of the Township at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Township and for each function of the Township's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Township.

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

For financial reporting purposes, the Township's funds have been grouped by fund type and are presented in this report in the following manner:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use and balances of the Township's expendable financial resources and the related liabilities are accounted for through the following governmental funds:

- ***General Fund (Major Fund)*** - is used to account for all financial transactions applicable to the general operations of the Township except for those required to be accounted for in another fund.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

- **Special Revenue Funds (Non-major Funds)** - are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The following are special revenue fund types:

State Liquid Fuels Tax Fund - is utilized to account for the financial activity of the Township's motor vehicle fuel tax allocation from the Commonwealth of Pennsylvania.

D.A.R.E.-Canine Fund - is utilized to account for the financial activity of the projects related to the police force and its related expenditures.

Fire Fund - is utilized to account for the financial activity of the Township's fire tax revenue and its related expenditures.

- **Capital Projects Fund (Major Funds)** - are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Reserve and Parks and Recreation funds are included in the accompanying financial statements as Capital Projects Funds.

Proprietary Fund Types

Proprietary funds are used to account for the Township's ongoing activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income. The Township has one type of proprietary fund - the Enterprise Fund.

- **Enterprise Fund** - is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income are appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Township has two Enterprise Funds described below.

Sewer Fund - is used to account for the operation and maintenance of the sanitary sewage treatment plant and is operated in a manner similar to a private business enterprise and is intended to be self-supporting.

Stormwater Fund - is used to account for the operation and maintenance of the stormwater system and is operated in a manner similar to a private business enterprise and is intended to be self-supporting.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The following are the Township's fiduciary fund types:

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

- **Custodial Funds** - are used to account for funds held in escrow for other parties. The principal revenue source for these funds are collections from other entities and investment earnings.
- **Pension Funds** - are used to account for pension benefits for employees. The principal revenue sources for these funds are state aid, employer and employee contributions, and investment earnings. Township of Bethlehem has four pension trust funds and a defined contribution fund as described below:

Teamsters Pension Fund - is used to account for pension benefits for Township employees. The principal revenue source for this fund is employer contributions.

Police Pension Fund - is used to account for pension benefits for police officers. The principal revenue sources for this fund are employer and employee contributions.

AFSCME Pension Fund - is used to account for pension benefits for the Township's public works and PPIS employees. The principal revenue source for this fund is employer contributions.

Non-Uniform Pension Fund - is used to account for pension benefits for Township employees. The principal revenue source for this fund is employer contributions.

Defined Contribution Fund - is used to account for retirement benefits for Township employees not classified as a police officer. The principal revenue source for this fund is employer contributions.

Measurement Focus and Basis of Accounting

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Revenue from federal, state and other grants designated for payment of specific Township expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets and Budgetary Accounting

The Township adopts annual budgets for the General Fund in accordance with the First Class Township Code. All budgets are adopted on a budgetary (cash basis), which is not consistent with accounting principles generally accepted in the United States of America. All budgeted amounts included in the accompanying general purpose financial statements and supplementary information are as originally adopted or as amended by the Board of Commissioners. Budget information is presented only for the general fund, as required by accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents on the Statement of Net Position are comprised of cash on hand, demand deposits with financial institutions, and short-term investments with original maturities of three months or less as of the date of acquisition.

For the purpose of the proprietary funds, Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent and all highly liquid investments with an original maturity of three months or less.

Investments

The Township's investments consist of the Pennsylvania Local Government Investment Trust ("PLGIT") and pension fund assets. The Township has adopted GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 72, *Fair value Measurement and Application* and No. 79, *Certain External Investment Pools and Pool Participants*. In accordance with these Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Investments in qualifying external investment pools are reported at amortized cost basis. Held-to-maturity certificates of deposit held at financial institutions with original maturity of greater than three months are reported at amortized cost.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Insurance holdings, if any, are valued at reported contract values.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. Summary of Significant Accounting Policies (Continued)

Interfund Transactions

Certain inter-fund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Other inter-fund transactions are reported as transfers. Non-recurring or non-routine permanent transfers of net position are reported as residual transfers of net position. All other inter-fund transfers are reported as operating transfers.

Restricted Assets

Cash and investments have been restricted to the extent of escrows payable, pension reserves and specific uses.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and grants. Business-type activities report utility charges as their major receivables.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets, except for land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building and Improvements	20
Treatment Plants and Mains	50
Vehicles	5 to 15
Equipment	5 to 15

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. Summary of Significant Accounting Policies (Continued)

Right-of-Use Assets

In the government-wide financial statements, right-of-use assets are reported net of amortization and valued at the future minimum lease payment. Amortization is based on the contract terms and/or estimated replacement of the assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

Leases

At the commencement of a lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. Key estimates and judgements related to leases included how the Township determined the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The Township as a lessee will use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township will use the 10-year treasury rate.

The Township monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

2. Summary of Significant Accounting Policies (Continued)

Compensated Absences

The Township accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement (GASB) Statement No. 101 (GASB 101), *Compensated Absences*. A liability is recognized for compensated absences attributable to services already rendered when the obligation is not contingent on a specific event outside the control of the employer and employee. The liability is accrued as employees earn the benefits.

In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and collections of community center memberships received before eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Government – Wide Fiduciary and Proprietary Fund Net Position

Net Position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted – consist of assets that are restricted by the Township's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unassigned – all other net position is reported in this category.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. Summary of Significant Accounting Policies (Continued)

Governmental Fund Balances

The fund balance of Governmental Fund Types and the Pension Trust Fund are classified in four separate categories. The categories, and their general meanings, are as follows:

- Restricted fund balance - indicates the portion of the fund balance that can only be spent for specific purposes because of constitutional provisions, legislation, or constraints that are externally imposed.
- Committed fund balance - indicates the portion of the fund balance that can only be used for specific purposes determined by formal action of the Board.
- Assigned fund balance - indicates the portion of the fund balance that has been appropriated for specific purposes by authorization of the Board.
- Unassigned fund balance - indicates the portion of the fund balance that is available for appropriation and expenditure, in future periods.

Pension Plan

The Township has four defined benefit pension plans. Pension costs for the plans include current service costs, which are accrued and funded on a current basis, and prior costs which are amortized over 30 years.

Transfers

Legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers. Transfers to the pension funds are quasi-external transactions.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It has also updated disclosure requirements for compensated absences.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

3. Deposits with Financial Institutions and Investments

General

Under Section 1316 of the Pennsylvania Township Code, the Township is authorized to invest in United States Treasury Bills, short-term obligations of the U.S. Government or its agencies or instrumentalities, obligations of the U.S. Government or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for Township funds listed above and certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or similar agencies to the extent that such accounts are so insured. Investments of pension funds are placed pursuant to guidelines established by the respective pension boards. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The deposit and investment policy of the Township adheres to the statutes of the Commonwealth. Deposits of the Township, except for Pension Fund deposits which are administered by trustees, are either maintained in demand deposits or are held in bank money market accounts. There were no deposit or investment transactions during the year that were in violation of either the Commonwealth's statutes or the policy of the Township.

Cash (Cash on Hand and Bank Balances)

At December 31, 2024, the carrying amount of the Township's bank deposits at two financial institutions (excluding those held in the Pension Trust Funds and Bethlehem Township Municipal Authority, but including Custodial Funds) totaled \$8,177,009 and the corresponding bank balances were \$8,703,705 of which \$500,000 was insured by the Federal Deposit Insurance Corporation ("FDIC"); the uninsured bank balances of \$8,203,705 were collateralized, as described below.

Under Act No. 72 of the 1972 Session of the Pennsylvania General Assembly (the "Act of 72"), financial institutions were granted the authority to secure the deposits of public bodies by pledging a pool of assets, as defined in the Act of 72, to cover all public funds deposited in excess of FDIC limits. The uninsured bank balances of the Township in the amount of \$8,203,705 were collateralized by this pool of assets maintained by the Township's depository institutions.

In addition, the Township included in cash, amounts held on hand in petty cash. At December 31, 2024, the petty cash balance was \$600.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

3. Deposits with Financial Institutions and Investments (Continued)

Investments

The Township uses Pennsylvania Local Government Investment Trust ("PLGIT"), an external investment pool, that was created to meet the investment needs of local governments, school districts, municipal authorities, and other types of governments in the Commonwealth of Pennsylvania. PLGIT's investment objective is to seek high current income, consistent with preservation of capital and maintenance of liquidity.

Investments in PLGIT are similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT investments included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of \$1 per share.

All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. PLGIT issues separately audited financial statements that are available to the public. Further information regarding PLGIT and its investment strategies can be found at www.plgit.com.

PLGIT-Class shares require no minimum balance, no minimum initial investment, and have a one-day minimum investment period. PLGIT/PRIME is a variable rate investment portfolio which requires no minimum balance, no minimum initial investment, and limits redemptions or exchanges to two per calendar month.

Pension fund investments are held separately from those of other Township funds. Assets in the pension funds are stated at fair value. The Township maintains investment policies that summarize the investment philosophy of the Township and establish investment guidelines and performance objectives for the uniform and non-uniform pension plans.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

3. Deposits with Financial Institutions and Investments (Continued)

Investments (Continued)

As of December 31, 2024 and 2023, the Township had the following investments:

<u>2024</u>	Amortized Cost	Fair Value	Maturity 0-5 Years	Standard & Poor's Rating
Governmental Activities:				
Pennsylvania Local Government Investment Trust - Class	\$ 3,035,721	\$ -	\$ 3,035,721	AAAm
Pennsylvania Local Government Investment Trust - PLGIT/PRIME	4,075,971	-	4,075,971	AAAm
	<u>\$ 7,111,692</u>	<u>\$ -</u>	<u>\$ 7,111,692</u>	
Business-Type Activities:				
Pennsylvania Local Government Investment Trust - PLGIT/PRIME	\$ 400,000	\$ -	\$ 400,000	AAAm
	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	
Fiduciary Activities:				
Pennsylvania Local Government Investment Trust - Class	\$ 802,937	\$ -	\$ 802,937	AAAm
Pennsylvania Local Government Investment Trust - PLGIT/PRIME	658,092	-	658,092	AAAm
Cash and Sweep Balances	-	225,314	225,314	Not Rated
Common Stocks	-	38,265,252	38,265,252	Not Rated
Mutual Funds	-	3,681,750	3,681,750	Not Rated
	<u>\$ 1,461,029</u>	<u>\$42,172,316</u>	<u>\$43,633,345</u>	
<u>2023</u>	Amortized Cost	Fair Value	Maturity 0-5 Years	Standard & Poor's Rating
Governmental Activities:				
Pennsylvania Local Government Investment Trust - Class	\$ 1,774,198	\$ -	\$ 1,774,198	AAAm
Pennsylvania Local Government Investment Trust - PLGIT/PRIME	6,136,136	-	6,136,136	AAAm
	<u>\$ 7,910,334</u>	<u>\$ -</u>	<u>\$ 7,910,334</u>	
Business-Type Activities:				
Pennsylvania Local Government Investment Trust - PLGIT/PRIME	\$ 400,000	\$ -	\$ 400,000	AAAm
	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	
Fiduciary Activities:				
Pennsylvania Local Government Investment Trust - Class	\$ 1,044,171	\$ -	\$ 1,044,171	AAAm
Pennsylvania Local Government Investment Trust - PLGIT/PRIME	938,772	-	938,772	AAAm
Cash and Sweep Balances	-	429,632	429,632	Not Rated
Common Stocks	-	36,878,769	36,878,769	Not Rated
Mutual Funds	-	1,560,156	1,560,156	Not Rated
	<u>\$ 1,982,943</u>	<u>\$38,868,557</u>	<u>\$40,851,500</u>	

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

3. Deposits with Financial Institutions and Investments (Continued)

Investments (Continued)

Measurement

Investments with readily determinable fair value and all investments in debt securities are reported at their fair values. Investments in qualifying external investment pools are reported at amortized cost basis.

