

FINAL OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "TAX MATTERS" herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the amount, accrual, or receipt of interest on the Notes. See "TAX MATTERS" herein.

The Notes will be designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$5,960,000

TOWN OF BETHLEHEM ALBANY COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 087311

\$5,960,000 Bond Anticipation Notes, 2025

(referred to herein as the "Notes")

At an Interest Rate of 5.00% to Yield 3.50%

CUSIP: 087311 Q58

Dated: May 1, 2025

Due: May 1, 2026

The Notes are general obligations of the Town of Bethlehem, Albany County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes shall not be subject to redemption prior to maturity.**

The Notes will be issued in registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

Such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Hodgson Russ LLP, Albany, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, on or about May 1, 2025.

April 17, 2025

PIPER | SANDLER

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE PRELIMINARY OFFICIAL STATEMENT OF THE TOWN DATED APRIL 10, 2024 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE, THE REVISION OF THE "RATING" SECTION, AND THE REVISION OF THE DATED DATE ON PAGE 28, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.



TOWN OFFICIALS

TOWN BOARD

DAVID VAN LUVEN
Town Supervisor

MAUREEN CUNNINGHAM
JOYCE BECKER
TOM SCHNURR
DAVID R. DECANCIO

* * * * *

ADMINISTRATION

MICHAEL E. COHEN, CPA
Town Comptroller

MARC DORSEY
Superintendent of Highways

KIM WHITSITT
Town Clerk

ALICIA RONEY
Tax Receiver

PAUL M. PENMAN, P.E.
Commissioner of Public Works

JAMES POTTER, ESQ.
Town Attorney

MUNICIPAL ADVISOR



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

BOND COUNSEL



677 Broadway, Suite 401
Albany, New York 12207

No person has been authorized by the Town of Bethlehem to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Bethlehem.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
TOWN OF BETHLEHEM
ALBANY COUNTY, NEW YORK

Relating To
\$5,960,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Bethlehem, Albany County, New York (the “Town”, “County”, and “State”, respectively), in connection with the sale by the Town of the principal amount of \$5,960,000 Bond Anticipation Notes, 2025 (referred to herein as the “Notes”).

The factors affecting the Town’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the Town, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the laws of the State of New York. All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See “TAX LEVY LIMITATION LAW” herein.

Under Article VIII of the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the Town to levy taxes on real property for the payment of such indebtedness.

The Notes are dated May 1, 2025 and mature, without option of prior redemption, on May 1, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) at the option of the purchaser(s), as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY-ONLY SYSTEM” herein; or (ii) registered in the name of the purchaser(s) with principal and interest payable in Federal Funds at the office of the Town Clerk, in Endwell, New York.

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Purposes of Issue

The Notes are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and various bond resolutions, for the following purposes:

<u>Project Name</u>	<u>Authorized Amount</u>	<u>Amount of 2024 BAN</u>	<u>2025 Principal Reduction</u>	<u>2025 Renewal</u>	<u>2025 New Money</u>	<u>Amount of 2025 BAN</u>
Elm Avenue Water Tank	\$ 2,500,000	\$ 2,320,000	\$ (80,000)	\$ 2,240,000	\$ -	\$ 2,240,000
Sewer System Improvements:						
WWTP Blower Project	1,300,000	96,667	(3,333)	93,334	1,200,000	1,293,334
Pump Station Replacements	2,600,000	2,513,333	(86,667)	2,426,666	-	2,426,666
TOTAL:	\$ 6,400,000	\$ 4,930,000	\$ (170,000)	\$ 4,760,000	\$ 1,200,000	\$ 5,960,000

The proceeds of the Notes along with \$170,000 available funds to the Town will partially redeem and renew the obligations set to mature on May 2, 2025 and provide \$1,200,000 in new money for the aforementioned projects.

NATURE OF THE OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof.

Holders of any series of notes or bonds of the Town may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

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The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit”, are used and they are not tautological. That is what the words say and this is what the courts have held they mean.... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted.... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

If the Notes are issued in book-entry form, the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

Source: The Depository Trust Company.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is initially utilized and then discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the Town. The Notes will remain not subject to redemption prior to their stated final maturity date or earlier redemption.

THE TOWN

General Information

The Town of Bethlehem (the "Town") was incorporated in 1793. It has a land area of 52 square miles and is located in the upstate New York Capital Region in Albany County. It includes the hamlets of Delmar, Elsmere, Glenmont, Selkirk, Slingerlands and South and North Bethlehem. Situated approximately 6 miles south of the City of Albany, the capital of New York State, on the west bank of the Hudson River, the Town is primarily residential in nature. New York City is located approximately 150 miles south and Boston is located approximately 170 miles to the east. Residents have employment opportunities within the Capital Region.

The nearby Adirondack, Catskill and Berkshire mountains offer skiers, hikers and climbers world-class facilities, while boaters and water sports enthusiasts have Lake George only a short drive away. The Town has available all the usual commercial services in the hamlet of Delmar, as well as various shopping centers within the Town.

The Town has its own Water District with a water filtration and supply system capable of delivering ten million gallons of water daily through about 230 miles of water mains. The Bethlehem Sewer District contains about 175 miles of sewer mains. Approximately 85% of the Town's residents are served by the Sewer District. The Town maintains its own Police Department. There are five volunteer fire districts in the Town with each district having a five-person Board of Commissioners or Board of Directors. One volunteer ambulance company provides basic life support ambulatory services while the County provides advanced life support ambulatory services to the Town. The highway department is responsible for street and highway construction and repair. Gas and electricity are furnished by National Grid.

Rail passenger service to New York City and to the City of Buffalo and the west is provided by Amtrak at the Rensselaer station, which is located within close proximity to the Town and is easily accessible for residents. Major bus lines operate in all directions from the Albany Bus Terminal. Truck traffic is facilitated by US Interstates #87 (Adirondack Northway) and #90 (New York State Thruway). Other major highways include Interstate #787, US Routes #9W and #20, and State Routes #443 and #85. The Albany International Airport, located nearby in the Town of Colonie, provides passenger and freight service and accommodates both general aviation and military services.

Three school districts, Bethlehem Central School District, Ravena-Coeymans-Selkirk Central School District and Guilderland Central School District provide primary education. Higher education is afforded residents in the nearby City of Albany including such institutions as the State University of New York at Albany, SUNY Polytechnic Institute, Albany Law School, Albany College of Pharmacy and Health Sciences and Albany Medical College. Additionally, Siena College is located in the Town of Colonie and Rensselaer Polytechnic Institute and Russell Sage College are located in the City of Troy.

Source: Town officials.

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Major Employers

The following table sets forth the names of the major employers located within the Town and the estimated number of persons employed by each:

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
Bethlehem Central School District	Public School	885
Plug Power	Manufacturing	600
American National-Farm Family	Insurance	570
SABIC (formerly General Electric Plastics Mfg.)	Plastics Manufacturing	500
Callanan Industries, Inc.	Paving and Construction Co	500
Walmart	Shopping Center	460
Price Chopper/Golub Corp.	Shopping	302
Owens Corning	Fiberglass Manufacturing	300
National Grid	Utility	300
Town of Bethlehem	Government - Town	211
Broadview Federal Credit Union	Financial Institutions	199
Glenmont Job Corps Academy	Human Services	130

Source: Chamber of Commerce.

Population Trends

<u>Year</u>	<u>Town of Bethlehem</u>	<u>Albany County</u>	<u>New York State</u>
1970	23,427	286,742	18,236,882
1980	24,296	285,909	17,558,072
1990	27,552	292,594	17,990,455
2000	31,304	294,585	18,976,457
2010	33,656	304,204	19,378,102
2020	35,034	314,848	20,201,249
2022 (Estimate)	34,943	315,811	19,677,151
2023 (Estimate)	34,964	316,659	19,571,216

Sources: U.S. Census.

Selected Wealth and Income Indicators

Per capita income statistics are available for the County and State. Listed below are select figures from the 2006-2010, 2016-2020, and 2019-2023 American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Town of:						
Bethlehem	\$ 31,492	\$ 53,514	\$ 61,044	\$ 77,211	\$ 136,792	\$ 153,574
County of:						
Albany	23,345	38,592	46,231	56,724	95,923	115,490
State of:						
New York	23,389	40,898	49,520	51,691	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020, and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are available for the Town. In addition to the Town, such statistics are available for Albany County. The information set forth below with respect to the County and State of New York is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the Town, or vice versa.

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Town of Bethlehem	2.9%	2.7%	4.6%	3.2%	2.3%	2.5%	2.7%
Albany County	3.7%	3.5%	6.9%	4.4%	3.0%	3.3%	3.3%
New York State	4.1%	3.8%	9.9%	6.9%	4.3%	4.2%	4.3%

	<u>2024-2025 Monthly Figures</u>											
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
Town of Bethlehem	3.1%	2.9%	2.5%	2.6%	2.8%	3.0%	2.9%	2.5%	2.6%	2.6%	2.5%	2.6%
Albany County	3.8%	3.6%	3.3%	3.6%	3.5%	3.9%	3.8%	3.0%	3.1%	3.0%	3.0%	3.6%
New York State	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	4.9%	4.0%	4.1%	4.2%	4.1%	4.6%

Note: Unemployment figures for February and March 2025 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. Figures not seasonally adjusted.

Construction Activity

The following table sets forth the number of building permits which were issued within the Town for the years 2019 through and including 2025:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 ⁽¹⁾</u>
<u>Residential:</u>							
One Family	76	74	64	30	14	26	6
Two Family	0	0	0	10	10	0	0
Additions/Alterations	366	925	1,039	924	839	855	90
Town Houses	0	0	0	0	0	0	0
Apartments	2 (6 units)	1 (8 units)	0	0	0	16(18 units)	4(14 units)
Commercial & Industrial	4	9	5	13	7	8	1
<u>Non-Residential:</u>							
Additions/Alterations	75	22	80	83	61	67	17
Misc., Pools & Sheds	507	40	40	59	70	46	13

⁽¹⁾ As of March 10, 2025

Source: Town officials.

Form of Town Government

The Town functions under the Town Law of the State of New York. The chief executive, administrative and fiscal officer and Chairman of the Town Board is the Town Supervisor. The Supervisor is elected to a two-year term and is eligible to succeed his term. The Town Board, in addition to the Supervisor, is comprised of four councilmen who are elected to four-year terms. The Town Board reviews and adopts the annual Town budget, levies taxes, enacts ordinances and resolutions, administers municipal services and special Town districts, and appoints various personnel of the Town government. Two Town Justices who preside over weekly sessions of the Town Court, and a Receiver of Taxes, who supervises the collection and recording of the County, Fire District and Town tax receipts are elected for four-year terms. The Town Clerk and Superintendent of Highways, who supervises the budget and personnel of the Highway Department, are elected to two-year terms.

Financial Organization

The Supervisor is the chief fiscal officer of the Town. The Town Board appoints the Comptroller, who along with the Supervisor, has responsibility for the Town's financial affairs, including reviewing the financial conditions of the Town and plans for the Town's financial needs. The Supervisor is responsible for the custody of the Town's funds and disbursement of Town expenses. The Comptroller is responsible for auditing the financial records of the Town and allowing claims and expenses. The Board of Assessment and Review has responsibility for assessing real property in the Town for ad valorem taxes. Taxes, including Albany County ad valorem taxes assessed in the Town, are collected by the Receiver of Taxes. The Town maintains separate accounts of revenues and expenditures of the General Fund, Water District (Water Fund), Sewer District (Sewer Fund) and Highway Department (Highway Fund).

Budgetary Procedures

The Town Law of New York prescribes the method of budget procedures employed by the Town. In mid-July, administrative heads of the Town's departments are expected to prepare and file an estimate of revenues and expenditures during the next succeeding fiscal year with the Town Comptroller. From this data, The Comptroller and Town Supervisor prepare a tentative budget, which is presented to the Town Board, no later than September 30th. The tentative budget is filed with the Town Clerk and made available for inspection by interested persons both online and in office during reasonable hours. A hearing on the preliminary budget is held on or before the Thursday immediately following the general election held each year in November. The Town Board adopts the preliminary budget, by a majority vote, which then becomes the annual fiscal budget, on or before November 20th. The 2025 budget was adopted on November 13, 2024.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

State Aid

The Town receives financial assistance from the State. In its budget for the 2025 fiscal year, approximately 4.1% of the General Fund revenues of the Town are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions may occur. State budgetary restrictions which eliminate or substantially reduce State aid could have an effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Employees

The Town currently employs approximately 213 full-time employees, of which 47 are represented by the collective bargaining units listed below. 166 employees are not represented by any bargaining unit. The labor agreement with all three units runs January 1, 2022 through December 31, 2025.

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
24	Teamsters (Police Officers & Detectives)	December 31, 2025
12	AFL-CIO Council 66 (Telecommunicators)	December 31, 2025
8	AFSCME Council 82 (Police Sergeants)	December 31, 2025

Source: Town officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non-contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% based on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
-

The Town's contributions to ERS and PFRS since 2019, including the 2024 budgeted and unaudited and 2025 budgeted amount, are as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2019	\$ 1,684,371	\$ 963,701
2020	1,708,487	1,066,300
2021	1,813,922	1,171,533
2022	1,455,170	1,181,347
2023	1,554,054	1,239,992
2024 (Budgeted)	1,943,990	1,461,053
2024 (Unaudited)	1,888,429	1,393,961
2025 (Budgeted)	2,179,097	1,568,552

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially. The Town’s most recent contributions have been 15.0% to 32.6% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of statewide average ERS and PFRS rates (2021 to 2025) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	10.11

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Town does not participate in the State’s pension amortization program and does not intend to do so in the foreseeable future.

In 2013, during a period when contributions were increasing annually at a dramatic rate, the Town created a capital reserve fund with \$672,000, \$308,000 and \$126,000, in the General, Highway and Water Funds, respectively, for the purpose of retirement contribution smoothing. This fund has not been used since, and the moneys are still available should the state system require a substantial increase in contribution. The Town has budgeted to use \$165,000 of the balance of the retirement contribution fund in 2025 in order to internally smooth the large increases of retirement obligations in the fiscal year.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending May 31, 2019. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The Town adopted the provisions of Statement No. 75 for the year ending December 31, 2018. The Town does report pension obligations on the Audited Financial Statements but does not report the effect of OPEB, noted below.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuations are required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

In addition to providing pension benefits, the Town also provides certain health care benefits for retired employees and their dependents. Substantially all of the Town employees may become eligible for those benefits if they reach normal retirement age while working for the Town.

The Town has not recorded other postemployment benefits in accordance with the regulatory basis accounting principles. The amounts that would have been recorded as a liability, had other postemployment benefits been recorded in accordance with the regulatory basis accounting principles, is not known.

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GASB 45 requires the Town to recognize the cost of pension benefits to be reflected in the financial statements in the periods in which the exchange occurs rather than in the periods when the benefits are paid. GASB 45 requires the services of an actuary to calculate current OPEB costs and to amortize prior service costs over a period not to exceed thirty years. The expense recognized under this policy would be significantly larger than prior practice which recognized expense on a pay-as-you-go basis.

- OPEB costs recognized by the Town as incurred were \$639,976 in 2014 for 141 retirees.
- OPEB costs recognized by the Town as incurred were \$758,077 in 2015 for 146 retirees.
- OPEB costs recognized by the Town as incurred were \$760,968 in 2016 for 146 retirees.
- OPEB costs recognized by the Town as incurred were \$761,953 in 2017 for 154 retirees.
- OPEB costs recognized by the Town as incurred were \$746,302 in 2018 for 172 retirees.
- OPEB costs recognized by the Town as incurred were \$804,646 in 2019 for 180 retirees.
- OPEB costs recognized by the Town as incurred were \$881,878 in 2020 for 212 retirees.
- OPEB costs recognized by the Town as incurred were \$1,021,991 in 2021 for 218 retirees.
- OPEB costs recognized by the Town as incurred were \$1,075,065 in 2022 for 199 retirees.
- OPEB costs recognized by the Town as incurred were \$1,158,596 in 2023 for 160 retirees.
- OPEB costs recognized by the Town as incurred were \$1,239,507 in 2024 for 155 retirees.

Note: The number of retirees above includes covered spouses and children, where applicable.

An annual audit will be conducted on the Annual Financial Report as required to be submitted to the Office of the New York State Comptroller, using an Other Comprehensive Basis of Accounting (OCBOA), in that the financial statements will be prepared in conformity with the requirements of this regulatory agency. See “Financial Statements” herein.

The Town’s financial statements are presented in conformity with GAAP and ties to the Financial Statements as audited.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Notes are issued, is the Town Law and the Local Finance Law.

No principal or interest upon any obligation of this Town is past due.

The fiscal year of the Town is January 1 through December 31.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the Town. The financial affairs of the Town are also subject to periodic reviews by the State Comptroller. The audited financial statements for the fiscal year ending December 31, 2024 are not available as of this Official Statement. The last independent audit covers the fiscal year ending December 31, 2023 and is attached hereto as “APPENDIX – D” to this Official Statement. Certain other financial information can also be found in “APPENDIX – A1 – A3” attached hereto.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

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The Town has chosen to defer implementation of GASB Statement No. 34 (and other subsequent statements), until such time as the benefits from compliance may outweigh the costs to comply and with the requirements of GASB 75 as it pertains to OPEB. The Town's financial statements are prepared using GAAP. In addition, the Town continues to comply with the requirements of OMB Circular A-133, for its Single Audit.

