



Municipality of Bethel Park, Pennsylvania

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Prepared by the Finance Department
Lisa Lapaglia, Finance Director



INTRODUCTORY SECTION

**MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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MUNICIPALITY OF BETHEL PARK

Municipal Building • 5100 West Library Avenue • Bethel Park, PA 15102 • 412-831-6800 • FAX 412-831-8675 • www.bethelpark.net

July 15, 2024

To Bethel Park Municipal Council, Mayor, and Citizens of the Municipality of Bethel Park:

The Annual Comprehensive Financial Report (Annual Report) of the Municipality of Bethel Park, Pennsylvania (Municipality) for the year ended December 31, 2023 is hereby submitted.

This report consists of management's representations concerning the finances of the Municipality. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management has established a comprehensive framework of internal control designed both to protect the Municipality's assets from loss, theft, or misuse, and to compile sufficient reliable information for the presentation of the Municipality's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we believe that this financial report is complete and reliable in all material respects.

The Municipality's financial statements have been audited by Maher Duessel, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Municipality for the fiscal year ending December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures of the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Municipality's financial statements for the year ended December 31, 2023 are fairly presented, in all material respects, in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

Immediately following the independent auditor's report is the Management's Discussion and Analysis (MD&A). The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Municipality was founded in 1886 and incorporated as a Borough in 1949. In 1978, the Municipality became a Home Rule Municipality pursuant to its Home Rule Charter dated November 18, 1975. The Municipality continues to operate today under the Charter (as amended).

The Municipality's Charter provides for the Council-Manager form of government. Municipal Council is comprised of nine members. Each of the nine members is elected by ward to serve a four-year term. The terms are staggered so that the Council members representing the odd-numbered wards are elected two years apart from the members representing the even-numbered wards. The Charter also calls for a Mayor to be elected at large. The Mayor votes only in the event of a tie.

The daily operations of the Municipality are directed by an appointed Municipal Manager and a full-time professional staff. The Municipality's operations include services such as police protection, infrastructure maintenance and construction (e.g., roads and sewers), recreation and leisure, public access television, zoning regulation, building inspection, wastewater treatment, and refuse collection.

LOCAL ECONOMY

The Municipality is located approximately ten miles south of downtown Pittsburgh, Allegheny County, Pennsylvania. The Municipality is 12 square miles in size with approximately 114 miles of road. According to the 2020 U.S. Census, the Municipality's population of 33,577 ranks fourth out of Allegheny County's 130 municipalities. Approximately, 83% of the Municipality is presently developed, 90% of which is residential and devoted almost exclusively to single-family housing.

Industrial activity in the Municipality is concentrated in light manufacturing and some service-related areas. The business districts in the Municipality are found along Library Road, South Park Road, Bethel Church Road, Brightwood Road, Washington Road, Oxford Drive, and Fort Couch Road. The Municipality is also home to the largest industrial park in the South Hills of Pittsburgh. The Industrial Park is comprised of 117 acres of land and houses approximately 100 businesses. More than 1,300 people work in the Industrial Park, and less than 20 acres presently remain available for future development.

Light manufacturing, storage, and some heavy industry occupy slightly more than 100 acres of the Municipality. However, the Municipality is primarily residential in nature, with its residents commuting to various employment concerns in the Pittsburgh metropolitan area. Given the efficient road network and public transportation system, and the close proximity to the City of Pittsburgh, the residents are subject to reasonable commuting time to the industries and businesses of the area.

Commercial land use is geared to neighborhood convenience. Located in the Municipality is approximately half of the South Hills Village Shopping Mall, an enclosed shopping center which includes approximately 100 stores. Also situated in the Municipality is Village Square Mall, which houses a number of retail department stores and other businesses.

Throughout the nation's recent economic troubles, unemployment rates in the region have remained below the state and national rates. This has helped insulate the Municipality's largest revenue source – Earned Income Tax – from the drops experienced by many state and local governments across the country. As presented in the Statistical Section, the Municipality's two major tax revenues – Real Estate Tax and Earned Income Tax – continue to trend upward.

FINANCIAL OPERATIONS

Budget

The Municipality uses the following procedures in establishing the budgetary data reflected in the financial statements as prescribed in the Home Rule Charter. On or before September 1st, the Municipal Manager submits an operating budget and an accompanying message to Council. At least two months prior to the date for submission of the proposed budget, the Municipal Manager submits to Council a five-year capital program. A general summary of the preliminary budget and capital program must be published in one or more newspapers of general circulation in the Municipality, including a notice that the preliminary budget or capital program is available for public inspection. Advertisement of the preliminary budget or capital program must include times and places where copies of the preliminary budget and capital program are available for viewing by the public and when hearings will be held. After adequate public hearing, Council must adopt the final balanced budget by ordinance prior to the beginning of the fiscal year for which the budget has been prepared.

Policy

The finance department continually reviews established policies and procedures and considers the implementation of new policies and procedures when necessary. We believe that the Municipality's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

LONG-TERM FINANCIAL PLANNING

The Annual Report reflects the sound fiscal policies our elected officials have established to achieve their annual priorities for programs, services, and capital improvements. These policies have resulted in the Municipality's strong financial position, which is demonstrated by the second highest credit rating available in national bond markets. Growth of the Municipality's economic base as well as realistic long-range planning, productive management of revenue and cash resources, and prudent use of debt continue to produce favorable operating results. Unassigned General Fund fund balance represents 22.69% of the 2023 budgeted expenditures, while total General Fund fund balance was 24.29% of the 2023 budgeted expenditures.

The Municipality annually adopts a five-year Capital Plan for the scheduling and appropriation of funds for major projects that represent significant contributions to the Municipality's overall inventory of physical assets. Municipal Council approval of the Capital Plan commits the Municipality to the first year of capital projects with conditional approval for those projects listed in four future planning years. The five-year Capital Plan, from fiscal year 2018 through fiscal year 2022, includes capital appropriations totaling \$26.8 million and includes projects funded by General Fund resources, general obligation bonds, state grants, and capital reserves.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

In 2023, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Municipality for its Annual Report for the fiscal year ended December 31, 2022. This represents the twelfth consecutive year the Municipality has achieved this award.

In order to be awarded a GFOA Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

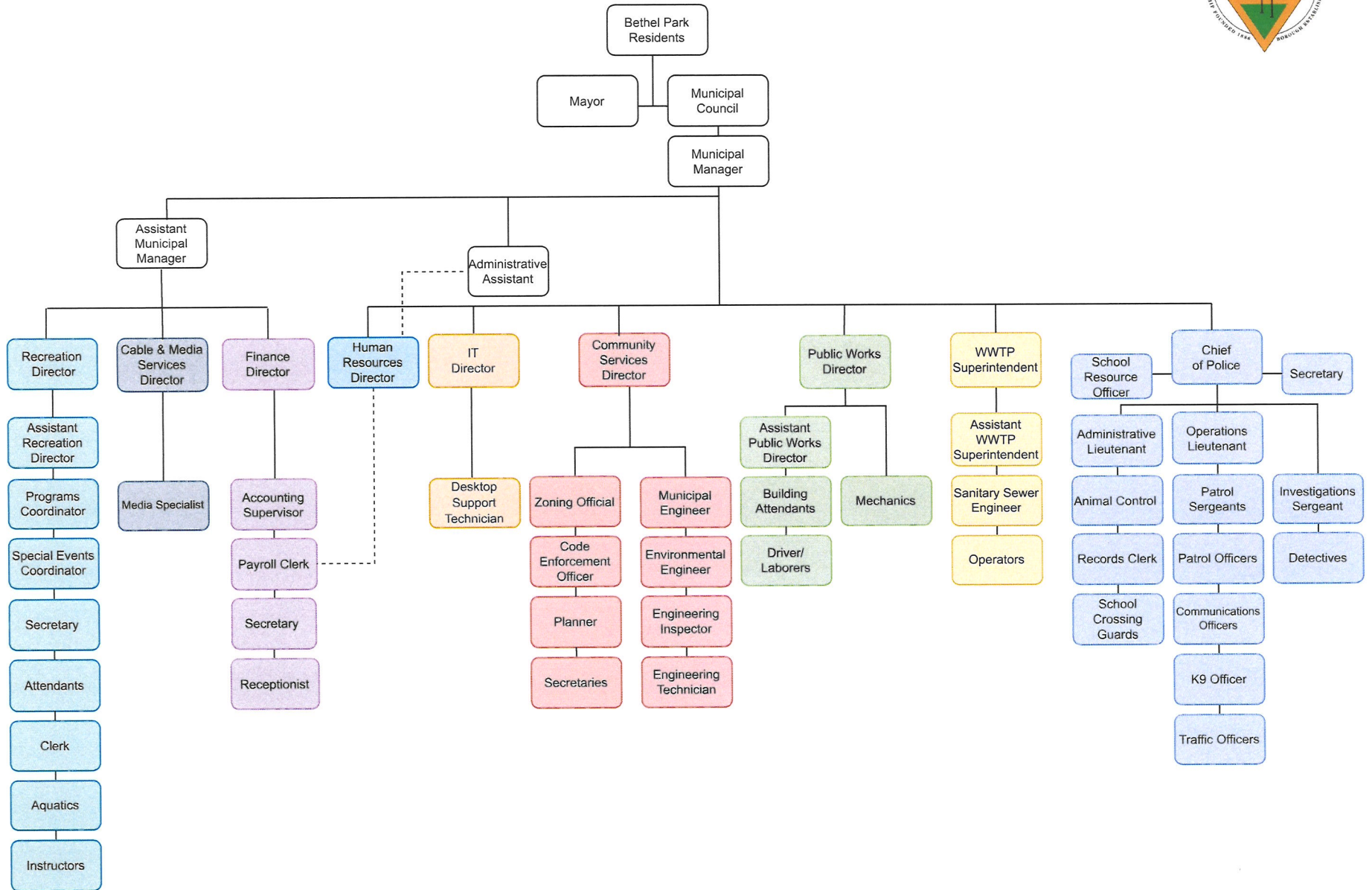
Without the responsiveness and cooperation of all Municipal departments, production of this Annual Report would not have been possible. I sincerely appreciate the time and effort contributed by Municipal staff throughout the year, particularly that of Accounting Supervisor Pamela Inglis. Finally, I also wish to express my thanks to Bethel Park Municipal Council and the Mayor for their cooperation and interest in the professional management of the Municipality's finances.

Respectfully submitted,



Lisa Lapaglia
Finance Director
July 15, 2024

**Municipality of Bethel Park
Organization Chart
Updated 1/2/2024**



**MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2023**

ELECTED OFFICIALS

Council, Ward 1	Joseph A. Consolmagno
Council, Ward 2	Dr. Timothy M. Campbell
Council, Ward 3	John Oakes
Council, Ward 4	Todd S. Cenci
Council, Ward 5	Joseph Janosik
Council, Ward 6	Mark O'Brien (Vice President)
Council, Ward 7	David Espinar
Council, Ward 8	Timothy J. Moury (President)
Council, Ward 9	Lindsay Flinn
Mayor	Jack T. Allen

CHIEF APPOINTED OFFICIALS

Municipal Manager	Kristen Denne
Assistant Municipal Manager	Empty
Finance Director	Lisa Lapaglia
Police Chief	David B. Arnold (Interim)
Municipal Engineer	Michael Rizzo
Code Enforcement Officer	David A. Rudolph
Recreation Director	Emily Skoczlas
Public Access Director	Dave Cable
Sewage Plant Superintendent	Scott Dunn
Municipal Solicitor	Robert McTiernan



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Municipality of Bethel Park
Pennsylvania**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

**Members of Council
Municipality of Bethel Park, Pennsylvania**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Bethel Park, Pennsylvania (Municipality), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Municipality and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Municipality'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 Municipality'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 the required supplementary information listed in the 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 sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Maher Duessel

Pittsburgh, Pennsylvania
July 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Municipality of Bethel Park, Pennsylvania (Municipality), we offer readers of the Municipality's financial statements this narrative overview and analysis of the financial activities of the Municipality for the fiscal year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

- The Municipality's total net position increased \$5,288,231 in 2023, or 16.1%.
- Total unrestricted net position was \$13,125,287 at December 31, 2023.
- The Municipality's real property tax rate totaling 2.78 mills includes a mandated .34 mills in real estate tax dedicated as an annual source of revenue for the Bethel Park Volunteer Fire Company. This revenue was primarily used to pay for the debt service associated with the construction of a new fire station on Brightwood Road, as well as operating expenses, such as building utilities and maintenance.
- The Municipality's earned income tax rate remained at 0.9% in 2023.
- At December 31, 2023, the Municipality had \$82,590,364 of outstanding debt (bonds and notes), which represents a decrease of \$2,600,384, or 3.1% from the previous year.
- The total fund balance of the General Fund at December 31, 2023 was \$5,658,232. The unassigned portion of the fund balance was \$5,285,371, which is approximately 22.6% of General Fund expenditures for fiscal year 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Municipality's basic financial statements. The Municipality's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary and other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the Municipality's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two 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 Municipality is improving or deteriorating.

The statement of activities presents information showing how the Municipality's net position changed during fiscal year 2023. 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 fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Municipality that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the Municipality include general government, public safety, public works, culture and recreation, and conservation and development. The business-type activities of the Municipality include the Municipality's sewer services.

The government-wide financial statements can be found on pages 25 and 26 of this report.

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 Municipality, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Municipality can be divided into three categories: governmental funds, proprietary 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Municipality's near-term financial 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 Municipality's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Municipality maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of

revenues, expenditures, and changes in fund balance for the General Fund , Capital Reserve Fund, and ARPA Fund, which are major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The Municipality adopts an annual budget for all governmental funds. Budgetary comparison statements for all governmental funds are provided in this report, either in the basic financial statements or as supplementary information, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-33 of this report.

Proprietary funds. The Municipality maintains one type of proprietary fund. An Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses an Enterprise Fund to account for its sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer system, which is considered to be a major fund of the Municipality.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Municipality. The Municipality is the trustee, or fiduciary, for two single-employer pension plans: non-uniformed employees and police. These plans cover essentially all full-time employees. The Municipality is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Municipality's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the Municipality's government-wide financial statements because the Municipality cannot use these assets to finance its operations.

The Municipality also maintains assets on behalf of others. The Municipality maintains control of the assets; however, since they are for the benefit of organizations outside the government, they are reported as a custodial fund in the financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 39-87 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Municipality's net pension liability (asset), contributions, investment returns, and progress in funding its obligation to provide postemployment benefits other than pension benefits (OPEBs) to its employees. Required supplementary information can be found on pages 88-94 of this report.

Supplementary information. The combining statements referred to earlier in this report are presented in a section called supplementary information immediately following the required supplementary information on pensions and OPEBs. The supplementary information containing the combining and individual fund statements can be found on pages 95-104 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Municipality's financial position. In the case of the Municipality, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,200,417 at the close of fiscal year 2023.

The Municipality's net position at December 31, 2023 and 2022 is presented below:

Municipality of Bethel Park's Net Position							
	Governmental Activities		Business-type Activities		Total		
	2023	2022	2023	2022	2023	2022	
Current and other assets	\$ 11,285,544	\$ 14,852,047	\$ 32,415,216	\$ 38,954,190	\$ 43,700,760	\$ 53,806,237	
Capital assets	39,061,073	33,688,696	44,634,004	43,404,043	83,695,077	77,092,739	
Net pension asset	918,226	-	393,526	-	1,311,752	-	
Total assets	\$ 51,264,843	\$ 48,540,743	\$ 77,442,746	\$ 82,358,233	\$ 128,707,589	\$ 130,898,976	
Deferred outflows of resources	\$ 4,028,674	\$ 8,555,665	\$ 272,066	\$ 853,671	\$ 4,300,740	\$ 9,409,336	
Current and other liabilities	\$ 3,240,830	\$ 4,688,684	\$ 1,957,756	\$ 7,544,558	\$ 5,198,586	\$ 12,233,242	
Non-current liabilities	24,190,780	29,853,329	62,923,906	63,562,823	87,114,686	93,416,152	
Total liabilities	\$ 27,431,610	\$ 34,542,013	\$ 64,881,662	\$ 71,107,381	\$ 92,313,272	\$ 105,649,394	
Deferred inflows of resources	\$ 2,190,478	\$ 1,521,546	\$ 304,162	\$ 225,521	\$ 2,494,640	\$ 1,747,067	
Net investment in capital assets	\$ 18,816,719	\$ 14,287,181	\$ 3,994,991	\$ (4,668,037)	\$ 22,811,710	\$ 9,619,144	
Restricted	1,869,894	958,608	393,526	-	2,263,420	958,608	
Unrestricted	4,984,816	5,787,060	8,140,471	16,547,039	13,125,287	22,334,099	
Total net position	\$ 25,671,429	\$ 21,032,849	\$ 12,528,988	\$ 11,879,002	\$ 38,200,417	\$ 32,911,851	

Net Position

One portion of the Municipality's net position (59.72%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Municipality uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Municipality's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other funding sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Municipality's net position (5.93%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (34.36%, or \$13,125,287) may be used to meet the Municipality's ongoing obligations to citizens and creditors.