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. When making investments, the Township can combine monies from more than one fund under the Township's control for the purchase of a single investment and join with other political subdivisions in the purchase of a single investment.

Concentration of Credit Risk

The Township places limits on the amount the Township may invest in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a financial institution failure, the Township's deposits may not be returned to the Township. The Pennsylvania Local Government Code and the Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits other than the following provisions for deposits: Pennsylvania Act 72 requires that a financial institution secure deposits made by state or local government units pledging securities in an undivided collateral pool held by a depository regulated under state law.

Fair Value Measurement

In accordance with GASB Statement No. 72, investments generally are to be measured at fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

3. Deposits with Financial Institutions and Investments (Continued)

Fair Value Measurement (Continued)

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Township has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The Township used the following valuation methodologies for measuring fair value. Cash and sweep balance funds were classified as Level 1. Common stocks and mutual funds valued at the net asset value ("NAV") of shares held by the Township at year end were classified as Level 1. There were no Level 2 or Level 3 investments as of December 31, 2024 and 2023.

The Township's investments measured by the hierarchy levels as of December 31, 2024 and 2023 are as follows:

Assets at Fair Value as of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Cash and Sweep Balances	\$ 225,314	\$ -	\$ -	\$ 225,314
Common Stocks	38,265,252			38,265,252
Mutual Funds	3,681,750	-	-	3,681,750
	<u>\$ 42,172,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,172,316</u>

Assets at Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Cash and Sweep Balances	\$ 429,632	\$ -	\$ -	\$ 429,632
Common Stocks	36,878,769			36,878,769
Mutual Funds	1,560,156	-	-	1,560,156
	<u>\$ 38,868,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,868,557</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

4. Taxes Receivable

Based upon assessed valuations provided by the County (\$949,809,400 in 2024), the Township bills and collects its own property taxes. The schedule for property taxes levied for 2024 is as follows:

January 1	- levy date
January 1 - March 31	- 2% discount period
April 1 - May 31	- face payment period
June 1 - December 31	- 10% penalty period
January 15	- lien date

The Township continues to collect delinquent real estate taxes through mid-January of the following year. At that time, all unpaid real estate taxes are turned over to the County of Northampton Tax Claim Bureau for further collection. The municipal tax rate for all purposes was 7.74 mils (\$7.74 per \$1,000 of assessed valuation) for 2024 and 2023.

The balances at December 31, 2024 and 2023 are as follows:

	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Net Estimated to be Collectible
<u>2024</u>			
Real Estate	\$ 16,255	\$ -	\$ 16,255
Earned Income Tax	1,081,837	-	1,081,837
Business Privilege and Mercantile	41,137	-	41,137
Local Service Tax	183,784	-	183,784
	<u>\$ 1,323,013</u>	<u>\$ -</u>	<u>\$ 1,323,013</u>
<u>2023</u>			
Real Estate	\$ 6,926	\$ -	\$ 6,926
Earned Income Tax	1,059,311	-	1,059,311
Business Privilege and Mercantile	19,588	-	19,588
Local Service Tax	178,661	-	178,661
	<u>\$ 1,264,486</u>	<u>\$ -</u>	<u>\$ 1,264,486</u>

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

5. Inter-fund Receivables and Payables

Inter-fund receivable and payable balances as of December 31, 2024 and 2023 are as follows:

	Due From Other Funds	Due to Other Funds
<u>2024</u>		
<i><u>Governmental Activities</u></i>		
General Fund	\$ 801,520	\$ -
Fire Fund	1,025	-
State Liquid Fuels Fund	-	751
<i><u>Business Type Activities</u></i>		
Sewer Fund	-	801,794
	<u>\$ 802,545</u>	<u>\$ 802,545</u>
<u>2023</u>		
<i><u>Governmental Activities</u></i>		
General Fund	\$ -	\$ 2,835
Fire Fund	848	-
State Liquid Fuels Fund	-	751
<i><u>Business Type Activities</u></i>		
Sewer Fund	7,998	-
<i><u>Fiduciary Type Activities</u></i>		
Defined Contribution	-	5,260
	<u>\$ 8,846</u>	<u>\$ 8,846</u>

6. Inter-fund Transfers

Inter-fund transfers during 2024 and 2023 were as follows:

	Transfers from Other Funds	Transfers to Other Funds
<u>2024</u>		
<i><u>Governmental Activities</u></i>		
General Fund	\$ -	\$ 2,460,248
Capital Reserve Fund	2,758,724	-
State Liquid Fuels Fund	223	-
Parks and Recreation Fund	-	447,585
<i><u>Business Type Activities</u></i>		
Sewer Fund	154,525	-
Stormwater Fund	-	5,639
	<u>\$ 2,913,472</u>	<u>\$ 2,913,472</u>
<u>2023</u>		
<i><u>Governmental Activities</u></i>		
General Fund	\$ 112,928	\$ 1,961,475
Capital Reserve Fund	2,866,471	-
State Liquid Fuels Fund	-	12,400
Fire Fund	-	591,496
Parks and Recreation Fund	-	329,768
<i><u>Business Type Activities</u></i>		
Sewer Fund	16,268	-
Stormwater Fund	-	100,528
	<u>\$ 2,995,667</u>	<u>\$ 2,995,667</u>

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

7. Capital Assets

Capital asset activity for the fiscal year ended December 31, 2024, was as follows:

	Balance Jan. 1, 2024	Additions	Retirements	Balance Dec. 31, 2024
Governmental Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 4,059,744	\$ -	\$ -	\$ 4,059,744
Total Capital Assets Not Being Depreciated	4,059,744	-	-	4,059,744
<i>Capital Assets Being Depreciated</i>				
Building and Building Improvements	25,319,391	1,423,294	-	26,742,685
Vehicles and Equipment	21,651,180	2,044,899	-	23,696,079
Parks	6,659,904	514,585	-	7,174,489
Road System and Improvements	11,313,325	589,414	-	11,902,739
Storm Sewer and Drainage	2,111,153	-	-	2,111,153
Right-of-Use Equipment	82,929	83,371	(55,423)	110,877
Total at Historical Cost	67,137,882	4,655,563	(55,423)	71,738,022
Less Accumulated Depreciation	(36,652,897)	(2,370,560)	55,423	(38,968,034)
Government Activity Capital Assets, Net	\$ 34,544,729	\$ 2,285,003	\$ -	\$ 36,829,732

Depreciation expense for the general fund was \$2,370,560 and \$2,141,487 in 2024 and 2023, respectively.

	Balance Jan. 1, 2024	Additions	Retirements	Balance Dec. 31, 2024
Business-Type Activities:				
<i>Capital Assets Being Depreciated</i>				
Vehicles and Equipment	\$ 2,184,457	\$ 19,927	\$ -	\$ 2,204,384
Sewer System	8,246,579	195,806	-	8,442,385
Stormwater System	2,671,245	818,520	-	3,489,765
Total Capital Assets Being Depreciated	13,102,281	1,034,253	-	14,136,534
Less Accumulated Depreciation	(3,109,003)	(327,995)	-	(3,436,998)
Business-Type Capital Assets, Net	\$ 9,993,278	\$ 706,258	\$ -	\$ 10,699,536

Depreciation expense for the sewer fund was \$327,995 and \$331,931 in 2024 and 2023, respectively.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

8. Long-Term Debt

Changes in long-term obligations for the year ended December 31, 2024, are as follows:

	Balance Outstanding Jan. 1, 2024	Additions	Reductions	Balance Outstanding Dec. 31, 2024	Amounts Due Within One Year
<i>Governmental Activities:</i>					
<i>Series 2021:</i>					
6-year Term Loan Payable to Bank, Fixed Rate of 0.71%.					
Matures April, 2027	\$ 3,466,224	\$ -	\$ (1,821,700)	\$ 1,644,524	\$ 906,030
<i>2021 HVAC:</i>					
5-year Term Loan Payable to Bank at Fixed Rate of 2.45%.					
Matures February, 2026.	132,720	-	(65,557)	67,163	67,163
	3,598,944	-	(1,887,257)	1,711,687	973,193
Compensated Absences	130,047	22,552	-	152,599	-
Net Pension Liability	4,166,967	-	(623,234)	3,543,733	-
Net OPEB Liability	536,776	-	(63,815)	472,961	-
	<u>\$ 8,432,734</u>	<u>\$ 22,552</u>	<u>\$ (2,574,306)</u>	<u>\$ 5,880,980</u>	<u>\$ 973,193</u>
<i>Business-Type Activities:</i>					
<i>Series 2021:</i>					
6-year Term Loan Payable to Bank, Fixed Rate of 0.71%.					
Matures April, 2027	\$ 82,777	\$ -	\$ (58,300)	\$ 24,477	\$ 24,477
	82,777	-	(58,300)	24,477	24,477
Compensated Absences	10,341	-	442	10,783	-
	<u>\$ 93,118</u>	<u>\$ -</u>	<u>\$ (57,858)</u>	<u>\$ 35,260</u>	<u>\$ 24,477</u>

The annual debt service requirements to maturity, including principal and interest, as of December 31, 2024, are as follows:

During the year(s) ended December 31,	Principal	Interest
2025	\$ 997,670	\$ 11,166
2026	524,388	4,387
2027	214,106	809
Totals	<u>\$ 1,736,164</u>	<u>\$ 16,362</u>

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

9. Lease Rental Debt

The Township's lease agreement with the Bethlehem Township Municipal Authority requires the Township to pay an allocated percent of the debt service of the Authority's bonds as rentals. The City of Bethlehem also requires the Township to pay an allocated percent of the debt service of the Authority's bonds as rentals. The Township has recorded its share of the outstanding lease rental debt of the Authority in the Government wide statement of net assets. An asset, related to such debt, is not to be reported, as the bonds were acquired by and reside with the Authority. According to the lease rental agreement with the Sewer Authority, surplus reserve allowance clause sec. 6.03 requires certain calculated cash surpluses be remitted to the Sewer Authority, in excess of an established threshold. Such threshold is exceeded from time to time requiring remittance to the Authority.

Authority debt consists of a twenty-year PennWorks (Series 2011) note with monthly installments including principal and interest of \$6,139, bearing an interest rate of 2.00%. The note matures in August 2031.

Authority debt also consists of Bond Series 2020. The Bond is due in semiannual installments at an interest rate of 1.50%, respectively. These underlying bonds mature in December 2030.

Authority debt also consists of a PENNVEST loan – 2023 for a system improvements project. The loan was approved for a maximum of \$2,710,000, bearing interest at a rate of 1.743% for the first five years and 2.179% for the remaining years. The loan matures on September 1, 2044.

Authority debt also consists of a PENNVEST loan - 2024 for Walnut Street drainage improvements project. The loan was approved for a maximum of \$2,490,000, bearing interest at a rate of 1.743% for the first five years and 2.179% for the remaining years. The loan matures 20 years from the date the loan has been fully disbursed.