Unaudited Results of Operations for Fiscal Year Ended 2024.

Summary unaudited information for the General Fund for the period ending December 31, 2024 is as follows:

Revenues:	\$ 30,145,208
Expenditures:	27,309,520
Excess (Deficit) Revenues Over Expenditures:	<u>\$ 2,835,688</u>
Total General Fund Balance December 31, 2023:	15,448,813
Total General Fund Balance December 31, 2024:	\$ 18,284,501

Note: These unaudited results are based upon certain current assumptions and estimates for fiscal year ended 2024 and the audited results may vary therefrom.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

In December 2021, the Office of the State Comptroller conducted a review of the Town's tax levy limit and proposed tax levy for the fiscal year ending in 2022. The review resulted in no findings.

In April 2024, the State Comptroller's Office initiated a comprehensive audit of the Town's financial processes and data for the years 2022 through 2023. The initial phase has been completed, and, not having identified any substantive issues in the financial areas of focus, the evaluation has shifted to the processes and procedures surrounding the Town's information technology systems. This phase remains ongoing.

There are no additional recent State Comptroller's audits of the Town, nor any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

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The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$3,795,484,179	\$3,836,627,024	\$3,878,903,349	\$3,919,053,419	\$3,915,827,604
New York State Equalization Rate	95.00%	93.00%	86.00%	75.00%	71.00%
Total Taxable Full Valuation	\$ 3,995,246,504	\$ 4,125,405,402	\$ 4,510,352,731	\$ 5,225,404,559	\$ 5,515,250,146

Source: Town officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
County	\$ 3.70	\$ 3.73	\$ 3.70	\$ 3.81	\$ 3.88
Town	1.00	1.04	1.01	1.09	1.09
Highway	1.71	1.72	1.77	1.83	1.86
Water	0.60	0.61	0.61	0.37	0.38
Sewer	0.33	0.33	0.38	0.48	0.49

Source: Town officials.

Tax Collection Procedure

Taxes are payable during the month of January without penalty. Penalties thereafter are imposed at a rate of 1% if paid in February and 2% if paid in March. In April the tax roll is returned to the County and all unpaid taxes plus penalties are due and payable to the County. The Town retains the total amount of Town, Highway, Special District levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales. As far as the Town is concerned there are no uncollected taxes. Payment in full of all Town items is guaranteed by the County.

The County of Albany acts as billing and collecting agent for real property taxes with respect to public utility (including special franchise) and railroad properties.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy ⁽¹⁾	\$ 34,180,797	\$ 35,100,110	\$ 35,699,951	\$ 37,176,499	\$ 40,534,849
Amount Unpaid ⁽²⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Town officials.

Ten Largest Taxpayers – 2024 Assessment Roll for 2025 Town Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
PSEG	Utility	\$104,660,614
Niagara Mohawk Power Corp	Utility	83,538,446
New York Central Lines	Railroad	66,257,249
Selkirk Cogen	Utility	50,000,000
Campus Associates	Manufacturing	24,000,000
Beverwyck Inc.	Aged home	22,000,000
LSREF4 Dual (Mansions) LLC	Apts	22,000,000
SHPP US LLC	Manufacturing	21,951,400
Adams Station Apts	Apts	20,360,000
Tennessee Gas	Utility	20,100,528
Air Products & Chemicals Inc	Apts	16,000,000

The ten taxpayers, listed above, have a total assessed valuation of \$450,868,237, which represents 11.51% of the taxable assessed value of the Town.

The Town is currently addressing tax assessment challenges from 3 major businesses: Cumberland Farms, Victoria Estates, and Lowe's Home Centers. Buckeye Albany Terminal LLC, a small business owner, is also contesting assessments on 3 parcels. Additionally, Hanifin is appealing the assessment on his three-family home, alongside 9 homeowners from the Beacon Island area. The Town has successfully resolved prior disputes involving Key Bank and the Albany Water Board. The Town believes that none of these disputes will have an adverse material financial impact on Town finances.

Source: Town officials.

Additional Tax Information

Veterans' and senior citizens' exemptions are offered to those who qualify.

The Town assessment roll is completed by the Town's Assessor and is modified according to Town requirements and standards.

The assessment roll of the Town, based on total value, is constituted approximately as follows: Agricultural and Residential 71%, Commercial and Industrial 20%, and wholly exempt 9%.

The total 2025 property tax bill of an average assessed value residential property of \$271,000, located in the Town, is approximately \$9,017 including County, Fire District, Town, and School District (2024/2025) taxes.

Source: Town officials.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

- The Town Tax Levy remained under the Tax Cap in 2015 by \$295,502.
- The Town Tax Levy remained under the Tax Cap in 2016 by \$252,696.
- The Town Tax Levy remained under the Tax Cap in 2017 by \$26,375.
- The Town Tax Levy remained under the Tax Cap in 2018 by \$24,008.
- The Town Tax Levy remained under the Tax Cap in 2019 by \$37,532.
- The Town Tax Levy remained under the Tax Cap in 2020 by \$21,315.
- The Town Tax Levy remained under the Tax Cap in 2021 by \$16,584.
- The Town Tax Levy remained under the Tax Cap in 2022 by \$ 7,740.
- The Town Tax Levy remained under the Tax Cap in 2023 by \$15,835.
- The Town Tax Levy remained under the Tax Cap in 2024 by \$ 0.00
- The Town Tax Levy remained under the Tax Cap in 2025 by \$15,063.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Town and the Notes include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the Town to borrow and incur indebtedness, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Town is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law) restrictions relating to the period of probable usefulness with respect thereto.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the Town with the power to issue certain other short-term general obligations indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 40,765,000	\$ 38,620,000	\$ 36,395,000	\$ 35,020,001	\$ 33,605,001
Bond Anticipation Notes	0	0	0	6,000,000	4,930,000
Other Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ 40,765,000	\$ 38,620,000	\$ 36,395,000	\$ 41,020,001	\$ 38,535,001

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of April 10, 2025.

	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2037	\$ 33,525,001
<u>Bond Anticipation Notes</u>	May 3, 2024	<u>4,930,000</u>
	Total Debt Outstanding	<u>\$ 38,455,001</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 10, 2025:

Five-Year Average Full Valuation of Taxable Real Property	\$ 4,674,331,869
Debt Limit 7% thereof.....	327,203,231
Inclusions:	
Bonds.....	\$ 33,525,001
Bond Anticipation Notes	<u>4,930,000</u>
Total Inclusions.....	\$ 38,455,001
Exclusions:	
Water Debt ⁽¹⁾	\$ 17,502,707
Sewer Indebtedness ⁽²⁾	2,723,855
Appropriations ⁽³⁾	<u>713,039</u>
Total Exclusions.....	<u>\$ 20,939,601</u>
Total Net Indebtedness	<u>\$ 17,515,400</u>
Net Debt-Contracting Margin.....	<u>\$ 309,687,831</u>
The percent of debt contracting power exhausted is	5.35%

- (1) Excluded pursuant to Section 124.10 of the Local Finance Law.
- (2) Excluded pursuant to Section 136 of the Local Finance Law.
- (3) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in the Appendices to this Official Statement.

Cash Flow Borrowings

The Town has not found it necessary to borrow revenue or tax anticipation notes in the recent past and does not anticipate having to borrow such in the foreseeable future.

Authorized but Unissued Items

Currently approved projects that the Town has not yet financed include:

- In the Water Fund, \$640,000 in borrowing was authorized in March 2016 for a Water Storage Tank Rehabilitation project.
- In the Water Fund, \$451,777 in borrowing was authorized in March 2016 for a Dam Safety Improvement project.
- In the General Fund, \$700,000 in borrowing was authorized in May 2022 for Elm Ave Pool restoration.

Source: Town officials.

Capital Plan Summary

The Town has a Capital Plan Projection which covers five years. It is an internal working document to be used by the Town Board and administrators as well as the Town's financial advisors and bond counsel. It provides a financial plan through which borrowing can be organized and scheduled and debt service impacts on future annual operating budgets can be predicted. The plan is publicly available on the Town's website at the address below: <https://www.townofbethlehem.org/DocumentCenter/View/15048/2025-2029-Tentative-Capital-Plan-Presentation?bidId=>

Source: Town officials.

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Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the Town.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Albany	12/31/2023	\$265,995,000 ⁽³⁾	\$ 37,235,000 ⁽²⁾	\$ 228,760,000	16.58%	\$ 37,928,408
School District:						
Bethlehem CSD	11/18/2024	56,336,330 ⁽³⁾	40,449,485 ⁽⁵⁾	15,886,845	92.45%	14,687,388
Ravena-Coeymans-Selkirk	12/19/2024	21,576,989 ⁽³⁾	15,405,970 ⁽⁵⁾	6,171,019	47.80%	2,949,747
Guilderland CSD	12/23/2024	70,755,445 ⁽³⁾	49,811,833 ⁽⁵⁾	20,943,612	6.61%	1,384,373
Fire District:						
Delmar Fire District	12/31/2023	567,000 ⁽⁴⁾	- ⁽⁶⁾	567,000	29.08%	164,884
Elmwood Park Fire District	12/31/2023	- ⁽⁴⁾	- ⁽⁶⁾	-	6.91%	-
Elsmere Fire District	12/31/2023	1,031,891 ⁽⁴⁾	- ⁽⁶⁾	1,031,891	25.79%	266,125
Selkirk Fire District	12/31/2023	- ⁽⁴⁾	- ⁽⁶⁾	-	29.96%	-
Slingerlands Fire District	12/31/2023	715,818 ⁽⁴⁾	- ⁽⁶⁾	715,818	15.09%	<u>108,017</u>
					Total:	<u>\$ 57,488,941</u>

- (1) Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross Indebtedness sourced from local government data provided by the State Comptroller's office dated as of February 13, 2024.
- (5) Estimated State Building Aid
- (6) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of April 10, 2025.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary")	\$ 17,515,400	\$ 500.96	0.32%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	75,004,341	2,145.19	1.36%

- (a) The 2023 estimated population of the Town is 34,964. (See "Population Trends" herein.)
- (b) The Town's total full valuation of taxable real property for the 2025 Town tax roll is \$5,515,250,146. (See "TAX INFORMATION" herein.)
- (c) The Town's estimated applicable share of net underlying indebtedness is \$57,488,841. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

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Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt. No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In some years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE TOWN - State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing strain on the Town's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Town and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

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TAX MATTERS

The Notes. In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law, interest on the Notes is excludable from the gross income of the owners thereof for federal income tax purposes, assuming compliance with certain covenants and the accuracy of certain representations. Further, (a) the Town or another Person, by failing to comply with the requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), may cause interest on the Notes to become subject to federal income taxation from the date of issuance thereof, (b) interest on the Notes is not an “item of tax preference” for purposes of the individual alternative minimum tax imposed by the Code, and (c) interest on the Notes is included in the tax base for purposes of computing the branch profits tax under Section 884 of the Code. In addition, we note that, interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

Tax Requirements. In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Notes from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations thereunder (collectively, the “Tax Requirements”). In the opinion of Bond Counsel, the Tax Compliance Certificate establishes requirements and procedures, compliance with which will satisfy the Tax Requirements.

In the Tax Compliance Certificate, the Town has covenanted to comply with the Tax Requirements, and refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Bank Qualified. The Notes will be designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

Other Impacts. Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Note before maturity within the United States. Backup withholding may apply to holders of the Note under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States Federal income tax provided the required information is furnished to the Internal Revenue Service (the “Service”).

Future Legislation. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted or, if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes.

Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Notes at other than their original issuance at the respective prices set indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations, such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

New York State Taxes. In the opinion of Bond Counsel, interest on the Notes is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous. All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. Unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners of the Notes regarding the tax status of the interest thereon in the event of an audit examination by the IRS.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon (Subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York), without limitation as to rate or amount, provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights, (a) may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or federal) affecting the enforcement of creditors' rights, and (b) may be subject to the exercise of judicial discretion in appropriate cases, (ii) the Town has the power to comply with its covenant included in its arbitrage certificate with respect to the Notes relating to compliance with the Code as it relates to the Notes; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; and (iii) assuming that the Town complies with such covenants interest on the Notes is not includable in the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not an "item of tax preference" for purposes of the individual alternative minimum tax. Moreover, interest on the Notes may be subject to a branch profits tax of up to 30% when owned by certain foreign corporations. Furthermore, interest on the Notes may be subject to a tax at ordinary income rates when owned by "S Corporations" in certain cases. In addition, we note that, interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town, threatened against or affecting the Town to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Town.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Town will enter into a Continuing Disclosure Undertaking, descriptions of which are attached hereto as “APPENDIX – C, FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS”.

Historical Continuing Disclosure Compliance

The Town has complied with all previous Undertakings in all material respects pursuant to the Rule within the past five years. However, the Town failed to file its audited financial statements for fiscal year ended December 31, 2023 within 60 days of completion. The audited financial statements for fiscal year ended December 31, 2023 are dated May 30, 2024 however were not filed until March 12, 2025 due to a clerical error. A failure to file notice was filed on March 12, 2025.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Town to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Town provided, however; the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated.

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned its underlying rating of “AA+” with a stable outlook to the Town’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, and any explanation of the significance of such rating may be obtained from Standard & Poor’s Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Moody’s Investors Service (“Moody’s”) has assigned their rating of “Aa2” to the Town’s outstanding general obligations bonds. This rating reflects only the view of Moody’s and any desired explanation of the significance of such rating should be obtained from Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the bonds may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Town management’s beliefs as well as assumptions made by, and information currently available to, the Town management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town’s files with the repositories. When used in Town documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

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

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the Town as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

Hodgson Russ LLP, Albany, New York, Bond Counsel to the Town, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

The Town hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town’s contact information is as follows: Mr. Michael E. Cohen, Town Comptroller, Town Hall, Room 205, 445 Delaware Avenue, Delmar, New York 12054, Phone: (518) 439-4955, Telefax: (518) 475-0520, email: mcohen@townofbethlehem.org

TOWN OF BETHLEHEM

Dated: April 17, 2025

DAVID VAN LUVEN
Town Supervisor

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>					
Cash	\$ 5,546,741	\$ 5,874,941	\$ 8,035,654	\$ 13,236,096	\$ 13,789,599
Restricted Assets	-	-	-	-	-
Investments	-	-	-	-	-
Accounts Receivable	344,430	303,724	360,841	396,653	527,278
Due from Other Funds	-	-	-	-	-
Due From Other Governments	4,194,709	3,859,765	4,599,331	4,319,648	4,497,987
State and Federal Aid Receivable	15,019	141,875	52,013	4,586	71,100
Prepaid Expenses	550,313	520,728	1,499,628	1,448,088	1,809,931
Inventories	94,728	102,644	106,531	102,187	101,771
TOTAL ASSETS	<u>\$ 10,745,940</u>	<u>\$ 10,803,677</u>	<u>\$ 14,653,998</u>	<u>\$ 19,507,258</u>	<u>\$ 20,797,666</u>
 <u>LIABILITES AND FUND EQUITY</u>					
Accounts Payable	\$ 555,714	\$ 458,396	\$ 450,017	\$ 402,875	\$ 622,103
Accrued Liabilities	476,030	549,726	595,245	721,483	683,815
Due to Other Funds	-	-	-	-	-
Due to Other Governments	567,606	619,749	627,529	638,048	790,514
Unearned Revenues	784,463	874,140	2,842,676	4,651,445	3,252,421
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	<u>2,383,813</u>	<u>2,502,011</u>	<u>4,515,467</u>	<u>6,413,851</u>	<u>5,348,853</u>
 <u>FUND EQUITY</u>					
Nonspendable	\$ 645,041	\$ 623,372	\$ 1,606,159	\$ 1,550,275	\$ 1,911,702
Restricted	-	-	-	-	-
Assigned	2,705,247	3,308,625	1,313,980	3,110,173	5,496,368
Unassigned	5,011,839	4,369,669	7,218,392	8,432,959	8,040,743
TOTAL FUND EQUITY	<u>8,362,127</u>	<u>8,301,666</u>	<u>10,138,531</u>	<u>13,093,407</u>	<u>15,448,813</u>
TOTAL LIABILITES and FUND EQUITY	<u>\$ 10,745,940</u>	<u>\$ 10,803,677</u>	<u>\$ 14,653,998</u>	<u>\$ 19,507,258</u>	<u>\$ 20,797,666</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 3,160,795	\$ 3,254,911	\$ 3,395,909	\$ 3,804,806	\$ 4,020,893
Real Property Tax Items	120,963	123,872	122,520	137,532	147,378
Non Property Tax Items	12,888,088	13,315,220	12,406,705	14,776,148	16,494,948
Departmental Income	1,849,549	1,905,933	1,369,623	1,779,325	2,849,044
Intergovernmental Charges	50,000	80,000	50,000	50,000	34,775
Use of Money & Property	193,387	241,194	147,806	81,705	169,572
Licenses and Permits	49,280	44,965	35,331	37,049	34,263
Fines and Forfeitures	425,558	365,363	202,433	168,331	216,644
Sale of Property and Compensation for Loss	237,154	155,578	114,388	147,694	167,133
Miscellaneous	25,308	205,777	131,608	155,759	10,878
Interfund Revenues	-	-	471,924	559,477	583,434
Revenues from State Sources	1,354,688	1,450,429	1,399,518	1,606,286	1,836,212
Revenues from Federal Sources	55,980	74,935	51,920	67,788	571,992
Total Revenues	<u>\$ 20,410,750</u>	<u>\$ 21,218,177</u>	<u>\$ 19,899,685</u>	<u>\$ 23,371,900</u>	<u>\$ 27,137,166</u>
EXPENDITURES					
General Government Support	\$ 3,945,691	\$ 4,056,224	\$ 3,939,199	\$ 4,053,134	\$ 4,400,889
Education	11,087	-	-	-	-
Public Safety	6,385,073	6,569,322	6,495,970	6,447,728	6,883,133
Health	-	-	-	-	-
Transportation	714,803	701,423	570,335	677,537	1,079,289
Economic Assistance and Opportunity	478,865	498,565	415,474	411,213	496,817
Culture and Recreation	1,332,268	1,424,165	1,083,009	1,336,842	1,542,731
Home and Community Services	1,230,771	1,569,627	1,478,233	1,383,846	1,438,300
Employee Benefits	4,758,337	4,943,327	5,094,878	5,300,323	5,195,883
Debt Service	656,782	419,848	463,044	465,547	477,156
Total Expenditures	<u>\$ 19,513,677</u>	<u>\$ 20,182,501</u>	<u>\$ 19,540,142</u>	<u>\$ 20,076,170</u>	<u>\$ 21,514,198</u>
Excess of Revenues Over (Under) Expenditures	<u>897,073</u>	<u>1,035,676</u>	<u>359,543</u>	<u>3,295,730</u>	<u>5,622,968</u>
Other Financing Sources (Uses):					
Other Budgetary Purposes	-	-	-	-	-
Operating Transfers In	437,764	447,170	-	-	-
Operating Transfers Out	(23,000)	(1,071,209)	(420,004)	(1,458,865)	(2,668,092)
Total Other Financing	<u>414,764</u>	<u>(624,039)</u>	<u>(420,004)</u>	<u>(1,458,865)</u>	<u>(2,668,092)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>1,311,837</u>	<u>411,637</u>	<u>(60,461)</u>	<u>1,836,865</u>	<u>2,954,876</u>
FUND BALANCE					
Fund Balance - Beginning of Year	6,638,653	7,950,490	8,362,127	8,301,666	10,138,531
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 7,950,490</u>	<u>\$ 8,362,127</u>	<u>\$ 8,301,666</u>	<u>\$ 10,138,531</u>	<u>\$ 13,093,407</u>