At the end of 2023, the Municipality reported positive balances in all three categories of net position, for the Municipality as a whole, as well as for its separate governmental activities. In the prior fiscal year, all three categories reported positive net position for the Municipality as a whole, as well as for its separate governmental activities. The business-type activities reported negative net investment in capital assets in 2022.

For 2023, total net position increased by \$5,288,231, or 16.1%, to \$38,200,417.

The governmental activities portion of net position increased by \$4,638,245 or 22.05%, which is largely due to a combination of increased grant revenue from the American Rescue Funds Act and a decrease in costs associated with Public Works and Culture and Recreation.

The business-type activities portion of net position increased by \$649,986 or 5.47%, which is a result of grant funding for Capital projects.

The following presents the Municipality's change in net position for the fiscal years ended December 31, 2023 and 2022:

Municipality of Bethel Park's Changes in Net Position							
	Governmental Activities		Business-type Activities		Total		
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 1,705,599	\$ 1,609,081	\$ 10,019,380	\$ 10,604,715	\$ 11,724,979	\$ 12,213,796	
Grants and contributions:							
Operating	1,144,505	1,018,424	-	-	1,144,505	1,018,424	
Capital	201,781	7,151	-	31,178	201,781	38,329	
General revenues:							
Property taxes	7,318,355	7,352,076	-	-	7,318,355	7,352,076	
Earned income taxes	10,954,678	10,776,238	-	-	10,954,678	10,776,238	
Other taxes	2,554,267	2,263,438	-	-	2,554,267	2,263,438	
Grants and contributions not							
restricted to specific programs	5,060,258	1,836,179	-	-	5,060,258	1,836,179	
Other	1,241,053	1,110,940	1,287,198	(992,222)	2,528,251	118,718	
Total revenues	\$ 30,180,496	\$ 25,973,527	\$ 11,306,578	\$ 9,643,671	\$ 41,487,074	\$ 35,617,198	
Transfers In	\$ 480,437	\$ 262,117	\$ -	\$ -	\$ 480,437	\$ 262,117	
Expenses:							
Program expenses:							
General government	\$ 5,274,069	\$ 4,634,932	\$ -	\$ -	\$ 5,274,069	\$ 4,634,932	
Public safety	9,574,099	9,173,975	-	-	9,574,099	9,173,975	
Public works	7,811,015	9,360,878	-	-	7,811,015	9,360,878	
Culture and recreation	1,919,019	2,660,757	-	-	1,919,019	2,660,757	
Conservation and development	772,919	362,243	-	-	772,919	362,243	
Interest on long-term debt	671,232	631,829	-	-	671,232	631,829	
Sewer services	-	-	10,176,155	9,983,898	10,176,155	9,983,898	
Total expenses	\$ 26,022,353	\$ 26,824,614	\$ 10,176,155	\$ 9,983,898	\$ 36,198,508	\$ 36,808,512	
Transfers Out	\$ -	\$ -	\$ (480,437)	\$ (262,117)	\$ (480,437)	\$ (262,117)	
Change in net position	4,638,580	(588,970)	649,986	(602,344)	5,288,566	(1,191,314)	
Net position - beginning	21,032,849	21,621,819	11,879,002	12,481,346	32,911,851	34,103,165	
Net position - ending	\$ 25,671,429	\$ 21,032,849	\$ 12,528,988	\$ 11,879,002	\$ 38,200,417	\$ 32,911,851	

GOVERNMENTAL ACTIVITIES

Revenue Sources

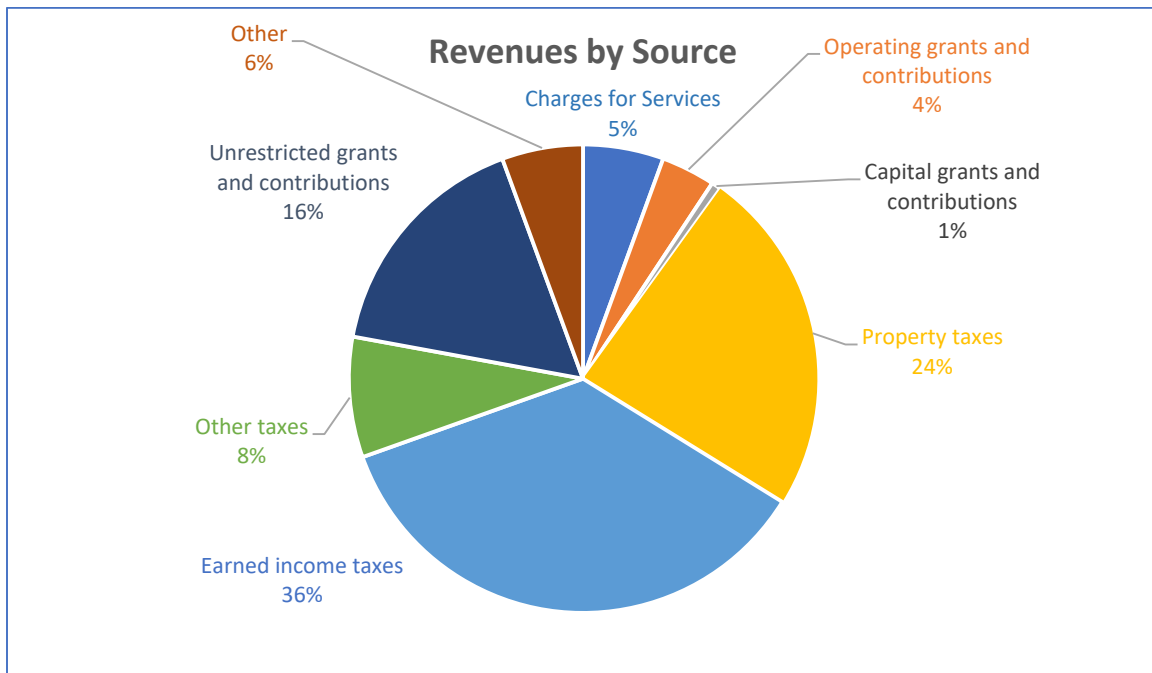
Total governmental activities revenues of \$30,660,598 were derived primarily from Earned Income Taxes and Property Taxes. These taxes increased by \$144,719, less than 1% from 2022, primarily as a result of higher wages earned by taxpayers.

Grants and contributions are provided to the Municipality through a variety of sources, including liquid fuels, pension state aid, and other operating and capital grants. Program revenue operating and capital grants increased by \$320,711 or 31.3% from 2022, primarily due to the receipt of intergovernmental grants received by the Municipality for capital improvements throughout the Municipality in the current year that were delayed from prior years.

Unrestricted grants and contributions increased \$3,224,079, or 175% due to spending of American Rescue and Recovery Program funds.

All other revenue sources increased by \$420,272 or 12.45% from 2022.

The following chart graphically depicts the governmental activities revenues by source for the fiscal year ended December 31, 2023:



Program Expenses

Total governmental activities expenses for all programs in 2023 were \$26,022,353. The expenses cover a range of services, with the largest being Public Safety at 36.8%. Public safety expenses increased by \$400,124 or 4.4% over the prior year due to increased personnel and personnel related costs.

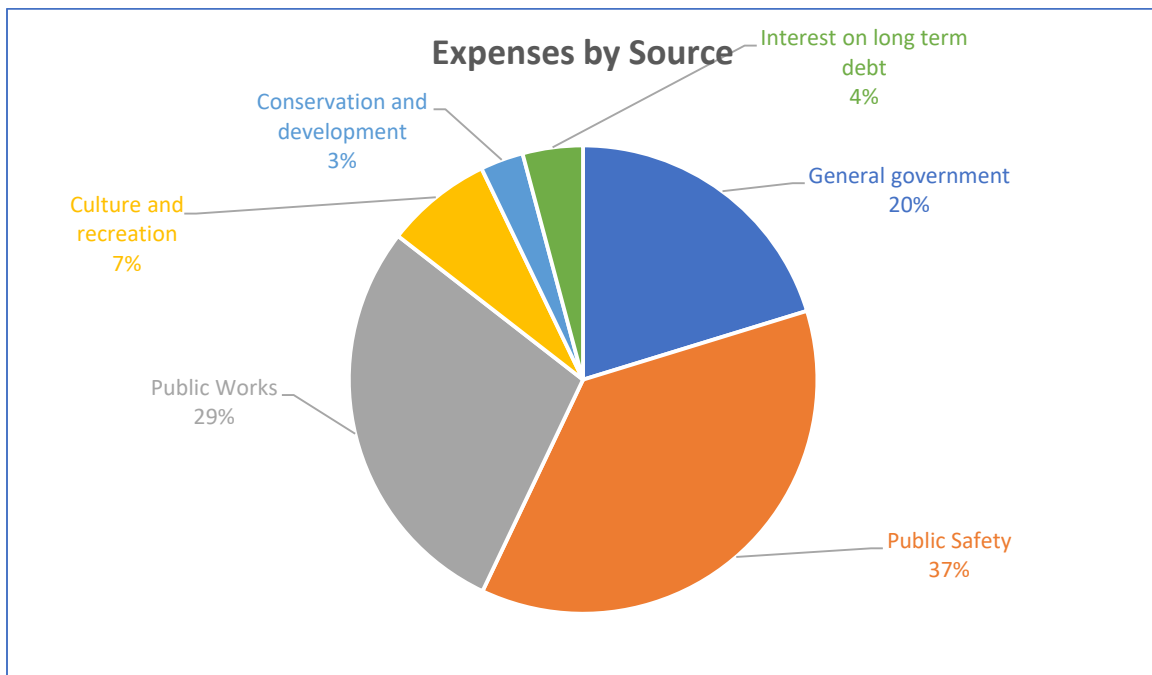
General government expenses increased by \$639,137 or 13.8%, primarily due to the addition of personnel and related costs.

Public works expenses decreased by \$1,957,792, or 20.9%, primarily due to a reallocation of Storm Sewer Maintenance and Repair.

Culture and recreation expenses decreased \$747,357 or 28.1%, primarily due to the capitalizable costs incurred in 2023.

Interest on long-term debt increased \$452,951 or 71.7%.

The following chart graphically depicts the governmental activities expenses for the fiscal year ended December 31, 2023:

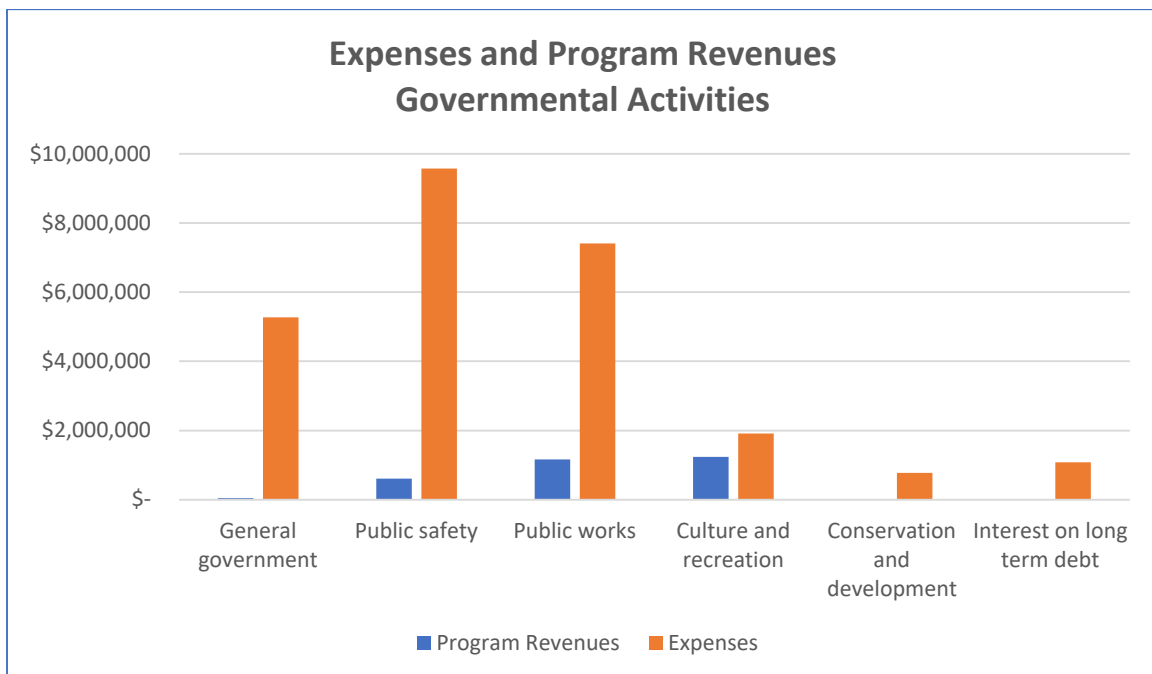


GOVERNMENTAL ACTIVITIES

Net Program Expenses/Revenues

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Public Safety expenses required the most general revenue for support, needing \$8,960,290 in 2023. Public Works required \$6,649,669 general revenues for support, General Government required \$5,232,392, Culture and Recreation required \$683,966, Interest on long-term debt required \$671,232, and Conservation and Development required \$772,919.

The following chart graphically depicts the net program expenses/revenues by function/program of governmental activities for the fiscal year ended December 31, 2023:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Municipality's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Municipality's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Municipality's net resources available for spending at the end of the fiscal year.

As of the end of 2023, the Municipality's governmental funds reported combined ending fund balances of \$7,493,171, a decrease of \$2,939,094, or 28.2% in comparison with the prior year. Of this combined fund balance total, \$5,285,371, or 70.5%, represents unassigned fund balance, meaning it is available to meet the Municipality's current and future needs. In addition, \$739,849 is assigned for specific capital projects, \$23,336 is assigned for the cable television facility, \$127,927 is assigned for recreation improvements, and \$23,549 is assigned to supply police uniforms. There is \$887,212 restricted for Volunteer Fire Department operations and \$64,456 restricted for the liquid fuels program. The remaining \$341,471 represents nonspendable prepaid expenditures.

The General Fund is the chief operating fund of the Municipality. At the end of 2023, unassigned fund balance of the General Fund was \$5,285,371, while total fund balance reached \$5,658,232. This represents a decrease of \$1,154,321 or 16.9% from the prior fiscal year's total fund balance due to a decrease in certain revenues, while expenses remained consistent. The primary sources of revenue, real estate and earned income taxes, showed a slight increase of \$465,667 over previous year collections. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.6% of total General Fund expenditures, while total fund balance represents 24.2% of the same.

The Capital Reserve Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers, for use on capital projects. At the end of 2023, total fund balance of the Capital Reserve Fund was \$831,578, of which \$739,849 is assigned for capital projects in 2024 and the remaining \$91,729 represents nonspendable prepaid expenditures. The total fund balance decreased by \$1,797,325, or 68.4% from the prior fiscal year as a result of the current year capital projects. Transfers from the General Fund to the Capital Reserve Fund totaled \$7,076,526 in 2023 to match the planned level of capital projects.

The ARPA Fund is a special revenue fund to account for monies received as a result of the COVID-19 pandemic. The ARPA grant was received in 2021 and 2022, and eligible expenditures are to be incurred by December 31, 2024. Revenue is recognized when qualifying expenditures are incurred through a transfer to the general fund to fund those expenditures.

Proprietary funds. The Municipality’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer Fund accounts for a customer service charge and water usage charge assessed to properties in the Municipality. Also included in the Sewer Fund is money received by and paid to neighboring communities for sewage treatment service. Expenses from this fund include those necessary for the operation of the sanitary sewer treatment plant, all costs associated with the maintenance of the sanitary sewer infrastructure, and the Municipality’s payments to the Allegheny County Sanitary Authority (ALCOSAN). In 2023, Sewer Fund revenues were comprised of: charges for services totaling \$9,992,090, and license and permit fees totaling \$27,290. In 2023, Sewer Fund expenses were comprised of: administration totaling \$475,309, operations totaling \$5,449,748, maintenance totaling \$1,781,116, and depreciation totaling \$952,303. Non-operating revenues (expenses) were comprised of: investment income of \$1,287,198, intergovernmental transfer of \$(480,437), and interest expense totaling \$1,517,679. Total net position of the Sewer Fund at the end of 2023 amounted to \$12,528,988. This represents an increase of \$649,986 or 5.5% over the prior fiscal year’s total net position. The primary reason for this increase is due to the investment income earned in 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2023, actual revenues and other financing sources were \$4,323,927 over budget and actual expenditures and other financing uses were \$5,835,561 over budget, resulting in a \$1,511,634 budget-to-actual variance overall.

The major reasons for the high revenues were earned income tax, which exceeded budget by \$1,119,678, and transfers in, which exceeded budget by \$2,034,602. The Municipality has consistently been over budget on income tax revenue since the implementation of Act 32. The additional transfer related to ARPA funding that was used to fund qualifying expenditures.

The most notable expenditure variance includes transfers to the Capital Reserve Fund, which were not budgeted for.

It is important to note that actual 2023 expenditures and revenues also reflect a \$214,389 pass-through grant to the Bethel Park Volunteer Firefighters’ Relief Association. The Municipality does not budget for this grant because it simply serves as a pass-through and has no control over the amount or use of the grant. As a result, the budget-to-actual comparison is skewed by this amount in both Intergovernmental revenues and Volunteer Fire Department expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Municipality’s investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$83,695,077 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, machinery and equipment, vehicles, infrastructure, and the sewage system. The total increase

in the Municipality's investment in capital assets for 2023 was a 15.9% increase for governmental activities and a 2.8% increase for business-type activities.