The underlying Bethlehem Township Municipal Authority debt is as follows:

	Balance Outstanding Jan. 1, 2024	Additions	Reductions	Balance Outstanding Dec. 31, 2024	Amounts Due Within One Year
Penn Works Loan (Series 2011)	\$ 527,827	\$ -	\$ (64,354)	\$ 463,473	\$ 65,653
2020 Revenue Note	2,477,809	-	(339,000)	2,138,809	344,000
PENNVEST Loan - 2023	1,660,326	814,721	(25,919)	2,449,128	104,288
PENNVEST Loan - 2024	-	436,989	-	436,989	-
	<u>\$ 4,665,962</u>	<u>\$ 1,251,710</u>	<u>\$ (429,273)</u>	<u>\$ 5,488,399</u>	<u>\$ 513,941</u>

The annual lease rental requirements to maturity, including principal and interest, as of December 31, 2024, are as follows:

During the year(s) ended December 31,	Principal	Interest
2025	\$ 513,941	\$ 74,365
2026	522,098	66,933
2027	531,315	58,315
2028	539,591	49,559
2029	547,168	40,655
2030-2034	1,504,483	103,866
2035-2039	646,696	103,866
2040-2044	683,107	16,624
Totals	<u>\$ 5,488,399</u>	<u>\$ 514,183</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

10. Commitments and Contingencies

The Township receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Township's management, such disallowances, if any, will not be significant to the Township's basic purpose financial statements.

In 1975, the Township and the Bethlehem Township Municipal Authority entered into an agreement with the City of Bethlehem and the Bethlehem Authority to expand the City's sanitary sewage system. The City agreed to accept, transport and treat the Township's sanitary sewage, and the Township agreed to pay treatment charges and rentals to the City to cover debt service and operating costs in an amount representative of the Township's portion of the expansion to the full expansion project. The Township renewed the agreement in 1993 and may terminate this agreement after August 31, 2031 with notice given five years prior to the termination date.

11. Defined Contribution Retirement Plan

The Township provides retirement benefits for all of its eligible full-time non-uniform employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who work forty or more hours per week are eligible to participate. The plan requires the Township to contribute an amount equal to 6% of the employee's salary as defined by the plan each year. The Township's contributions for each employee and investment earnings allocated to the employee's account are fully vested upon entering the plan.

The Township's contributions paid to the plan during 2024 and 2023 were \$88,800 and \$87,624, respectively.

12. Defined Benefit Retirement Plans

Plan Description - AFSCME, Non-Uniform and Teamster Pension Plans

The pension plans provide pension and death benefits. A member may retire after reaching the age of 62 and accumulating 10 years of service. Benefits vest after 5 years of service. Employees who retire at or after age 62 with 10 or more years of service are entitled to pension payments for the remainder of their lives equal to 2.0% for AFSCME, Non-Uniform and Teamster Pension Plans of their final, three-year average monthly salary multiplied by the number of applicable whole years of service completed by such member. Pension provisions include death benefits. The surviving spouse or dependent children under the age of 18 receive 50% of the amount otherwise payable to the participant. The Township pays the full cost of the Plan. Member contributions are not required.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

12. Defined Benefit Retirement Plans (Continued)

Plan Description - Police Pension Plan

The pension plan provides pension benefits and death and disability benefits. A member may retire after reaching the age of 50 and accumulating 25 years of service. Benefits vest after 12 years of service. Employees who retire at or after age 50 with 12 or more years of service are entitled to pension payments for the remainder of their lives equal to 50% of their final, three-year average monthly salary. For each completed year of service in excess of twenty-five (25) years, the participant shall be entitled to a monthly service increment of \$100 per month for each year of service in excess of 25 years, up to a maximum benefit of \$200 per month for members who complete 27 or more years of service (i.e., \$100 per month for the 26th year of service and \$200 per month for the 27th year of service and beyond).

Effective January 1, 2016, an early retirement benefit shall be provided to a member of the police force with twenty or more years of vesting service who terminates employment prior to the completion of normal retirement age and service requirements and who files a written application for an early retirement benefit with the governing body of the employer and shall be the actuarial equivalent of the accrued benefit as calculated. Pension provisions include death and disability benefits. A disabled employee is entitled to receive a monthly amount equal to the benefit based on the normal retirement formula. The surviving spouse or dependent children under the age of 18 receive 50% of the amount otherwise payable to the participant. The disabled employee is entitled to receive disability payments for life, while the surviving spouse may receive death benefits for life or as long as the spouse does not remarry. Employees of the Township are required to pay a percentage of their gross earnings to the pension plan. The payments are deducted from the employee's wages or salary and remitted by the Township to the Pension Fund on a monthly basis. If an employee leaves the employment of the Township before 12 years of service, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. The Township makes annual contributions to the pension plan equal to any minimum municipal obligation, as calculated. Those contributions are funded in part through amounts received from the Pennsylvania General Municipal Pension System as state aid.

Reporting Entity

The Township maintains four single-employer, defined benefit pension plans which cover all full-time classed employees. The Plans are part of Township of Bethlehem financial reporting entity and are included in the Township's general-purpose financial statements as a Pension Trust Fund.

Plan Valuation

The pension plan descriptions and actuarial valuations are available at the Township offices.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Trend Information

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Township's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Township's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Public Employee Retirement System. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

Teamsters Pension Plan

Eligibility

All full-time non-uniformed Teamsters employees of Bethlehem Township hired before July 1, 2013, join the Plan upon employment.

Normal Retirement

A member is eligible for normal retirement after attainment of age 62 and completion of 10 years of vesting service.

The normal retirement pension is payable monthly during the member's lifetime, with payments ceasing upon death.

The amount of monthly pension is equal to 1.75% of average monthly compensation, multiplied by the number of years of benefit service completed by the member during the periods of January 1, 1961, to December 31, 1979, and January 1, 1998, to December 31, 2021. The amount of monthly pension is equal to 2.00% of average monthly compensation, multiplied by the number of years of benefit service completed by the member after January 1, 2022.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the greater of the benefit accrued to the late retirement date or the actuarial equivalent of the benefit accrued as of the end of the preceding plan year.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Teamsters Pension Plan (Continued)

Early Retirement

A member is eligible for early retirement after attainment of age 55 and completion of 10 years of vesting service. The monthly early retirement pension is equal to the benefit accrued to the date of early retirement, reduced 5/9 of 1% for each of the first 60 months early and 5/18 of 1% for each additional month early.

Disability Retirement

If an active member is totally and permanently disabled prior to his normal retirement date, he is eligible for a disability pension. The monthly disability pension is equal to the benefit accrued to the date of disability.

Death Benefits

The death benefit for a vested member who has been married at least one year is a 50% survivor pension for his spouse. Payment of the survivor benefit would begin on the date on which the member would first have been eligible for retirement. The amount of survivor benefit would be the 50% survivor benefit payable under a joint and 50% survivor pension option, based upon the pension accrued to the date of death and reduced for early commencement of benefits, if applicable.

Vesting

A member's benefits vest upon completion of five years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit formula but based upon compensation and benefit service to date.

Contributions

The Township pays the full cost of the Plan. Employee contributions are not required.

Service Rules

Service is based on years of service from date of employment to date of retirement.

Plan Membership at December 31, 2024

Inactive Members or Beneficiaries Currently Receiving Benefits	7
Inactive Members Entitled to but not yet Receiving Benefits	2
Active Members	5
Total Members	<u>14</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Teamsters Pension Plan (Continued)

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary Increases	5.00%	(average, including inflation)
Investment Rate of Return	7.00%	(including inflation)
Postretirement Cost of Living Increase	0.00%	

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	50.00%	5.50% - 7.50%
Fixed Income	45.00%	1.00% - 3.00%
Cash	5.00%	0.00% - 1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Teamsters Pension Plan (Continued)

Changes in the Net Pension Liability

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 2,158,978	\$ 1,928,310	\$ 230,668
Changes for the year:			
Service Cost	14,093	-	14,093
Interest Cost	149,712	-	149,712
Changes in Benefit Terms	-	-	-
Changes for Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	60,488	(60,488)
Contributions - Member	-	-	-
Net Investment Income	-	161,714	(161,714)
Benefit Payments	(68,648)	(68,648)	-
Administrative Expense	-	(2,600)	2,600
Other Changes	-	-	-
Net Changes	95,157	150,954	(55,797)
Balance at December 31, 2024	<u>\$ 2,254,135</u>	<u>\$ 2,079,264</u>	<u>\$ 174,871</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ 406,849	\$ 174,871	\$ (22,374)

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

12. Defined Benefit Retirement Plans (Continued)

Teamsters Pension Plan (Continued)

Pension Expense for the years ending December 31, 2024 and 2023

	2023	2024
Service Cost	\$ 13,422	\$ 14,093
Interest on the Total Pension Liability	143,487	149,712
Changes in Benefit Terms	29,398	-
Difference between Expected and Actual Experience ¹	(22,044)	16
Changes of Assumptions ¹	-	-
Member Contributions	-	-
Projected Earnings on Pension Plan Investments	(122,185)	(134,605)
Difference between Projected and Actual Earnings on Investments ²	14,944	27,178
Pension Plan Administrative Expense	5,400	2,600
Other Changes in Fiduciary Net Position	-	-
Pension Expense	<u>\$ 62,422</u>	<u>\$ 58,994</u>

¹ Each year's gain or loss is recognized over a closed period, using the average of the expected remaining services lives of all active and inactive employees that are provided through this pension plan.

² Each year's gain or loss is recognized over a 5 year period.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2024, the Township recognized pension expense of \$60,488. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>84,631</u>	<u>-</u>
Total	<u>\$ 84,631</u>	<u>\$ -</u>

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

Years Ended December 31,		
2025	\$	46,631
2026		62,281
2027		(18,860)
2028		(5,421)

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Non-Uniformed Pension Plan

Eligibility

All full-time non-uniformed employees of Bethlehem Township hired before July 1, 2013, who are not covered by a collective bargaining agreement join the Plan upon employment.

Normal Retirement

A member is eligible for normal retirement after attainment of age 62 and completion of 10 years of vesting service.

The normal retirement pension is payable monthly during the member's lifetime, with payments ceasing upon death.

The amount of monthly pension is equal to 2.0% of average monthly compensation, multiplied by the number of years of benefit service completed by the member after January 1, 1997, and during the period January 1, 1961, to December 31, 1979.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the greater of the benefit accrued to the late retirement date or the actuarial equivalent of the benefit accrued as of the end of the preceding plan year.

Early Retirement

A member is eligible for early retirement after attainment of age 55 and completion of 10 years of vesting service. The monthly early retirement pension is equal to the benefit accrued to the date of early retirement, reduced 5/9 of 1% for each of the first 60 months early and 5/18 of 1% for each additional month early.

Disability Retirement

If an active member is totally and permanently disabled prior to his normal retirement date, he is eligible for a disability pension. The monthly disability pension is equal to the benefit accrued to the date of disability.

Death Benefits

The death benefit for a vested member who has been married at least one year is a 50% survivor pension for his spouse. Payment of the survivor benefit would begin on the date on which the member would first have been eligible for retirement. The amount of survivor benefit would be the 50% survivor benefit payable under a joint and 50% survivor pension option, based upon the pension accrued to the date of death and reduced for early commencement of benefits, if applicable.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Non-Uniformed Pension Plan (Continued)

Vesting

A member's benefits vest upon completion of five years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit formula but based upon compensation and benefit service to date.

Contributions

The Township pays the full cost of the Plan. Employee contributions are not required.