Source: Audited financial reports of the Town. This Appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2023			2024	2025
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 3,931,996	\$ 3,931,996	\$ 3,918,697	\$ 4,296,371	4,306,991
Real Property Tax Items	147,093	147,093	148,655	147,888	179,076
Non Property Tax Items	15,148,657	15,335,992	16,647,158	15,987,810	16,364,678
Departmental Income	1,462,896	1,920,383	2,230,120	1,719,450	1,875,450
Intergovernmental Charges	34,760	34,760	40,000	34,760	40,000
Use of Money & Property	176,558	319,807	844,680	467,942	761,910
Licenses and Permits	35,400	36,025	35,490	35,400	35,000
Fines and Forfeitures	170,000	170,000	178,524	190,000	178,000
Sale of Property and Compensation for Loss	391,449	88,100	221,467	199,392	389,575
Miscellaneous	-	-	3,092	-	-
Interfund Revenues	533,111	533,111	600,644	578,547	595,304
Revenues from State Sources	1,104,638	1,297,398	1,569,049	1,069,638	1,066,638
Revenues from Federal Sources	50,202	892,030	1,642,599	50,000	64,400
Total Revenues	<u>\$ 23,186,760</u>	<u>\$ 24,706,695</u>	<u>\$ 28,080,175</u>	<u>\$ 24,777,198</u>	<u>\$ 25,857,022</u>
EXPENDITURES					
General Government Support	\$ 4,521,190	\$ 5,588,637	\$ 4,971,169	\$ 4,821,568	\$ 5,064,541
Education	-	-	-	-	-
Public Safety	7,457,014	8,496,552	8,147,203	7,662,658	7,625,264
Health	-	-	-	-	-
Transportation	1,141,152	1,542,865	1,360,134	1,194,356	1,191,406
Economic Assistance and Opportunity	548,245	554,694	553,881	568,931	620,099
Culture and Recreation	1,727,714	2,061,032	1,807,786	1,819,737	1,860,958
Home and Community Services	1,529,840	2,248,321	1,920,415	1,717,002	1,849,982
Employee Benefits	5,785,692	5,778,179	5,537,332	6,485,361	7,065,488
Debt Service	475,913	648,947	648,944	507,585	679,284
Total Expenditures	<u>\$ 23,186,760</u>	<u>\$ 26,919,227</u>	<u>\$ 24,946,864</u>	<u>\$ 24,777,198</u>	<u>\$ 25,957,022</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,212,532)</u>	<u>3,133,311</u>	<u>-</u>	<u>(100,000)</u>
Other Financing Sources (Uses):					
Other Budgetary Purposes	-	-	1,066,791	-	-
Appropriated Fund Balance	-	-	-	-	100,000
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	(1,844,697)	(1,844,696)	-	-
Total Other Financing	<u>-</u>	<u>(1,844,697)</u>	<u>(777,905)</u>	<u>-</u>	<u>100,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>(4,057,229)</u>	<u>2,355,406</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	4,057,229	13,093,407	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,448,813</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited Financial Reports and Adopted Budgets (unaudited) of the Town. This Appendix is not itself audited.

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>HIGHWAY FUND - TOWN WIDE</u>					
Fund Equity - Beginning of Year	\$ 4,029,514	\$ 4,669,362	\$ 5,086,187	\$ 5,088,736	\$ 3,356,724
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	7,372,040	7,211,734	7,479,482	7,604,982	8,199,406
Expenditures & Other Uses	6,732,192	6,794,909	7,476,933	9,336,994	7,808,639
Fund Equity - End of Year	\$ 4,669,362	\$ 5,086,187	\$ 5,088,736	\$ 3,356,724	\$ 3,747,491
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 3,864,746	\$ 4,102,772	\$ 4,793,712	\$ 5,684,429	\$ 6,291,680
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	9,770,355	10,724,258	10,787,454	12,040,795	10,960,384
Expenditures & Other Uses	9,532,329	10,033,318	9,896,737	11,433,544	10,148,158
Fund Equity - End of Year	\$ 4,102,772	\$ 4,793,712	\$ 5,684,429	\$ 6,291,680	\$ 7,103,906
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 3,812,769	\$ 4,096,259	\$ 4,079,569	\$ 2,961,669	\$ 1,988,666
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	4,582,298	4,656,430	4,551,142	4,647,544	4,919,133
Expenditures & Other Uses	4,298,808	4,673,120	5,669,042	5,620,547	4,146,568
Fund Equity - End of Year	\$ 4,096,259	\$ 4,079,569	\$ 2,961,669	\$ 1,988,666	\$ 2,761,231
<u>CAPITAL PROJECTS FUND</u>					
Fund Equity - Beginning of Year	\$ 5,173,931	\$ 10,168,540	\$ 5,074,828	\$ 5,994,257	\$ 10,085,385
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	22,165,423	3,368,952	7,685,745	7,407,578	4,429,463
Expenditures & Other Uses	17,170,814	8,462,664	6,766,316	3,316,450	11,888,936
Fund Equity - End of Year	\$ 10,168,540	\$ 5,074,828	\$ 5,994,257	\$ 10,085,385	\$ 2,625,912

Source: Audited financial reports of the Town. This Appendix itself is not audited.

APPENDIX - B
Town of Bethlehem

BONDED INDEBTEDNESS

Fiscal Year Ending December 31st	Principal	Interest*	Total
2025	\$ 1,440,000	\$ 983,625.92	\$ 2,423,625.92
2026	1,485,000	945,685.36	2,430,685.36
2027	1,520,000	908,905.54	2,428,905.54
2028	1,570,000	870,450.88	2,440,450.88
2029	1,615,000	829,758.33	2,444,758.33
2030	1,660,000	784,452.11	2,444,452.11
2031	1,700,000	734,581.86	2,434,581.86
2032	1,750,000	683,274.55	2,433,274.55
2033	1,810,000	629,199.87	2,439,199.87
2034	1,860,000	573,369.21	2,433,369.21
2035	1,520,000	521,854.75	2,041,854.75
2036	1,560,000	474,588.64	2,034,588.64
2037	1,610,000	425,957.80	2,035,957.80
2038	1,220,000	375,502.61	1,595,502.61
2039	1,255,000	336,652.24	1,591,652.24
2040	1,280,000	296,857.66	1,576,857.66
2041	1,325,000	255,955.52	1,580,955.52
2042	1,370,000	213,811.36	1,583,811.36
2043	835,000	170,423.70	1,005,423.70
2044	860,000	144,638.92	1,004,638.92
2045	885,000	118,095.38	1,003,095.38
2046	915,000	90,718.06	1,005,718.06
2047	830,000	64,350.00	894,350.00
2048	850,000	39,150.00	889,150.00
2049	880,000	13,200.00	893,200.00
TOTALS	\$ 33,605,000	\$ 11,485,060.27	\$ 45,090,060.27

* The Town receives a subsidy credit to offset interest payments related to the Town's 2016 bonds issued through the New York State Environmental Facilities Corporation. The subsidy is not included in the figures included herein.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2015			2016		
	Various Improvements			Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 310,000	\$ 93,616.25	\$ 403,616.25	\$ 300,000	\$ 146,400.00	\$ 446,400.00
2026	320,000	86,522.50	406,522.50	315,000	134,400.00	449,400.00
2027	325,000	78,660.00	403,660.00	325,000	124,950.00	449,950.00
2028	335,000	70,242.50	405,242.50	335,000	115,200.00	450,200.00
2029	345,000	61,143.75	406,143.75	350,000	105,150.00	455,150.00
2030	355,000	51,075.00	406,075.00	355,000	94,650.00	449,650.00
2031	365,000	40,275.00	405,275.00	365,000	84,000.00	449,000.00
2032	375,000	29,175.00	404,175.00	375,000	73,050.00	448,050.00
2033	390,000	17,700.00	407,700.00	390,000	61,800.00	451,800.00
2034	395,000	5,925.00	400,925.00	400,000	50,100.00	450,100.00
2035	-	-	-	415,000	38,100.00	453,100.00
2036	-	-	-	420,000	25,650.00	445,650.00
2037	-	-	-	435,000	13,050.00	448,050.00
TOTALS	\$ 3,515,000	\$ 534,335.00	\$ 4,049,335.00	\$ 4,780,000	\$ 1,066,500.00	\$ 5,846,500.00

Fiscal Year Ending Dec 31st	2016B*		
	NYS Environmental Facilities Corporation Loan		
	Principal	Interest	Total
2025	80,000	57,600.40	137,600.40
2026	80,000	56,482.00	136,482.00
2027	80,000	55,215.20	135,215.20
2028	80,000	53,713.20	133,713.20
2029	80,000	51,984.00	131,984.00
2030	85,000	49,980.36	134,980.36
2031	85,000	47,739.34	132,739.34
2032	85,000	45,413.30	130,413.30
2033	85,000	43,022.68	128,022.68
2034	85,000	40,555.56	125,555.56
2035	90,000	37,948.90	127,948.90
2036	90,000	35,209.76	125,209.76
2037	90,000	32,425.16	122,425.16
2038	95,000	29,345.70	124,345.70
2039	95,000	25,990.30	120,990.30
2040	95,000	22,634.90	117,634.90
2041	100,000	19,191.20	119,191.20
2042	100,000	15,749.70	115,749.70
2043	100,000	12,398.70	112,398.70
2044	105,000	8,963.92	113,963.92
2045	105,000	5,445.38	110,445.38
2046	110,000	1,843.06	111,843.06
TOTALS	\$ 2,000,000	\$ 748,852.72	\$ 2,748,852.72

* The Town receives a subsidy credit to offset interest payments related to the bonds. The subsidy is not included in the figures included herein.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2017			2019		
	Various Improvements			Various Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 335,000	\$ 242,703.02	\$ 577,703.02	\$ 415,000	\$ 443,306.25	\$ 858,306.25
2026	345,000	234,424.61	579,424.61	425,000	433,856.25	858,856.25
2027	355,000	225,899.09	580,899.09	435,000	424,181.25	859,181.25
2028	365,000	217,126.43	582,126.43	455,000	414,168.75	869,168.75
2029	380,000	207,605.58	587,605.58	460,000	403,875.00	863,875.00
2030	390,000	197,171.75	587,171.75	475,000	391,575.00	866,575.00
2031	400,000	185,392.52	585,392.52	485,000	377,175.00	862,175.00
2032	410,000	173,311.25	583,311.25	505,000	362,325.00	867,325.00
2033	420,000	159,802.19	579,802.19	525,000	346,875.00	871,875.00
2034	435,000	145,963.65	580,963.65	545,000	330,825.00	875,825.00
2035	450,000	131,630.85	581,630.85	565,000	314,175.00	879,175.00
2036	465,000	116,803.88	581,803.88	585,000	296,925.00	881,925.00
2037	475,000	101,482.64	576,482.64	610,000	279,000.00	889,000.00
2038	490,000	85,831.91	575,831.91	635,000	260,325.00	895,325.00
2039	505,000	69,686.94	574,686.94	655,000	240,975.00	895,975.00
2040	520,000	53,047.76	573,047.76	665,000	221,175.00	886,175.00
2041	535,000	35,914.32	570,914.32	690,000	200,850.00	890,850.00
2042	555,000	18,286.66	573,286.66	715,000	179,775.00	894,775.00
2043	-	-	-	735,000	158,025.00	893,025.00
2044	-	-	-	755,000	135,675.00	890,675.00
2045	-	-	-	780,000	112,650.00	892,650.00
2046	-	-	-	805,000	88,875.00	893,875.00
2047	-	-	-	830,000	64,350.00	894,350.00
2048	-	-	-	850,000	39,150.00	889,150.00
2049	-	-	-	880,000	13,200.00	893,200.00
TOTALS	\$ 7,830,000	\$ 2,602,085.05	\$ 10,432,085.05	\$ 15,480,000	\$ 6,533,287.50	\$ 22,013,287.50

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Town of Bethlehem, a town of the State of New York (the “Issuer”) in connection with the issuance of its **\$5,960,000 Bond Anticipation Notes, 2025** (the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

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

“Financial Obligation” shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Purchaser” shall mean the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” shall mean any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change; provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Disclosure Undertaking as of **May __, 2025**.

TOWN OF BETHLEHEM

By: /s/ _____
Town Supervisor

TOWN OF BETHLEHEM

AUDITED FINANCIAL REPORT

Fiscal Year Ended December 31, 2023

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The Town's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Town's independent auditor also has not performed any procedures relating to this Official Statement.



Town of Bethlehem, New York

Basic Financial Statements

December 31, 2023

Town of Bethlehem, New York

Basic Financial Statements

December 31, 2023

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Independent Auditor's Report

Supervisor and Town Board
Town of Bethlehem, New York
Delmar, New York

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Bethlehem, New York (Town) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the governmental activities of the Town, as of December 31, 2023, or the changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Unmodified Opinions on Discretely Presented Component Unit, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position 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 the Town of Bethlehem Industrial Development Agency (IDA), a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinions insofar as they relate to the amounts included for the IDA, are based solely on the report of the other auditors.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 1c to the financial statements, the Town has not maintained accounting records to support the completeness and accuracy of capital asset balances and has not calculated depreciation on capital assets. In addition, the Town has not estimated its other postemployment benefit costs and obligations. Accounting principles generally accepted in the United States of America require the capitalization and depreciation of capital assets, and the estimation of other postemployment benefit costs and obligations. The amounts by which these departures would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, and expenses of the governmental activities have not been determined.

Emphasis of Matter

As discussed in Note 1s to the financial statements, in 2023, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 15, and the information listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Management has omitted the Schedule of Other Postemployment Benefits Liability that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining balance sheet – non-major funds and combining statement of revenues, expenditures, and changes in fund balances – non-major funds 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 balance sheet – non-major funds and combining statement of revenues, expenditures, and changes in fund balances – non-major funds 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 May 30, 2024, on our consideration of the Town'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 the Town'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 the Town's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
May 30, 2024



Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the Town of Bethlehem, New York (Town) for the fiscal year ended December 31, 2023. The MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The MD&A is designed to (a) assist the reader in focusing on significant financial matters, (b) provide an overview of the Town's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized. In order to gain a thorough understanding of the Town's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety.

Financial Highlights

The Town has continued to maintain its positive numbers due to a conservative and measured approach to an economy that seemed destined to move into recession territory:

- Once again, sales tax receipts exceeded the previous year, which had been a record high.
- Despite interest rates not seen in decades, commercial mortgages, and elevated selling prices (due to "low inventory" within the town) led to unexpected positive mortgage tax collections.
- High interest rates through Investments in Treasury Bills and high yield money market accounts led to historically high returns on the Town's investments.
- Weak industrial water sales led to overall lower water sales revenues.
- Throughout the year many departments in each of the four major funds, encountered difficulties in hiring and/or retaining employees which led to expenditure savings.
- The Town adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). The Town recorded subscription-based information technology arrangements (SBITAs) assets and debt proceeds of approximately \$1.1 million upon the adoption of GASB 96.