In 2023, the most significant governmental activities capital expenditures were park improvements. Within business-type activities, capital expenditures included upgrades at the sewage treatment plant and ongoing upgrades of the Municipality's sanitary sewer system.

The following is a summary of the Municipality's capital assets at December 31, 2023 and 2022:

Municipality of Bethel Park's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,781,979	\$ 2,781,979	\$ 766,000	\$ 766,000	\$ 3,547,979	\$ 3,547,979
Construction in progress	4,903,220	1,681	7,513,734	5,866,019	12,416,954	5,867,700
Buildings	27,480,202	27,480,202	9,929,338	9,929,338	37,409,540	37,409,540
Machinery and equipment	7,399,141	729,235	10,731,506	10,731,506	18,130,647	11,460,741
Vehicles	6,149,940	5,579,530	-	-	6,149,940	5,579,530
Infrastructure	52,216,146	49,603,151	-	-	52,216,146	49,603,151
Sewer system	-	-	66,736,032	66,201,483	66,736,032	66,201,483
Total capital assets	\$ 100,930,628	\$ 86,175,778	\$ 95,676,610	\$ 93,494,346	\$ 196,607,238	\$ 179,670,124
Less: accumulated depreciation	(61,869,555)	(59,050,082)	(51,042,606)	(50,090,303)	(112,912,161)	(109,140,385)
Net capital assets	\$ 39,061,073	\$ 27,125,696	\$ 44,634,004	\$ 43,404,043	\$ 83,695,077	\$ 70,529,739

More detailed information about the Municipality's capital assets can be found in Note 4 of the notes to financial statements.

Long-term debt. At the end of 2023, the Municipality had total outstanding debt of \$87,114,686. Of this amount, \$79,001,999 comprises debt backed by the full faith and credit of the government, \$3,588,365 is for two bank notes (\$1,831,949 for the 2007 gymnasium addition to the Community Center and \$1,756,416 for certain capital improvements), \$415,435 is for compensated absences to be paid out if employees leave, \$911,293 is for the Municipality's net pension liability, and \$3,197,594 is for the Municipality's OPEB obligation. The Municipality's total debt decreased by \$8,693,009 during 2023.

The following is a summary of the Municipality’s outstanding debt at December 31, 2023 and 2021:

Municipality of Bethel Park's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 16,160,000	\$ 16,630,000	\$ 62,841,999	\$ 64,717,879	\$ 79,001,999	\$ 81,347,879
Notes payable	3,588,365	3,842,869	-	-	3,588,365	3,842,869
Compensated absences	333,528	431,223	81,907	110,071	415,435	541,294
OPEB obligation	3,197,594	2,904,734	-	-	3,197,594	2,904,734
Net pension liability	911,293	6,696,046	-	474,873	911,293	7,170,919
Total outstanding debt	\$ 24,190,780	\$ 30,504,872	\$ 62,923,906	\$ 65,302,823	\$ 87,114,686	\$ 95,807,695

More detailed information about the Municipality’s outstanding debt can be found in Note 6 of the notes to financial statements.

The Municipality has maintained its bond rating of AA Stable from Standard & Poor’s (S&P).

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The factors below were considered when preparing the budget and setting rates for the 2024 fiscal year:

- The 2024 real estate tax rate of 2.78 mills remains unchanged from 2023.
- The 2024 earned income tax rate of 0.9 % remains unchanged from 2023.
- The budget will see an increase in 2024 due to a Real Estate and Earned Income Tax increase. The total General Fund revenues for 2024 will be \$28,430,900, compared to \$23,775,605, an increase of \$4,660,000 or 19.60%, from the prior year budget. The total General Fund expenditures for 2024 will be \$30,746,678, compared to \$24,002,084 for 2023, which is an increase of \$6,745,000, or 28.1% over the prior year budget due to rising economic costs and a significant increase in the refuse and recycling collection contract.
- The Municipality believes that a well-organized capital improvements program will avoid the necessary delay in the vital maintenance and/or replacement of equipment and facilities, ensure responsible fiscal planning, provide advance information to the public regarding anticipated capital projects, and assist Municipality staff in planning for application for federal and/or state funded grants. The capital improvements program is incorporated and adopted as part of the overall 2024 Municipality budget. The majority of the capital improvements program is funded through transfers from the Municipality’s General Fund into the Municipality’s Capital Reserve Fund. The Municipality has projects totaling \$10,266,343 under consideration for 2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Municipality's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Municipal Manager, 5100 West Library Avenue, Bethel Park, PA 15102.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,344,969	\$ 2,388,281	\$ 7,733,250
Investments	2,187,614	5,237,671	7,425,285
Investments - restricted	-	22,307,242	22,307,242
Receivables, net; for sewer allowance:			
Taxes	2,575,319	-	2,575,319
Sewer charges	-	2,598,709	2,598,709
Other	472,331	224,943	697,274
Internal balances	363,840	(363,840)	-
Prepaid expenses	341,471	22,210	363,681
Capital assets:			
Non-depreciable	7,685,199	8,279,734	15,964,933
Depreciable, net of accumulated depreciation	31,375,874	36,354,270	67,730,144
Net pension asset	918,226	393,526	1,311,752
Total Assets	51,264,843	77,442,746	128,707,589
Deferred Outflows of Resources			
Deferred outflows of resources for pension	2,487,780	272,066	2,759,846
Deferred outflows of resources for OPEBs	501,477	-	501,477
Deferred charge on refunding	1,039,417	-	1,039,417
Total Deferred Outflows of Resources	4,028,674	272,066	4,300,740
Liabilities			
Accounts payable	2,645,881	1,118,709	3,764,590
Accrued liabilities	435,362	17,386	452,748
Due to other governmental units	-	283,475	283,475
Accrued interest payable	40,672	538,186	578,858
Unearned revenue	118,915	-	118,915
Long-term liabilities - due within one year:			
Bonds payable	475,000	1,795,000	2,270,000
Notes payable	169,737	-	169,737
Compensated absences	16,721	-	16,721
Total OPEB liability	134,198	-	134,198
Long-term liabilities - due in more than one year:			
Bonds payable, net	15,685,000	61,046,999	76,731,999
Notes payable	3,418,628	-	3,418,628
Compensated absences	316,807	81,907	398,714
Net pension liability	911,293	-	911,293
Total OPEB liability	3,063,396	-	3,063,396
Total Liabilities	27,431,610	64,881,662	92,313,272
Deferred Inflows of Resources			
Deferred inflows of resources for pension	1,457,114	304,162	1,761,276
Deferred inflows of resources for OPEBs	733,364	-	733,364
Total Deferred Inflows of Resources	2,190,478	304,162	2,494,640
Net Position			
Net investment in capital assets	18,816,719	3,994,991	22,811,710
Restricted for:			
Pension	918,226	393,526	1,311,752
Liquid fuels program	64,456	-	64,456
Volunteer fire department operations	887,212	-	887,212
Unrestricted	4,984,816	8,140,471	13,125,287
Total Net Position	\$ 25,671,429	\$ 12,528,988	\$ 38,200,417

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 5,274,069	\$ 300	\$ 41,377	\$ -	\$ (5,232,392)	\$ -	\$ (5,232,392)
Public safety	9,574,099	613,809	-	-	(8,960,290)	-	(8,960,290)
Public works	7,811,015	203,142	956,544	1,660	(6,649,669)	-	(6,649,669)
Culture and recreation	1,919,019	888,348	146,584	200,121	(683,966)	-	(683,966)
Conservation and development	772,919	-	-	-	(772,919)	-	(772,919)
Interest on long-term debt	671,232	-	-	-	(671,232)	-	(671,232)
Total governmental activities	26,022,353	1,705,599	1,144,505	201,781	(22,970,468)	-	(22,970,468)
Business-Type Activities:							
Sewer services	10,176,155	10,019,380	-	-	-	(156,775)	(156,775)
Total	\$ 36,198,508	\$ 11,724,979	\$ 1,144,505	\$ 201,781	(22,970,468)	(156,775)	(23,127,243)
General revenues:							
Taxes:							
Property taxes					7,318,355	-	7,318,355
Earned income taxes					10,954,678	-	10,954,678
Real estate transfer taxes					1,855,529	-	1,855,529
Local services taxes					665,613	-	665,613
Other taxes					33,125	-	33,125
Grants, subsidies, and contributions not restricted to specific programs					5,060,258	-	5,060,258
Investment earnings					432,383	1,287,198	1,719,581
Franchise fees					719,434	-	719,434
Miscellaneous income					89,236	-	89,236
Transfers					480,437	(480,437)	-
Total general revenues and transfers					27,609,048	806,761	28,415,809
Change in Net Position					4,638,580	649,986	5,288,566
Net Position:							
Beginning of year					21,032,849	11,879,002	32,911,851
End of year					\$ 25,671,429	\$ 12,528,988	\$ 38,200,417

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	General Fund	Capital Reserve	ARPA Fund	Other Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 3,366,899	\$ 778,917	\$ 118,915	\$ 1,080,238	\$ 5,344,969
Investments	2,187,614	-	-	-	2,187,614
Receivables (net, where applicable, of allowance for uncollectibles):					
Taxes	2,560,702	-	-	14,617	2,575,319
Other	472,331	-	-	-	472,331
Other funds	216,321	1,861,451	-	-	2,077,772
Prepaid expenditures	198,049	91,729	-	51,693	341,471
Total Assets	<u>\$ 9,001,916</u>	<u>\$ 2,732,097</u>	<u>\$ 118,915</u>	<u>\$ 1,146,548</u>	<u>\$ 12,999,476</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 709,432	\$ 1,900,519	\$ -	\$ 35,930	\$ 2,645,881
Accrued liabilities	435,362	-	-	-	435,362
Due to other funds	1,621,292	-	-	92,640	1,713,932
Unearned revenue	-	-	118,915	-	118,915
Total Liabilities	<u>2,766,086</u>	<u>1,900,519</u>	<u>118,915</u>	<u>128,570</u>	<u>4,914,090</u>
Deferred Inflows of Resources:					
Unavailable revenue	577,598	-	-	14,617	592,215
Fund Balance:					
Nonspendable - prepaid expenditures	198,049	91,729	-	51,693	341,471
Restricted for:					
Liquid fuels program	-	-	-	64,456	64,456
Volunteer fire department operations	-	-	-	887,212	887,212
Assigned to:					
Cable television	23,336	-	-	-	23,336
Recreation improvements	127,927	-	-	-	127,927
Police uniforms	23,549	-	-	-	23,549
Capital projects	-	739,849	-	-	739,849
Unassigned	5,285,371	-	-	-	5,285,371
Total Fund Balance	<u>5,658,232</u>	<u>831,578</u>	<u>-</u>	<u>1,003,361</u>	<u>7,493,171</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 9,001,916</u>	<u>\$ 2,732,097</u>	<u>\$ 118,915</u>	<u>\$ 1,146,548</u>	<u>\$ 12,999,476</u>

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2023

Total Fund Balance - Governmental Funds \$ 7,493,171

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$100,930,628 and the accumulated depreciation is \$61,869,555. 39,061,073

Property taxes and earned income taxes receivable will be collected next year, but are not considered available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds. 592,215

Deferred outflows and inflows of resources for pension and OPEBs and deferred charge on refunding are recorded and amortized in the statement of net position. However, these items are not recorded on the fund financial statements. 1,838,196

Long-term liabilities, including accrued interest on bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	\$ (16,160,000)	
Notes payable	(3,588,365)	
Accrued interest payable	(40,672)	
Compensated absences	(333,528)	
Net pension (liability) asset	6,933	
Total OPEB liability	<u>(3,197,594)</u>	<u>(23,313,226)</u>

Total Net Position - Governmental Activities \$ 25,671,429

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Capital Reserve	ARPA Fund	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 19,806,061	\$ -	\$ -	\$ 853,615	\$ 20,659,676
Licenses and permits	911,535	-	-	-	911,535
Fines and forfeits	125,115	-	-	-	125,115
Intergovernmental	2,216,910	203,674	2,917,969	955,644	6,294,197
Charges for services	1,106,735	-	-	-	1,106,735
Interest and rent	326,164	11,502	125,698	77,426	540,790
Miscellaneous	237,300	129,308	-	7,530	374,138
	24,729,820	344,484	3,043,667	1,894,215	30,012,186
Expenditures:					
Current:					
General government	4,074,695	-	-	-	4,074,695
Public safety	9,288,318	-	14,254	342,413	9,644,985
Public works	6,156,645	-	-	-	6,156,645
Culture and recreation	2,143,437	-	-	-	2,143,437
Conservation and development	145,542	-	-	-	145,542
Insurance	685,326	-	-	-	685,326
Capital outlay	-	9,218,335	-	-	9,218,335
Debt service:					
Principal	464,504	-	-	260,000	724,504
Interest	390,360	-	-	247,888	638,248
	23,348,827	9,218,335	14,254	850,301	33,431,717
Excess (Deficiency) of Revenues Over Expenditures	1,380,993	(8,873,851)	3,029,413	1,043,914	(3,419,531)
Other Financing Sources (Uses):					
Transfers in	3,241,212	7,076,526	-	-	10,317,738
Transfers out	(5,776,526)	-	(3,071,974)	(988,801)	(9,837,301)
	(2,535,314)	7,076,526	(3,071,974)	(988,801)	480,437
Net Change in Fund Balance	(1,154,321)	(1,797,325)	(42,561)	55,113	(2,939,094)
Fund Balance:					
Beginning of year	6,812,553	2,628,903	42,561	948,248	10,432,265
End of year	\$ 5,658,232	\$ 831,578	\$ -	\$ 1,003,361	\$ 7,493,171

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balance - Governmental Funds \$ (2,939,094)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between depreciation and capital outlays in the current period.

Capital outlays	\$	8,283,509	
Less: depreciation expense		<u>(2,911,132)</u>	5,372,377

Some taxes will not be collected until after the year-end; they are not considered "available" revenues in the governmental funds. Unavailable revenues changed by this amount during the year. 167,624

The issuance of long-term obligations provides financial resources to the governmental funds. Likewise, the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position. Long-term obligations changed by this amount during the year. 724,504

Interest on long-term obligations in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest accrued in the statement of activities versus the amount due is shown here. (32,357)

Certain long-term payroll-related liabilities (and their related deferred inflows and outflows of resources, as applicable) are not recorded on the fund financial statements. The value of these items changed by this amount during the year:

Compensated absences		97,695	
Net pension liability		1,290,374	
Total OPEB liability		<u>(42,543)</u>	<u>1,345,526</u>

Change in Net Position of Governmental Activities \$ 4,638,580

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Real estate:				
Current	\$ 6,060,263	\$ 6,060,263	\$ 6,138,940	\$ 78,677
Delinquent and liened	175,000	175,000	158,176	(16,824)
Real estate transfer	1,500,000	1,500,000	1,855,529	355,529
Earned income tax	9,835,000	9,835,000	10,954,678	1,119,678
Amusement tax	7,000	7,000	10,651	3,651
Mechanical device tax	5,000	5,000	10,100	5,100
Local services tax	610,000	610,000	665,613	55,613
Parking tax	5,000	5,000	12,374	7,374
Total taxes	<u>18,197,263</u>	<u>18,197,263</u>	<u>19,806,061</u>	<u>1,608,798</u>
Licenses and permits	1,101,900	1,101,900	911,535	(190,365)
Fines and forfeits	88,000	88,000	125,115	37,115
Intergovernmental	1,672,911	1,672,911	2,216,910	543,999
Charges for services	936,600	936,600	1,106,735	170,135
Interest and rent	133,821	133,821	326,164	192,343
Miscellaneous	310,000	310,000	237,300	(72,700)
Total revenues	<u>22,440,495</u>	<u>22,440,495</u>	<u>24,729,820</u>	<u>2,289,325</u>
Expenditures:				
General government:				
Administration	963,392	963,392	942,039	21,353
Tax collection	259,000	259,000	294,022	(35,022)
Buildings and grounds	220,000	220,000	158,791	61,209
Legislative	336,912	336,912	349,612	(12,700)
Engineering, inspection, and code	2,078,731	2,078,731	1,794,493	284,238
Finance department	451,410	451,410	439,084	12,326
Community Center	100,000	100,000	96,654	3,346
Total general government	<u>4,409,445</u>	<u>4,409,445</u>	<u>4,074,695</u>	<u>334,750</u>
Public safety:				
Volunteer fire department	140,000	140,000	355,868	(215,868)
Police department	6,514,614	6,514,614	6,286,737	227,877
Juvenile and investigations	1,137,461	1,137,461	1,146,453	(8,992)
Animal control	150,000	150,000	118,303	31,697
Police-radio communications	465,065	465,065	492,298	(27,233)
School guards	386,502	386,502	360,462	26,040
Traffic safety department	569,875	569,875	528,197	41,678
Total public safety	<u>9,363,517</u>	<u>9,363,517</u>	<u>9,288,318</u>	<u>75,199</u>

(Continued)