Service Rules

Service is based on years of service from date of employment to date of retirement.

Plan Membership at December 31, 2024

Inactive Members or Beneficiaries Currently Receiving Benefits	9
Inactive Members Entitled to but not yet Receiving Benefits	4
Active Members	<u>9</u>
Total Members	<u><u>22</u></u>

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary Increases	5.00%	(average, including inflation)
Investment Rate of Return	7.00%	(including inflation)
Postretirement Cost of Living Increase	0.00%	

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

12. Defined Benefit Retirement Plans (Continued)

Non-Uniformed Pension Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	50.00%	5.50% - 7.50%
Fixed Income	45.00%	1.00% - 3.00%
Cash	5.00%	0.00% - 1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Increase/(Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 6,154,820	\$ 4,943,209	\$ 1,211,611
Changes for the year:			
Service Cost	92,976	-	92,976
Interest Cost	429,156	-	429,156
Changes in Benefit Terms	-	-	-
Changes for Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	218,159	(218,159)
Contributions - Member	-	-	-
Net Investment Income	-	414,819	(414,819)
Benefit Payments	(233,998)	(233,998)	-
Administrative Expense	-	(2,600)	2,600
Other Changes	-	-	-
Net Changes	288,134	396,380	(108,246)
Balance at December 31, 2024	\$ 6,442,954	\$ 5,339,589	\$ 1,103,365

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Non-Uniformed Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 1,852,850	\$ 1,103,365	\$ 470,773

Pension Expense for the years ending December 31, 2024 and 2023

	2023	2024
Service Cost	\$ 88,549	\$ 92,976
Interest on the Total Pension Liability	411,008	429,156
Changes in Benefit Terms	-	-
Difference between Expected and Actual Experience ¹	80,738	63,797
Changes of Assumptions ¹	42,638	-
Member Contributions	-	-
Projected Earnings on Pension Plan Investments	(313,419)	(345,379)
Difference between Projected and Actual Earnings on Investments ²	33,689	63,222
Pension Plan Administrative Expense	4,900	2,600
Other Changes in Fiduciary Net Position	-	-
Pension Expense	<u>\$ 348,103</u>	<u>\$ 306,372</u>

¹ Each year's gain or loss is recognized over a closed period, using the average of the expected remaining services lives of all active and inactive employees that are provided through this pension plan.

² Each year's gain or loss is recognized over a 5 year period.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Non-Uniformed Pension Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2024, the Township recognized pension expense of \$218,159. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 99,629	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	207,616	-
Total	<u>\$ 307,245</u>	<u>\$ -</u>

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

Years Ended December 31,

2025	\$ 163,788
2026	205,676
2027	(48,331)
2028	(13,888)

AFSCME Pension Plan

Eligibility

All full-time non-uniformed A.F.S.C.M.E. employees of Bethlehem Township hired before January 1, 2015, join the Plan upon employment.

Normal Retirement

A member is eligible for normal retirement after attainment of age 62 and completion of 10 years of vesting service.

The normal retirement pension is payable monthly during the member's lifetime, with payments ceasing upon death.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

AFSCME Pension Plan (Continued)

Normal Retirement (Continued)

The amount of monthly pension is equal to the applicable percentage of average monthly compensation. The applicable percentage is the sum of the following:

- 1.50% multiplied by the number of years of benefit service completed by the member during the periods January 1, 1961, to December 31, 1979, and January 1, 1995, to December 31, 2002,
- 1.75% multiplied by the number of years of benefit service completed by the member during the period January 1, 2003, to December 31, 2006,
- 2.00% multiplied by the number of years of benefit service completed by the member after January 1, 2007.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the greater of the benefit accrued to the late retirement date or the actuarial equivalent of the benefit accrued as of the end of the preceding plan year.

Early Retirement

A member is eligible for early retirement after attainment of age 55 and completion of 10 years of vesting service. The monthly early retirement pension is equal to the benefit accrued to the date of early retirement, reduced 5/9 of 1% for each of the first 60 months early and 5/18 of 1% for each additional month early.

Disability Benefits

If an active member is totally and permanently disabled prior to his normal retirement date, he is eligible for a disability pension. The monthly disability pension is equal to the benefit accrued to the date of disability.

Death Benefits

The death benefit for a vested member who has been married at least one year is a 50% survivor pension for his spouse. Payment of the survivor benefit would begin on the date on which the member would first have been eligible for retirement. The amount of survivor benefit would be the 50% survivor benefit payable under a joint and 50% survivor pension option, based upon the pension accrued to the date of death and reduced for early commencement of benefits, if applicable.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

AFSCME Pension Plan (Continued)

Vesting

A member's benefits vest upon completion of five years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit formula but based upon compensation and benefit service to date.

Contributions

The Township pays the full cost of the Plan. Employee contributions are not required.

Service Rules

Service is based on years of service from date of employment to date of retirement.

Plan Membership at December 31, 2024

Inactive Members or Beneficiaries Currently Receiving Benefits	11
Inactive Members Entitled to but not yet Receiving Benefits	3
Active Members	<u>17</u>
Total Members	<u><u>31</u></u>

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary Increases	5.00%	(average, including inflation)
Investment Rate of Return	7.00%	(including inflation)
Postretirement Cost of Living Increase	0.00%	

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

12. Defined Benefit Retirement Plans (Continued)

AFSCME Pension Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	50.00%	5.50% - 7.50%
Fixed Income	45.00%	1.00% - 3.00%
Cash	5.00%	0.00% - 1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability

	<u>Total Pension Liability</u>	<u>Increase/(Decrease) Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
	<u>(a)</u>		<u>(a)-(b)</u>
Balance at December 31, 2023	\$ 7,911,723	\$ 6,847,423	\$ 1,064,300
Changes for the year:			
Service Cost	132,386	-	132,386
Interest Cost	553,341	-	553,341
Changes in Benefit Terms	-	-	-
Changes for Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	288,803	(288,803)
Contributions - Member	-	-	-
Net Investment Income	-	574,769	(574,769)
Benefit Payments	(278,478)	(278,478)	-
Administrative Expense	-	(3,600)	3,600
Other Changes	-	-	-
Net Changes	407,249	581,494	(174,245)
Balance at December 31, 2024	<u>\$ 8,318,972</u>	<u>\$ 7,428,917</u>	<u>\$ 890,055</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

AFSCME Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 1,912,497	\$ 890,055	\$ 24,123

Pension Expense for the years ending December 31, 2024 and 2023

	2023	2024
Service Cost	\$ 126,082	\$ 132,386
Interest on the Total Pension Liability	525,193	553,341
Changes in Benefit Terms	-	-
Difference between Expected and Actual Experience ¹	(35,490)	(35,488)
Changes of Assumptions ¹	56,293	56,293
Member Contributions	-	-
Projected Earnings on Pension Plan Investments	(430,776)	(479,555)
Difference between Projected and Actual Earnings on Investments ²	52,335	91,438
Pension Plan Administrative Expense	5,200	3,600
Other Changes in Fiduciary Net Position	-	-
Pension Expense	<u>\$ 298,837</u>	<u>\$ 322,015</u>

¹ Each year's gain or loss is recognized over a closed period, using the average of the expected remaining services lives of all active and inactive employees that are provided through this pension plan.

² Each year's gain or loss is recognized over a 5 year period.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

AFSCME Pension Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2024, the Township recognized pension expense of \$288,803. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 88,304
Changes in Assumptions	56,295	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>288,736</u>	<u>-</u>
Total	<u>\$ 345,031</u>	<u>\$ 88,304</u>

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

Years Ended December 31,		
	2025	\$ 161,238
	2026	207,967
	2027	(93,435)
	2028	(19,043)

Police Pension Plan

Eligibility

All full-time members of the police force join the Plan upon employment.

Normal Retirement

A member is eligible for normal retirement after attainment of age 50 and completion of 25 years of vesting service.

The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, or eligible child, equal to 50% of the amount payable to the member at the time of the member's death.

The amount of monthly pension is equal to 50% of average monthly compensation, plus a service increment equal to \$100 per month for each year of benefit service completed in excess of 25 years, up to a maximum of \$200 additional per month.

Average monthly compensation is based upon the last 36 months of employment.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Police Pension Plan (Continued)

Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the benefit accrued to the late retirement date.

Early Retirement

A member is eligible for early retirement after completion of 20 years of vesting service. The monthly early retirement pension is equal to the actuarial equivalent of the benefit accrued to the date of early retirement.

Disability Retirement

If an active member is disabled in the line of duty, he is eligible for a disability pension. The monthly disability pension is equal to 50% of the member's monthly salary at the time of disability.

Postretirement Cost-of-Living Increase

An annual cost-of-living adjustment is made to retirees, with a maximum total cost-of-living increase of 30%, and a maximum pension benefit of 75% of the compensation used for computing retirement benefits.

Death Benefits

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly benefit the member would have been receiving had he been retired at the time of death.

Vesting

A member's benefits vest upon completion of 12 years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit multiplied by the ratio of the number of years of benefit service to date to the total number of years of benefit service projected at normal retirement.

Contributions

Members contribute 4.0% of compensation.

Member contributions are credited with 5.0% annual interest.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Police Pension Plan (Continued)

Purchase of Military Service Credits

Non-intervening military service credits may be purchased for each year of military service, up to a maximum of five years.

Plan Membership at December 31, 2024

Inactive Members or Beneficiaries Currently Receiving Benefits	25
Inactive Members Entitled to but not yet Receiving Benefits	4
Active Members	<u>40</u>
Total Members	<u>69</u>

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary Increases	5.00%	(average, including inflation)
Investment Rate of Return	7.00%	(including inflation)
Postretirement Cost of Living Increase	3.00%	

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	50.00%	5.50% - 7.50%
Fixed Income	45.00%	1.00% - 3.00%
Cash	5.00%	0.00% - 1.00%

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 27,340,803	\$ 25,680,415	\$ 1,660,388
Changes for the year:			
Service Cost	667,200	-	667,200
Interest Cost	1,923,958	-	1,923,958
Changes in Benefit Terms	-	-	-
Changes for Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	572,234	(572,234)
Contributions - Member	-	163,612	(163,612)
Net Investment Income	-	2,148,833	(2,148,833)
Benefit Payments	(1,045,772)	(1,045,772)	-
Administrative Expense	-	(8,575)	8,575
Other Changes	-	-	-
Net Changes	1,545,386	1,830,332	(284,946)
Balance at December 31, 2024	<u>\$ 28,886,189</u>	<u>\$ 27,510,747</u>	<u>\$ 1,375,442</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ 5,121,307	\$ 1,375,442	\$ (1,721,560)

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

12. Defined Benefit Retirement Plans (Continued)

Police Pension Plan (Continued)

Pension Expense for the years ending December 31, 2024 and 2023

	2023	2024
Service Cost	\$ 635,429	\$ 667,200
Interest on the Total Pension Liability	1,820,669	1,923,958
Changes in Benefit Terms	-	-
Difference between Expected and Actual Experience ¹	(292,878)	(292,876)
Changes of Assumptions ¹	136,345	136,347
Member Contributions	(156,808)	(163,612)
Projected Earnings on Pension Plan Investments	(1,630,149)	(1,786,482)
Difference between Projected and Actual Earnings on Investments ²	198,426	358,505
Pension Plan Administrative Expense	8,500	8,575
Other Changes in Fiduciary Net Position	-	-
Pension Expense	<u>\$ 719,534</u>	<u>\$ 851,615</u>

¹ Each year's gain or loss is recognized over a closed period, using the average of the expected remaining services lives of all active and inactive employees that are provided through this pension plan.