	December 31, 2023			
	General	Highway	Water	Sewer
Final Budgeted Operating Revenue	\$ 24,706,695	\$ 7,878,116	\$ 11,147,899	\$ 5,159,700
Final Budgeted Operating Expenses	(26,919,227)	(7,902,172)	(11,838,906)	(5,283,419)
Budgeted Surplus (Shortfall)	(2,212,532)	(24,056)	(691,007)	(123,719)
Actual Revenue	\$ 28,080,175	\$ 8,199,406	\$ 10,960,384	\$ 4,874,219
Operating Expenses	(24,946,864)	(7,205,494)	(10,148,158)	(4,146,568)
Operating Surplus	3,133,311	993,912	812,226	727,651
Proceeds from Subscription-Based IT Arrangements	1,066,791	-	-	-
Transfers In	-	-	-	44,914
Capital Fund Transfer	(1,844,696)	(603,145)	-	-
Net Surplus	2,355,406	390,767	812,226	772,565
Total Fund Balance, December 31, 2022	13,093,407	3,356,724	6,291,680	1,988,666
Total Fund Balance, December 31, 2023	\$ 15,448,813	\$ 3,747,491	\$ 7,103,906	\$ 2,761,231
Nonspendable Fund Balance	\$ 1,911,702	\$ 282,304	\$ 143,774	\$ 78,908
Assigned for Retirement	672,197	307,780	126,088	-
Assigned for Capital	4,012,981	654,920	3,171,575	893,103
Assigned Appropriated for Contingency	-	2,455,778	2,918,379	1,130,063
Assigned Appropriated Fund Balance	811,190	46,709	744,090	659,157
Unassigned for Contingency	8,040,743	-	-	-
Total Fund Balances	\$ 15,448,813	\$ 3,747,491	\$ 7,103,906	\$ 2,761,231

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Financial Highlights - Continued

General Items of Note for All Funds

Fringe Benefits

The Town employed an average of 210 full-time employees in 2023 (up from 207 in 2022), as well as a total of 217 part-time and seasonal personnel employed throughout the year (up from 205 in 2022). The following schedule provides comparative detail on aggregated fringe benefit costs for current employees:

<u>Fringe Benefits</u>	<u>2023 Actual</u>	<u>2022 Actual</u>	<u>\$ Variance</u>	<u>% Variance</u>
Social Security Taxes	\$ 1,325,599	\$ 1,272,147	\$ 53,452	4.20%
Health and Dental Insurance	2,665,121	2,532,090	133,031	5.25%
Retirement Systems	2,794,046	2,636,517	157,529	5.97%
Workers' Compensation Insurance	859,533	849,347	10,186	1.20%
Life and Short-Term Disability Insurance	21,198	20,649	549	2.66%
Unemployment Insurance	7,783	11,380	(3,597)	-31.61%
Total	<u>\$ 7,673,280</u>	<u>\$ 7,322,130</u>	<u>\$ 351,150</u>	<u>4.80%</u>

Overall, the cost of fringe benefits for current employees increased from 2022 by \$351 thousand, or 4.80%. The largest change relates to the New York State and Local Retirement System (System) which increased in cost to the Town by \$157 thousand. This increase was driven by the \$24 billion decrease in net position restricted for pension benefits at March 31, 2023 from March 31, 2022, the most recent completed state fiscal year. The Town specific ERS and PFRS rates increased by an average of 12.9% and 3.4%, respectively. Lastly, the Town's health insurance costs only increased by \$133 thousand, or 5.25%, despite a 10.39% increase in individual and family rates and a 15.9% increase in single plus one, due in large part to an increase in the number of employees opting into the Town's \$3,500 "Health-In-Lieu" program. This alternative benefit, which is not grouped with fringe costs as it is a cash payment to the employee, is offered to compensate employees who choose health coverage elsewhere, using a portion of the savings generated for the Town. Without a change to the amount of the annual compensation, the cost of the "Health-In-Lieu" program increased by \$41 thousand over 2022, growing from \$164 thousand to \$205 thousand.

Post-Retirement Health Benefits

Retired employees who have met certain eligibility requirements are entitled to receive health care benefits for themselves and certain members of their immediate family. Those benefits are provided through payments of premiums by participants and the Town to a health insurance company. The Town recognizes the cost of providing these benefits for 160 retirees covering themselves and eligible family members, as appropriate, by expensing the annual insurance premiums less each participant's contribution per Town plan. The postemployment expense was \$1.2 million for 2023, up from \$1.1 million in 2022, a 7.8% increase.

Governmental Accounting Standards Board Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, requires the employer to recognize the future value of retiree benefits as a liability in the period in which the benefits are earned, which would significantly increase the reported obligations for the Town.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Financial Highlights - Continued

Interest Income

A summary of the budgeted bank-earned interest income compared to actual for 2023 is presented in the table below. Note that the Town only budgets for interest income in the operating funds and not in the Capital Reserve funds.

<u>Fund</u>	<u>Original Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
General	\$ 108,558	\$ 777,202	\$ 668,644
Highway	49,688	249,919	200,231
Water	52,129	315,429	263,300
Sewer	40,697	203,274	162,577
Capital	-	18,290	18,290
Parkland Set Aside	-	13,027	13,027
Total	<u>\$ 251,072</u>	<u>\$ 1,577,141</u>	<u>\$ 1,326,069</u>

The interest earnings for 2023 were \$1.58 million, a 582% increase from the 2022 earnings of \$231 thousand. This increase can be attributed in large part to seven interest rate hikes by the federal reserve board throughout 2022, and an additional four through 2023. The majority of the Town's banks were not paying dramatically higher interest rates in 2022 throughout the year. Therefore, the Town shifted invested cash funds to Treasury Bills (T-Bills), NYCLASS (an investment cooperative), and high yield money market accounts. The Town earned \$1.03 million on investments in T-Bills with an average earnings rate of 4.90%, up from \$167 thousand on an average earnings rate of 1.68% in 2022. Additionally, the Town earned \$305 thousand at Pioneer Commercial Bank and NYCLASS collectively in 2023. This was up from \$38 thousand in 2022.

Overview of the Financial Statements

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances in a manner similar to private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing changes in the Town's net position during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (for example, uncollected grants and earned but unused vacation leave).

The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, and home and community services. The government-wide financial statements can be found on the pages immediately following this MD&A.

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Overview of the Financial Statements - Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eight individual governmental funds: the General Fund, the Highway Fund, the Water Fund, the Sewer Fund, the Capital Projects Fund, the Special Grants Fund, the Miscellaneous Fund, and the Ambulance Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Water Fund, Sewer Fund, and the Capital Projects Fund, all of which are considered major funds. The Town has elected to present information from non-major governmental funds together on the face of the balance sheet and statement of revenues, expenditures, and changes in fund balances. The Town adopts annual budgets for all governmental funds, except for the Miscellaneous Fund, Special Grant Fund, Ambulance Fund, and Capital Projects Fund. Budgetary comparison statements have been provided for the General, Highway, Water, and Sewer funds to demonstrate compliance with their budgets. Multi-year projections are presented, reviewed, and publicly discussed by the Town Board for these four funds to provide financial and operational guidance and direction during all budget discussions.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The Town maintains only one type of fiduciary fund that is known as a custodial fund. The Town holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government. The custodial fund financial statements are presented in this report.

Notes to Financial Statements

The notes to financial statements are an integral part of those statements and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. The following table was derived from the current and prior year government-wide statements of net position:

	Governmental Activities			
	2023	2022	\$ Change	% Change
Assets				
Cash	\$ 35,018,698	\$ 32,856,850	\$ 2,161,848	6.58%
Receivables	11,608,232	12,153,968	(545,736)	-4.49%
Other	2,416,688	4,704,194	(2,287,506)	-48.63%
Capital assets	159,097,652	143,306,838	15,790,814	11.02%
Total assets	208,141,270	193,021,850	15,119,420	7.83%
Deferred outflows of resources	11,483,427	11,911,244	(427,817)	-3.59%
Liabilities				
Due within one year	17,112,977	11,218,279	5,894,698	52.55%
Due in more than one year	49,802,842	35,734,460	14,068,382	39.37%
Total liabilities	66,915,819	46,952,739	19,963,080	42.52%
Deferred inflows of resources	2,632,813	18,683,309	(16,050,496)	-85.91%
Net position	\$ 150,076,065	\$ 139,297,046	\$ 10,779,019	7.74%

The Town's 2023 net position increased by \$10.8 million from 2022. Cash increased by \$2.2 million from 2022 due to a combination of factors, including total net deficit of revenues and other financing sources over expenditures and other financing uses of \$3.2 million and issuance of Bond Anticipation Note (BAN) Payable of \$6.0 million that matures in 2024. The decrease in receivables of \$546 thousand from 2022 is largely due to the collection of 2022 and 2023 annual CHIPS funding in the current year, whereas the prior year had a receivable of \$460 thousand. Other assets decreased \$2.3 million from 2022 predominantly due to a net pension asset of \$2.85 million in the prior year changing to a net pension liability in 2023 due to plan changes reported by New York State (NYS), which is presented in long-term liabilities due in more than one year on the statement of net position. The main contributors to the increase in capital assets from 2022 to 2023 are a \$3.0 million land purchase for the purpose of open space, parks and agriculture-related uses, \$1.6 million spent on the Police Range, \$2.3 million spent on the Sewer Pump Station Project, \$2.1 million in spending on fleet purchases in 2023, \$886 thousand in various equipment and furniture purchases, recording of a SBITA asset for \$907 thousand, net of accumulated amortization, \$1.9 million of spending on the Elm Avenue Water Tank rehabilitation, \$736 thousand spent on Highway paving program, \$482 thousand spent on Sidewalks, \$205 thousand on Water Mains, and \$1.1 million spent on the Bar Screen replacement at the Waste Water Treatment Plant. Deferred outflows of resources on pension decreased \$304 thousand from 2022 and were further reduced by the increase from 2022 in prepaid pension contributions subsequent to the measurement date of \$124 thousand.

The \$5.9 million increase in liabilities due within one year was driven by the issuance of a \$6.0 million BAN payable that provided funding for various capital projects, including the Elm Avenue pool, Elm Avenue water tank, sewer pump station replacements, and the wastewater treatment plant blower.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Government-Wide Financial Analysis - Continued

The \$14.1 million increase in liabilities due in more than one-year, was driven by the Town's proportionate share of the net pension liability, as reported by the New York State and Local Retirement System (System), which increased \$14.8 million from the prior year. The net pension liability is subject to fluctuation based on external market conditions impacting the plan assets. The non-current portion of Bonds Payable decreased \$1.4 million from the prior year as part of the Town's repayment schedule. Finally, with the implementation of GASB 96, a SBITA liability was recorded, with the amount due beyond one year approximating \$727 thousand. The change in deferred inflows of resources are driven by the Town's proportionate share as reported by the System. As noted above, the increase in net pension liability of \$14.8 million, was substantially offset by a decrease of \$15.8 million in System related deferred inflows of resources in 2023.

The following table was derived from the current and prior year government-wide statement of activities:

	Governmental Activities			
	2023	2022	\$ Change	% Change
Revenues				
Program revenues				
Charges for services	\$ 15,140,743	\$ 15,485,937	\$ (345,194)	-2.23%
Operating grants and contributions	2,934,104	1,720,798	1,213,306	70.51%
Capital grants and contributions	437,746	443,016	(5,270)	-1.19%
General revenues				
Taxes	33,020,603	32,442,314	578,289	1.78%
Other	4,051,041	3,166,011	885,030	27.95%
Total revenues	<u>55,584,237</u>	<u>53,258,076</u>	<u>2,326,161</u>	<u>4.37%</u>
Expenses				
General government support	7,246,562	5,696,631	1,549,931	27.21%
Public safety	10,667,997	9,124,936	1,543,061	16.91%
Health	1,483,302	1,416,783	66,519	4.70%
Transportation	7,271,993	6,332,432	939,561	14.84%
Economic opportunity and development	1,323,831	1,065,769	258,062	24.21%
Culture and recreation	1,890,129	1,668,162	221,967	13.31%
Home and community services	13,938,718	12,831,028	1,107,690	8.63%
Interest on long-term debt	982,686	1,060,477	(77,791)	-7.34%
Total expenses	<u>44,805,218</u>	<u>39,196,218</u>	<u>5,609,000</u>	<u>14.31%</u>
Increase in net position	<u>\$ 10,779,019</u>	<u>\$ 14,061,858</u>	<u>\$ (3,282,839)</u>	<u>-23.35%</u>

In 2023, the Town had a \$1.0 million increase in public safety charges for services driven by revenue recognition of \$1.5 million for completion of work on the police firing range that is being funded primarily by the Federal Bureau of Investigation in addition to the Albany County Sheriff and the Town of Bethlehem and will be for the use of all three parties offset by a \$522 thousand decrease in safety inspection revenue due to a return to more normal annual activity. Water usage revenue decreased \$1.2 million from 2022 due to decreased sales volume during 2023 largely due to decreased billing/usage of industrial customers. The Town recognized \$1.5 million in American Rescue Plan Act (ARPA) revenue for 2023 spending with only \$531 thousand recognized in 2022. Sales tax revenues increased a modest \$141 thousand from 2022. The property tax levy for 2023 increased \$409 thousand from the prior year, which was within the NYS tax cap. Furthermore, mortgage tax revenue decreased \$308 thousand from 2022 generally due to high interest rates during the year creating a lower supply of homes to purchase and a lack of interest in refinancing. The Town also had an increase in total interest income on monies invested of \$1.3 million due to improved interest rates on depository accounts as well as greater investment in and higher interest rates on T-Bills as compared to 2022.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Government-Wide Financial Analysis - Continued

Town expenses increased by 14.31% from the prior year. General government support had an increase in election costs of \$153 thousand due to delayed 2022 billing from Albany County at a much higher cost than expected, which created a significantly increased expectation for 2023, an increase in overall salaries and wages of \$179 thousand, an increase in fringe benefits of \$165 thousand, and an increase in net pension liability expense of \$1.0 million. Public safety expense saw an increase in net pension liability expense of \$1.3 million from the prior year. Transportation had an increase in net pension liability expense of \$725 thousand from the prior year as well as an increase in loss on asset disposal of \$203 thousand. Economic opportunity and development saw overall increases in salaries and wages of \$40 thousand and contractual expenses of \$19 thousand as well as an increase in net pension liability of \$75 thousand. Furthermore, Section 8 expenses increased \$70 thousand and Microenterprise expenses increased \$33 thousand. Culture and recreation saw increases in net pension liability expense of \$127 thousand and in engineering costs on parks projects of \$84 thousand. The increase in home and community services expenses is driven by an increase of \$839 thousand in net pension liability expense as well as an overall increase in salaries and wages of \$191 thousand. These increases are offset by a decrease in loss on disposal of assets of \$117 thousand.

The Town's Funds

The Town uses fund accounting to ensure compliance with legal and financial requirements. As the Town completed the year, its governmental funds (as presented in the balance sheet on page 18) reported a combined fund balance of \$32.1 million. General, Highway, Water & Sewer Funds showed excess of revenues over expenditures before other financing sources (uses).

Items of Note for the General Fund

Total revenues increased approximately \$2.0 million, or 7.41%, from \$27.14 million in 2022 to \$29.15 million in 2023. The primary changes in this fund included:

- The implementation of GASB 96 in 2023. The Town recognized \$1.1 million in other financing sources for the present value of future payments on SBITA transactions, with an offsetting amount on the expenditure side for the value of the right to use assets obtained.
- The Town used approximately \$1.5 million of its \$3.6 million Federal ARPA funds for several projects; an increase from \$531 thousand in 2022. The most notable uses include \$712 thousand towards the \$3.0 million total cost of the 307-acre Heath Farm land conservation acquisition, \$358 thousand for sidewalk and related work and \$181 thousand for electric F-150 pickup trucks.
- Interest income was up \$675 thousand, from \$105 thousand to \$780 thousand, due to seven Federal Reserve rate hikes in 2022 and four more in 2023, which led to greater investment in T-Bills and high yield investment accounts.
- Safety inspection revenues decreased \$522 thousand dollars, from \$885 thousand in 2022 to \$363 thousand in 2023, due much of the initial Plug Power permitting fees for their new manufacturing plant at Vista Technology Park being paid during their construction phase; primarily in the prior year.
- Mortgage taxes exceeded expectation despite falling \$308 thousand, dropping from a record high of \$1.6 million in 2022, to \$1.3 million in the current year. With the federal borrowing rate increasing several times in 2022 and 2023, the expectation was for the mortgage tax revenue line to drop much more precipitously. The Town, being a more desirable area of the Capital Region, with low inventory, kept the residential numbers up, supplemented by several commercial mortgages, which can be sporadic.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

The Town's Funds - Continued

Items of Note for the General Fund - Continued

Total operating expenditures increased by \$3.4 million, or 15.96%, from \$21.51 million in 2022 to \$24.95 million in 2023. The primary drivers coincide with the fund's revenue increases:

- The implementation of GASB 96 in 2023 required the recognition of the present value of future SBITA payments as expenditures for right-to-use assets offsetting other financing sources for the present value of the imputed "borrowing". This increased the General Fund's expenditures by \$1.1 million.
- The Town used Federal ARPA funds in the amount of \$1.5 million of the \$3.6 million award for several projects, up from \$531 thousand in 2022. The most notable uses of the funds include a \$712 thousand contribution toward the \$3.0 million total cost of the 307-acre Heath Farm land conservation purchase, \$358 thousand for sidewalk and sidewalk-related work and \$181 thousand for electric F-150 pickup trucks.
- Total salary and wages increased \$381 thousand, from \$10.3 million in 2022 to \$10.7 million in 2023, due to two factors: The first is due to a 3% wage increase for all full-time employees, while the second relates to merit-based step increases for eligible employees, which are roughly equal to an additional increase of 5%. Also, the Town had more employees during the year, as the 2023 budget included an additional 3.6 FTE.
- Total benefits increased \$267 thousand, from \$4.5 million to \$4.8 million primarily due to an increase of \$105 thousand in the ERS and PFRS systems relating to rate increases of 12.9% and 3.4% respectively, and another \$104 thousand for health insurance due to increases of 10.4% for individual and family plans and 15.9% for single plus one plans.