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public works:				
Sanitation	2,611,859	2,611,859	2,558,282	53,577
Highways	2,443,591	2,443,591	2,399,741	43,850
Snow and ice control	687,238	687,238	470,107	217,131
Traffic signals and signs department	-	-	36,295	(36,295)
Street lighting	374,950	374,950	293,780	81,170
Environmental	113,500	113,500	196,096	(82,596)
Parks	207,000	207,000	202,344	4,656
Total public works	<u>6,438,138</u>	<u>6,438,138</u>	<u>6,156,645</u>	<u>281,493</u>
Culture and recreation:				
Cable access	375	375	641	(266)
Library	767,180	767,180	767,180	-
Recreation	1,398,514	1,398,514	1,375,616	22,898
Total culture and recreation	<u>2,166,069</u>	<u>2,166,069</u>	<u>2,143,437</u>	<u>22,632</u>
Conservation and development:				
Community development	111,011	111,011	145,542	(34,531)
Insurance	-	-	685,326	(685,326)
Debt service	801,612	801,612	854,864	(53,252)
Total expenditures	<u>23,289,792</u>	<u>23,289,792</u>	<u>23,348,827</u>	<u>(59,035)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(849,297)</u>	<u>(849,297)</u>	<u>1,380,993</u>	<u>2,230,290</u>
Other Financing Sources (Uses):				
Transfers in	1,206,610	1,206,610	3,241,212	2,034,602
Transfers out	-	-	(5,776,526)	(5,776,526)
Total other financing sources (uses)	<u>1,206,610</u>	<u>1,206,610</u>	<u>(2,535,314)</u>	<u>(3,741,924)</u>
Net Change in Fund Balance	<u>\$ 357,313</u>	<u>\$ 357,313</u>	<u>\$ (1,154,321)</u>	<u>\$ (1,511,634)</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ARPA FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget		Variance with
	Original and		Final Budget
	Final	Actual	Final Budget
Revenues:			
Intergovernmental	\$ -	\$ 2,917,969	\$ 2,917,969
Interest and rent	-	125,698	125,698
Total revenues	-	3,043,667	3,043,667
Expenditures:			
Public Safety	-	14,254	(14,254)
Excess (Deficiency) of Revenues Over Expenditures	-	3,029,413	3,029,413
Other Financing Sources (Uses):			
Transfers Out	-	(3,071,974)	(3,071,974)
Net Change in Fund Balance	-	(42,561)	(42,561)
Fund Balance:			
Beginning of year	-	42,561	42,561
End of year	\$ -	\$ -	\$ -

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF NET POSITION

PROPRIETARY FUND

DECEMBER 31, 2023

	Enterprise Fund Sewer System
Assets	
<hr/>	
Current assets:	
Cash and cash equivalents	\$ 2,388,281
Investments	5,237,671
Investments - restricted per indenture of trust	22,307,242
Receivables (net, where applicable, of allowance for uncollectibles):	
Sewer charges	2,598,709
Other	224,943
Prepaid expenses	22,210
Total current assets	<u>32,779,056</u>
Non-current assets:	
Capital assets:	
Non-depreciable	8,279,734
Depreciable, net of accumulated depreciation	36,354,270
Net pension asset	393,526
Total non-current assets	<u>45,027,530</u>
Total Assets	<u>77,806,586</u>
Deferred Outflows of Resources	
<hr/>	
Deferred outflows of resources for pension	<u>272,066</u>
Liabilities	
<hr/>	
Current liabilities:	
Accounts payable	1,118,709
Accrued liabilities	17,386
Due to other governmental units	283,475
Due to other funds	363,840
Accrued interest payable	538,186
Bonds payable due within one year	1,795,000
Total current liabilities	<u>4,116,596</u>
Non-current liabilities:	
Bonds payable, net	61,046,999
Compensated absences	81,907
Total non-current liabilities	<u>61,128,906</u>
Total Liabilities	<u>65,245,502</u>
Deferred Inflows of Resources	
<hr/>	
Deferred inflows of resources for pension	<u>304,162</u>
Net Position	
<hr/>	
Net investment in capital assets	3,994,991
Restricted for pension	393,526
Unrestricted	8,140,471
Total Net Position	<u>\$ 12,528,988</u>

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Enterprise Fund Sewer System</u>
<u>Operating Revenues:</u>	
Charges for services	\$ 9,992,090
Licenses and permits	27,290
Total operating revenues	<u>10,019,380</u>
<u>Operating Expenses:</u>	
Administration	475,309
Operations	5,449,748
Maintenance	1,781,116
Depreciation	952,303
Intergovernmental	-
Total operating expenses	<u>8,658,476</u>
Operating Income (Loss)	<u>1,360,904</u>
<u>Non-operating Revenues (Expenses):</u>	
Investment income (loss)	1,287,198
Interest expense	(1,517,679)
Total non-operating revenues (expenses)	<u>(230,481)</u>
Transfer	<u>(480,437)</u>
Change in Net Position	649,986
<u>Net Position:</u>	
Beginning of year	<u>11,879,002</u>
End of year	<u><u>\$ 12,528,988</u></u>

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund Sewer System
Cash Flows From Operating Activities:	
Receipts from customers	\$ 9,986,814
Payments to employees	(879,400)
Payments to suppliers	(6,342,579)
Net cash provided by (used in) operating activities	2,764,835
Cash Flows From Capital and Related Financing Activities:	
Principal paid on debt	(1,740,000)
Interest paid on debt	(1,673,031)
Transfer to general fund	(480,437)
Sewage capital asset purchases	(6,215,424)
Net cash provided by (used in) capital and related financing activities	(10,108,892)
Cash Flows From Investing Activities:	
Purchase of investments	(49,915,086)
Sale of investments	55,720,919
Interest income (loss)	1,076,960
Net cash provided by (used in) investing activities	6,882,793
Net Increase (Decrease) in Cash and Cash Equivalents	(461,264)
Cash and Cash Equivalents:	
Beginning of year	2,849,545
End of year	\$ 2,388,281
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ 1,360,904
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	952,303
Pension expense	208,123
Change in assets and liabilities:	
Sewer charges receivable	(57,510)
Other receivables	24,944
Prepaid expenses	432,932
Accounts payable	(62,961)
Due to other funds	(128,489)
Due to other governments	62,753
Compensated absences	(28,164)
Net cash provided by (used in) operating activities	\$ 2,764,835
Schedule of Non-Cash Capital and Related Financing Activities:	
Capital asset purchases included in accounts payable	\$ 104,256

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2023

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,470,663	\$ 378,262
Receivables:		
Accrued interest receivable	47,043	-
Other	-	136,599
Total receivables	47,043	136,599
Investments:		
U.S. Government Agencies	1,498,112	-
Mutual funds - fixed income	14,199,293	-
Mutual funds - equity	3,232,723	-
Mutual funds - balanced	258,215	-
Exchange traded funds - equity	2,809,916	-
Corporate debt	903,561	-
Equities	34,516,706	-
Total investments	57,418,526	-
Total Assets	58,936,232	514,861
Liabilities		
Benefits payable	-	-
Refund of member contributions payable	-	-
Total Liabilities	-	-
Net Position		
Restricted for pension benefits	58,936,232	-
Restricted for deposits	-	514,861
	\$ 58,936,232	\$ 514,861

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Pension Trust Funds	Custodial Funds
Additions:		
<hr/>		
Contributions:		
Commonwealth	\$ 805,458	\$ -
Municipality	1,069,246	-
Employee	550,362	-
Other	-	471,734
	-	471,734
Total contributions	2,425,066	471,734
Investment income (loss):		
Net appreciation in fair value of investments	8,665,445	-
Interest and dividends	808,426	-
	9,473,871	-
Total investment income (loss)	9,473,871	-
Less investment expense	(252,131)	-
	9,221,740	-
Net investment income (loss)	9,221,740	-
Miscellaneous	7,399	
	11,654,205	471,734
Total additions	11,654,205	471,734
Deductions:		
<hr/>		
Benefits	4,269,896	-
Administrative expense	23,510	-
Refund of member contributions	142,432	-
Other distributions	-	532,853
	4,435,838	532,853
Total deductions	4,435,838	532,853
Change in Net Position	7,218,367	(61,119)
Net Position:		
<hr/>		
Beginning of year	51,717,865	575,980
	51,717,865	575,980
End of year	\$ 58,936,232	\$ 514,861

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

The Municipality of Bethel Park, Pennsylvania (Municipality) was incorporated April 20, 1949, and implemented a home rule charter on January 2, 1978. The Municipality is governed by an elected Council who appoints a manager and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, culture and recreation, and general administrative services.

In evaluating the Municipality as a primary government, management has evaluated all potential component units and determined that the Municipality has no discretely presented component units that will be included.

The criteria used by the Municipality to evaluate the possible inclusion of related entities as blended component units within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Municipality reviews the applicability of the following criteria:

The Municipality is financially accountable for:

1. Organizations that make up its legal entity.
2. Legally separate organizations if the Municipality Council appoint a voting majority of the organization's governing body and the Municipality is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Municipality as defined below:
 - a. Impose its Will – If the Municipality can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden – If the Municipality (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. Organizations that are fiscally dependent on the Municipality and a financial benefit or burden relationship is present. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without approval of the Municipality.

Bethel Park Municipal Authority (Authority)

The Authority owns the sewage treatment plant and conveyance system (Sewer System) which principally serves the residents of the Municipality. The Municipality leases the Sewer System from the Authority under an agreement initially dated November 15, 1962, with the most recent amendment signed November 12, 2020.

The Authority is a component unit of the Municipality because the Municipality appoints its Board, and a financial benefit or burden exists. The Municipality guarantees the Authority's debt, and the Authority receives 100% of its funding from the Municipality. The Authority provides services entirely, or almost entirely, to the Municipality, and the Authority's total debt outstanding is expected to be repaid entirely with the resources of the Municipality. The Authority is therefore blended in the Sewer System Fund. Separate audited financial statements for the Authority are available through the Authority's offices.

Bethel Park Public Library (Library)

The Library receives approximately 50% of its financial support from the Municipality (approximately \$767,000 in 2023). The Municipality also provides the Library with space in the municipal building free of charge. The Municipality does not participate in governing the Library, nor does Council appoint any voting members to the Board. As such, it has been determined that the Library is not a component unit of the Municipality.

Joint Venture

The Municipality is a member of a joint venture with two other local government units. The joint venture, Tri-Community South Emergency Medical Services (TCS), provides emergency and non-emergency transport and first-aid services to the residents of the three communities. TCS is administered by a three-member Board, composed of members of all three participating governments. Neither the Municipality, nor the other two local governments, exercise specific control over the fiscal policies or operations of TCS. TCS's operating budget is funded by annual subscriptions, non-subscriber medical charges, third-party billings, and non-emergency transport fees. The Municipality had no equity interest in TCS as of December 31, 2023. Complete financial statements for TCS can be obtained from

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

the administrative offices of TCS at 5490 Progress Boulevard, Bethel Park, Pennsylvania 15102.

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 Municipality. For the most part, the effect of inter-fund activity has been removed 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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, franchise fees based on gross receipts, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual proprietary fund are reported as separate columns in the fund financial statements. Separate columns are provided for each type of fiduciary fund in the fiduciary funds financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within 60 days to pay liabilities of the current period. Major revenues that are susceptible to accrual in governmental funds are taxes, grants from other governments, and interest on investments. The Municipality does not consider revenues from fines, forfeits, and penalties to be available until received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEBs, and claims and judgments, are recorded only when payment is due.

The Municipality reports the following major governmental funds:

- The General Fund is the Municipality's primary operating fund. It accounts for all financial resources except those accounted for in another fund.
- The Capital Reserve Fund accounts for financial resources and expenditures related to the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).
- The ARPA Fund, a special revenue fund, holds the funds received from the American Rescue Act in response to the COVID-19 pandemic.

The Municipality reports the following major proprietary fund:

- The Sewer System Fund accounts for the operations of the Municipality's public sewer system. Under the provisions of the Lease with the Authority defined above, the Municipality is responsible for operation and maintenance of the Sewer System until the Lease expires. Operations include providing sewage conveyance and treatment services to residents of the Municipality and a portion of South Park Township. The Authority, the Allegheny County Sanitary Authority, and the Pleasant Hills Authority provide sewage treatment.

Other governmental funds are comprised of the following funds:

- The State Highway Aid Fund is a special revenue fund that accounts for monies received that are legally restricted for specific purposes.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

- The Volunteer Fire Department Fund, a special revenue fund, accounts for financial resources and expenditures related to the operations of the Bethel Park Volunteer Fire Company building. A portion of the real estate tax millage is dedicated to this fund each year.

Additionally, the Municipality reports the following fiduciary funds:

- The Pension Trust Funds account for assets held by the Municipality in a trustee capacity for its Non-Uniformed Employees and Police pension plans.
- The Custodial Fund accounts for assets held by the Municipality in an agent capacity on behalf of other entities operating in the Municipality.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Municipality's enterprise fund are charges to customers for services relating to the sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Deposits and Investments

The Municipality's cash and cash equivalents include all highly liquid investments with maturity of twelve months or less when purchased. Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair Value Measurement

The Municipality categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

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FOR THE YEAR ENDED DECEMBER 31, 2023

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Restricted Assets

Restricted investments are maintained in separate bank accounts and their use is limited for satisfying debt service requirements for previously issued bonds or for specific sewer projects.

Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities, fiduciary funds, and business-type activities are reported in the government-wide financial statements as "internal balances."

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Inter-fund services provided and used are not eliminated in the process of consolidation.

Property taxes are levied as of July 1 on property values assessed as of the same date. The billings are considered past due on November 1, and penalties and interest are assessed. No provision has been made for uncollectible taxes, as the Municipality has the ability to assess liens on properties for any unpaid balances.

All unbilled and billed but unpaid sewer charges are reflected on the statement of net position as sewer charges receivable, net of allowance for doubtful accounts of \$20,000. Unbilled sewer charges at 2023 approximate \$378,000.

Prepaid Expenses/Expenditures

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses/expenditures and are accounted for on the consumption method.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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FOR THE YEAR ENDED DECEMBER 31, 2023

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Municipality as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The Municipality reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Municipality chose to include all such items regardless of their acquisition date or amount. For the initial reporting of these assets, the Municipality was able to use actual historical cost or estimated historical cost through backtrending. As the Municipality constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and recorded at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Municipality are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Site improvements	10-25
Vehicles	5-15
Office equipment	8-10
Computer equipment	5
Infrastructure	10-50
Sewage system	15-40
Sewage equipment	5-10

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FOR THE YEAR ENDED DECEMBER 31, 2023

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Municipality has one item that qualifies for reporting in this category:

- In conjunction with pension accounting requirements, the difference between expected and actual experience, and the effect of the changes in assumptions and projected and actual earnings are recorded as deferred outflows of resources related to pensions on the government-wide and proprietary fund financial statements. These amounts are determined based on actuarial valuations performed for the plans. Note 7 presents additional information about the pension plans.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Municipality has two items that qualify for reporting in this category:

- Unavailable revenue is reported only on the balance sheet and represents property taxes which will not be collected within the available period. This amount will be recognized as an inflow of resources in the period the amounts become available.
- In conjunction with pension accounting requirements, the difference between expected and actual experience and the net difference between projected and actual earnings on pension plan investments is recorded as deferred inflows of resources related to pensions on the government-wide and proprietary fund financial statements. This amount is determined based on the actuarial valuations performed for the pension plans.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as refunding adjustments, where

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FOR THE YEAR ENDED DECEMBER 31, 2023

applicable and to the extent material, are amortized over the life of the bonds using the effective interest method. Bonds are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are also reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in both the government-wide and fund financial statements.

It is expected that the Sewer Fund will continue to provide funds for the debt service payments of the Municipal Authority debt and the General Fund will fund the Public Works and Community Center bonds and note. Debt service payments of the Volunteer Fire Company bonds are paid via a dedicated real estate tax.

Compensated Absences

The Municipality accrues for certain accumulated employee benefits, such as unpaid vacation and sick pay. The amount of the accrual is based on the vacation and sick payments that are expected to be paid to employees upon their termination or retirement from the Municipality. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is expected that the General Fund and Sewer Fund will continue to provide funds for the payment of their respective compensated absences.

Employees earn vacation based upon their anniversary date for use during the current calendar year. The number of days earned each month varies depending upon length of service and union contracts. If an employee leaves the Municipality, the portion of vacation days earned and not taken through the last day of work is paid.

Employees earn one sick day per month up to a maximum of 100 days. The total number of days accumulated is reviewed at the end of November each year. For those days in excess of 100, payment is made in December of each year at 50% of the employee's current pay rate. Only employees who retire are eligible to receive payment of the 100 days of accumulated sick days which is paid at 50%, 60%, or 70% of the employee's current pay rate

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depending upon the length of service and union contract. All sick days earned but not used as of December 31, 2023 have been accrued at 50% of the employee's current pay rate.

Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of constraint placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. This category includes:
 - Restricted for liquid fuels program – to fund eligible costs such as salt purchases or street lighting
 - Restricted for ARPA – to fund eligible costs related to the use of American Rescue Act Funds received in response to the COVID-19 pandemic
 - Restricted for volunteer fire department operations – to fund the costs of the Bethel Park Volunteer Fire Department
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by Council. Such commitment is made via majority vote by Council. Council action to commit fund balance must occur within the fiscal reporting period, no later than December 31st; however, the amount of the commitment can be determined subsequent to the close of the fiscal period. The Municipality currently does not have any committed funds.
- Assigned – This category represents intentions of the Municipality to use the funds for specific purposes. In accordance with the Municipality's adopted fund balance policy on December 12, 2011, Council delegates the authority to assign amounts to be used for specific purposes to the Finance Director. This authority is granted solely for the purpose of reporting these amounts in the annual financial statements, and such authority does not extend to the expenditure of assigned fund balance. In the absence of the Finance Director, this authority is delegated to the Municipal Manager or Assistant Municipal Manager.

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FOR THE YEAR ENDED DECEMBER 31, 2023

- Assigned to cable television – to fund capital purchases for the Bethel Park Cable Access program
- Assigned to recreation improvements – represents revenue received from the sale of banner advertisements in certain Municipal parks that is reserved for future recreation field improvements
- Assigned to police uniforms – to fund future police uniforms for the police officers
- Assigned to capital projects – to fund future capital projects in accordance with the capital budget
- Unassigned – This category represents all other funds not otherwise defined. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Municipality's policy is to use funds in the order of the most restrictive to the least restrictive.

Net Position

The government-wide and proprietary fund financial statements are required to report three components of net position:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the

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same net position component (restricted or unrestricted) as the unspent amount. In addition, any accounts payable related to capital purchases is reflected. For the year ending December 31, 2023, the Municipality had approximately \$1.5 million of accounts payable related to capital purchases for its governmental activities and approximately \$22.3 million of unspent proceeds and approximately \$104,000 of accounts payable related to capital purchases for its business-type activities.

- Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with restricted assets.
- Unrestricted – This component of net position is the net amount of the 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 the restricted components of net position.

Budgetary Information

Annual appropriated budgets are adopted on a modified accrual basis of accounting for all funds except the ARPA, Enterprise, Pension Trust, and Custodial Funds. The budget for the ARPA fund was established for the allocation as whole, and is not adjusted annually. As such, the budgets amounts for that fund are reflected as zero in the current year. The Enterprise Fund adopted a flexible budget, and budgetary control for the Pension Trust Funds is maintained through the provisions of the plans as implemented by the Municipality.

The Municipality uses the following procedures in establishing the budgetary data reflected in the financial statements as prescribed in the Home Rule Charter:

- On or before September 1, the manager submits an operating budget and an accompanying message to Council.
- At least two (2) months prior to the date for submission of the proposed budget, the manager submits to Council a five (5) year capital program, including the following:

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FOR THE YEAR ENDED DECEMBER 31, 2023

- A concise, general summary of the program contents.
- A summary of pending and proposed projects for the period, with estimated cost and proposed financing for each.
- The estimated cost of operating and maintaining any facilities to be constructed or acquired.
- Council must publish the preliminary capital program by September 1. A general summary of the preliminary budget and capital program must be published immediately upon adoption in one or more newspapers of general circulation in the Municipality, including a notice that the preliminary budget or capital program is available for public inspection.
- Advertisement of the preliminary budget or capital program must include times and places where copies of the preliminary budget and capital program are available for viewing by the public and when hearings will be held.
- After adequate public hearing, Council must adopt the final balanced budget by ordinance prior to the beginning of the fiscal year for which the budget has been prepared.

Appropriations may be transferred between departments only if approved by Council ordinance. In addition, Council must approve all supplemental and emergency appropriations. Every unexpended appropriation lapses at the end of the fiscal year. The legal level of control over expenditures for each fund is exercised by department. A detailed report of the budget at the legal level of control is maintained in the municipal finance office and is available for public inspection. There were instances where the actual expenditures exceeded budgeted amounts at the legal level of control. However, in all instances, sufficient revenues and/or fund equity were available to cover the excess.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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Adopted Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements were adopted for the year ended December 31, 2023: Statement Nos. 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) and 96 (Subscription-Based Information Technology Arrangements). These statements had no significant impact on the Municipality's financial statements for the year ended December 31, 2023.

Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences), 102 (Certain Risk Disclosures), and 103 (Financial Reporting Model Improvements). Management has not yet determined the impact of these statements on the financial statements.

2. Deposits and Investments

The Municipality's investment authority for all funds, except Fiduciary Funds, is set by State statute to include: U.S. Treasury Bills, other short-term U.S. Government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes allow pooling of governmental funds for investment purposes. Fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

In addition, the Municipality is permitted to invest with the Pennsylvania School District Liquid Asset Fund (PSDLAF) and other cash management account deposits. PSDLAF was established as a common law trust organized under the laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of this fund is to enable such governmental units to pool their available funds for investment in authorized instruments. The fair value of the Municipality's position in the external investment pool is the same as the value of the pool shares. All investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. Pooled investments are short term in nature and are included in cash and cash equivalents on the statement of net position. The Municipality can withdraw funds

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FOR THE YEAR ENDED DECEMBER 31, 2023

from the external investment pools without limitations or fees upon adequate notice. Otherwise, breakage fees may be charged.

Throughout the year ended December 31, 2023, the Municipality invested its funds only in one or more of the above-authorized investments.

At December 31, 2023, the Municipality's deposits and investments were as follows:

	Carrying Value at December 31, 2023			
	Governmental Activities	Business-Type Activities	Pension Trust Funds	Custodial Fund
Deposits:				
Cash and cash equivalents	\$ 4,758,484	\$ 1,499,936	\$ -	\$ 378,262
Certificates of deposit	260,030	778,212	-	-
Total deposits	5,018,514	2,278,148	-	378,262
Investments:				
PSDLAF	321,452	110,130	-	-
Money market funds	936,964	4,644,519	1,470,663	-
U.S. Government agency obligations	-	16,966,099	1,498,112	-
Local Government obligations	-	1,760,476	-	-
Mutual funds - fixed income	1,255,653	4,173,822	14,199,293	-
Mutual funds - equity	-	-	3,232,723	-
Mutual funds - balanced	-	-	258,215	-
Exchange traded funds - equity	-	-	2,809,916	-
Corporate debt	-	-	903,561	-
Equities	-	-	34,516,706	-
Total investments	2,514,069	27,655,046	58,889,189	-
Total deposits and investments	\$ 7,532,583	\$ 29,933,194	\$ 58,889,189	\$ 378,262
Reconciliation to Financial Statements:				
Cash and cash equivalents	\$ 5,344,969	\$ 2,388,281	\$ 1,470,663	\$ 378,262
Investments	2,187,614	27,544,913	57,418,526	-
Total deposits and investments	\$ 7,532,583	\$ 29,933,194	\$ 58,889,189	\$ 378,262
Total deposits and investments - bank balance	\$ 8,246,611	\$ 29,853,851	\$ 58,889,189	\$ 378,862

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FOR THE YEAR ENDED DECEMBER 31, 2023

Governmental and Business-Type Activities

The following is a description of the Municipality's deposit risks:

- *Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. The Municipality does not have a formal deposit policy for custodial credit risk. As of December 31, 2023, \$1,443,130 of the Municipality's \$8,246,611 bank balance was covered by federal depository insurance. All deposits were collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires financial institutions to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the financial institution's name.

The following is a description of the Municipality's investment risks:

- *Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Municipality has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2023, investments in PSDLAF (described above) have received an AAAM rating from Standard & Poor's. The Municipality's money market funds are rated AAAM by Standard & Poor's.
- *Interest Rate Risk* – The Municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All of the Municipality's investments in PSDLAF and money market funds have a maturity of less than one year.

At December 31, 2023, the Municipality's governmental and business-type activities investments in mutual funds – fixed income totaling \$5,429,475 were measured using fair value Level 2 inputs.

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FOR THE YEAR ENDED DECEMBER 31, 2023

The Municipality's business-type activities also held the following investments measured using fair value Level 2 inputs:

December 31, 2023 Cash or Investment Type	Fair Market Value	Investment Maturities from December 31, 2023			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 years
U.S. Government agency obligations	\$ 16,966,099	\$ 10,626,934	\$ 564,862	\$ 970,562	\$ 4,803,741
Local Government obligations	1,760,476	999,610	-	760,866	-
Total investments	18,726,575	\$ 11,626,544	\$ 564,862	\$ 1,731,428	\$ 4,803,741
Cash and cash equivalents	3,580,667				
Total restricted investments reported on statement of net position	\$ 22,307,242				

For Level 2 items, fair value estimates are valued using various techniques, which may consider the reported sales of similar securities, market price quotations, and data (such as broker quotes, yields, bids, and reference data). Due to the absence of readily determinable fair values and the inherent uncertainty of valuations, the estimated fair values for private investments may differ significantly from values that would have been used had a ready market for the securities existed.

Custodial Fund

Deposits

As noted above, the Municipality does not have a formal deposit policy for custodial credit risk. As of December 31, 2023, \$250,000 of the Municipality's \$378,862 bank balance was covered by federal depository insurance. All deposits were collateralized in accordance with Act 72 of the Pennsylvania State legislature.

Pension Trust Funds

Investments

The Pension Trust Funds are used to account for assets held by the Municipality in a trustee capacity for future payment of retirement benefits to employees or former employees. The Pension Trust Funds have formal investment policies as described below. Pension Trust Fund investments are held separately from those of other municipal funds. Municipal Council determines the investment managers of the Pension Trusts. Trust agreements have

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been signed with financial organizations that invest the assets of the Pension Trusts and pay benefits.

The Municipality's Pension Trust Funds categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The Pension Trust Funds have the following recurring fair value measurements at December 31, 2023:

Investments by Fair Value Level:	December 31, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Taxable money market funds	\$ 1,470,663	\$ 1,470,663	\$ -	\$ -
U.S Government Agencies	1,498,112	1,498,112	-	-
Mutual funds - fixed income:				
Bond funds	14,199,293	-	14,199,293	-
Mutual funds - equity:				
Domestic equity mutual funds	-	-	-	-
Global funds	3,232,723	3,232,723	-	-
Total mutual funds - equity	3,232,723	3,232,723	-	-
Mutual funds - balanced	258,215	258,215	-	-
Exchange traded funds - equity:				
Closed end equity mutual funds	2,809,916	2,809,916	-	-
Corporate debt:				
U.S. corporate bonds & notes	903,561	-	903,561	-
Equities:				
Materials	801,857	801,857	-	-
Industrials	4,082,345	4,082,345	-	-
Telecommunications	3,673,601	3,673,601	-	-
Consumer discretionary	3,259,544	3,259,544	-	-
Consumer staples	1,399,059	1,399,059	-	-
Energy	853,016	853,016	-	-
Financials	6,191,210	6,191,210	-	-
Health care	4,039,660	4,039,660	-	-
Information technology	8,393,926	8,393,926	-	-
Utilities	809,227	809,227	-	-
Real estate	1,013,261	1,013,261	-	-
	34,516,706	34,516,706	-	-
Total investments by fair value level	\$ 58,889,189	\$ 43,786,335	\$ 15,102,854	\$ -

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Deposit and Investment Risks

The following is a description of the Pension Trust Funds' investment risks:

- *Credit Risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds' investment policies require the average quality of the fixed income portfolios to be maintained at a rating of "A" or better. As of December 31, 2023, the U.S. corporate bonds and notes are rated AA by Standard & Poor's. All other investments are unrated.
- *Concentration of Credit Risk* – The investment policies of the Pension Trust Funds limit the range of allocation of the investment portfolio as follows:

Investment Type	% Range of Allocation	
	Minimum	Maximum
Equities	50%	70%
Fixed income	20%	50%
Cash equivalents	0%	20%
Alternative investments	0%	5%

At December 31, 2023, no investments exceed 5% with any one issuer.

- *Interest Rate Risk* - The Pension Trust Funds do not have formal investment policies that limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The following is a description of the maturities for the Pension Trust Funds' investments:

	Carrying Value	Maturity in Years		
		Less than 1 year	1 - 5 years	6-10 years
Mutual funds - fixed income	\$ 14,199,293	\$ 14,199,293	\$ -	\$ -
Mutual funds - equity	3,232,723	3,232,723	-	-
Mutual funds - balanced	258,215	258,215	-	-
Exchange traded funds - equity	2,809,916	2,809,916	-	-
Corporate debt	903,561	-	903,561	-
Total	\$ 21,403,708	\$ 20,500,147	\$ 903,561	\$ -

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3. Property Taxes

The Municipality is permitted by the Home Rule Charter Law of the State of Pennsylvania to levy property taxes at the Municipality's discretion as considered necessary for general governmental services or payment of principal and interest on long-term debt. The tax rate imposed for the year ended December 31, 2023 was \$2.78 per \$1,000 of assessed valuation. Total assessed value was \$2,586,624,950 (approximates 100% of fair value).

Property liens on delinquent taxpayers do not attach on a specified schedule. The lien date and the period to which it applies are determined by the tax collector and must be approved by the Municipal Council. All unpaid taxes for 2023 will be liened in February 2023.

The property tax calendar for 2023 was as follows:

2023 Millage rate adopted	November 14, 2022
2023 Bills dated	July 1, 2023
2023 Two percent discount period ended	August 31, 2023
2023 Penalty period begun	November 1, 2023

The individual components of the 2023 tax levy were as follows:

General purposes	2.44 mills
Volunteer fire department	<u>0.34 mills</u>
Total	<u><u>2.78 mills</u></u>

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4. Capital Assets

A summary of changes in capital assets during fiscal year 2023 is as follows:

	Balance at January 1, 2023	Additions	Deletions/ Transfers	Balance at December 31, 2023
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 2,781,979	\$ -	\$ -	\$ 2,781,979
Construction in progress	1,681	4,901,539	-	4,903,220
Total non-depreciable assets	<u>2,783,660</u>	<u>4,901,539</u>	<u>-</u>	<u>7,685,199</u>
Depreciable assets:				
Buildings	27,480,202	-	-	27,480,202
Equipment	7,292,235	125,147	(18,241)	7,399,141
Vehicles	5,579,530	643,828	(73,418)	6,149,940
Infrastructure	49,603,151	2,612,995	-	52,216,146
	<u>89,955,118</u>	<u>3,381,970</u>	<u>(91,659)</u>	<u>93,245,429</u>
Less: accumulated depreciation:				
Buildings	(7,341,991)	(406,398)	-	(7,748,389)
Equipment	(5,903,530)	(312,922)	18,241	(6,198,211)
Vehicles	(4,433,177)	(475,009)	73,418	(4,834,768)
Infrastructure	(41,371,384)	(1,716,803)	-	(43,088,187)
	<u>(59,050,082)</u>	<u>(2,911,132)</u>	<u>91,659</u>	<u>(61,869,555)</u>
Total depreciable assets	<u>30,905,036</u>	<u>470,838</u>	<u>-</u>	<u>31,375,874</u>
Governmental activities capital assets, net	<u>\$ 33,688,696</u>	<u>\$ 5,372,377</u>	<u>\$ -</u>	<u>\$ 39,061,073</u>

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FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance at January 1, 2023	Additions	Deletions/ Transfers	Balance at December 31, 2023
Business-Type Activities:				
Non-depreciable assets:				
Land	\$ 766,000	\$ -	\$ -	\$ 766,000
Construction in progress	5,866,019	1,647,715	-	7,513,734
Total non-depreciable assets	<u>6,632,019</u>	<u>1,647,715</u>	<u>-</u>	<u>8,279,734</u>
Depreciable assets:				
Buildings	9,929,338	-	-	9,929,338
Machinery and equipment	10,731,506	-	-	10,731,506
Sewer system	66,201,483	534,549	-	66,736,032
	<u>86,862,327</u>	<u>534,549</u>	<u>-</u>	<u>87,396,876</u>
Less: accumulated depreciation:				
Buildings	(5,470,138)	(145,407)	-	(5,615,545)
Machinery and equipment	(9,897,474)	(200,382)	-	(10,097,856)
Sewer system	(34,722,691)	(606,514)	-	(35,329,205)
	<u>(50,090,303)</u>	<u>(952,303)</u>	<u>-</u>	<u>(51,042,606)</u>
Total depreciable assets	<u>36,772,024</u>	<u>(417,754)</u>	<u>-</u>	<u>36,354,270</u>
Business-type activities capital assets, net	<u>\$ 43,404,043</u>	<u>\$ 1,229,961</u>	<u>\$ -</u>	<u>\$ 44,634,004</u>

Depreciation expense was charged to functions/programs of the Municipality as follows:

Governmental Activities:

General government	\$ 492,759
Public safety	935,173
Public works	843,053
Culture and recreation	626,729
Conservation and development	<u>13,418</u>

Total depreciation expense - governmental activities \$ 2,911,132

Business-Type Activities:

Sewer	<u>\$ 952,303</u>
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

5. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at December 31, 2023 are summarized below:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	\$ 216,321	\$ 1,621,292
Capital Reserve	1,861,451	-
Other Governmental Funds	-	92,640
Proprietary Fund	-	363,840
Total	<u>\$ 2,077,772</u>	<u>\$ 2,077,772</u>

The outstanding balances between funds result from the time lag between the dates that reimbursable expenditures occur and payment is made between the funds.