² Each year's gain or loss is recognized over a 5 year period.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2024, the Township recognized pension expense of \$572,234. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 530,686
Changes in Assumptions	122,107	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,138,100</u>	<u>-</u>
Total	<u>\$ 1,260,207</u>	<u>\$ 530,686</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

12. Defined Benefit Retirement Plans (Continued)

Police Pension Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

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

Years Ended December 31,		
2025	\$	516,863
2026		732,398
2027		(303,545)
2028		(144,333)
2029		(71,862)

13. Postemployment Benefits Other Than Pensions

Plan Description

Township of Bethlehem administers a single-employer defined benefit healthcare plan. The benefit provisions and obligations to contribute are established in accordance with separate employee contracts. In accordance with the employee contracts, the Township's obligation for payment of health insurance coverage premiums is limited to \$350 per month until the retiree reaches age sixty-five or receives spousal or other employer benefits for police employees retiring between January 1, 2005 and December 31, 2010, and \$450 per month for a period of ninety-six months for police employees retiring on or after January 1, 2011 and hired prior to January 1, 2015. Any police employee hired after January 1, 2015 is not entitled to the post-retirement benefit. The retirees are obligated to absorb any and all monthly premium costs in excess of Township contributions. The Retiree Health Plan does not issue a publicly available financial report.

Discount Rate

4.00%. Based on S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2024.

Salary

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purposes, annual salary increases are assumed to be 5.00%.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

13. Postemployment Benefits Other Than Pensions (Continued)

Withdrawal

Table D-1: Rates of withdrawal at selected ages:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.5000%	35	2.5000%	50	0.0000%
25	5.0000%	40	1.0000%	55	0.0000%
30	4.0000%	45	0.5000%	60	0.0000%

Mortality

PubS-2010 Mortality Table

Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Disability

SOA 1987 Group LTD Table – Males, 3-month elimination. Sample rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.1444%	35	0.2123%	50	0.7536%
25	0.1534%	40	0.2931%	55	1.2612%
30	0.1708%	45	0.4561%	60	1.8818%

Retirement

Active members are assumed to retire after attainment of age 53 and completion of 25 years of service, or age on valuation date, if greater.

Percentage of Eligible Retirees Electing Coverage in Plan

100% of eligible employees are assumed to elect coverage at retirement.

Per Capita Claims Cost

Police Officers are not able to continue on the Township's Medical Coverage upon retirement. The only postemployment benefits valued are the monthly stipends as described in the Plan Description.

Health Care Cost Trend Rate

Monthly Stipends are assumed to be flat and not increase with trend.

Actuarial Value of Assets

Equal to the Market Value of Assets.

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

13. Postemployment Benefits Other Than Pensions (Continued)

Actuarial Cost Method – Entry Age Normal

Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

Participant Data

Based on census information as of January 1, 2024.

At January 1, 2024, the following eligible employees and retirees were covered by the plan:

Active Members	19
Vested Former Participants	0
Retired Participants	7
Total Participants	<u>26</u>

Net OPEB Liability

The components of the net OPEB liability of the Township at December 31, 2024 were as follows:

	<u>2024</u>
Total OPEB Liability	\$ 472,961
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u>\$ 472,961</u>

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

13. Postemployment Benefits Other Than Pensions (Continued)

Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period:

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2023	\$ 536,776	\$ -	\$ 536,776
Changes for the year:			
Service Cost	18,752	-	18,752
Interest Cost ²	23,011	-	23,011
Changes in Benefit Terms	-	-	-
Changes between Expected and Actual Experience ¹	(73,571)	-	(73,571)
Changes of Assumptions ¹	7,906	-	7,906
Contributions - Employer	-	39,913	(39,913)
Contributions - Member	-	-	-
Net Investment Income	-	-	-
Benefit Payments ²	(39,913)	(39,913)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	(63,815)	-	(63,815)
Balance at December 31, 2024	<u>\$ 472,961</u>	<u>\$ -</u>	<u>\$ 472,961</u>

¹ Each year's gain or loss is recognized over a closed period, using the average of the expected remaining services lives of all active and inactive employees that are currently receiving benefit or may be eligible to receive a benefit in the future.

² These figures are based on estimated benefit payments. These amounts may be adjusted for actual benefit payments made during the year.

Net OPEB Liability Sensitivity – Discount Rate

The following is a sensitivity analysis of the net OPEB liability to changes in the discount rate. The table below presents the net OPEB liability calculated using the discount rate of 4.00% as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower (3.00%) or one percent higher (5.00%) than the current rate:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Net OPEB Liability	\$ 499,444	\$ 472,961	\$ 447,965

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

13. Postemployment Benefits Other Than Pensions (Continued)

Net OPEB Liability Sensitivity – Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is one percent higher and one percent lower than expected.

	1% Decrease <u>3.00%</u>	Current <u>4.00%</u>	1% Increase <u>5.00%</u>
Net OPEB Liability	\$ 472,961	\$ 472,961	\$ 472,961

OPEB Expense for the years ending December 31, 2024 and 2023

	<u>2023</u>	<u>2024</u>
Service Cost	\$ 25,719	\$ 18,752
Interest on the Total OPEB Liability	13,796	23,011
Changes in Benefit Terms	-	-
Contributions - Employee	-	-
Amortization of Deferred Outflows	12,649	13,967
Amortization of Deferred Inflows	(18,644)	(30,906)
Other Changes	<u>-</u>	<u>-</u>
OPEB Expense	<u>\$ 33,520</u>	<u>\$ 24,824</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2024, the Township recognized OPEB expense of \$39,913. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 16,415	\$ 76,026
Changes in Assumptions	<u>35,407</u>	<u>63,882</u>
Total	<u>\$ 51,822</u>	<u>\$ 139,908</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

13. Postemployment Benefits Other Than Pensions (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to postemployment benefits other than pensions will be recognized in OPEB expense as follows:

Years Ended December 31,		
2025	\$	(16,939)
2026		(16,940)
2027		(18,882)
2028		(13,786)
2029		(21,539)

14. Fund Balances

The fund balances have been categorized based on the relative strength of the spending constraints placed on the purpose for which the resources can be used, as follows:

	General Fund	Capital Reserve Fund	Parks and Recreation Fund	State Liquid Fuels Fund	D.A.R.E.- Canine Fund	Fire Fund	Totals
Unassigned	\$ 6,046,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,046,362
Restricted	-	3,655,400	-	166,863	-	-	3,822,263
Committed	-	-	-	-	42,227	548,045	590,272
Assigned	1,236,000	-	1,823,815	-	-	-	3,059,815
Totals	<u>\$ 7,282,362</u>	<u>\$ 3,655,400</u>	<u>\$ 1,823,815</u>	<u>\$ 166,863</u>	<u>\$ 42,227</u>	<u>\$ 548,045</u>	<u>\$ 13,518,712</u>

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

15. Lease Receivable

The Township has entered into a lease receivable obligation summarized below:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Deferred Inflow	Balance Dec. 31, 2024
Land Lease	1/26/2017	276 Months	\$869-\$3,332	2.78%	\$ 313,312	\$ 395,537

The future principal and interest payments as of December 31, 2024 are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 15,637	\$ 10,798	\$ 26,435
2026	16,879	10,347	27,226
2027	18,182	9,861	28,043
2028	19,546	9,339	28,885
2029	20,974	8,777	29,751
2030-2034	128,714	33,978	162,692
2035-2039	175,605	12,999	188,604
Total	<u>\$ 395,537</u>	<u>\$ 96,099</u>	<u>\$ 491,636</u>

16. Lease Obligations

The Township has entered into several lease obligations summarized below:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance Dec. 31, 2024
Postage Machine	1/1/2019	63 Months	\$ 781	2.69%	\$ 45,951	\$ -
Postage Machine	2/4/2021	48 Months	68	0.93%	3,237	-
Postage Machine	4/1/2023	60 Months	351	3.52%	19,324	12,905
Copier	2/1/2023	36 Months	145	3.75%	4,945	1,844
Copier	5/1/2023	60 Months	1,511	3.46%	83,371	57,001
						<u>\$ 71,750</u>

The following is a summary of changes in lease obligations for the year ended December 31, 2024:

	Balance Outstanding Jan. 1, 2024	Additions	Reductions	Balance Outstanding Dec. 31, 2024	Amounts Due Within One Year
Lease Obligations	<u>\$ 23,223</u>	<u>\$ 83,371</u>	<u>\$ (34,844)</u>	<u>\$ 71,750</u>	<u>\$ 21,901</u>

TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

16. Lease Obligations (Continued)

The future principal and interest lease payments as of December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 21,901	\$ 2,147	\$ 24,048
2026	21,090	1,394	22,484
2027	21,684	911	22,595
2028	7,075	164	7,239
Total	<u>\$ 71,750</u>	<u>\$ 4,616</u>	<u>\$ 76,366</u>

See note 7 for value associated with the right-of-use asset and accumulated depreciation as of December 31, 2024.

17. Financed Purchase Obligations

The Township has entered into several financed purchase obligations summarized below:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Liability	Balance Dec. 31, 2024
Vehicle	7/18/2022	60 Months	\$ 613	2.80%	\$ 33,914	\$ 13,824
Equipment	6/10/2022	60 Months	1,072	3.60%	57,878	23,728
Vehicle	10/23/2020	60 Months	3,444	2.70%	191,060	-
Vehicle	8/16/2022	60 Months	1,842	3.80%	98,925	41,805
Vehicle	3/29/2023	60 Months	11,429	6.10%	611,302	365,788
Vehicle	5/1/2023	60 Months	4,644	5.90%	235,403	193,560
Vehicle	4/11/2023	60 Months	2,614	3.54%	128,157	105,866
Equipment	2/7/2023	60 Months	6,371	3.85%	270,674	207,934
Equipment	3/18/2024	60 Months	20,161	6.28%	1,087,344	845,412
						<u>\$ 1,797,917</u>

The following is a summary of changes in financed purchase obligations for the year ended December 31, 2024:

	Balance Outstanding Jan. 1, 2024	Additions	Reductions	Balance Outstanding Dec. 31, 2024	Amounts Due Within One Year
Financed Purchase Obligations	<u>\$ 1,263,443</u>	<u>\$ 1,087,344</u>	<u>\$ (552,870)</u>	<u>\$ 1,797,917</u>	<u>\$ 480,007</u>

The future principal and interest lease payments as of December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 480,007	\$ 106,146	\$ 586,153
2026	503,427	82,718	586,145
2027	491,909	31,244	523,153
2028	322,574	6,461	329,035
Total	<u>\$ 1,797,917</u>	<u>\$ 226,569</u>	<u>\$ 2,024,486</u>

**TOWNSHIP OF BETHLEHEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

18. Risk Management and Litigation

Risk Management

The Township is exposed to various risk of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are provided for through insurance from private insurance companies. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably stated. In determining claims, events that might create claims, but for which none have been reported are considered. During the year ended December 31, 2024 and the two previous fiscal years, no settlements exceeded insurance coverage.

Litigation

In the normal course of operations, the Township is involved in various civil disputes. Management and Township solicitor estimate that the amount of actual potential claims against the Township as of December 31, 2024, will not materially affect the financial condition of the Township.