In 2022, the General Fund had a \$1.1 million assigned fund balance in the operating fund to help cover infrastructure and equipment costs identified through the Town's multi-year capital planning process. In 2023, the Town board assigned an additional \$3.3 million of General Fund fund balance to help cover future capital needs and as part of the Town's fund balance policy. Further, the Town transferred \$838 thousand of assigned fund balance to the General Fund Capital Reserve to pay for projects committed to by Town Board action. The total assigned fund balance, \$3.5 million, will remain in the operating fund, separately identified, until additional projects are authorized by the Town Board.

In September 2019, the Town established a capital reserve fund for the purpose of accumulating funds for the purchase of land and/or development rights in an effort to maintain greenspace within the borders of the Town. As of December 31, 2022, the fund contained \$2.2 million. In 2023, \$500 thousand in funds were added through an allocation of unassigned fund balance in excess of 20% in the General Fund at the completion of the previous calendar year. During the year, the Town used \$2.2 million of this fund for a 307-acre land purchase. With interest earnings of \$8,232 during the year, the total available funding for the farms and forest fund at the end of 2023 was \$545 thousand.

In December 2012, the Town created a reserve for retirement stabilization in response to significant increases in annual contributions. To date, due to a stock market that has been relatively consistent and to the timing of the calculation of the bills, the Town has not had to utilize these funds. As of the end of 2023, the General Fund has continued to maintain a reserve balance of \$672 thousand.

In April 2023, the General Fund obtained a BAN in the amount of \$900 thousand to begin a \$1.6 million pool complex project. The related expenditures and corresponding liabilities are accounted for in the General Fund Capital Reserve Fund.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

The Town's Funds - Continued

Items of Note for the Highway Fund

The Highway Fund is funded almost entirely by property taxes. Given the desire to maintain stable property tax rates and to stay within the tax cap, the fund is at risk for imbalance due to the tendency of operating costs to rise at a faster rate than the tax cap. Further, the addition of roads and sidewalks by new development continues to place service and cost pressures on the department.

Total revenues increased by \$594 thousand, or 7.82%, from \$7.6 million in 2022 to \$8.20 million in 2023. This was primarily related to an increase of \$260 thousand in property taxes, as well as an increase of \$208 thousand in bank/investment interest income relating to a more stable level of bank and T-Bill rates which began to level off from 2022 after the Federal Reserve raised rates seven times.

Total expenditures increased by \$40 thousand, or 0.56%, in 2023.

In 2022, the Highway Fund had \$854 thousand of assigned fund balance in the operating fund to help cover infrastructure and equipment costs identified through the Town's multi-year capital planning process. In 2023, the Town Board assigned an additional \$404 thousand of Highway Fund operating fund balance to help cover future capital needs as part of the Town's fund balance policy. Further, the Town transferred \$603 thousand of previously assigned fund balance to the Highway Fund Capital Reserve to pay for projects committed to by Town Board action. The remaining assigned fund balance of \$655 thousand will remain in the operating fund, separately identified, until additional equipment purchases, or projects are authorized by the Town Board.

In 2012, the Town created a reserve for retirement stabilization in response to significant increases in annual contributions. To date, due to a stock market that has been relatively consistent and to the timing of the calculation of the bills, the Town has not had to utilize these funds. As of the end of 2023, the Highway Fund has continued to maintain a reserve balance of \$308 thousand.

There were no new debt issuances relating to the Highway Fund in 2023.

Items of Note for the Water Fund

The Water Fund is largely funded with user charges and is somewhat easier to bring to a self-sustaining financial position, in comparison to the General and Highway Funds; even considering the longer-term and sizeable nature of the infrastructure construction and maintenance costs for this fund.

The Water Fund's operating revenues decreased by \$1.1 million, or 8.97%, from \$12.0 million in 2022 to \$11 million in 2023. This was primarily due to a decrease in water sales of \$1.15 million, relating in large part to decreased demand/billing of the Town's industrial users. This reduction however was offset by an increase of \$259 thousand in bank/investment interest income relating to a more stable level of bank and T-Bill rates which began to level off from 2022 when the Federal Reserve raised rates seven times.

The Water Fund's operating expenditures decreased by \$626 thousand, or 5.81%, from \$10.8 million in 2022 to \$10.2 million in 2023. This was primarily due to the 2022 maturity of the original Clapper Road Water Treatment Plant serial bond from 1992 which had been approximately \$905 thousand annually.

In 2022, the Water Fund had \$1.3 million of assigned fund balance in the operating fund to help cover infrastructure and equipment costs identified through the Town's multi-year capital planning process.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

The Town's Funds - Continued

Items of Note for the Water Fund - Continued

In 2023, the Town Board assigned an additional \$1.9 million of Water Fund operating fund balance to help cover future capital needs as part of the Town's fund balance policy. The Town did not transfer any fund balance previously assigned to the Water Fund Capital Reserve to pay for additional approved projects. The total assigned fund balance of \$3.2 million will remain in the operating fund, separately identified, until additional equipment purchases, or projects are authorized by the Town Board.

In 2012, the Town created a reserve for retirement stabilization in response to significant increases in annual contributions. To date, due to a stock market that has been relatively consistent and to the timing of the calculation of the bills, the Town has not had to utilize these funds. As of the end of 2023, the Water Fund has continued to maintain a reserve balance of \$126 thousand.

In April 2023, the Water Fund obtained a BAN in the amount of \$2.4 million toward a 2023 total approval of \$2.5 million for a water tank rehabilitation project. The related expenditures and corresponding liabilities are accounted for in the Water Fund Capital Reserve Fund. In May 2024, the BAN was renewed for \$2.32 million.

Items of Note for the Sewer Fund

Similar to the Water Fund, the Sewer Fund is largely funded with user charges and is also somewhat easier, in comparison to the General and Highway Funds, to bring to a self-sustaining financial position; even considering the longer-term and sizeable nature of the infrastructure construction and maintenance costs for this fund.

The Sewer Fund's operating revenue increased by \$272 thousand, or 5.84%, increasing from \$4.7 million in 2022 to \$4.9 million in 2023. This was primarily related to an increase of \$166 thousand in property taxes, growing from \$1.1 million in 2022 to \$1.3 million in 2023 and an increase of \$171 thousand in bank/investment interest income relating to a more stable level of bank and T-Bill rates which began to level off from 2022 when the Federal Reserve raised rates seven times. These two large increases were offset by a decrease of \$111 thousand in sewer charges which was consistent with a reduction in water consumption, the basis for sewer charges.

The Sewer Fund's operating expenditures decreased by \$11 thousand, or 0.27% staying flat at \$4.15 million in 2023.

In 2022, the Sewer Fund had \$494 thousand of assigned fund balance in the operating fund to help cover infrastructure and equipment costs identified through the Town's multi-year capital planning process. In 2023, the Town Board assigned an additional \$399 thousand of Sewer Fund operating fund balance to help cover future capital needs as part of the Town's fund balance policy. The Town did not transfer any fund balance previously assigned to the Sewer Fund Capital Reserve to pay for projects committed to by Town Board action. The total assigned fund balance of \$893 thousand will remain in the operating fund, separately identified, until additional equipment purchases, or projects are authorized by the Town Board.

In April 2023, the Sewer Fund obtained a BAN in the amount of \$2.7 million toward a 2023 total approval of \$3.9 million for two wastewater treatment plant projects. The related expenditures and corresponding liabilities are accounted for in the Sewer Fund Capital Reserve Fund. In May 2024, the BAN was renewed for \$2.61 million.

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

The Town's Funds - Continued

Analysis of Fund Balance

In 2012, the Town passed a comprehensive fund balance policy that provided guidance for minimum (7.5%), maximum (20%), and optimal levels (15%) at which the operating fund reserves should be held. The following chart summarizes the projected fund balance activity through the end of 2023, along with a calculation showing where the fund balances are as compared to this policy.

The projected 2023 levels for the operating funds indicate sufficient net assets to fund current budgetary requirements. Consistent with Town policy, balances held above the ceiling of 20% are identified in the infrastructure reserve and will be moved to the appropriate capital reserve accounts in 2024.

These reserves provide a supplemental funding source for major capital expenditures.

	General	Highway	Water	Sewer
Fund Balance, December 31, 2023	\$ 15,448,813	\$ 3,747,491	\$ 7,103,906	\$ 2,761,231
Less:				
Prior Year Encumbrances	811,190	46,709	744,090	659,157
Retirement Contribution Reserve	672,197	307,780	126,088	-
Capital Reserve Appropriation	4,012,981	654,920	3,171,575	893,103
Nonspendable Fund Balance	1,911,702	282,304	143,774	78,908
Infrastructure Reserve (2023)	2,585,283	785,964	879,942	121,008
Farms & Forest Fund Reserve	500,000	-	-	-
Projected Unassigned Balance, December 31, 2024	4,955,460	1,669,814	2,038,437	1,009,055
2024 Budgeted Appropriations	24,777,298	8,349,071	10,192,186	5,045,274
Percent of Appropriations	20.00%	20.00%	20.00%	20.00%
Floor - 7.5% of Budgeted Appropriations	\$ 1,858,297	\$ 626,180	\$ 764,414	\$ 378,396
Optimal - 15% of Budgeted Appropriations	3,716,595	1,252,361	1,528,828	756,791
Ceiling - 20% of Budgeted Appropriations	4,955,460	1,669,814	2,038,437	1,009,055

Capital Asset and Debt Administration

Capital Assets

As of 2023, the Town has a net \$159.1 million invested in a broad range of capital assets, including land, buildings, improvements, machinery, and equipment, SBITAs, and infrastructure, which primarily includes roads, water lines and sewer lines. This amount represents a net \$15.79 million increase compared to the prior year.

Town of Bethlehem, New York

Management's Discussions and Analysis December 31, 2023

Capital Asset and Debt Administration - Continued

Summary of Long-Term Liabilities

The following table represents a comparative overview of long-term obligations, which are reported in government-wide statement of net position and are more fully described within the footnotes to the financial statements.

	<u>2023</u>	<u>2022</u>
Serial bonds	\$ 35,020,000	\$ 36,395,000
Net pension liability (asset)	14,766,798	(2,846,896)
Compensated absences	1,630,987	1,609,196
Subscription-Based IT Arrangements	911,032	-
Landfill closure and post-closure	100,000	100,000
Judgments and claims	<u>20,000</u>	<u>10,000</u>
Total long-term debt	<u>\$ 52,448,817</u>	<u>\$ 35,267,300</u>

The Town's assigned credit rating is "AA+/Stable" Outlook from Standards and Poor's.

Economic Factors Affecting the Town

According to the New York State Department of Labor, the 2023 unemployment rate for Albany County was 3.6%, compared to 2.5% in 2022. This rate is consistent with the 2023 United States unemployment rate of 3.5%, per the U.S. Bureau of Labor Statistics. The State of New York represents a major employer in the Capital Region, which has provided some stability from significant financial downturns impacting the United States in years past.

Like all local governments in New York State, the Town is subject to the state's tax cap. The allowable levy growth factor for 2023 property taxes was 2.00% for the Town with an additional tax base growth factor of 0.79%. The published allowable levy growth factor for the 2024 period has remained at 2.0% with an additional tax base growth factor of 1.06%. The Town's adherence to these modest tax increases remains a challenge, given State mandates, negotiated wage increases and healthcare cost increases.

The Town of Bethlehem remains a desirable place to live within the Capital Region because of its quality school systems, access to the City of Albany, small town feel and full-service amenities. While the overall financial condition of the Town is stable, the Town must actively manage spending given the constraints on revenue generation.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances for all those having an interest and should be considered along with the annual audit report, including the related footnotes. Questions concerning any of the information provided in this report may be addressed to:

David VanLuven, Town Supervisor
or
Michael Cohen, CPA, Comptroller
Town of Bethlehem
445 Delaware Avenue
Delmar, NY 12054

Town of Bethlehem, New York

Statement of Net Position

	December 31, 2023	
	Primary Government Governmental Activities	Component Unit
ASSETS		
Cash, cash equivalents, and investments	\$ 35,018,698	\$ 1,657,654
Receivables		
Accounts	3,567,534	18,200
State and federal governments	706,098	-
Due from other governments	5,163,174	-
Leases	2,171,426	-
Inventory	209,076	-
Prepaid expenses	2,207,612	2,575
Capital assets, net	159,097,652	-
Total assets	208,141,270	1,678,429
DEFERRED OUTFLOWS OF RESOURCES	11,483,427	-
LIABILITIES		
Accounts payable	2,443,486	-
Accrued liabilities	1,038,892	11,364
Due to other governments	790,514	-
Unearned revenue	4,194,110	-
Bond Anticipation Note payable	6,000,000	-
Long-term liabilities		
Due within one year	2,645,975	-
Due in more than one year	49,802,842	-
	66,915,819	11,364
DEFERRED INFLOWS OF RESOURCES		
Leases	2,039,352	-
Pension	593,461	-
	2,632,813	-
NET POSITION		
Net investment in capital assets	119,569,938	-
Restricted	7,405,832	-
Unrestricted	23,100,295	1,667,065
	\$ 150,076,065	\$ 1,667,065

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Statement of Activities

Year Ended December 31, 2023						
Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Governmental Activities						
General government support	\$ 7,246,562	\$ 263,299	\$ 791	\$ -	\$ (6,982,472)	\$ -
Public safety	10,667,997	2,068,405	116,781	315,188	(8,167,623)	-
Health	1,483,302	-	-	-	(1,483,302)	-
Transportation	7,271,993	321,766	731,651	15,329	(6,203,247)	-
Economic opportunity and development	1,323,831	74,945	2,029,044	-	780,158	-
Culture and recreation	1,890,129	563,451	3,620	107,229	(1,215,829)	-
Home and community services	13,938,718	11,848,877	52,217	-	(2,037,624)	-
Interest expense	982,686	-	-	-	(982,686)	-
	\$ 44,805,218	\$ 15,140,743	\$ 2,934,104	\$ 437,746	(26,292,625)	-
Component Unit	\$ 146,422	\$ 540,288	\$ -	\$ -	-	393,866
GENERAL REVENUES						
					16,373,445	-
					16,647,158	-
					1,555,228	-
					2,495,813	22,831
					37,071,644	22,831
					10,779,019	416,697
					139,297,046	1,250,368
					\$ 150,076,065	\$ 1,667,065

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Balance Sheet - Governmental Funds

	December 31, 2023						
	Major Funds						
	General	Highway	Water	Sewer	Capital Projects	Other Governmental	Total
ASSETS							
Cash, cash equivalents and investments	\$ 13,789,599	\$ 3,696,896	\$ 5,406,015	\$ 2,676,642	\$ 9,018,471	\$ 431,075	\$ 35,018,698
Accounts receivable	527,278	76,938	1,989,756	972,062	1,500	-	3,567,534
State and federal receivables	71,100	-	-	-	634,998	-	706,098
Due from other governments	4,497,987	-	224,613	140,574	300,000	-	5,163,174
Leases receivable	-	-	2,171,426	-	-	-	2,171,426
Inventory	101,771	99,396	7,909	-	-	-	209,076
Prepaid expenses	1,809,931	182,908	135,865	78,908	-	-	2,207,612
	<u>20,797,666</u>	<u>4,056,138</u>	<u>9,935,584</u>	<u>3,868,186</u>	<u>9,954,969</u>	<u>431,075</u>	<u>49,043,618</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 622,103	\$ 139,688	\$ 388,460	\$ 155,827	\$ 1,136,839	\$ 569	\$ 2,443,486
Accrued liabilities	683,815	168,959	124,844	61,274	-	-	1,038,892
Due to other governments	790,514	-	-	-	-	-	790,514
Unearned revenue	3,252,421	-	-	691,171	192,218	58,300	4,194,110
Bond Anticipation Note payable	-	-	-	-	6,000,000	-	6,000,000
Total liabilities	<u>5,348,853</u>	<u>308,647</u>	<u>513,304</u>	<u>908,272</u>	<u>7,329,057</u>	<u>58,869</u>	<u>14,467,002</u>
 DEFERRED INFLOWS OF RESOURCES							
Unavailable departmental income	-	-	279,022	198,683	-	-	477,705
Leases	-	-	2,039,352	-	-	-	2,039,352
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,318,374</u>	<u>198,683</u>	<u>-</u>	<u>-</u>	<u>2,517,057</u>
 FUND BALANCE							
Nonspendable	1,911,702	282,304	143,774	78,908	-	-	2,416,688
Restricted	-	-	-	-	7,133,626	372,206	7,505,832
Assigned	5,496,368	3,465,187	6,960,132	2,682,323	-	-	18,604,010
Unassigned	8,040,743	-	-	-	(4,507,714)	-	3,533,029
Total fund balance	<u>15,448,813</u>	<u>3,747,491</u>	<u>7,103,906</u>	<u>2,761,231</u>	<u>2,625,912</u>	<u>372,206</u>	<u>32,059,559</u>
	<u>\$ 20,797,666</u>	<u>\$ 4,056,138</u>	<u>\$ 9,935,584</u>	<u>\$ 3,868,186</u>	<u>\$ 9,954,969</u>	<u>\$ 431,075</u>	<u>\$ 49,043,618</u>