Interfund transfers at December 31, 2023 are summarized below:

Fund	Transfers In	Transfers Out
Major Funds:		
General	\$ 3,241,212	\$ 5,776,526
Capital Reserve	7,076,526	-
ARPA		3,071,974
Proprietary Fund	-	480,437
Other Governmental Funds	-	988,801
Total	<u>\$ 10,317,738</u>	<u>\$ 10,317,738</u>

Transactions between funds which are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected within the next fiscal year, the transactions are accounted for through the various due from and due to accounts.

Transfers are made between the General Fund and the Liquid Fuels fund in accordance with the liquid fuels program. Transfers are made between the General Fund and the Capital Reserve fund in accordance with the planned capital projects budget.

Transfers are made between the Proprietary Fund and the Capital Reserve in accordance with the planned capital projects budget.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Transfers are made between the ARPA Fund and the Capital Reserve Fund in accordance with the planned capital projects budget for projects using ARPA funding.

6. Long-Term Liabilities

Changes in the Municipality's long-term liabilities during fiscal year 2023 were as follows:

Governmental Activities:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
G.O. Bonds	\$ 16,630,000	\$ -	\$ (470,000)	\$ 16,160,000	\$ 475,000
Notes payable					
direct borrowings	3,842,869	-	(254,504)	3,588,365	169,737
Compensated					
absences	431,223	44,486	(142,181)	333,528	16,721
Net pension liability (asset)	1,108,038	-	(2,026,264)	(918,226)	-
Net pension liability (asset)	5,588,008		(4,676,715)	911,293	-
Total OPEB liability	<u>2,904,737</u>	<u>292,857</u>	<u>-</u>	<u>3,197,594</u>	<u>134,198</u>
	<u>\$ 30,504,875</u>	<u>\$ 337,343</u>	<u>\$ (7,569,664)</u>	<u>\$ 23,272,554</u>	<u>\$ 795,656</u>

Business-Type Activities:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
G.O. Bonds	\$ 63,770,000	\$ -	\$ (1,740,000)	\$ 62,030,000	\$ 1,795,000
Compensated					
absences	110,071	-	(28,164)	81,907	-
Net pension liability (asset)	<u>474,873</u>	<u>-</u>	<u>(868,399)</u>	<u>(393,526)</u>	<u>-</u>
	<u>\$ 64,354,944</u>	<u>\$ -</u>	<u>\$ (2,636,563)</u>	<u>\$ 61,718,381</u>	<u>\$ 1,795,000</u>

Long-term debt on the statement of net position as of December 31, 2023 for business-type activities includes unamortized bond premiums totaling \$811,999.

The General Fund is typically used to liquidate the governmental activities pension and OPEB liabilities.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Governmental Activities

General Obligation Bonds

During December 2013, the Municipality issued \$8,680,000 of General Obligation Bonds, Series of 2013 (2013 Bonds) to be used for the construction of a new building for the Municipality of Bethel Park Volunteer Fire Company. The 2013 Bonds bear interest at rates ranging from 2.00% to 4.00%. During 2017, \$6,900,000 of the 2013 Bonds were advance refunded with the General Obligation Bonds, Series of 2017. At December 31, 2023, \$0 of the 2013 Bonds remain outstanding and \$6,900,000 of the defeased 2013 Bonds remain outstanding.

During November 2017, the Municipality issued \$8,115,000 of General Obligation Bonds, Series of 2017 (2017 Bonds) for the advance refunding of the 2013 Bonds. The 2017 Bonds bear interest at rates ranging from 1.20% and 3.30% and mature semi-annually on June 1 and December 1 through 2044. At December 31, 2023, principal outstanding on the 2017 Bonds was \$7,720,000.

During November 2019, the Municipality issued \$9,175,000 of General Obligation Bonds, Series of 2019 (2019 Bonds) for the advance refunding of a portion of the Series 2015 Bonds, to fund various capital improvement projects, and to pay the costs of issuing the Bonds. The bonds bear interest at rates ranging from 1.20% to 3.30% and mature semi-annually on June 1 and December 1 through 2045. At December 31, 2023, \$8,440,000 of the 2019 Bonds remain outstanding.

Future debt service requirements of the Municipality's governmental activities bonds payable as of December 31, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 475,000	\$ 486,346	\$ 961,346
2025	490,000	476,944	966,944
2026	495,000	466,226	961,226
2027	505,000	455,191	960,191
2028	525,000	443,250	968,250
2029-2033	2,810,000	2,004,311	4,814,311
2034-2038	3,420,000	1,560,940	4,980,940
2039-2043	5,130,000	897,793	6,027,793
2044-2045	2,310,000	115,005	2,425,005
	<u>\$ 16,160,000</u>	<u>\$ 6,906,006</u>	<u>\$ 23,066,006</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Notes Payable

In April 2007, the Municipality issued loan financing of \$3,747,184 to finance the Community Center Phase 2 construction project. \$3,046,439 of this amount was drawn down in 2007 and \$700,745 was drawn down in 2008. The loan bears interest at 3.99% and matures in 2033. At December 31, 2023, \$1,831,949 is outstanding. The Community Center is pledged as collateral on this loan and in the event of default, outstanding amounts are due immediately.

In 2019, the Municipality issued loan financing of \$1,049,834 to finance certain capital improvements. As of December 31, 2023, \$921,915 was drawn on this loan. The loan bears interest at 1.452% as of December 31, 2023, and no principal payments are due until the note is fully drawn. In 2023, the Municipality made a principal payment in the amount of \$42,428, and the balance outstanding is \$837,671. The note is secured by a pledge of its taxing authority loan and in the event of default, outstanding amounts are due immediately.

In 2022, the Municipality issued loan financing of \$1,052,679 to finance certain capital improvements. At December 31, 2023, \$961,033 is drawn on this loan. The loan bears interest at 1.743% as of December 31, 2023, and no principal payments are due until the note is fully drawn. In 2023, the Municipality made a principal payment in the amount of \$42,288 and the balance outstanding is \$918,745. The note is secured by a pledge of its taxing authority loan and in the event of default, outstanding amounts are due immediately.

Future debt service requirements of the Municipality's notes payable as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 169,737	\$ 53,064	\$ 222,801
2025	175,107	47,694	222,801
2026	180,490	42,311	222,801
2027	186,008	36,793	222,801
2028	191,665	31,136	222,801
2029-2033	2,685,358	64,123	2,749,481
	<u>\$ 3,588,365</u>	<u>\$ 275,121</u>	<u>\$ 3,863,486</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Business-Type Activities

Guaranteed Sewer Revenue Bonds, Refunding Series of 2013

On May 23, 2013, the Authority issued Guaranteed Sewer Revenue Bonds, Refunding Series of 2013 (2013 Bonds), in the amount of \$33,500,000 to advance refund the outstanding Guaranteed Sewer Revenue Bonds, Series of 2004 (2004 Bonds) and to be used for various capital projects.

The 2013 Bonds bear interest semi-annually at rates ranging from 2.00% to 4.00% and mature in 2039. Interest payments are required semi-annually on March 1 and September 1. The 2013 Bonds are due annually on September 1. The Municipality has guaranteed payment pursuant to the lease agreement described in Note 1 and has pledged its full faith, credit, and taxing power to the repayment of these 2013 Bonds. During 2023, the bonds were paid off, and the balance is \$0.

Guaranteed Sewer Revenue Bonds, Refunding Series of 2020

On January 22, 2020, the Authority issued Guaranteed Sewer Revenue Bonds, Refunding Series of 2020 (2020 Bonds), in the amount of \$6,510,000 to currently refund \$6,655,000 of the 2012 Bonds.

The 2020 Bonds bear interest semi-annually at 4.0% and mature in 2024. Interest payments are required semi-annually on March 1 and September 1. The 2020 Bonds are due annually on September 1. The Municipality has guaranteed payment pursuant to the lease agreement described in Note 1 and has pledged its full faith, credit, and taxing power to the repayment of these 2020 Bonds. At December 31, 2023, \$1,385,000 is outstanding.

Guaranteed Sewer Revenue Bonds, Series 2020A

On July 16, 2020, the Authority issued Guaranteed Sewer Revenue Bonds, Refunding Series of 2020 (2020A Bonds), in the amount of \$32,485,000 to advance refund \$28,090,000 of the 2013 Bonds.

The 2020A Bonds bear interest semi-annually at rates ranging from 0.779% to 2.879% and mature in 2039. Interest payments are required semi-annually on March 1 and September 1. The 2020A Bonds are due annually on September 1. The Municipality has guaranteed payment pursuant to the lease agreement described in Note 1 and has pledged its full faith,

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

credit, and taxing power to the repayment of these 2020A Bonds. At December 31, 2023, \$31,075,000 is outstanding.

Guaranteed Sewer Revenue Bonds, Series 2020B

On November 12, 2020, the Authority issued Guaranteed Sewer Revenue Bonds, Series B of 2020 (2020B Bonds), in the amount of \$29,570,000 for various capital projects to upgrade the Authority's Sewer System, and to pay the costs of issuing bonds. The bonds bear interest at 3.00% and mature in 2049. Interest payments are required semi-annually on March 1 and September 1. The 2020B Bonds are due annually on September 1, beginning in 2039. The Municipality has guaranteed payment pursuant to the lease agreement described in Note 1 and has pledged its full faith, credit, and taxing power to the repayment of these 2020A Bonds. At December 31, 2023, \$29,570,000 is outstanding.

Future debt service requirements of the Municipality's business-type activities bonds payable as of December 31, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 1,795,000	\$ 1,614,552	\$ 3,409,552
2025	1,855,000	1,554,552	3,409,552
2026	1,875,000	1,532,070	3,407,070
2027	1,905,000	1,502,820	3,407,820
2028	1,935,000	1,470,244	3,405,244
2029-2033	10,275,000	6,763,984	17,038,984
2034-2038	11,515,000	5,520,994	17,035,994
2039-2043	13,250,000	3,775,046	17,025,046
2044-2048	15,355,000	1,666,875	17,021,875
2049	2,270,000	61,290	2,331,290
Total	<u>\$ 62,030,000</u>	<u>\$ 25,462,427</u>	<u>\$ 87,492,427</u>

Employee Benefits

Refer to Notes 1, 7, and 8, respectively, for a description of the Municipality's long-term obligations relating to compensated absences, pension plans, and postemployment benefits other than pension benefits (OPEBs).

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

7. Pension Plans

Summary of Significant Accounting Policies

Financial information of the Municipality's pension plans is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Employer contributions to the plans are recognized when due as required by applicable law. Investments of the plans are reported at fair value.

Plan Descriptions

The Municipality's Non-Uniformed Employee pension plan is a single-employer defined benefit pension plan. The plan was established effective November 1, 1964 (adopted pursuant to Act 600 of 1956). The pension plan was amended and restated effective January 1, 2007. The pension plan is governed by the Council of the Municipality, which may amend plan provisions, and which is responsible for the management of pension plan assets. The Municipality's Council has delegated the authority to manage certain pension plan assets to U.S. Asset Management. The pension plan is required to file Form PC-203C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP).

The Municipality's Police pension plan is a single-employer defined benefit pension plan. The pension plan was established effective May 29, 1955 (adopted pursuant to Act 600 of 1956). The pension plan was amended and restated effective January 1, 2004. The pension plan is governed by the Council of the Municipality, which may amend plan provisions, and which is responsible for the management of pension plan assets. The Municipality's Council has delegated the authority to manage certain pension plan assets to U.S. Asset Management. The pension plan is required to file Form PC-201C biennially with the MPRP.

The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. Separate plan financial statements are not available.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

At December 31, 2023, pension plan membership consisted of the following:

	<u>Non-Uniformed</u>	<u>Police</u>
Active employees	63	36
Retirees and beneficiaries currently receiving benefits	46	43
Terminated employees entitled to benefits but not yet receiving them	10	1
Total plan members	<u>119</u>	<u>80</u>

Benefits Provided - Non-Uniformed Employees Plan

Retirement Benefit - A participant is entitled to begin receiving retirement benefits after completing five years of service and attaining age 65 for employment that began prior to January 1, 1993. Those employees hired after January 1, 1993 are entitled to receive benefits after completing 15 years of service and attaining age 65. A participant is entitled to begin receiving early retirement benefits after completing 15 years of service and attaining the age of 55. The early retirement may be elected immediately, but will be reduced by 1/180 for each of the first 60 months early and by 1/360 for each of the next 60 months early. Participants are 100% vested after the completion of 10 years of service. The scheduled monthly retirement benefit is 45% (50% for participants retiring with 16 to 20 years of service; 55% for participants retiring with 21 to 25 years of service; and 60% for participants retiring with at least 26 years of service) of compensation averaged over the final 36 months of employment times the ratio of completed years of service from the date of hire through the retirement date to 15 years (ratio not to exceed 1.0).

Death Benefit - If a participant's death occurs before retirement eligibility and before 10 years of service, the participant's estate receives a refund of contributions made by the participant, plus interest. If a participant's death occurs before retirement eligibility and after 10 years of service, the participant's spouse will receive the participant's portion of the accrued benefit actuarially converted to a joint and 50% survivor annuity, reduced for early commencement. If a participant's death occurs after retirement, the normal form of payment is a life annuity, with payments guaranteed to be not less than the participant's contributions plus interest. An optional form of benefit payment may be selected by the participant at retirement that is actuarially equivalent to the normal form.

Benefits Provided – Police Plan

Retirement Benefit - A participant is entitled to begin receiving retirement benefits after completing 25 years of service and attaining age 50 for employment that began prior to January 1, 2001. Those employees hired after January 1, 2001 are entitled to receive

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

benefits after completing 25 years of service and attaining age 55. Participants are 100% vested after the completion of 12 years of service. The scheduled monthly retirement benefit is 60% of final monthly average salary (averaged over the last 36 months of employment), plus an additional monthly benefit of \$100 for service in excess of 26 years. For participants hired after January 1, 2001, the monthly benefit is equal to 50% of final monthly average salary (averaged over the last 36 months of employment), plus service increment, if any.

Disability Benefit – For participants hired on or after January 1, 2001, 50% of salary at service-related disablement offset by any Social Security disability benefits recurred for the same condition.

Deferred Retirement Option Program (DROP) Benefit – The normal retirement benefit is deposited into a separate account and credited with interest during the period of DROP participation, for a maximum of three years. At December 31, 2023, there were no employees participating in the DROP plan.

Death Benefit – Upon an active participant's death after normal retirement eligibility, the surviving spouse will automatically receive 50% of the participant's normal retirement benefit until death. For participants hired before January 1, 2001, who die prior to normal retirement eligibility, a survivor's benefit equal to 25% (30% if after normal retirement eligibility) of base monthly salary, up to a maximum of \$800 per month, is payable until death or remarriage.

Cost-of-Living Adjustments – Participants who retire on or after January 1, 2000 under the normal or late provisions of the pension plan will be eligible on each anniversary of benefit commencement to an increase in their monthly benefit equal to the percentage change in the CPI-W during the last year times the pension benefits, less service increments, if any. The total increase shall not exceed 5% of final monthly average salary.

Contributions

The pension plans are funded by the Municipality on an annual basis pursuant to the provisions of Act 205 of 1984 of the Commonwealth of Pennsylvania (Act). The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. For the year ended December 31, 2023, participating employees in the Non-Uniformed Employees and Police pension plans were required to contribute 4.0% and 8.0% of their compensation, respectively. Certain pension

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

information and calculations are based upon an actuarial valuation performed as of January 1, 2023; however, this valuation is not used for funding purposes. The January 1, 2021 valuation was used in the calculation of the Municipality's 2023 MMO.