19. Subsequent Events

In preparing these financial statements, the Township has evaluated events and transactions for potential recognition or disclosure through August 13, 2025, the date the financial statements were available to be issued, and has determined that no material subsequent events exist that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF BETHLEHEM
GENERAL FUND - SCHEDULE OF REVENUES AND OTHER
FINANCING SOURCES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2024

	Actual	Original Budget	Variance Favorable (Unfavorable)
REVENUES RECEIVED			
Taxes			
Real Estate	\$ 7,144,149	\$ 7,237,572	\$ (93,423)
Real Estate Transfer	1,062,500	1,275,000	(212,500)
Earned Income	6,000,650	5,725,000	275,650
Amusement	44,608	48,000	(3,392)
Mercantile	1,333,113	1,275,000	58,113
Local Services Tax	746,136	715,000	31,136
Total Taxes	16,331,156	16,275,572	55,584
Licenses and Permits			
Permits	911,073	332,500	578,573
TV Cable	297,350	375,000	(77,650)
Miscellaneous	5,200	5,000	200
Total Licenses and Permits	1,213,623	712,500	501,123
Fines and Forfeitures			
Ordinance Violations	34,590	10,000	24,590
Vehicle Code Violations	43,388	50,000	(6,612)
Miscellaneous Fines	998	1,000	(2)
Total Fines and Forfeitures	78,976	61,000	17,976
Interest and Rents			
Interest	281,433	180,000	101,433
Rents	36,425	41,000	(4,575)
Total Interest and Rents	317,858	221,000	96,858
Intergovernmental Revenues			
Federal Funds	104,330	-	104,330
State Funds	1,143,966	1,199,000	(55,034)
PURTA Tax	14,039	15,000	(961)
Local Funds	85,905	-	85,905
Total Intergovernmental Revenues	1,348,240	1,214,000	134,240
Charges for Services			
Subdivision Fees	12,740	10,000	2,740
Zoning Fees	42,430	31,000	11,430
Community Center and Recreation Fees	1,237,725	905,500	332,225
Police Safety	22,387	18,000	4,387
Property Inspection	57,728	25,300	32,428
Tax Certification	7,915	11,000	(3,085)
Sewer Fees	1,831	-	1,831
Miscellaneous	47,290	61,000	(13,710)
Total Charges for Services	1,430,046	1,061,800	368,246
Other Revenues			
Sale of Property	47,754	35,000	12,754
Sale of Maps and Books	145	1,400	(1,255)
Refunds	255,911	415,000	(159,089)
Engineering Fee Reimbursements	549,226	900,000	(350,774)
Legal Fee Reimbursements	23,990	60,000	(36,010)
Total Other Revenues	877,026	1,411,400	(534,374)
Total Revenues Received	\$ 21,596,925	\$ 20,957,272	\$ 639,653

See independent auditor's report on required supplementary information.

TOWNSHIP OF BETHLEHEM
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2024

	Actual	Original Budget	Variance Favorable (Unfavorable)
EXPENDITURES PAID			
General Government			
Legislative	\$ 120,979	\$ 176,300	\$ 55,321
Administrative and Executive	5,173,761	5,614,530	440,769
Financial Administration	845,015	399,253	(445,762)
Planning and Zoning	874,832	1,554,557	679,725
Physical Plant	1,631,842	1,102,605	(529,237)
Insurance	704,239	724,140	19,901
Total General Government	9,350,668	9,571,385	220,717
Public Safety			
Police Protection	3,777,655	4,209,326	431,671
Protective Inspection and Code Enforcement	549,108	2,500	(546,608)
Fire Protection	1,179,088	935,185	(243,903)
Total Public Safety	5,505,851	5,147,011	(358,840)
Public Works - Highways and Streets			
Street Construction	23,674	2,000	(21,674)
Street Maintenance	124,110	148,700	24,590
Snow and Ice Removal	75,494	133,950	58,456
Street Signs and Markings	78,077	75,500	(2,577)
Storm Sewer Maintenance	41,110	58,847	17,737
Street Cleaning	-	23,000	23,000
Recycling	30,324	27,000	(3,324)
General Services	766,840	1,852,794	1,085,954
Total Public Works - Highways and Streets	1,139,629	2,321,791	1,182,162
Culture and Recreation			
Playground and Parks	19,344	67,000	47,656
Community Center	972,985	1,110,672	137,687
Library	488,647	523,000	34,353
Total Culture and Recreation	1,480,976	1,700,672	219,696
Interest	2,229,291	2,219,145	(10,146)
Total Expenditures Paid	19,706,415	20,960,004	1,253,589
EXCESS OF REVENUES RECEIVED OVER EXPENDITURES PAID	1,890,510	(2,732)	1,893,242
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(2,460,248)	-	(2,460,248)
Total Other Financing Sources (Uses), Net	(2,460,248)	-	(2,460,248)
EXCESS OF REVENUES RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	(569,738)	(2,732)	(567,006)
FUND BALANCE - JANUARY 1, 2024	7,852,100	7,852,100	-
FUND BALANCE - DECEMBER 31, 2024	\$ 7,282,362	\$ 7,849,368	\$ (567,006)

See independent auditor's report on required supplementary information.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF TOWNSHIP CONTRIBUTIONS -
TEAMSTERS PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

Year	Actuarially Determined Contributions	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Payroll
2015	\$ 93,149	\$ 93,149	\$ -	\$ 387,643	24.03%
2016	89,381	89,381	-	338,852	26.38%
2017	86,995	86,995	-	349,626	24.88%
2018	85,054	85,054	-	359,287	23.67%
2019	80,528	80,528	-	326,299	24.68%
2020	81,756	81,756	-	355,519	23.00%
2021	104,708	104,708	-	293,771	35.64%
2022	67,180	67,180	-	277,970	24.17%
2023	60,912	60,912	-	281,204	21.66%
2024	60,488	60,488	-	290,254	20.84%

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS -
TEAMSTERS PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability									
Service Cost	\$ 30,111	\$ 20,820	\$ 21,861	\$ 23,384	\$ 24,553	\$ 25,476	\$ 26,750	\$ 13,422	\$ 14,093
Interest	95,967	100,926	106,278	118,145	124,453	130,761	137,233	143,487	149,712
Changes of Benefit Terms	-	-	-	-	-	-	-	29,398	-
Changes for Experience	-	(43,036)	-	(4,570)	-	64	-	(22,060)	-
Changes of Assumptions	-	43,429	-	88,927	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(42,127)	(50,543)	(42,127)	(46,861)	(58,298)	(61,459)	(68,648)	(68,648)	(68,648)
Net Change in Total Pension Liability	83,951	71,596	86,012	179,025	90,708	94,842	95,335	95,599	95,157
Total Pension Liability - Beginning	1,361,910	1,445,861	1,517,457	1,603,469	1,782,494	1,873,202	1,968,044	2,063,379	2,158,978
Total Pension Liability - Ending	\$ 1,445,861	\$ 1,517,457	\$ 1,603,469	\$ 1,782,494	\$ 1,873,202	\$ 1,968,044	\$ 2,063,379	\$ 2,158,978	\$ 2,254,135
Plan Fiduciary Net Position									
Contributions - Employer	\$ 89,381	\$ 86,995	\$ 85,054	\$ 80,528	\$ 81,756	\$ 104,708	\$ 67,180	\$ 60,912	\$ 60,488
Contributions - Member	-	-	-	-	-	-	-	-	-
Net Investment Income	47,268	124,757	(48,986)	183,184	206,707	204,227	(264,323)	189,371	161,714
Benefit Payments, Including Refunds of Member Contributions	(42,127)	(50,543)	(42,127)	(46,861)	(58,298)	(61,459)	(68,648)	(68,648)	(68,648)
Administrative Expense	(3,000)	(3,900)	(3,500)	(5,300)	(2,600)	(5,100)	(5,100)	(5,400)	(2,600)
Net Change in Plan Fiduciary Net Position	91,522	157,309	(9,559)	211,551	227,565	242,376	(270,891)	176,235	150,954
Plan Net Position - Beginning	1,102,202	1,193,724	1,351,033	1,341,474	1,553,025	1,780,590	2,022,966	1,752,075	1,928,310
Plan Net Position - Ending	\$ 1,193,724	\$ 1,351,033	\$ 1,341,474	\$ 1,553,025	\$ 1,780,590	\$ 2,022,966	\$ 1,752,075	\$ 1,928,310	\$ 2,079,264
Municipality's Net Pension Liability (Asset)	\$ 252,137	\$ 166,424	\$ 261,995	\$ 229,469	\$ 92,612	\$ (54,922)	\$ 311,304	\$ 230,668	\$ 174,871
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.6%	89.0%	83.7%	87.1%	95.1%	102.8%	84.9%	89.3%	92.2%
Covered Employee Payroll	\$ 338,852	\$ 349,626	\$ 359,287	\$ 326,299	\$ 355,519	\$ 293,771	\$ 277,970	\$ 281,204	\$ 290,254
Municipality's Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	74.4%	47.6%	72.9%	70.3%	26.0%	-18.7%	112.0%	82.0%	60.2%

Ultimately, this schedule should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES -
TEAMSTERS PENSION PLAN
DECEMBER 31, 2024**

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date: 1/1/2021

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar Closed

Remaining Amortization Period: 4 years

Asset Valuation Method: Market value of assets as determined by the trustee.

Inflation: 3.00%

Salary Increases: 5.00%

Investment Rate of Return: 7.00%

Retirement Age: Normal Retirement Age.

Mortality: PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

Changes in benefit terms: Effective 1/1/2022, average monthly compensation is multiplied by 2.00% for years of service earned after January 1, 2022.

See independent auditor's report on required supplementary information.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF TOWNSHIP CONTRIBUTIONS -
NON-UNIFORMED PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

Year	Actuarially Determined Contributions	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Payroll
2015	\$ 221,658	\$ 221,658	\$ -	\$ 953,388	23.25%
2016	247,234	247,234	-	886,618	27.89%
2017	245,785	245,785	-	873,533	28.14%
2018	250,338	250,338	-	917,726	27.28%
2019	220,502	220,502	-	944,119	23.36%
2020	223,360	223,360	-	1,004,464	22.24%
2021	298,567	298,567	-	823,211	36.27%
2022	232,285	232,285	-	893,401	26.00%
2023	220,673	220,673	-	827,829	26.66%
2024	218,159	218,159	-	856,013	25.49%