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position

	December 31, 2023
Total fund balance - governmental funds	\$ 32,059,559
Amounts reported for government activities in the statement of net position are different because:	
Capital assets and Subscription-Based IT Arrangements, net of accumulated amortization used in government activities are not financial resources and, therefore, are not reported in the funds.	159,097,652
Deferred inflows of resources related to the Town's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds.	477,705
Pension contributions subsequent to the measurement date are reported as deferred outflows of resources in the statement of net position:	
Total pension contribution subsequent to the measurement date	2,222,373
Deferred inflows and outflows of resources related to pensions are not reported in the funds.	
Deferred outflows of pension resources	9,261,054
Deferred inflows of pension resources	(593,461)
	8,667,593
Some liabilities (listed below) are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(35,020,000)
Subscription-Based IT Arrangements	(911,032)
Net pension liability	(14,766,798)
Claims payable	(20,000)
Landfill postclosure costs	(100,000)
Compensated absences	(1,630,987)
	(52,448,817)
Total net position - governmental activities	\$ 150,076,065

Town of Bethlehem, New York

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

	Year Ended December 31, 2023						
	Major Funds						
	General	Highway	Water	Sewer	Capital Projects	Other Governmental	Total
REVENUES							
Real property taxes	\$ 3,918,697	\$ 6,875,259	\$ 2,412,548	\$ 1,296,796	\$ -	\$ 1,482,792	\$ 15,986,092
Real property tax items	148,655	238,188	-	-	-	510	387,353
Non-property tax items	16,647,158	-	-	-	-	-	16,647,158
Departmental Income	2,230,120	-	7,937,449	3,361,535	-	67,350	13,596,454
Intergovernmental charges	40,000	18,652	-	-	1,528,254	-	1,586,906
Use of money and property	844,680	249,919	595,151	203,274	18,290	13,061	1,924,375
Licenses and permits	35,490	-	-	-	-	-	35,490
Fines and forfeitures	178,524	-	-	-	-	-	178,524
Sales of property and compensation for loss	221,467	74,041	14,354	12,608	-	-	322,470
Miscellaneous local sources	3,092	-	882	6	1,500	-	5,480
Interfund Revenues	600,644	11,696	-	-	-	-	612,340
State aid	1,569,049	731,651	-	-	107,229	-	2,407,929
Federal aid	1,642,599	-	-	-	330,517	546,035	2,519,151
Total revenues	<u>28,080,175</u>	<u>8,199,406</u>	<u>10,960,384</u>	<u>4,874,219</u>	<u>1,985,790</u>	<u>2,109,748</u>	<u>56,209,722</u>
EXPENDITURES							
General government support	\$ 4,971,169	\$ -	\$ -	\$ -	\$ 3,084,649	\$ -	8,055,818
Public safety	8,147,203	-	-	-	1,640,324	-	9,787,527
Health	-	-	-	-	-	1,483,302	1,483,302
Transportation	1,360,134	5,317,424	-	-	841,591	-	7,519,149
Economic opportunity and development	553,881	-	-	-	-	559,978	1,113,859
Culture and recreation	1,807,786	-	-	-	324,641	172,365	2,304,792
Home and community services	1,920,415	-	7,997,277	2,985,728	5,997,731	-	18,901,151
Employee benefits	5,537,332	1,623,356	1,067,457	603,731	-	-	8,831,876
Debt service							
Principal	429,994	178,783	556,448	365,534	-	-	1,530,759
Interest	218,950	85,931	526,976	191,575	-	-	1,023,432
Total expenditures	<u>24,946,864</u>	<u>7,205,494</u>	<u>10,148,158</u>	<u>4,146,568</u>	<u>11,888,936</u>	<u>2,215,645</u>	<u>60,551,665</u>
Excess (deficiency) of revenues over expenditures	<u>3,133,311</u>	<u>993,912</u>	<u>812,226</u>	<u>727,651</u>	<u>(9,903,146)</u>	<u>(105,897)</u>	<u>(4,341,943)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	44,914	2,402,927	-	2,447,841
Transfers out	(1,844,696)	(603,145)	-	-	-	-	(2,447,841)
Proceeds from subscription-based IT arrangements	1,066,791	-	-	-	-	-	1,066,791
Bond anticipation note premium	-	-	-	-	40,746	-	40,746
Total other financing sources (uses)	<u>(777,905)</u>	<u>(603,145)</u>	<u>-</u>	<u>44,914</u>	<u>2,443,673</u>	<u>-</u>	<u>1,107,537</u>
Excess (deficiency) of revenues and other financing sources over expenditures and financing uses	<u>2,355,406</u>	<u>390,767</u>	<u>812,226</u>	<u>772,565</u>	<u>(7,459,473)</u>	<u>(105,897)</u>	<u>(3,234,406)</u>
FUND BALANCE, beginning of year	<u>13,093,407</u>	<u>3,356,724</u>	<u>6,291,680</u>	<u>1,988,666</u>	<u>10,085,385</u>	<u>478,103</u>	<u>35,293,965</u>
FUND BALANCE, end of year	<u>\$ 15,448,813</u>	<u>\$ 3,747,491</u>	<u>\$ 7,103,906</u>	<u>\$ 2,761,231</u>	<u>\$ 2,625,912</u>	<u>\$ 372,206</u>	<u>\$ 32,059,559</u>

See accompanying Notes to Basic Financial Statements.

Town of Bethlehem, New York

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities

		Year Ended December 31, 2023
Net change in fund balance - total governmental funds		(3,234,406)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Capital outlays are reported as expenditures in governmental funds, and the sale of capital assets is recorded as revenue in governmental funds. However, in the statement of activities, the cost of capital assets is reported as assets, while disposals, net of sale proceeds are reported as expenses. Furthermore, in the statement of activities, the cost of subscription-based IT arrangements are allocated over the lease term and reported as amortization expense. In the current period, these amounts are:</p>		
Purchase of assets	15,868,556	
SBITA assets due to implementation of GASB 96	659,821	
Disposal of capital assets	(577,457)	
Amortization expense	(160,106)	
		15,790,814
<p>Bond and Subscription-Based IT Arrangements proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:</p>		
Repayment of principal	1,375,000	
Proceeds Subscription-Based IT Arrangements	(406,970)	
SBITA proceeds due to implementation of GASB 96	(659,821)	
Repayment of Subscription-Based IT Arrangements	155,759	
		463,968
<p>Increase in revenues in the statement of activities that does not increase current financial resources are not reported in the funds.</p>		
		(13,145)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported in the funds:</p>		
General government support	(562,220)	
Public safety	(712,895)	
Transportation	(392,735)	
Economic opportunity and development	(42,251)	
Culture and recreation	(66,409)	
Home and community services	(451,702)	
		(2,228,212)
Change in net position of governmental activities		10,779,019

Town of Bethlehem, New York

Statement of Fiduciary Net Position

	<u>December 31, 2023</u>
	<u>Custodial Fund</u>
Assets	
Cash	<u>\$ 5,000</u>
Net Position	
Restricted for:	
Bail	<u>\$ 5,000</u>

Town of Bethlehem, New York

Statement of Changes in Fiduciary Net Position

	Year Ended December 31, 2023
	Custodial Fund
Additions	
Tax Collected	\$ 22,046,007
Bail Collected	5,500
Total additions	<u>22,051,507</u>
Deductions	
Taxes Remitted	22,046,007
Bail returned to bailees	2,500
Total deductions	<u>22,048,507</u>
Net increase in fiduciary net position	3,000
Net position - beginning of year	<u>2,000</u>
Net position - end of year	<u><u>\$ 5,000</u></u>

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization

The Town of Bethlehem, New York (Town) was incorporated in 1793, and is governed by the Charter of the Town of Bethlehem, the Town law and other general laws of the State of New York and various local laws and ordinances. The Town Board is the legislative body responsible for the overall operation of the Town and consists of the Supervisor and four council members. The Supervisor serves as chief executive officer and chief fiscal officer of the Town.

The Town provides the following basic services: public safety, police protection, parks and recreation, sewer, water, lighting, and highway maintenance.

All governmental activities and functions performed for the Town are the direct responsibility of the Town Board.

b. Financial Reporting Entity

The financial reporting entity consists of the primary government, which is the Town.

In evaluating how to define the Town for financial reporting purposes, management has considered various separate legal entities as potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities. Based upon the application of these criteria, the following component unit is included in the Town's reporting entity:

The Town of Bethlehem Industrial Development Agency (the Agency) is a public benefit corporation created in 1980 by the Town Board of the Town under the provisions of Chapter 1030 of the 1969 Laws of New York State, for the purpose of encouraging economic growth in the Town. The Agency is exempt from Federal, State, and Local income taxes. The members of the Agency's Board of Directors are appointed by and serve at the pleasure of the Town Board. The Town is not liable for the Agency's bonds or notes.

Complete financial statements of the Agency can be obtained from its administrative office at the address indicated below:

Town of Bethlehem
Industrial Development Agency
445 Delaware Avenue
Delmar, New York 12054

c. Basis of Presentation

Except for the departures described below, the accompanying basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing accounting and financial reporting principles in the United States of America.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Basis of Presentation - Continued

The basic financial statements have been prepared primarily from accounts maintained by the Town Comptroller.

The following departures from U.S. GAAP impact the Town's governmental activity financial statements:

- Accounting records to support the completeness and accuracy of capital asset balances have not been maintained.
- Capital assets are not being depreciated.
- Other postemployment benefit costs and obligations have not been estimated and reported.

U.S. GAAP requires the capitalization and depreciation of capital assets, and the estimation of other postemployment benefit costs and obligations. The amounts by which these departures would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, and expenses of the governmental activities has not been determined.

d. Government-Wide and Fund Financial Statements

The 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 Town and its component unit. The effect of interfund activity within the governmental activities has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town does not have any business-type activities.

The statement of net position presents the financial position of the Town at the end of the year. The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Town has elected to present its three non-major funds combined on the face of the financial statements.

e. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements, and donations are recognized as revenues as soon as all eligibility requirements have been met.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Governmental fund financial statements are prepared 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. "Measurable" means the amount of the transaction that can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers revenues available if they are collected within 60 days after year end, except grant revenues, for which a one-year availability period is used when all award criteria are met. Receivables not expected to be collected within the availability periods are recorded as deferred inflows of resources.

Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 modified the recognition criteria for certain expenditures and liabilities. GASBI 6 requires that expenditures and liabilities such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund financial statement only when they mature or become due for payment within the period. Expenditure driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met and amounts are considered available.

A fund is a separate accounting entity with a self-balancing set of accounts. The Town reports the following major and other governmental funds:

Major Funds

- General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Highway Fund is a special revenue fund used to account for revenues and expenditures for highway purposes in accordance with Section 141 of the Highway Law.
- Water District Fund is a special revenue fund used to account for the revenues and expenditures associated with providing water treatment and transportation.
- Sewer District Fund is a special revenue fund used to account for the revenues and expenditures associated with providing sewage treatment services in the Town's twelve operating districts.
- Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Financing is generally provided from excess reserves in operating funds, proceeds of bonds, notes, and/or federal and state grants.

Non-Major Funds

- Ambulance District Fund is a special revenue fund that covers the entire Town. The District levies taxes on property owners within the District. Expenditures are made for providing ambulance service and advanced life support.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Non-Major Funds - Continued

- Special Grant Fund is a special revenue fund used to account for two federal programs: The first is resources received to operate a public housing program for eligible low-income families and the elderly through an authorized public housing agency and other grant funds. The second is for resources received and distributed to encourage development activities within the Town that create or retain jobs for low and moderate income people.
- Special Miscellaneous Revenue Fund is a special revenue fund used to account for the receipt of developer fees to finance improvements within specific areas of the Town.

Fiduciary Funds are used to account for assets held by the Town in a trustee or custodial capacity. The Town's fiduciary fund consists of a custodial fund that is used to account for assets held on behalf of outside parties, including other governments.

f. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting year. Actual results could differ from those estimates.

g. Property Taxes, Account, and Other Receivables

The Town's Receiver of Taxes is responsible for collection of Town, Albany County, and special district property taxes. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Albany County assumes enforcement responsibility for all taxes levied in the Town, and unpaid water and sewer charges.

Accounts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. No allowance was deemed necessary at December 31, 2023.

h. Inventory

The Town's inventory consists of salt used on roadways, fuel, information technology supplies, and EZ Pass units. Inventory is reported in the fund financial statements and statement of net position at the lower of cost or net realizable value, on a first-in first-out basis. Inventory expected to be used in the Town's normal operations is expensed as consumed. Damaged and obsolete inventory is evaluated by management on a periodic basis.

i. Interfund Transactions

During the course of operations, the Town processes several transactions that affect more than one fund and other transactions between the various funds. Interfund services provided and used are accounted for as revenues in the provider funds and expenditures or expenses in the user funds.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Interfund Transactions - Continued

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Advances or loans from one fund to another are recorded as receivables in the remitting fund and payables in the receiving fund. Other interfund transactions generally represent transfers of resources from one fund to be utilized in another fund and are reported as transfers. Interfund transactions that are unpaid between funds are recorded in the financial statements as due from other funds (receivables) and due to other funds (payables).

j. Capital Assets

Capital assets include land, buildings, improvements, machinery and equipment, infrastructure, and Subscription-Based IT Arrangements (SBITAs). Capital assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost in the government-wide statement of net position. Contributed fixed assets are recorded at fair value at the date received.

SBITAs include purchases for the use of software or software and equipment and are reported in capital assets net of accumulated amortization.

k. Deferred Outflows and Inflows of Resources and Unearned Revenue

When potential revenues do not meet the availability criterion for recognition in the current period, these amounts are recorded as deferred inflows of resources in the governmental funds. In subsequent periods, when the availability criterion is met, deferred inflows of resources are recognized as revenues (See Note 9).

The Town also reports deferred outflows and inflows of resources related to leases (see Note 5) and various pension transactions (See Note 11).

Unearned revenue arises when the Town receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the Town has a legal claim to the resources, the liability is removed, and revenue is recognized.

l. Compensated Absences

Town employees are granted vacation and compensatory time in varying amounts. In the event of termination or upon retirement, certain employees are entitled to payment for accumulated vacation and compensatory time at various rates subject to certain maximum limitations.

Payment of vacation and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and compensatory time.

Estimated vacation and compensatory time accumulated by governmental fund type employees and additional salary related payments have been recorded in the government-wide statement of net position.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

m. Pensions

The Town is a participating employer in the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple employer, public employee defined benefit retirement system. The impact on the Town's financial position and results of operations due to its participation in the System is more fully disclosed in Note 11

n. Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the Town provides healthcare insurance coverage benefits for eligible retired employees and their spouses. Coverage includes healthcare insurance and prescription drug coverage for eligible retirees and their spouses based on the lifetime of the retiree. Town employees become eligible for these benefits if they are retirement eligible and have twenty (20) years of full-time employment with the Town. A reduced benefit is provided to employees who are retirement eligible and have 10 years of full-time service with the Town at a rate of 50% of the maximum benefit. Retirement eligible employees with 15 years of service receive 75% of the maximum benefit. Healthcare benefits are provided through an insurance company. Retiree contribution amounts are tied to current employee health benefits.

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. Postretirement benefits were provided to 160 individuals, at a cost of \$1,158,596 for the year ended December 31, 2023.

o. Landfill Post-Closure Costs

A Town landfill was permanently closed as mandated by New York State Department of Environmental Conservation in June 2009. The Town has estimated post-closure costs for certain required maintenance and monitoring functions, as well as the cost of services to ensure closure standards are upheld. The reserve monies, together with annual anticipated interest, are expected to fund the projected annual expenditures over the remainder of the 30-year post-closure period.

p. Deferred Compensation Plan

Employees of the Town may elect to participate in New York State's Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

q. Long-Term Debt Obligations

Principal and interest payments are recognized as expenditures of a governmental fund when paid. Long-term debt is recognized as a liability of a governmental fund when due. The remaining portion of such obligations is reported in the government-wide statement of net position.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

q. Long-Term Debt Obligations - Continued

Governmental funds recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

r. Net Position and Fund Balance

The following terms are used in reporting net position:

- Net Investment in Capital Assets consists of capital assets, including restricted capital assets, reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position is reported when constraints placed on the use of resources are either:
 - Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation
- Unrestricted Net Position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted components of net position described above.