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS -
NON-UNIFORMED PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability									
Service Cost	\$ 100,129	\$ 82,498	\$ 86,623	\$ 87,595	\$ 91,975	\$ 88,918	\$ 93,364	\$ 88,549	\$ 92,976
Interest	220,111	250,262	271,857	315,166	340,517	363,066	379,263	411,008	429,156
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Changes for Experience	-	(49,585)	-	84,691	-	55,934	-	199,259	-
Changes of Assumptions	-	197,489	-	213,190	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(18,115)	(21,457)	(35,321)	(41,942)	(48,027)	(278,434)	(171,674)	(255,461)	(233,998)
Net Change in Total Pension Liability	302,125	459,207	323,159	658,700	384,465	229,484	300,953	443,355	288,134
Total Pension Liability - Beginning	3,053,372	3,355,497	3,814,704	4,137,863	4,796,563	5,181,028	5,410,512	5,711,465	6,154,820
Total Pension Liability - Ending	\$ 3,355,497	\$ 3,814,704	\$ 4,137,863	\$ 4,796,563	\$ 5,181,028	\$ 5,410,512	\$ 5,711,465	\$ 6,154,820	\$ 6,442,954
Plan Fiduciary Net Position									
Contributions - Employer	\$ 247,234	\$ 245,785	\$ 250,338	\$ 220,502	\$ 223,360	\$ 298,567	\$ 232,285	\$ 220,673	\$ 218,159
Contributions - Member	-	-	-	-	-	-	-	-	-
Net Investment Income	101,433	280,820	(114,781)	449,496	529,700	529,089	(661,799)	485,634	414,819
Benefit Payments, Including Refunds of Member Contributions	(18,115)	(21,457)	(35,321)	(41,942)	(48,027)	(278,434)	(171,674)	(255,461)	(233,998)
Administrative Expense	(3,100)	(3,900)	(3,500)	(5,100)	(2,600)	(4,500)	(4,600)	(4,900)	(2,600)
Net Change in Plan Fiduciary Net Position	327,452	501,248	96,736	622,956	702,433	544,722	(605,788)	445,946	396,380
Plan Net Position - Beginning	2,307,504	2,634,956	3,136,204	3,232,940	3,855,896	4,558,329	5,103,051	4,497,263	4,943,209
Plan Net Position - Ending	\$ 2,634,956	\$ 3,136,204	\$ 3,232,940	\$ 3,855,896	\$ 4,558,329	\$ 5,103,051	\$ 4,497,263	\$ 4,943,209	\$ 5,339,589
Municipality's Net Pension Liability	\$ 720,541	\$ 678,500	\$ 904,923	\$ 940,667	\$ 622,699	\$ 307,461	\$ 1,214,202	\$ 1,211,611	\$ 1,103,365
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.5%	82.2%	78.1%	80.4%	88.0%	94.3%	78.7%	80.3%	82.9%
Covered Employee Payroll	\$ 886,618	\$ 873,533	\$ 917,726	\$ 944,119	\$ 1,004,464	\$ 823,211	\$ 893,401	\$ 827,829	\$ 856,013
Municipality's Net Pension Liability as a Percentage of Covered Employee Payroll	81.3%	77.7%	98.6%	99.6%	62.0%	37.3%	135.9%	146.4%	128.9%

Ultimately, this schedule should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES -
NON-UNIFORMED PENSION PLAN
DECEMBER 31, 2024**

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date: 1/1/2021

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar Closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value of assets as determined by the trustee.

Inflation: 3.00%

Salary Increases: 5.00%

Investment Rate of Return: 7.00%

Retirement Age: Normal Retirement Age.

Mortality: PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

Changes in benefit terms: None since 1/1/2021.

See independent auditor's report on required supplementary information.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF TOWNSHIP CONTRIBUTIONS -
AFSCME PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

Year	Actuarially Determined Contributions	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Payroll
2015	\$ 285,888	\$ 285,888	\$ -	\$ 1,463,304	19.54%
2016	313,991	313,991	-	1,438,375	21.83%
2017	312,122	312,122	-	1,489,963	21.15%
2018	303,807	303,807	-	1,336,867	22.73%
2019	369,685	369,685	-	1,343,498	27.52%
2020	362,851	362,851	-	1,271,744	28.53%
2021	410,761	410,761	-	1,276,941	32.17%
2022	296,763	296,763	-	1,247,483	23.79%
2023	289,194	289,194	-	1,104,716	26.18%
2024	288,803	288,803	-	1,141,656	25.30%

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS -
AFSCME PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability									
Service Cost	\$ 111,399	\$ 121,465	\$ 127,538	\$ 117,167	\$ 123,025	\$ 123,485	\$ 129,659	\$ 126,082	\$ 132,386
Interest	315,921	357,311	387,787	410,757	439,374	476,070	505,383	525,193	553,341
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Changes for Experience	-	(85,445)	-	(270,968)	-	122,718	-	(135,015)	-
Changes of Assumptions	-	278,435	-	177,492	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(39,081)	(39,081)	(59,888)	(106,761)	(143,178)	(179,519)	(194,428)	(232,466)	(278,478)
Net Change in Total Pension Liability	388,239	632,685	455,437	327,687	419,221	542,754	440,614	283,794	407,249
Total Pension Liability - Beginning	4,421,292	4,809,531	5,442,216	5,897,653	6,225,340	6,644,561	7,187,315	7,627,929	7,911,723
Total Pension Liability - Ending	\$ 4,809,531	\$ 5,442,216	\$ 5,897,653	\$ 6,225,340	\$ 6,644,561	\$ 7,187,315	\$ 7,627,929	\$ 7,911,723	\$ 8,318,972
Plan Fiduciary Net Position									
Contributions - Employer	\$ 313,991	\$ 315,122	\$ 303,807	\$ 369,685	\$ 362,851	\$ 410,761	\$ 296,763	\$ 289,194	\$ 288,803
Contributions - Member	-	-	-	-	-	-	-	-	-
Net Investment Income	135,540	372,877	(153,317)	596,515	705,369	703,096	(915,160)	667,720	574,769
Benefit Payments, Including Refunds of Member Contributions	(39,081)	(39,081)	(59,888)	(106,761)	(143,178)	(179,519)	(194,428)	(232,466)	(278,478)
Administrative Expense	(3,200)	(4,100)	(3,900)	(5,900)	(3,000)	(4,900)	(3,600)	(5,200)	(3,600)
Net Change in Plan Fiduciary Net Position	407,250	644,818	86,702	853,539	922,042	929,438	(816,425)	719,248	581,494
Plan Net Position - Beginning	3,100,811	3,508,061	4,152,879	4,239,581	5,093,120	6,015,162	6,944,600	6,128,175	6,847,423
Plan Net Position - Ending	\$ 3,508,061	\$ 4,152,879	\$ 4,239,581	\$ 5,093,120	\$ 6,015,162	\$ 6,944,600	\$ 6,128,175	\$ 6,847,423	\$ 7,428,917
Municipality's Net Pension Liability	\$ 1,301,470	\$ 1,289,337	\$ 1,658,072	\$ 1,132,220	\$ 629,399	\$ 242,715	\$ 1,499,754	\$ 1,064,300	\$ 890,055
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.9%	76.3%	71.9%	81.8%	90.5%	96.6%	80.3%	86.5%	89.3%
Covered Employee Payroll	\$ 1,438,375	\$ 1,489,963	\$ 1,336,867	\$ 1,343,498	\$ 1,271,744	\$ 1,276,941	\$ 1,247,483	\$ 1,104,716	\$ 1,141,656
Municipality's Net Pension Liability as a Percentage of Covered Employee Payroll	90.5%	86.5%	124.0%	84.3%	49.5%	19.0%	120.2%	96.3%	78.0%

Ultimately, this schedule should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES -
AFSCME PENSION PLAN
DECEMBER 31, 2024**

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date: 1/1/2021

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar Closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value of assets as determined by the trustee.

Inflation: 3.00%

Salary Increases: 5.00%

Investment Rate of Return: 7.00%

Retirement Age: Normal Retirement Age.

Mortality: PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

Changes in benefit terms: None since 1/1/2021.

See independent auditor's report on required supplementary information.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF TOWNSHIP CONTRIBUTIONS -
POLICE PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

Year	Actuarially Determined Contributions	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Payroll
2015	\$ 1,032,224	\$ 1,032,224	\$ -	\$ 2,808,701	36.75%
2016	999,359	999,359	-	2,972,018	33.63%
2017	1,022,493	1,022,493	-	2,990,858	34.19%
2018	1,040,946	1,040,946	-	3,059,633	34.02%
2019	1,110,767	1,110,767	-	3,249,647	34.18%
2020	1,127,591	1,127,591	-	3,454,542	32.64%
2021	1,285,338	1,285,338	-	3,343,970	38.44%
2022	546,088	546,088	-	3,458,742	15.78%
2023	556,500	556,500	-	3,809,272	14.61%
2024	572,234	572,234	-	4,237,362	13.50%

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS -
POLICE PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability									
Service Cost	\$ 545,840	\$ 540,384	\$ 567,403	\$ 597,823	\$ 627,714	\$ 648,943	\$ 681,390	\$ 635,429	\$ 667,200
Interest	1,231,493	1,290,988	1,380,808	1,443,706	1,539,934	1,650,322	1,754,405	1,820,669	1,923,958
Changes of Benefit Terms	2,129	-	-	-	-	-	-	-	-
Changes for Experience	-	(999,926)	-	(933,556)	-	144,687	-	(503,031)	-
Changes of Assumptions	-	602,322	-	488,437	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(504,018)	(548,924)	(601,599)	(668,332)	(725,122)	(788,079)	(901,526)	(978,840)	(1,045,772)
Net Change in Total Pension Liability	1,275,444	884,844	1,346,612	928,078	1,442,526	1,655,873	1,534,269	974,227	1,545,386
Total Pension Asset - Beginning	17,298,930	18,574,374	19,459,218	20,805,830	21,733,908	23,176,434	24,832,307	26,366,576	27,340,803
Total Pension Liability - Ending	\$ 18,574,374	\$ 19,459,218	\$ 20,805,830	\$ 21,733,908	\$ 23,176,434	\$ 24,832,307	\$ 26,366,576	\$ 27,340,803	\$ 28,886,189
Plan Fiduciary Net Position									
Contributions - Employer	\$ 999,359	\$ 1,022,493	\$ 1,040,946	\$ 1,110,767	\$ 1,127,591	\$ 1,285,338	\$ 546,088	\$ 556,500	\$ 572,234
Contributions - Member	119,613	122,597	155,073	251,485	177,440	176,825	225,040	156,808	163,612
Net Investment Income	596,360	1,577,066	(620,518)	2,396,098	2,771,102	2,760,174	(3,563,825)	2,529,582	2,148,833
Benefit Payments, Including Refunds of Member Contributions	(504,018)	(548,924)	(601,599)	(668,332)	(725,122)	(788,079)	(901,526)	(978,840)	(1,045,772)
Administrative Expense	(8,100)	(5,700)	(6,900)	(7,700)	(6,800)	(8,000)	(9,800)	(8,500)	(8,575)
Net Change in Plan Fiduciary Net Position	1,203,214	2,167,532	(32,998)	3,082,318	3,344,211	3,426,258	(3,704,023)	2,255,550	1,830,332
Plan Net Position - Beginning	13,938,353	15,141,567	17,309,099	17,276,101	20,358,419	23,702,630	27,128,888	23,424,865	25,680,415
Plan Net Position - Ending	\$ 15,141,567	\$ 17,309,099	\$ 17,276,101	\$ 20,358,419	\$ 23,702,630	\$ 27,128,888	\$ 23,424,865	\$ 25,680,415	\$ 27,510,747
Municipality's Net Pension Liability (Asset)	\$ 3,432,807	\$ 2,150,119	\$ 3,529,729	\$ 1,375,489	\$ (526,196)	\$ (2,296,581)	\$ 2,941,711	\$ 1,660,388	\$ 1,375,442
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.5%	89.0%	83.0%	93.7%	102.3%	109.2%	88.8%	93.9%	95.2%
Covered Employee Payroll	\$ 2,972,018	\$ 2,990,858	\$ 3,059,633	\$ 3,249,647	\$ 3,454,542	\$ 3,343,970	\$ 3,436,743	\$ 3,809,272	\$ 4,237,362
Municipality's Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	115.5%	71.9%	115.4%	42.3%	-15.2%	-68.7%	85.6%	43.6%	32.5%

Ultimately, this schedule should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

The accompanying notes to required supplementary schedules are an integral part of these schedules.