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.
- Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

r. Net Position and Fund Balance - Continued

The Town's fund balance policy is set by the Town Board, the highest level of decision-making authority. The Town Board considers "formal action" for a committed fund balance to be the passing of a Board resolution. The Town considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

s. Adoption of a New Accounting Standard

Effective January 1, 2023, the Town implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). The primary objective of GASB 96 is to establish a definition of SBITAs and to enhance consistency of information about the Town's IT arrangements. GASB 96 established a uniform model for accounting for SBITAs based on the principle that they are intangible assets with a corresponding liability for the subscription period.

Under GASB 96, the Town recognizes an SBITA liability and a SBITA asset for agreements that have a maximum possible term, including options, of greater than twelve months. For agreements with a maximum possible term of twelve months or less, the Town recognizes expense based on the provisions of the agreement.

The adoption of GASB 96 resulted in recording a SBITA asset and corresponding liability of \$659,821 as of January 1, 2023 in the governmental activities. Additional information regarding SBITAs is presented in Note 6.

t. Subsequent Events

The Town has evaluated subsequent events for potential recognition or disclosure through May 30, 2024, the date the financial statements were available to be issued.

Note 2 - Cash, Cash Equivalents, and Investments

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within New York State. The Comptroller is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, certificates of participation, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State of New York, its municipalities and school districts.

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid investments with maturities of 90 days or less from the date of acquisition. All cash deposits were fully insured by the FDIC or collateralized with securities as of December 31, 2023.

All investments have a maturity of one year or less and are recorded at cost. The Town's investments at December 31, 2023 included T-Bills of \$900,284.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 3 - State and Federal Receivables and Due From/To Other Governments

State and federal receivables consist of the following:

	General	Capital	Total
State and federal receivables			
Due from New York State	\$ 4,408	\$ 36,292	40,700
Due from federal government	66,692	598,706	665,398
	\$ 71,100	\$ 634,998	\$ 706,098

Due from other governments is composed of the following:

	General	Water	Sewer	Capital	Total
Due from other governments					
Albany County					
Sales tax	\$ 4,044,828	\$ -	\$ -	\$ -	4,044,828
Mortgage tax	422,606	-	-	-	422,606
Water/Sewer relievis	-	211,534	140,574	-	352,108
Sheriff PD Range Grant	-	-	-	300,000	300,000
Other	30,553	13,079	-	-	43,632
	\$ 4,497,987	\$ 224,613	\$ 140,574	\$ 300,000	\$ 5,163,174

Amounts due to other governments consist of the following balances:

	General
Albany County - EMS Services	\$ 647,400
Albany County - Board of Elections	127,265
New York State - Justice Court Receipts	15,794
Fire Districts	55
	\$ 790,514

Note 4 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance at January 1, 2023	Additions	Disposals	Balance at December 31, 2023
Land	\$ 2,391,370	\$ 3,023,900	\$ -	\$ 5,415,270
Buildings	44,542,903	1,706,096	-	46,248,999
Improvements	18,413,779	2,695,424	-	21,109,203
Machinery and equipment	31,679,177	3,151,691	(577,457)	34,253,411
Infrastructure	46,279,609	4,884,475	-	51,164,084
<i>Amortizable assets</i>				
SBITA assets	659,821	406,970	-	1,066,791

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 4 - Capital Assets - Continued

	Balance at January 1, 2023	Additions	Disposals	Balance at December 31, 2023
Accumulated Amortization	-	(160,106)	-	(160,106)
Total amortizable assets, net	659,821	246,864	-	906,685
 Total capital assets, net	\$ 143,966,659	\$ 15,708,450	\$ (577,457)	\$ 159,097,652

See Note 6 for more information on Subscription-Based IT Arrangements.

Note 5 - Leases

The Town has entered into various leases with terms ending between 2026 and 2041 as the lessor with various cellular network providers. As of December 31, 2023, the value of the lease receivable and deferred inflow of resources was \$2,171,426 and \$2,039,352, respectively. The lessees are required to make annual and monthly payments of various amounts which increase over the terms of their respective leases. The leases contain lessee renewal options that are reasonably certain to be exercised. The leases did not contain provisions for interest and the lessees' incremental rates were not readily determinable; accordingly, the Town estimated its incremental borrowing rate as of January 1, 2022 to be 3.32%.

The Town recognized lease revenue and related interest revenue of \$205,405 and \$74,317, respectively, for the year ended December 31, 2023. These are included in use of money and property on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds and other revenues on the Statement of Activities.

Future annual lease payments under these leases are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2024	\$ 156,603	\$ 69,733	\$ 226,336
2025	167,473	64,370	231,843
2026	171,581	58,647	230,228
2027	146,005	53,435	199,440
2028	159,371	48,406	207,777
2029 through 2033	808,735	155,997	964,732
2034 through 2038	491,629	53,446	545,075
2039 through 2041	70,029	3,081	73,110
	\$ 2,171,426	\$ 507,115	\$ 2,678,541

Note 6 - Long-Term Liabilities

The following table summarizes changes in long-term liabilities for the governmental activities:

	Year Ended December 31, 2023						
	Landfill Post-Closure Costs	Bonds Payable	SBITA Liabilities	Judgments and Claims	Net Pension Liability	Compensated Absences	Total
Balance, beginning of year	\$ 100,000	\$ 36,395,000	\$ 659,821	\$ 10,000	\$ -	\$ 1,609,196	\$ 38,774,017
Additions/issues	-	-	406,970	-	18,036,066	-	18,443,036
Redeemed	-	(1,375,000)	(155,759)	-	(3,269,268)	-	(4,800,027)
Other increase	-	-	-	10,000	-	21,791	31,791
Balance, end of year	100,000	35,020,000	911,032	20,000	14,766,798	1,630,987	52,448,817

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 6 - Long-Term Liabilities - Continued

Year Ended December 31, 2023							
	Landfill Post-Closure Costs	Bonds Payable	SBITA Liabilities	Judgments and Claims	Net Pension Liability	Compensated Absences	Total
Current portion	\$ -	\$ 1,415,000	\$ 183,760	\$ -	\$ -	\$ 1,047,215	\$ 2,645,975
Non-current portion	100,000	33,605,000	727,272	20,000	14,766,798	583,772	49,802,842
	\$ 100,000	\$ 35,020,000	\$ 911,032	\$ 20,000	\$ 14,766,798	\$ 1,630,987	\$ 52,448,817

See Note 11 for discussion of the net pension liability, pension deferred inflows and outflows.

a. Bonds Payable

The Town borrows money in order to acquire land and equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the assets. These long-term liabilities, which are full faith and credit debt of the Town, are recorded in the government-wide statement of net position.

A summary of the Town's indebtedness under bonds payable is as follows:

	Original Issuance	Original Amount	Interest Rate	Final Maturity	December 31, 2023 Outstanding
General, Highway, Water, and Sewer	2015	5,912,058	2.000%	2034	3,820,000
General, Water, and Sewer	2016	6,455,000	4.000%	2037	5,070,000
Sewer	2016	2,600,000	0.550%	2046	2,080,000
General, Highway, Water, and Sewer	2017	9,992,241	2.250%	2042	8,160,000
General, Highway, and Water	2019	17,227,100	2.950%	2049	15,890,000
					\$ 35,020,000

Aggregate minimum maturities of debt service are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2024	\$ 1,415,000	\$ 972,961	\$ 2,387,961
2025	1,440,000	938,104	2,378,104
2026	1,485,000	901,264	2,386,264
2027	1,520,000	865,680	2,385,680
2028	1,570,000	828,562	2,398,562
2029 through 2033	8,535,000	3,478,486	12,013,486
2034 through 2038	7,770,000	2,245,014	10,015,014
2039 through 2043	6,065,000	1,216,542	7,281,542
2044 through 2048	4,340,000	448,826	4,788,826
2049	880,000	13,200	893,200
	\$ 35,020,000	\$ 11,908,639	\$ 46,928,639

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 6 - Long-Term Liabilities - Continued

b. Subscription-Based IT Arrangements

The Town has entered into various agreements with terms ending in 2028 with SBITA vendors for software alone and software with equipment subscriptions. As of December 31, 2023, the value of the SBITA asset, net of accumulated amortization, and SBITA liability were \$906,685 and \$911,032, respectively. The Town is required to make annual payments of various amounts which remain flat over the term of each lease. The arrangements did not contain provisions for interest and the SBITA vendors' respective incremental borrowing rates were not readily determinable; accordingly, the Town estimated its incremental borrowing rate as of the inception of each lease or January 1, 2023, when GASB 96 was adopted, whichever occurred later. The rate used for each lease is noted below.

The Town recognized debt service payments of principal and interest in the amount of \$155,759 and \$17,274, respectively, for the year ended December 31, 2023. These expenditures are included in the funds in which the equipment will be used. The principal payments are recorded as a reduction to the SBITA liability on the Statement of Net Position.

A summary of the Town's indebtedness under SBITAs is as follows:

	Original Issuance	Original Amount	Interest Rate	Final Maturity	December 31, 2023 Outstanding
General	2023	659,821	2.11%	2028	554,589
General	2023	243,804	2.82%	2028	198,725
General	2023	163,166	2.82%	2028	157,718
					\$ 911,032

Aggregate maturities of Subscription-Based IT Arrangements are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2024	\$ 183,760	\$ 19,733	\$ 203,493
2025	188,237	15,256	203,493
2026	192,827	10,667	203,494
2027	197,530	5,963	203,493
2028	148,678	1,709	150,387
	\$ 911,032	\$ 53,328	\$ 964,360

c. Judgments and Claims

The Town has been named a defendant in various actions. A review of these actions with the Town's Attorney indicates that the risk of loss to the Town is reasonably possible for certain cases. The estimated loss for those cases is up to \$20,000. Provisions for losses of those cases is recorded in the statement of net position.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 6 - Long-Term Liabilities - Continued

d. Landfill Post-Closure Costs

The Town operated the Rupert Road landfill which accepted construction and demolition waste. The Town became subject to a consent order for this site in June 2009. The current estimated liability is \$100,000. Money to fund this liability has been established within a capital reserve fund.

e. Compensated Absences

Compensated absences represent the estimated value of the earned and unused leave credits, based on current salary rates.

Note 7 - Unearned Revenue

Unearned revenue consists of the following:

	General Fund	Sewer Fund	Capital Projects Fund	Special Grant Fund	Total
Customer Deposits	\$ 531,722	\$ 15,000	\$ -	\$ -	\$ 546,722
Restricted Gifts	396,440	-	-	-	396,440
ARPA	1,565,300	-	-	-	1,565,300
Other Grants	106,965	-	192,218	-	299,183
Building Department Deposits	592,574	-	-	-	592,574
Sewer Improvement	-	676,171	-	-	676,171
Other	59,420	-	-	58,300	117,720
	<u>\$ 3,252,421</u>	<u>\$ 691,171</u>	<u>\$ 192,218</u>	<u>\$ 58,300</u>	<u>\$ 4,194,110</u>

Note 8 - Bond Anticipation Note (BAN) Payable

In May 2023, the Town issued a BAN for \$6,000,000 for water, sewer, and parks improvements at an interest rate of 4% with an effective net interest rate of 3.319% due to a premium of \$40,746. The BAN matured in May 2024 and was renewed by the Town for \$4,930,000 at an interest rate of 4.5% with an effective net interest rate of 3.952% due to a premium of \$27,030.

Note 9 - Deferred Inflows of Resources

The following transactions were reported as deferred inflows of resources in the governmental fund financial statements as they did not meet the availability criterion:

	Departmental Income
Water	\$ 279,022
Sewer	198,683
	<u>\$ 477,705</u>

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 10 - Interfund Transactions

During the course of operations, the Town has numerous transactions between funds, including expenditures and transfers of revenue to purchase and construct assets. For the year ended December 31, 2023, interfund revenues and expenses arising from these transactions were as follows:

	Transfers-In	Transfers-Out
General	\$ -	\$ 1,844,696
Highway	-	603,145
Sewer	44,914	-
Capital Projects	2,402,927	-
	\$ 2,447,841	\$ 2,447,841

Note 11 - Retirement System

a. Plan Description and Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and New York State and Local Police and Fire Retirement System ("PFRS"), collectively referred to as the "System," which is a cost-sharing, multiple employer, public employee retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System.

The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the System for the custody and control of its funds. The System issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244-0001 or at osc.state.ny.us/retirement/resources/financial-statements-and-supplementary-information.

b. Contributions

The System is noncontributory except for employees who joined after July 26, 1976, who contribute 3% of their salary for the first ten years of membership, employees who joined between January 1, 2010 and April 1, 2012, who contribute 3% of their salary for the entire length of service, and employees who joined after April 1, 2012 who contribute between 3% and 6% of their earned wages for the entire length of their career.

The Comptroller of the State of New York annually certifies the rates, expressed as a proportion of payroll of members, which are used in computing the contributions required to be made by employers.

The Town's required contributions for the current year and the two preceding years were:

	ERS	PFRS	Total
2023	\$ 1,653,064	\$ 1,311,781	\$ 2,964,845
2022	1,335,761	1,139,441	2,475,202
2021	1,837,327	1,230,458	3,067,785

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 11 - Retirement System - Continued

c. Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported a liability of \$14,766,798 for its proportionate share of the net pension liability of the System in the statement of net position. The net pension liability was measured as of March 31, 2023, and the total pension liability was determined by an actuarial valuation as of April 1, 2022. The Town's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2023 measurement date, the Town's proportionate share of ERS and PFRS was 0.0422614% and 0.1035165%, respectively.

For the year ended December 31, 2023, the Town recognized pension expense of \$2,794,046 in the government wide financial statements. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources as follows:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 965,233	\$ (254,511)	\$ 557,533	\$ -
Changes of assumptions	4,401,360	(48,643)	2,779,665	-
Net differences between projected and actual investment earnings on pension plan investments	-	(53,242)	10,084	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	159,291	(200,006)	387,888	(37,059)
Contributions subsequent to the measurement date	1,238,537	-	983,836	-
Total	\$ 6,764,421	\$ (556,402)	\$ 4,719,006	\$ (37,059)

Town contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2024. Other amounts recognized as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS
Year ending December 31,		
2024	1,161,199	733,432
2025	(518,534)	(35,570)
2026	1,864,776	1,774,470
2027	2,462,041	1,098,615
2028	-	127,164
Total	\$ 4,969,482	\$ 3,698,111

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 11 - Retirement System - Continued

d. Actuarial Assumptions

The actuarial assumptions used in the April 1, 2022 valuation, with updated procedures used to roll forward the total pension liability to March 31, 2023, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

	ERS	PFRS
Investment rate of return (net of investment expense, including inflation)	5.90%	5.90%
Salary scale	4.40%	6.20%
Inflation rate	2.90%	2.90%
Cost of living adjustment	1.50%	1.50%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on the System's pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major class as well as historical investment data and plan performance.

e. Investment Asset Allocation

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 return, net of investment expenses and 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Absolute return strategies	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 11 - Retirement System - Continued

f. Discount Rate

The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the current discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
ERS			
Town's proportionate share of the net pension liability (asset)	\$ 21,900,300	\$ 9,062,551	\$ (1,664,881)
PFRS			
Town's proportionate share of the net pension liability	\$ 11,890,770	\$ 5,704,247	\$ 581,435

h. Pension Plan Fiduciary Net Position

The components of the net pension liability of the employers participating in the System as of March 31, 2023, were as follows (amounts in thousands):

	ERS	PFRS	Total
Employers' total pension liability	\$ 232,627,259	\$ 43,835,333	\$ 276,462,592
Plan net position	211,183,223	38,324,863	249,508,086
Employers' net pension liability	\$ 21,444,036	\$ 5,510,470	\$ 26,954,506
 Ratio of plan net position to the employers' total pension liability	 90.78%	 87.43%	 90.25%

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 12 - Fund Balances

Fund balances are detailed as follows:

	General	Highway	Water	Sewer	Capital Projects	Non-Major Funds
Nonspendable						
Inventory	\$ 101,771	\$ 99,396	\$ 7,909	\$ -	\$ -	\$ -
Prepaid	1,809,931	182,908	135,865	78,908	-	-
	<u>1,911,702</u>	<u>282,304</u>	<u>143,774</u>	<u>78,908</u>	<u>-</u>	<u>-</u>
Restricted						
Capital reserve	-	-	-	-	6,934,869	-
Landfill post-closure	-	-	-	-	198,757	-
Parklands	-	-	-	-	-	369,306
Section 8	-	-	-	-	-	2,900
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,133,626</u>	<u>372,206</u>
Assigned						
Encumbrances	811,190	46,709	744,090	659,157	-	-
Capital reserve	4,012,981	654,920	3,171,575	893,103	-	-
Retirement contribution	672,197	307,780	126,088	-	-	-
Highway Fund	-	2,455,778	-	-	-	-
Water Fund	-	-	2,918,379	-	-	-
Sewer Fund	-	-	-	1,130,063	-	-
	<u>5,496,368</u>	<u>3,465,187</u>	<u>6,960,132</u>	<u>2,682,323</u>	<u>-</u>	<u>-</u>
Unassigned						
	<u>8,040,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,507,714)</u>	<u>-</u>
	<u>\$ 15,448,813</u>	<u>\$ 3,747,491</u>	<u>\$ 7,103,906</u>	<u>\$ 2,761,231</u>	<u>\$ 2,625,912</u>	<u>\$ 372,206</u>

Restricted Fund Balance

The Town has established capital reserves pursuant to General Municipal Law (GML), Section 6-C, within the capital projects fund. In addition, the Town has established a capital reserve pursuant to GML Section 6-O, for the purpose of paying landfill related post-closure costs within the general fund.

GML Section 6-C Reserves

Improvements and equipment	\$ 3,117,729
Recreational facilities	218,361
Fire tower additions and improvements	94,115
Highway improvements and equipment	1,166,082
Reconstruction of water facilities	2,174,037
Reconstruction of sewer facilities	1,656,831
Subtotal	<u>8,427,155</u>
Less unspent BAN proceeds as of December 31, 2023	<u>(1,492,286)</u>
Total GML Section 6-C	<u>6,934,869</u>

GML Section 6-O Reserves

	<u>198,757</u>
Total Capital Reserves Under GML Sections 6-C and 6-O	<u>\$ 7,133,626</u>

Funds restricted for parklands represent developer fees remitted to the Town for the acquisition and maintenance of greenspace/parks.

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 12 - Fund Balances - Continued

The Town has a fund balance policy that provides guidance for minimum, maximum, and optimal levels at which the operating fund reserves should be held. These percentages of fund balance to appropriations are set at 7.5%, 20%, and 15%, respectively. As of December 31, 2023, all funds were at maximum. To the extent that fund balances exceed the maximum, per the policy, the balances are assigned as infrastructure reserve funds.

The Town's budget provides for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Note 13 - Tax Abatements

Certain property values in the Town have been reduced as the result of payment in lieu of tax (PILOT) agreements entered into by the Albany County Industrial Development Agency (IDA) for the purpose of general economic development. These agreements reduce the assessed value of the properties for all taxing agencies in Albany County, including the Town. As a result of the agreement, the Town receives a PILOT payment, which is equal to the reduced assessed value times the Town's levied tax rate.

Information relevant to disclosure of these agreements for the year ended December 31, 2023 is as follows:

Property Owner	Taxable Assessed Value	Tax Rate ¹ per 000	Tax Value	PILOT Received	Taxes Abated
44-74 21st Street, LLC	\$ 7,700,000	2.78	\$ 21,427	\$ 17,540	\$ 3,887
Air Products	13,400,000	2.78	37,289	7,457	29,832
Albany Enterprises LLC	2,250,000	2.78	6,261	6,009	252
American Housing Foundation ²	-	2.78	-	13,404	(13,404)
CPI Bethlehem BERK I LLC	1,100,000	2.78	3,061	2,567	494
CPI Bethlehem SEF I LLC	1,200,000	2.78	3,339	2,794	545
Finke Enterprises, LLC	5,900,000	2.78	16,418	14,890	1,528
MALM Realty Company	1,000,000	2.78	2,783	2,783	-
PSEG Power	100,000,000	2.78	278,273	309,160	(30,887)
Vista Development Group LLC	2,621,000	2.78	7,293	7,293	-
Vista Medical LLC	1,350,000	2.78	3,757	3,456	301
	<u>\$ 136,521,000</u>		<u>\$ 379,901</u>	<u>\$ 387,353</u>	<u>\$ (7,452)</u>

¹ General and Highway Tax Rates

² American Housing is a 501(c)3 and therefore not subject to certain taxes including General and Highway

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 14 - Commitments

The Town has completed the closure of the Rupert Road landfill in accordance with an Order of Consent issued by the Department of Environmental Conservation (DEC) in June 2009. The Town is required to monitor the site for 30 years, with 14 years lapsed as of December 31, 2023. The current estimated liability for post-closure care costs of the landfill for the remaining 16 years is \$100,000. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Funds have been reserved to finance the remaining post-closure costs.

In 2004, the Town entered into a 20-year contract with the City of Albany (City) for the purchase of finished water. The contract calls for the purchase of specified minimum quantities, at rates that are subject to the same percentage increases paid by other customers within the City. The contract ended as of December 31, 2023. In February 2024, the Town entered into an agreement with the City for a 6-month term to purchase finished water at the same rate as City residents. There is no minimum purchase requirement.

In 2016, the Town entered into a 20-year contract to pay \$0.103 per kWh for solar energy generation in our two solar fields. As part of this agreement, the expense of the solar field generation is offset by revenue earned from National Grid at the SC2 rate per kWh in the form of credits to electricity bills. This generally results in a net surplus annually.

Note 15 - Contingencies, Risks and Uncertainties

a. *Judgments and Claims*

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance for all risk above minimal deductible amounts except for workers' compensation and environmental hazards. Settled claims have not exceeded the commercial coverage, or the amounts provided for in long-term liabilities by any material amounts during 2023. There was no reduction in insurance coverage during 2023. An estimate of this liability is recorded at December 31, 2023, for outstanding claims or for any potential claims incurred but not reported as of that date in the long-term liabilities.

b. *Self-Insurance*

The Town is responsible for compensating employees who are on workers' compensation leave under Section 207-C of the General Municipal Law for police officers. Certain employees are entitled to their full pay when on workers' compensation leave. The Town is required to fund any losses not reimbursed by workers' compensation insurance.

c. *Union Contracts*

Public safety employees are all represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

Bargaining Unit	Contract Expiration Date
AFSCME Council 66 (Dispatchers)	December 31, 2025
AFL-CIO Council 82 (Lieutenants & Sergeants)	December 31, 2025
Teamsters Local 294 (Officers & Detectives)	December 31, 2025

Town of Bethlehem, New York

Notes to Basic Financial Statements December 31, 2023

Note 16 - Accounting Standards Issued Not Yet Implemented

GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Town's management is not able to estimate the extent of the potential impact of these statements on the future financial statements.

Town of Bethlehem, New York

Required Supplementary Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes	\$ 3,931,996	\$ 3,931,996	\$ 3,918,697	\$ (13,299)
Real property tax items	147,093	147,093	148,655	1,562
Non-property tax items	15,148,657	15,335,992	16,647,158	1,311,166
Departmental Income	1,765,620	1,920,383	2,230,120	309,737
Intergovernmental charges	34,760	34,760	40,000	5,240
Use of money and property	176,558	319,807	844,680	524,873
Licenses and permits	36,025	36,025	35,490	(535)
Fines and forfeitures	170,000	170,000	178,524	8,524
Sales of property and compensation for loss	88,100	88,100	221,467	133,367
Miscellaneous local sources	-	-	3,092	3,092
Interfund Revenues	533,111	533,111	600,644	67,533
State aid	1,104,638	1,297,398	1,569,049	271,651
Federal aid	50,202	892,030	1,642,599	750,569
Total revenues	<u>23,186,760</u>	<u>24,706,695</u>	<u>28,080,175</u>	<u>3,373,480</u>
EXPENDITURES				
General government support	\$ 4,521,190	\$ 5,588,637	\$ 4,971,169	\$ 617,468
Public safety	7,457,014	8,496,552	8,147,203	349,349
Transportation	1,141,152	1,542,865	1,360,134	182,731
Economic opportunity and development	548,245	554,694	553,881	813
Culture and recreation	1,727,714	2,061,032	1,807,786	253,246
Home and community services	1,529,840	2,248,321	1,920,415	327,906
Employee benefits	5,785,692	5,778,179	5,537,332	240,847
Debt service				
Principal	274,235	441,047	429,994	11,053
Interest	201,678	207,900	218,950	(11,050)
Total expenditures	<u>23,186,760</u>	<u>26,919,227</u>	<u>24,946,864</u>	<u>1,972,363</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,212,532)</u>	<u>3,133,311</u>	<u>5,345,843</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Subscription-Based IT Arrangements	-	-	1,066,791	1,066,791
Transfers out	-	(1,844,697)	(1,844,696)	1
Total other financing sources (uses)	<u>-</u>	<u>(1,844,697)</u>	<u>(777,905)</u>	<u>1,066,792</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (4,057,229)</u>	<u>\$ 2,355,406</u>	<u>\$ 6,412,635</u>
FUND BALANCE, beginning of year			<u>13,093,407</u>	
FUND BALANCE, end of year			<u>\$ 15,448,813</u>	

Town of Bethlehem, New York

Required Supplementary Information Budgetary Comparison Schedule - Highway Fund Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 6,875,259	\$ 6,875,259	\$ 6,875,259	\$ -
Real property tax items	235,553	235,553	238,188	2,635
Intergovernmental charges	10,500	10,500	18,652	8,152
Use of money and property	49,688	52,908	249,919	197,011
Sales of property and compensation for loss	11,000	11,000	74,041	63,041
Interfund Revenues	15,000	15,000	11,696	(3,304)
State aid	677,896	677,896	731,651	53,755
Total revenues	7,874,896	7,878,116	8,199,406	321,290
EXPENDITURES				
Transportation	5,660,849	5,688,125	5,317,424	370,701
Employee benefits	1,949,332	1,949,332	1,623,356	325,976
Debt service				
Principal	178,783	175,209	178,783	(3,574)
Interest	85,932	89,506	85,931	3,575
Total expenditures	7,874,896	7,902,172	7,205,494	696,678
Excess (deficiency) of revenues over expenditures	-	(24,056)	993,912	1,017,968
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(603,145)	(603,145)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ (627,201)	\$ 390,767	\$ 1,017,968
FUND BALANCE, beginning of year			3,356,724	
FUND BALANCE, end of year			\$ 3,747,491	

Town of Bethlehem, New York

Required Supplementary Information Budgetary Comparison Schedule - Water Fund Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes	\$ 2,412,550	\$ 2,412,550	\$ 2,412,548	\$ (2)
Departmental Income	8,400,220	8,325,220	7,937,449	(387,771)
Use of money and property	330,129	405,129	595,151	190,022
Sales of property and compensation for loss	5,000	5,000	14,354	9,354
Miscellaneous local sources	-	-	882	882
Total revenues	<u>11,147,899</u>	<u>11,147,899</u>	<u>10,960,384</u>	<u>(187,515)</u>
EXPENDITURES				
Home and community services	8,781,547	9,520,753	7,997,277	1,523,476
Employee benefits	1,282,928	1,234,729	1,067,457	167,272
Debt service				
Principal	556,448	522,122	556,448	(34,326)
Interest	526,976	561,302	526,976	34,326
Total expenditures	<u>11,147,899</u>	<u>11,838,906</u>	<u>10,148,158</u>	<u>1,690,748</u>
Excess (deficiency) of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ (691,007)</u></u>	<u><u>\$ 812,226</u></u>	<u><u>\$ 1,503,233</u></u>
FUND BALANCE, beginning of year			<u>6,291,680</u>	
FUND BALANCE, end of year			<u><u>\$ 7,103,906</u></u>	

Town of Bethlehem, New York

Required Supplementary Information Budgetary Comparison Schedule - Sewer Fund Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 1,296,793	\$ 1,296,793	\$ 1,296,796	\$ 3
Departmental Income	3,309,000	3,274,000	3,361,535	87,535
Use of money and property	40,697	75,697	203,274	127,577
Sales of property and compensation for loss	4,000	4,000	12,608	8,608
Miscellaneous Local Sources	-	509,210	6	(509,204)
Total revenues	4,650,490	5,159,700	4,874,219	(285,481)
EXPENDITURES				
Home and community services	3,412,524	4,045,453	2,985,728	1,059,725
Employee benefits	675,469	676,727	603,731	72,996
Debt service				
Principal	365,534	353,893	365,534	(11,641)
Interest	196,963	207,346	191,575	15,771
Total expenditures	4,650,490	5,283,419	4,146,568	1,136,851
Excess (deficiency) of revenues over expenditures	-	(123,719)	727,651	851,370
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	44,914	44,914	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ (78,805)	\$ 772,565	\$ 851,370
FUND BALANCE, beginning of year			1,988,666	
FUND BALANCE, end of year			\$ 2,761,231	

Town of Bethlehem, New York

Notes to Budgetary Basis Reporting December 31, 2023

The Town employs the following budgetary procedures:

- a. No later than September 30, the Budget Officer submits a tentative budget for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Town except for the Capital Projects Funds, the Special Grant Fund, and the Miscellaneous Revenue Fund. The future spending on Capital projects is determined at the start of each project.
- b. After public hearings are conducted to obtain taxpayer comments, but no later than November 20, when the Town Board adopts the budget.
- c. All revisions that alter an appropriation of any budget category or fund must be approved by the Town Board.

Budget Basis of Accounting - Budgets are adopted annually on a basis generally consistent with the modified accrual basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Town of Bethlehem, New York

Schedule of Proportionate Share of the Net Pension Liability

	December 31,						
	2023	2022	2021	2020	2019	2018	2017
ERS							
Town's proportion of the net pension liability (asset)	0.0422614%	0.0415165%	0.0401181%	0.04315210%	0.04239260%	0.04286360%	0.04359270%
Town's proportionate share of the net pension liability (asset)	\$ 9,062,551	\$ (3,393,801)	\$ 39,947	\$ 11,426,938	\$ 3,003,645	\$ 1,383,398	\$ 4,096,063
Town's covered-employee payroll	\$ 12,982,573	\$ 11,809,966	\$ 11,516,306	\$ 11,904,005	\$ 11,849,512	\$ 11,277,347	\$ 11,005,858
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.81%	-28.74%	0.35%	95.99%	25.35%	12.27%	37.22%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
PFRS							
Town's proportion of the net pension liability	0.1035165%	0.0962786%	0.0954856%	0.0959098%	0.10334340%	0.10544070%	0.10243820%
Town's proportionate share of the net pension liability	\$ 5,704,247	\$ 546,905	\$ 1,657,894	\$ 5,126,318	\$ 1,733,134	\$ 1,065,749	\$2,123,188
Town's covered-employee payroll	\$ 4,523,417	\$ 4,063,955	\$ 4,131,028	\$ 4,242,385	\$ 3,962,698	\$ 3,989,317	\$ 3,923,577
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	126.10%	13.46%	40.13%	120.84%	43.74%	26.72%	54.11%
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Town of Bethlehem, New York

Schedule of Employer Contributions

	December 31,						
	2023	2022	2021	2020	2019	2018	2017
ERS							
Contractually required contribution	\$ 1,653,064	\$ 1,335,761	\$ 1,837,327	\$ 1,719,886	\$ 1,697,454	\$ 1,648,913	\$ 1,646,734
Contributions in relation to the contractually required contribution	\$ 1,653,064	\$ 1,335,761	\$ 1,837,327	\$ 1,719,886	\$ 1,697,454	\$ 1,648,913	\$ 1,646,734
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 12,982,573	\$ 11,809,966	\$ 11,516,306	\$ 11,904,005	\$ 11,849,512	\$ 11,277,347	\$ 11,005,858
Contributions as a percentage of covered-employee payroll	12.73%	11.31%	15.95%	14.45%	14.33%	14.62%	14.96%
PFRS							
Contractually required contribution	\$ 1,311,781	\$ 1,139,441	\$ 1,230,458	\$ 1,084,314	\$ 963,092	\$ 968,271	\$ 959,534
Contributions in relation to the contractually required contribution	\$ 1,311,781	\$ 1,139,441	\$ 1,230,458	\$ 1,084,314	\$ 963,092	\$ 968,271	\$ 959,534
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 4,523,417	\$ 4,063,955	\$ 4,131,028	\$ 4,242,385	\$ 3,962,698	\$ 3,989,317	\$ 3,923,577
Contributions as a percentage of covered-employee payroll	29.00%	28.04%	29.79%	25.56%	24.30%	24.27%	24.46%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Town of Bethlehem, New York

Other Supplemental Information – Combining Balance Sheet – Non-Major Funds

		December 31, 2023		
		Special Grant	Miscellaneous	Total
ASSETS				
Cash		\$ 61,769	\$ 369,306	\$ 431,075
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable		\$ 569	\$ -	\$ 569
Unearned Revenue		58,300	-	58,300
Total liabilities		58,869	-	58,869
FUND BALANCE				
Restricted		2,900	369,306	372,206
		\$ 61,769	\$ 369,306	\$ 431,075

Town of Bethlehem, New York

Other Supplemental Information - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Funds

	Year Ended December 31, 2023			
	Special Grant	Miscellaneous	Ambulance	Total
REVENUES				
Real property taxes	\$ -	\$ -	\$ 1,482,792	\$ 1,482,792
Real property tax items	-	-	510	510
Departmental Income	-	67,350	-	67,350
Use of money and property	34	13,027	-	13,061
Federal aid	546,035	-	-	546,035
Total revenues	546,069	80,377	1,483,302	2,109,748
EXPENDITURES				
Health	\$ -	\$ -	\$ 1,483,302	\$ 1,483,302
Economic opportunity and development	559,978	-	-	559,978
Culture and recreation	-	172,365	-	172,365
Total expenditures	559,978	172,365	1,483,302	2,215,645
 Deficiency of revenues over expenditures	(13,909)	(91,988)	-	(105,897)
 FUND BALANCE, beginning of year	16,809	461,294	-	478,103
 FUND BALANCE, end of year	\$ 2,900	\$ 369,306	\$ -	\$ 372,206