**TOWNSHIP OF BETHLEHEM
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES -
POLICE PENSION PLAN
DECEMBER 31, 2024**

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date: 1/1/2021

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar Closed

Remaining Amortization Period: N/A

Asset Valuation Method: Market value of assets as determined by the trustee.

Inflation: 3.00%

Salary Increases: 5.00%

Investment Rate of Return: 7.00%

Retirement Age: Normal Retirement Age.

Mortality: PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

Changes in benefit terms: None since 1/1/2021.

See independent auditor's report on required supplementary information.

**TOWNSHIP OF BETHLEHEM
SCHEDULE OF CHANGES IN NET OPEB
LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS ENDED**

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$ 19,721	\$ 22,653	\$ 21,818	\$ 22,110	\$ 28,395	\$ 25,719	\$ 18,752
Interest	20,223	17,958	20,215	17,393	11,370	13,796	23,011
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	-	-	(39,247)	-	28,724	-	(73,571)
Changes of Assumptions	17,558	(14,954)	11,747	41,019	(10,362)	(74,170)	7,906
Benefit Payments, Including Refunds of Member Contributions	(36,504)	(37,858)	(37,661)	(35,837)	(27,324)	(34,878)	(39,913)
Other Changes	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	20,998	(12,201)	(23,128)	44,685	30,803	(69,533)	(63,815)
Total OPEB Liability - Beginning	545,152	566,150	553,949	530,821	575,506	606,309	536,776
Total OPEB Liability - Ending	\$ 566,150	\$ 553,949	\$ 530,821	\$ 575,506	\$ 606,309	\$ 536,776	\$ 472,961
Plan Fiduciary Net Position							
Contributions - Employer	\$ 36,504	\$ 37,858	\$ 37,661	\$ 35,837	\$ 27,324	\$ 34,878	\$ 39,913
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(36,504)	(37,858)	(37,661)	(35,837)	(27,324)	(34,878)	(39,913)
Administrative Expense	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-
Plan Net Position - Beginning	-	-	-	-	-	-	-
Plan Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipality's Net OPEB Liability	\$ 566,150	\$ 553,949	\$ 530,821	\$ 575,506	\$ 606,309	\$ 536,776	\$ 472,961
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	\$ 2,708,056	\$ 2,708,056	\$ 2,641,874	\$ 2,641,874	\$ 2,569,368	\$ 2,569,368	\$ 2,135,636
Municipality's Net OPEB Liability as a Percentage of Covered Employee Payroll	20.9%	20.5%	20.1%	21.8%	23.6%	20.9%	22.1%

Ultimately, this schedule should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

TOWNSHIP OF BETHLEHEM
COMBINING BALANCE SHEET – ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	State Liquid Fuels	D.A.R.E.-Canine	Fire	Total
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 42,227	\$ 547,020	\$ 589,247
Investments	167,614			167,614
Due From Other Funds	-	-	1,025	1,025
Total Assets	<u>\$ 167,614</u>	<u>\$ 42,227</u>	<u>\$ 548,045</u>	<u>\$ 757,886</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due To Other Funds	\$ 751	\$ -	\$ -	\$ 751
Total Liabilities	<u>751</u>	<u>-</u>	<u>-</u>	<u>751</u>
Fund Balance				
Restricted	166,863	-	-	166,863
Committed	-	42,227	548,045	590,272
Total Fund Balance	<u>166,863</u>	<u>42,227</u>	<u>548,045</u>	<u>757,135</u>
Total Liabilities and Fund Balances	<u>\$ 167,614</u>	<u>\$ 42,227</u>	<u>\$ 548,045</u>	<u>\$ 757,886</u>

See independent auditor's report on supplementary information.

TOWNSHIP OF BETHLEHEM
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	State Liquid Fuels	D.A.R.E.-Canine	Fire	Total
REVENUES RECEIVED				
Taxes	\$ -	\$ -	\$ 140,169	\$ 140,169
Intergovernmental Revenues	822,848	300	-	823,148
Charges for Services	-	-	307	307
Interest	52,412	-	3,445	55,857
Other Revenue	-	-	182,956	182,956
Total Revenues Received	875,260	300	326,877	1,202,437
EXPENDITURES PAID				
Public Works - Highways and Streets	881,361	-	-	881,361
Fees - Bank Charges	-	-	1,061	1,061
Interest	150,532	-	-	150,532
Total Expenditures Paid	1,031,893	-	1,061	1,032,954
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID	(156,633)	300	325,816	169,483
OTHER FINANCING SOURCES (USES)				
Transfers In	223	-	-	223
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses), Net	223	-	-	223
EXCESS (DEFICIT) OF REVENUES RECEIVED AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER FINANCING USES	(156,410)	300	325,816	169,706
Fund Balances - January 1, 2024	323,273	41,927	222,229	587,429
Fund Balances - December 31, 2024	\$ 166,863	\$ 42,227	\$ 548,045	\$ 757,135

See independent auditor's report on supplementary information.

TOWNSHIP OF BETHLEHEM
COMBINING BALANCE SHEET – ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2024

	Capital Reserve	Parks and Recreation	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,004,167	\$ -	\$ 3,004,167
Investments	651,233	1,823,815	2,475,048
Total Assets	<u>\$ 3,655,400</u>	<u>\$ 1,823,815</u>	<u>\$ 5,479,215</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted	3,655,400	-	3,655,400
Assigned	-	1,823,815	1,823,815
Total Fund Balance	<u>3,655,400</u>	<u>1,823,815</u>	<u>5,479,215</u>
Total Liabilities and Fund Balances	<u>\$ 3,655,400</u>	<u>\$ 1,823,815</u>	<u>\$ 5,479,215</u>

See independent auditor's report on supplementary information.

TOWNSHIP OF BETHLEHEM
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Capital Reserve	Parks and Recreation	Total
REVENUES RECEIVED			
Interest	\$ 67,348	\$ 113,568	\$ 180,916
Intergovernmental	681,029	-	681,029
Charges for Services	4,439	12,500	16,939
Total Revenues Received	<u>752,816</u>	<u>126,068</u>	<u>878,884</u>
EXPENDITURES PAID			
Planning and Zoning	<u>3,501,336</u>	-	<u>3,501,336</u>
Total Expenditures Paid	<u>3,501,336</u>	-	<u>3,501,336</u>
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID	<u>(2,748,520)</u>	<u>126,068</u>	<u>(2,622,452)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	2,758,724	-	2,758,724
Transfers Out	<u>-</u>	<u>(447,585)</u>	<u>(447,585)</u>
Total Other Financing Uses - Net	<u>2,758,724</u>	<u>(447,585)</u>	<u>2,311,139</u>
EXCESS (DEFICIT) OF REVENUES RECEIVED AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER FINANCING USES	10,204	(321,517)	(311,313)
Fund Balances - January 1, 2024	<u>3,645,196</u>	<u>2,145,332</u>	<u>5,790,528</u>
Fund Balances - December 31, 2024	<u><u>\$ 3,655,400</u></u>	<u><u>\$ 1,823,815</u></u>	<u><u>\$ 5,479,215</u></u>

See independent auditor's report on supplementary information.

TOWNSHIP OF BETHLEHEM
COMBINING STATEMENT OF NET POSITION – ALL PENSION FUNDS
DECEMBER 31, 2024

	Teamsters Pension	Police Pension	AFSCME Pension	Non-Uniform Pension	Defined Contribution	Total
ASSETS:						
Investments - At Amortized Cost						
PLGIT - Class	\$ 33,915	\$ 129,057	\$ 67,170	\$ 51,744	\$ -	\$ 281,886
PLGIT - PLGIT/PRIME	1,665	30,980	178,377	60,599	-	271,621
Investments - At Fair Value						
Cash and Sweep Balances	12,711	142,294	38,988	28,237	3,084	225,314
Common Stocks	1,852,546	24,818,913	6,517,334	4,742,683	333,776	38,265,252
Mutual Funds	178,427	2,387,250	627,048	456,326	32,699	3,681,750
Total Assets	<u>\$ 2,079,264</u>	<u>\$ 27,508,494</u>	<u>\$ 7,428,917</u>	<u>\$ 5,339,589</u>	<u>\$ 369,559</u>	<u>\$ 42,725,823</u>
LIABILITIES:						
Accounts Payable	\$ -	\$ (2,201)	\$ (85)	\$ -	\$ -	\$ (2,286)
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>(2,201)</u>	<u>(85)</u>	<u>-</u>	<u>-</u>	<u>(2,286)</u>
NET POSITION:						
Restricted	<u>2,079,264</u>	<u>27,510,695</u>	<u>7,429,002</u>	<u>5,339,589</u>	<u>369,559</u>	<u>42,728,109</u>
Total Liabilities and Net Position	<u>\$ 2,079,264</u>	<u>\$ 27,508,494</u>	<u>\$ 7,428,917</u>	<u>\$ 5,339,589</u>	<u>\$ 369,559</u>	<u>\$ 42,725,823</u>

See independent auditor's report on supplementary information.

TOWNSHIP OF BETHLEHEM
COMBINING STATEMENT OF CHANGES IN NET POSITION – ALL PENSION FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Teamsters Pension	Police Pension	AFSCME Pension	Non-Uniform Pension	Defined Contribution	Total
ADDITIONS:						
<i>Contributions:</i>						
Employer	\$ 60,488	\$ 572,234	\$ 288,803	\$ 218,159	\$ 88,800	\$ 1,228,484
Plan Members	-	163,560	-	-	-	163,560
Total Contributions	60,488	735,794	288,803	218,159	88,800	1,392,044
<i>Investment Earnings:</i>						
Interest, dividends and net unrealized gains	167,168	2,221,817	593,940	428,769	24,868	3,436,562
Less: Investment Expenses	(5,454)	(72,985)	(19,171)	(13,950)	(839)	(112,399)
Total Additions	<u>222,202</u>	<u>2,884,626</u>	<u>863,572</u>	<u>632,978</u>	<u>112,829</u>	<u>4,716,207</u>
DEDUCTIONS:						
Administration	2,600	8,575	3,600	2,600	-	17,375
Benefit Payments	68,648	1,045,772	278,393	233,998	54,085	1,680,896
Total Deductions	<u>71,248</u>	<u>1,054,347</u>	<u>281,993</u>	<u>236,598</u>	<u>54,085</u>	<u>1,698,271</u>
Excess of Additions Over Deductions	150,954	1,830,279	581,579	396,380	58,744	3,017,936
NET POSITION						
Net Position, January 1, 2024	<u>1,928,310</u>	<u>25,680,416</u>	<u>6,847,423</u>	<u>4,943,209</u>	<u>310,815</u>	<u>39,710,173</u>
Net Position, December 31, 2024	<u>\$ 2,079,264</u>	<u>\$ 27,510,695</u>	<u>\$ 7,429,002</u>	<u>\$ 5,339,589</u>	<u>\$ 369,559</u>	<u>\$ 42,728,109</u>

See independent auditor's report on supplementary information.

**INDEPENDENT AUDITOR'S 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**

To the Board of Commissioners of
Township of Bethlehem
Bethlehem, PA

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 Township of Bethlehem, which comprise the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated August 13, 2025. Our report includes a reference to other auditors who audited the financial statements of Bethlehem Township Municipal Authority, as described in our report on Township of Bethlehem's financial statements. This report does not include the results of the other auditors' testing of internal control. The financial statements of Bethlehem Township Municipal Authority were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Township of Bethlehem'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 determination of financial statement amounts. 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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Congbell, Rappold & Yucasita LLP

August 13, 2025