The Commonwealth of Pennsylvania allocates certain funds to assist in pension funding. Any financial requirement established by the MMO which exceeds the Commonwealth of Pennsylvania allocation must be funded by the Municipality. Payments made to the plans were sufficient to meet the MMOs in 2023. The following table reflects contribution information for 2023:

	<u>Non-Uniformed</u>	<u>Police</u>	<u>Total</u>
MMO	<u>\$ 695,531</u>	<u>\$ 1,179,173</u>	<u>\$ 1,874,704</u>
Contributions:			
Municipality	\$ 695,531	\$ 373,715	\$ 1,069,246
Allocation of state aid	<u>-</u>	<u>805,458</u>	<u>805,458</u>
Total	695,531	1,179,173	1,874,704
Employee	<u>176,314</u>	<u>374,048</u>	<u>550,362</u>
Total contributions	<u>\$ 871,845</u>	<u>\$ 1,553,221</u>	<u>\$ 2,425,066</u>

Administrative costs, including investment, custodial trustee, and actuarial services are charged to the appropriate plan and funded from investment earnings.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Net Pension Liability (Asset)

The components of the net pension liability (asset) of the pension plans at December 31, 2023 were as follows:

	<u>Non-Uniformed</u>	<u>Police</u>	<u>Total</u>
Total pension liability	\$ 21,032,501	\$ 37,503,272	\$ 58,535,773
Plan fiduciary net position	<u>(22,344,253)</u>	<u>(36,591,979)</u>	<u>(58,936,232)</u>
Net pension liability (asset)	<u>\$ (1,311,752)</u>	<u>\$ 911,293</u>	<u>\$ (400,459)</u>
Governmental activities	\$ (918,226)	\$ 911,293	\$ (6,933)
Business-type activities	<u>(393,526)</u>	<u>-</u>	<u>(393,526)</u>
Net pension liability (asset)	<u>\$ (1,311,752)</u>	<u>\$ 911,293</u>	<u>\$ (400,459)</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Municipality for the non-uniformed pension plan for the year ended December 31, 2023 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2022	\$ 20,669,716	\$ 19,086,805	\$ 1,582,911
Changes for the year:			
Service cost	596,188	-	596,188
Interest	1,433,080	-	1,433,080
Differences between expected and actual experience	(226,279)	-	(226,279)
Changes of assumptions	(393,320)	-	(393,320)
Contributions - employer	-	695,531	(695,531)
Contributions - employee	-	176,314	(176,314)
Net investment income	-	3,438,487	(3,438,487)
Benefit payments, including refunds	(1,046,884)	(1,046,884)	-
Administrative expense	-	(6,000)	6,000
Net changes	<u>362,785</u>	<u>3,257,448</u>	<u>(2,894,663)</u>
Balances at December 31, 2023	<u>\$ 21,032,501</u>	<u>\$ 22,344,253</u>	<u>\$ (1,311,752)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>106.24%</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

The changes in the net pension liability of the Municipality for the police pension plan for the year ended December 31, 2023 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2022	\$ 38,219,068	\$ 32,631,060	\$ 5,588,008
Changes for the year:			
Service cost	753,021	-	753,021
Interest	2,604,648	-	2,604,648
Differences between expected and actual experience	60,108	-	60,108
Changes of assumptions	(768,129)	-	(768,129)
Contributions - employer	-	1,179,173	(1,179,173)
Contributions - employee	-	374,048	(374,048)
Net investment income	-	5,790,652	(5,790,652)
Benefit payments, including refunds	(3,365,444)	(3,365,444)	-
Administrative expense	-	(17,510)	17,510
Net changes	(715,796)	3,960,919	(4,676,715)
Balances at December 31, 2023	<u>\$ 37,503,272</u>	<u>\$ 36,591,979</u>	<u>\$ 911,293</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>97.57%</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed on January 1, 2023, and rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods in the measurement:

	<u>Non-Uniformed</u>	<u>Police</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	4.75%, including inflation	5%, including inflation*
Underlying inflation rate	2.75%	2.75%
Cost-of-living adjustments	Not Applicable	5.0%
Mortality:		

Non-Uniformed: RP-2014 Mortality Table. Mortality improvement based on MP-2021

Police: RP-2014 Mortality Table with 50% Blue Collar Adjustment, with rates set forward 5 years for disabled members. Mortality improvement based on MP-2021.

* For the Police, projected salary increases include an additional 20% in the final year to account for lump sum payments such as unused sick days

Actuarial assumptions based on actuarial experience study for the period January 1, 2022 to December 31, 2023.

Changes in Actuarial Assumptions

Police: Effective January 1, 2023, the mortality assumption was changed from static to fully generational, and the mortality improvement assumption was updated to MP-2021.

Non-Uniformed: Effective January 1, 2023, the mortality improvement assumption was updated to MP-2021.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in Benefits

None.

Investment Policy

The pension plans' policies in regard to the allocation of invested assets is established and may be amended by the Municipality's Investment Committee by a majority vote of its members. It is the policy of the Municipality's Investment Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2023:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	Non-Uniformed	Police	Non-Uniformed	Police
Equity	50-70%	50-70%	4.0-10.5%	4.0-10.5%
Fixed income	20-50%	20-50%	1.0-5.0%	1.0-5.0%
Cash equivalents	0-20%	0-20%	0.10-0.75%	0.10-0.75%
Alternative investments	0-5%	0-5%	0.5-4.75%	2.5-4.75%

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

December 31, 2023, the annual money-weighted rate of return on the Non-Uniformed Employees and Police pension plan investments, net of investment expense, was 18.1% and 18.26%, respectively.

Concentrations

The pension plans place no limit on the amount that may be invested in any one issuer. At December 31, 2023, the pension plans had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments) in any one issuer that represents 5% or more of fiduciary net position.

Discount Rate

The discount rate used to measure the total pension liability for the Non-Uniformed Employees and Police pension plans was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Municipality's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the pension plan'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.

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

The following presents the net pension liability (asset) of the pension plans calculated using the discount rates described above, as well as what the pension plan's net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Non-Uniformed Employees	\$ 984,852	\$ (1,311,752)	\$ (3,273,839)
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Police	\$ 5,373,398	\$ 911,293	\$ (2,821,285)

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the Municipality recognized pension expense of \$1,688 for the non-uniformed plan and \$374,489 for the police plan, for a total pension expense of \$376,177. \$375,671 was recorded as a governmental activity; \$506 was recorded as a business-type activity.

At December 31, 2023, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Non- Uniformed	Police	Total
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience:			
Governmental activity	\$ -	\$ 51,137	\$ 51,137
Changes in assumption:			
Governmental activity	303,832	989,719	1,293,551
Business-type activity/proprietary fund	130,214	-	130,214
Net difference between projected and actual earnings on pension plan investments:			
Governmental activity	330,989	812,103	1,143,092
Business-type activity/proprietary fund	141,852	-	141,852
	<u>\$ 906,887</u>	<u>\$ 1,852,959</u>	<u>\$ 2,759,846</u>

	Non- Uniformed	Police	Total
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience:			
Governmental activity	\$ 476,102	\$ 93,921	\$ 570,023
Business-type activity/proprietary fund	204,044	-	204,044
Changes of assumptions			
Governmental activity	233,608	653,483	887,091
Business-type activity/proprietary fund	100,118	-	100,118
	<u>\$ 1,013,872</u>	<u>\$ 747,404</u>	<u>\$ 1,761,276</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Non-Uniformed:		Business-type	
Year ending December 31,	Governmental	Activities/ Proprietary Fund	Total
	Activities		
2024	\$ (49,323)	\$ (21,139)	\$ (70,462)
2025	60,791	26,053	86,844
2026	366,078	156,891	522,969
2027	(347,292)	(148,840)	(496,132)
2028	(65,715)	(28,164)	(93,879)
Thereafter	(39,428)	(16,897)	(56,325)
Total	<u>\$ (74,889)</u>	<u>\$ (32,096)</u>	<u>\$ (106,985)</u>

Police:		Business-type	
Year ending December 31,	Governmental	Activities/ Proprietary Fund	Total
	Activities		
2024	\$ 318,331	\$ -	\$ 318,331
2025	501,600	-	501,600
2026	1,174,524	-	1,174,524
2027	(709,254)	-	(709,254)
2028	(105,675)	-	(105,675)
Thereafter	(73,971)	-	(73,971)
Total	<u>\$ 1,105,555</u>	<u>\$ -</u>	<u>\$ 1,105,555</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Pension Trust Fund Financial Information as of December 31, 2023

Plan Net Position

	Non-Uniformed Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 471,773	\$ 998,890	\$ 1,470,663
Accrued interest receivable	17,770	29,273	47,043
Total receivables	17,770	29,273	47,043
Investments at fair value:			
U.S. Government Agencies	562,266	935,846	1,498,112
Mutual funds - fixed income	5,612,388	8,586,905	14,199,293
Mutual funds - equity	1,464,851	1,767,872	3,232,723
Mutual funds - balanced	141,535	116,680	258,215
Exchange traded funds - equity	777,413	2,032,503	2,809,916
Corporate debt	333,383	570,178	903,561
Equities	12,962,874	21,553,832	34,516,706
Total investments	21,854,710	35,563,816	57,418,526
Total Assets	22,344,253	36,591,979	58,936,232
Liabilities			
Benefits payable	-	-	-
Refund of member contributions payable	-	-	-
Total Liabilities	-	-	-
Net Position			
Restricted for pension benefits	\$ 22,344,253	\$ 36,591,979	\$ 58,936,232

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in Plan Net Position

	Non-Uniformed Employees	Police	Total
Additions:			
Contributions:			
Commonwealth	\$ -	\$ 805,458	\$ 805,458
Municipality	695,531	373,715	1,069,246
Employee	176,314	374,048	550,362
Total contributions	<u>871,845</u>	<u>1,553,221</u>	<u>2,425,066</u>
Investment income(loss):			
Net appreciation in fair value of investments	3,228,075	5,437,370	8,665,445
Interest and dividends	305,395	503,031	808,426
Total investment income (loss)	<u>3,533,470</u>	<u>5,940,401</u>	<u>9,473,871</u>
Less investment expense	<u>(97,754)</u>	<u>(154,377)</u>	<u>(252,131)</u>
Net investment income (loss)	<u>3,435,716</u>	<u>5,786,024</u>	<u>9,221,740</u>
Miscellaneous	2,771	4,628	7,399
Total additions	<u>4,310,332</u>	<u>7,343,873</u>	<u>11,654,205</u>
Deductions:			
Benefits	1,013,725	3,256,171	4,269,896
Refund of member contributions	33,159	109,273	142,432
Administrative expenses	6,000	17,510	23,510
Total deductions	<u>1,052,884</u>	<u>3,382,954</u>	<u>4,435,838</u>
Change in Plan Net Position	<u>3,257,448</u>	<u>3,960,919</u>	<u>7,218,367</u>
Net Position Restricted for Pension Benefits:			
Beginning of year	<u>19,086,805</u>	<u>32,631,060</u>	<u>51,717,865</u>
End of year	<u>\$ 22,344,253</u>	<u>\$ 36,591,979</u>	<u>\$ 58,936,232</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Net Appreciation (Depreciation) in Fair Value of Investments

The composition of net appreciation (depreciation) in fair value of investments reported on the statement of changes in plan net position is as follows:

	<u>Non-Uniformed</u>	<u>Police</u>	<u>Total</u>
Realized gain (loss)	\$ 95,751	\$ 434,993	\$ 530,744
Unrealized gain (loss)	3,132,324	5,002,377	8,134,701
	<u>\$ 3,228,075</u>	<u>\$ 5,437,370</u>	<u>\$ 8,665,445</u>

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments.

Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year were included as part of the change in the fair value of investments reported in the prior year(s) and the current year.

8. Postemployment Benefits Other than Pension Benefits (OPEBs)

Plan Description

In addition to the pension benefits previously described, the Municipality provides a post-retirement death benefit to non-uniformed retirees and post-retirement life insurance benefits and medical, dental, and vision coverage to police retirees through a single employer defined benefit plan. The benefit limits and employee and employer contributions are established through union contracts and past practices. The plan is not accounted for as a trust fund, an irrevocable trust has not been established, the plan does not issue a separate report, and activity of the plan is reported in the Municipality's General Fund.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

At December 31, 2023, OPEB plan membership consisted of the following:

	<u>Non-Uniformed</u>	<u>Police</u>
Active employees	62	38
Retirees and beneficiaries currently receiving benefits	34	49
Terminated employees entitled to benefits but not yet receiving them	0	0
Total plan members	<u>96</u>	<u>87</u>

Benefits Provided

Police

The Municipality provides post-retirement life insurance benefits to all eligible police retirees in accordance with the requirements set forth by the union contract. Retired members are provided a term life insurance policy ranging from \$6,000 to \$10,000, depending on date of retirement, as outlined in the union contract.

The Municipality provides post-retirement medical, dental, and vision coverage to all eligible police retirees in accordance with the requirements set forth by the union contract. The Municipality pays 60% of the total premium for medical, dental, and vision coverage of the retiree's choice until Medicare eligibility.

Non-Uniformed

The Municipality provides a \$5,000 post-retirement death benefit to all eligible non-uniformed retirees in accordance with the requirements set forth by the union contract.

Funding Policy

These benefits are expensed when incurred and are financed on a pay-as-you-go basis. For fiscal year 2023, the Municipality incurred \$172,916 for post-employment benefits other than pension benefits, which includes an implicit rate subsidy of \$45,789. Retirees receiving benefits contributed \$72,115 through their deductions.

Total OPEB Liability

The total OPEB liability of the Plan at December 31, 2023 was \$3,197,594, of which approximately \$135,000 is expected to be paid within one year.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in the Total OPEB Liability

The changes in the total OPEB liability of the plan for the year ended December 31, 2023 were as follows:

Balance at December 31, 2022	\$ 2,904,735
Changes for the year:	
Service cost	111,018
Interest	118,601
Differences between expected and actual	-
Changes of assumptions	237,900
Contributions - employer	-
Benefits paid	<u>(174,660)</u>
Net changes	<u>292,859</u>
Balance at December 31, 2023	<u>\$ 3,197,594</u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation performed on January 1, 2023, and rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method - entry age normal cost;
- Amortization method - level dollar;
- Amortization period – 30-year open;
- Inflation rate – 2.75%
- Discount rate – 3.77% compounded annually;
- Mortality:
 - Police: RP-2014 Mortality Table with 50% Blue Collar Adjustment and rates set forward 5 years for disabled lives
 - Non-uniformed: RP-2014 Mortality Table
- Health care cost trend rates – 6.50% in 2024, and decreasing .25% per year until 2032
- Dental cost trend rates – 3.0%
- Vision care cost trend rates – 3.0%

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in Actuarial Assumptions

The discount rate was decreased from 4.05% to 3.77%, and healthcare cost trend rates were updated.

Changes in Benefits

None.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.77%. The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability calculated using the stated discount rate, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
<u>\$ 3,449,784</u>	<u>\$ 3,197,594</u>	<u>\$ 2,969,436</u>

Sensitivity of the Total OPEB Liability to Changes in the Medical Trend Rate

The following presents the total OPEB liability calculated using the stated medical trend assumption, as well as what the total OPEB liability would be if it was calculated using a medical trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease 5.50%	Current 6.50%	1% Increase 7.50%
<u>\$ 2,908,769</u>	<u>\$ 3,197,594</u>	<u>\$ 3,513,289</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEBs

For the year ended December 31, 2023, the recognized OPEB expense is \$217,203.

At December 31, 2023, the Municipality reported the following deferred outflows of resources in relation to the OPEBs:

Deferred Outflows of Resources:

Differences between expected and actual experience:	\$	244,123
Changes in assumption		<u>257,354</u>
Total deferred outflows of resources	\$	<u><u>501,477</u></u>

At December 31, 2023, the Municipality reported the following deferred inflows of resources in relation to the OPEBs:

Deferred Inflows of Resources:

Differences between expected and actual experience:	\$	670,554
Changes in assumption		<u>62,810</u>
Total deferred inflows of resources	\$	<u><u>733,364</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	<u>Total</u>
2024	\$ (12,416)
2025	(12,416)
2026	(12,416)
2026	(54,373)
2027	(96,328)
Thereafter	<u>(43,938)</u>
Total	\$ <u><u>(231,887)</u></u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

9. Intergovernmental Agreement

The Municipality, the Authority, and the Township of South Park (Township) entered into an agreement in June 1990, and updated in April 2007, which requires the Township and the Municipality to share the annual maintenance and operating costs of sewer system assets that serve both communities (Agreement). This includes the cost of financing and constructing such assets, as well as related administration expenses. Under the Agreement, costs are allocated between the Municipality and the Township using a ratio of the water consumption of customers within each community. In accordance with this Agreement, the Municipality received approximately \$900,000 from the Township in 2023.

10. Commitments and Contingencies

Various claims and lawsuits are pending against the Municipality. The ultimate outcome of these claims and lawsuits cannot presently be determined and, accordingly, no provision for amounts arising from settlements has been made in these financial statements. In the opinion of management and legal counsel, the effect on the financial statements of potential losses on any claim and/or lawsuit should not be material.

During 1995, the Authority entered into a consent order and agreement with the Commonwealth of Pennsylvania Department of Environmental Resources (Pennsylvania DER), which requires the Authority to implement various improvements to its sewage conveyance and treatment system to eliminate alleged violations of the Clean Streams Law and the Pennsylvania Sewage Facilities Act. In order to provide the funds necessary for the projects required by the consent order and other sewer system improvements, the Authority issued sewer revenue bonds, as discussed in Note 6, which are guaranteed by the Municipality. Under the terms of a lease agreement with the Authority, the Municipality is responsible for additional lease rental payments sufficient for the Authority to meet debt service obligations on its debt. In addition, the Municipality could be subject to fines related to the alleged violations. The ultimate amount of such fines, if any, is not known. However, for required projects that have been completed, management does not believe fines will be levied.

As of December 31, 2023, the Municipality had approximately \$844,000 in outstanding construction commitments related to various capital purchases and projects.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

11. Risk Management

The Municipality is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Municipality carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There have been no significant changes in insurance coverage since the prior year.

For its worker's compensation insurance coverage, the Municipality participates in the Municipal Risk Management Worker's Compensation Pooled Trust (Trust), a public entity risk pool operated for the benefit of approximately 200 cities, municipalities, boroughs, townships, and municipal authorities. Trust underwriting and rate-setting policies are established after consultation with an independent actuary and certain approvals of the Pennsylvania Department of Labor and Industry as mandated by Act 44 of 1993 (Act 44). All Trust participants may be subject to a supplemental assessment/dividend based on the overall experience of the participants, pursuant to Act 44. Each participant of the Trust agrees to jointly and severally assume and discharges the liabilities arising under the Worker's Compensation Act and Occupational Disease Act of each and every participant of the Trust. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The Trust purchases excess insurance coverage with statutory limits. The retention for this excess coverage is \$750,000 per occurrence. There were no significant reductions in insurance coverage from coverage in the prior year. Political subdivisions joining the Trust must remain members for a minimum of four years; a member may withdraw from the Trust after that time by giving ninety days' notice, subject to approval by the Trust actuary under specified circumstances related to the continued fiscal stability of the pool. At the time of withdrawal, the participant is responsible for their share of assessments but has no claim on any other assets of the Trust. Estimates of any additional assessments are unknown.



REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S NET
PENSION LIABILITY (ASSET) AND RELATED RATIOS

NON-UNIFORMED EMPLOYEES PENSION PLAN

LAST TEN YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service cost	\$ 596,188	\$ 520,856	\$ 553,996	\$ 536,844	\$ 512,500	\$ 396,056	\$ 397,115	\$ 350,461	\$ 336,566	\$ 348,162
Interest	1,433,080	1,398,674	1,342,664	1,321,360	1,257,815	1,244,435	1,190,575	1,139,298	1,084,681	1,037,820
Differences between expected and actual experience	(226,279)	-	(605,486)	-	(582,697)	-	(728,724)	-	(95,791)	4
Changes of assumptions	(393,320)	471,896	-	-	447,043	-	691,414	-	-	-
Benefit payments, including refunds of member contributions	(1,046,884)	(1,075,430)	(999,417)	(953,425)	(884,208)	(845,063)	(891,088)	(742,435)	(672,678)	(635,549)
Net Changes in Total Pension Liability	362,785	1,315,996	291,757	904,779	750,453	795,428	659,292	747,324	652,778	750,437
Total Pension Liability - Beginning	20,669,716	19,353,720	19,061,963	18,157,184	17,406,731	16,611,303	15,952,011	15,204,687	14,551,909	13,801,476
Total Pension Liability - Ending (a)	\$ 21,032,501	\$ 20,669,716	\$ 19,353,720	\$ 19,061,963	\$ 18,157,184	\$ 17,406,731	\$ 16,611,303	\$ 15,952,011	\$ 15,204,687	\$ 14,551,913
Plan Fiduciary Net Position:										
Contributions - employer	\$ 695,531	\$ 735,579	\$ 717,409	\$ 671,238	\$ 668,627	\$ 605,465	\$ 578,845	\$ 659,431	\$ 653,896	\$ 566,305
Contributions - member	176,314	168,051	152,723	147,809	149,845	150,166	140,984	136,666	138,109	131,903
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Investment income	3,438,487	(3,506,894)	3,485,552	2,056,913	3,321,903	(494,927)	1,802,201	1,186,444	18,263	1,071,812
Benefit payments, including refunds of member contributions	(1,046,884)	(1,075,430)	(999,417)	(953,425)	(884,208)	(845,063)	(891,088)	(742,435)	(672,679)	(635,549)
Investment and administrative expenses	(6,000)	(113,595)	(106,072)	(95,026)	(84,333)	(85,384)	(78,268)	(78,734)	(86,659)	(68,079)
Net Change in Plan Fiduciary Net Position	3,257,448	(3,792,289)	3,250,195	1,827,509	3,171,834	(669,743)	1,552,674	1,161,372	50,930	1,066,392
Plan Fiduciary Net Position - Beginning	19,086,805	22,879,094	19,628,899	17,801,390	14,629,556	15,299,299	13,746,625	12,585,253	12,534,323	11,467,931
Plan Fiduciary Net Position - Ending (b)	\$ 22,344,253	\$ 19,086,805	\$ 22,879,094	\$ 19,628,899	\$ 17,801,390	\$ 14,629,556	\$ 15,299,299	\$ 13,746,625	\$ 12,585,253	\$ 12,534,323
Net Pension Liability (Asset) - Ending (a-b)	\$ (1,311,752)	\$ 1,582,911	\$ (3,525,374)	\$ (566,936)	\$ 355,794	\$ 2,777,175	\$ 1,312,004	\$ 2,205,386	\$ 2,619,434	\$ 2,017,590
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.24%	92.34%	118.22%	102.97%	98.04%	84.05%	92.10%	86.17%	82.77%	86.14%
Covered Payroll	\$ 4,195,215	\$ 4,092,513	\$ 3,798,244	\$ 3,597,481	\$ 3,680,228	\$ 3,742,743	\$ 3,568,229	\$ 3,291,788	\$ 3,389,482	\$ 3,218,217
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-31.27%	38.68%	-92.82%	-15.76%	9.67%	74.20%	36.77%	67.00%	77.28%	62.69%

See accompanying notes to required supplementary information - pension trust funds.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S NET
PENSION LIABILITY (ASSET) AND RELATED RATIOS

POLICE PENSION PLAN

LAST TEN YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service cost	\$ 753,021	\$ 576,629	\$ 580,416	\$ 666,016	\$ 634,301	\$ 606,362	\$ 577,488	\$ 490,037	\$ 466,702	\$ 489,143
Interest	2,604,648	2,565,108	2,502,189	2,426,862	2,327,531	2,264,013	2,193,487	1,988,115	1,907,841	1,765,497
Differences between expected and actual experience	60,108	-	(129,999)	-	(130,011)	-	916,648	-	333,605	-
Changes of assumptions	(768,129)	1,283,478	-	-	838,186	-	796,651	-	660,222	-
Benefit payments, including refunds of member contributions	(3,365,444)	(2,204,317)	(1,998,964)	(1,683,125)	(1,565,860)	(1,807,769)	(1,909,396)	(1,184,921)	(1,465,130)	(1,195,967)
Net Changes in Total Pension Liability	(715,796)	2,220,898	953,642	1,409,753	2,104,147	1,062,606	2,574,878	1,293,231	1,903,240	1,058,673
Total Pension Liability - Beginning	38,219,068	35,998,170	35,044,528	33,634,775	31,530,628	30,468,022	27,893,144	26,599,913	24,696,673	23,638,000
Total Pension Liability - Ending (a)	\$ 37,503,272	\$ 38,219,068	\$ 35,998,170	\$ 35,044,528	\$ 33,634,775	\$ 31,530,628	\$ 30,468,022	\$ 27,893,144	\$ 26,599,913	\$ 24,696,673
Plan Fiduciary Net Position:										
Contributions - employer	\$ 1,179,173	\$ 1,603,050	\$ 1,532,247	\$ 1,391,927	\$ 1,413,059	\$ 1,287,777	\$ 1,246,748	\$ 1,195,187	\$ 1,202,402	\$ 1,054,563
Contributions - member	374,048	333,161	291,967	320,378	324,729	309,784	302,152	305,263	262,098	254,863
Miscellaneous	-	22,220	-	-	-	-	-	-	-	-
Investment income	5,790,652	(5,963,719)	5,918,922	3,463,529	5,566,306	(834,771)	3,022,345	1,965,843	30,021	1,808,047
Benefit payments, including refunds of member contributions	(3,365,444)	(2,204,317)	(1,998,964)	(1,683,125)	(1,565,860)	(1,807,769)	(1,909,396)	(1,184,921)	(1,465,129)	(1,195,967)
Investment and administrative expenses	(17,510)	(176,612)	(182,444)	(147,695)	(132,121)	(134,752)	(126,237)	(115,209)	(138,764)	(120,413)
Net Change in Plan Fiduciary Net Position	3,960,919	(6,386,217)	5,561,728	3,345,014	5,606,113	(1,179,731)	2,535,612	2,166,163	(109,372)	1,801,093
Plan Fiduciary Net Position - Beginning	32,631,060	39,017,277	33,455,549	30,110,535	24,504,422	25,684,153	23,148,541	20,982,378	21,091,750	19,290,657
Plan Fiduciary Net Position - Ending (b)	\$ 36,591,979	\$ 32,631,060	\$ 39,017,277	\$ 33,455,549	\$ 30,110,535	\$ 24,504,422	\$ 25,684,153	\$ 23,148,541	\$ 20,982,378	\$ 21,091,750
Net Pension Liability (Asset) - Ending (a-b)	\$ 911,293	\$ 5,588,008	\$ (3,019,107)	\$ 1,588,979	\$ 3,524,240	\$ 7,026,206	\$ 4,783,869	\$ 4,744,603	\$ 5,617,535	\$ 3,604,923
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.57%	85.38%	108.39%	95.47%	89.52%	77.72%	84.30%	82.99%	78.88%	85.40%
Covered Payroll	\$ 4,367,619	\$ 4,235,785	\$ 3,527,994	\$ 3,427,007	\$ 4,026,564	\$ 3,630,474	\$ 3,949,426	\$ 3,444,552	\$ 3,343,281	\$ 2,741,667
Net Pension Liability as a Percentage of Covered Payroll	20.86%	131.92%	-85.58%	46.37%	87.52%	193.53%	121.13%	137.74%	168.02%	131.49%

See accompanying notes to required supplementary information - pension trust funds.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULES OF MUNICIPALITY CONTRIBUTIONS
AND INVESTMENT RETURNS

PENSION PLANS

LAST TEN YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NON-UNIFORMED EMPLOYEES PLAN:										
<u>Schedule of Municipality Contributions</u>										
Actuarially determined contribution	\$ 695,531	\$ 735,579	\$ 717,409	\$ 671,238	\$ 668,626	\$ 605,465	\$ 578,845	\$ 659,431	\$ 653,896	\$ 563,349
Contributions in relation to the actuarially determined contribution	<u>695,531</u>	<u>735,579</u>	<u>717,409</u>	<u>671,238</u>	<u>668,627</u>	<u>605,465</u>	<u>578,845</u>	<u>659,431</u>	<u>653,896</u>	<u>566,305</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,956)</u>
Covered payroll	<u>\$ 4,195,215</u>	<u>\$ 4,092,513</u>	<u>\$ 3,798,244</u>	<u>\$ 3,597,481</u>	<u>\$ 3,680,228</u>	<u>\$ 3,742,743</u>	<u>\$ 3,568,229</u>	<u>\$ 3,291,788</u>	<u>\$ 3,389,482</u>	<u>\$ 3,218,217</u>
Contributions as a percentage of covered payroll	16.58%	17.97%	18.89%	18.66%	18.17%	16.18%	16.22%	20.03%	19.29%	n/a
<u>Investment Returns</u>										
Annual money-weighted rate of return, net of investment expense	18.10%	-15.80%	18.03%	11.72%	23.13%	-3.29%	13.38%	9.54%	0.15%	9.47%
POLICE PLAN:										
<u>Schedule of Municipality Contributions</u>										
Actuarially determined contribution	\$ 1,179,173	\$ 1,603,050	\$ 1,532,247	\$ 1,391,927	\$ 1,413,057	\$ 1,287,777	\$ 1,246,748	\$ 1,195,187	\$ 1,202,402	\$ 1,054,563
Contributions in relation to the actuarially determined contribution	<u>1,179,173</u>	<u>1,603,050</u>	<u>1,532,247</u>	<u>1,391,927</u>	<u>1,413,059</u>	<u>1,287,777</u>	<u>1,246,748</u>	<u>1,195,187</u>	<u>1,202,402</u>	<u>1,054,563</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,367,619</u>	<u>\$ 4,235,785</u>	<u>\$ 3,527,994</u>	<u>\$ 3,427,007</u>	<u>\$ 4,026,564</u>	<u>\$ 3,630,474</u>	<u>\$ 3,949,426</u>	<u>\$ 3,444,552</u>	<u>\$ 3,343,281</u>	<u>\$ 2,741,667</u>
Contributions as a percentage of covered payroll	27.00%	37.85%	43.43%	40.62%	35.09%	35.47%	31.57%	34.70%	35.96%	n/a
<u>Investment Returns</u>										
Annual money-weighted rate of return, net of investment expense	18.26%	-15.70%	18.03%	11.65%	23.10%	-3.31%	13.24%	9.47%	0.15%	9.30%

See accompanying notes to required supplementary information - pension trust funds.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Actuarial Methods and Assumptions Used in Determining the Contribution Rate (MMO)

The information presented in the required supplementary pension schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	Police	Non-Uniformed
Actuarial valuation date	01/01/23	01/01/23
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed
Amortization period	8 years aggregate	12 years aggregate
Asset valuation method	4-Year Smoothing	4-Year Smoothing
Actuarial assumptions:		
Inflation	2.75%	2.75%
Projected salary increases	5.0% including inflation, plus an additional 20% in final year to account for lump sum payments such as unused sick days	4.75% including inflation
Investment rate of return	7.00% net of investment expenses not funded through the MMO, and including inflation	7.00% net of investment expenses not funded through the MMO, and including inflation
Mortality	RP-2014 with 50% Blue Collar Adjustment, with rates set forward 5 years for disabled members. Mortality improvement based on MP-2021.	RP-2014 Mortality Table. Mortality improvement based on MP-2021.

2. Benefit Changes

Police Plan

No benefit terms were modified.

Non-Uniformed Plan

No benefit terms were modified.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. Changes in Actuarial Assumptions

Police Plan

Effective January 1, 2013, the Blue Collar Adjustment was applied to mortality and rates projected to improve using 75% of Scale AA.

Effective January 1, 2015, an additional 20% salary projection was added to final year of pay.

Effective January 1, 2019, the inflation rate was lowered from 3.0% to 2.75% and the discount rate was lowered from 7.5% to 7.25%.

Effective December 31, 2022, the discount rate was lowered from 7.25% to 7.00%.

Effective January 1, 2023, the mortality assumption was changed from static to fully generational, and the mortality improvement assumption was updated to MP-2021.

Non-Uniformed Plan

Effective January 1, 2013, the mortality table was updated from the RP-2000 Combined Healthy Mortality Table and rates projected to 2005 using Scale AA to the RP-2000 Combined Healthy Mortality Table and rates projected to improve using 75% of Scale AA.

Effective January 1, 2017, the salary increase assumption was lowered from 5.0% to 4.75%. The mortality table was updated from RP-2000 to RP-2014.

Effective January 1, 2019, the inflation rate was lowered from 3.0% to 2.75% and the discount rate was lowered from 7.5% to 7.25%.

Effective December 31, 2022, the discount rate was lowered from 7.25% to 7.00%.

Effective January 1, 2023, the mortality improvement assumption was updated to MP-2021.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S TOTAL
OPEB LIABILITY AND RELATED RATIOS

LAST TEN YEARS* ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 111,018	\$ 188,581	\$ 183,269	\$ 178,364	\$ 140,153	\$ 136,071
Interest	118,601	115,079	109,653	104,065	86,278	81,228
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(901,780)	-	523,119	-	-
Changes of assumptions	237,900	(84,468)	-	106,220	-	-
Benefit payments	(174,660)	(120,095)	(113,834)	(88,488)	(71,286)	(60,802)
Employer reimbursement for healthcare expenses	-	-	-	-	-	-
Net Changes in Total OPEB Liability	292,859	(802,683)	179,088	823,280	155,145	156,497
Total OPEB Liability - Beginning	2,904,735	3,707,418	3,528,330	2,705,050	2,549,905	2,393,408
Total OPEB Liability - Ending (a)	\$ 3,197,594	\$ 2,904,735	\$ 3,707,418	\$ 3,528,330	\$ 2,705,050	\$ 2,549,905
Covered Employee Payroll	\$ 8,316,499	\$ 8,044,943	\$ 7,031,962	\$ 7,649,100	\$ 7,701,956	\$ 7,701,956
Total OPEB Liability as a Percentage of Covered Employee Payroll	38.45%	36.11%	52.72%	46.13%	35.12%	33.11%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying note to required supplementary information - OPEBs.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEBS)

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Actuarial Methods and Assumptions Used

The information presented in the required supplementary postemployment benefits other than pension benefits (OPEBs) schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	January 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Amortization period	30 years
Asset valuation method	n/a - the plan is unfunded
Actuarial assumptions:	
Interest rate	3.77%
Inflation rate	2.75%
Mortality	<u>Police</u> : RP-2014 Mortality Table with 50% Blue Collar Adjustment and rates set forward for 5 years for disabled lives <u>Non-Uniformed</u> : RP-2014 Mortality Table
Annual trend rates for OPEB costs	<u>Medical/Rx</u> : 6.50% for 2024, decreasing .25% to ultimate trend of 5.00% in 2032 <u>Dental</u> : 3.0% <u>Vision</u> : 3.0%

Changes in Assumptions:

On January 1, 2020, the interest rate was reduced from 3.25% to 3.0% and the inflation rate was reduced from 3.0% to 2.75%.

For the December 31, 2022 measurement date, the discount rate was changed from 3.00% to 4.05%. The healthcare cost trend rates have been updated. The initial trend has been updated to 6.75% from 6.00%.

For the December 31, 2023 measurement date, the discount rate was changed from 4.05% to 3.77%.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.



SUPPLEMENTARY INFORMATION



MAJOR GOVERNMENTAL FUNDS

GENERAL FUND: The General Fund accounts for all transactions of the Municipality which are not properly accounted for in other funds. The General Fund is used to account for the ordinary operations of the Municipality which are financed from taxes and other general revenues.

CAPITAL RESERVE FUND: The Capital Reserve Fund accounts for financial resources and expenditures related to the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - RECREATION DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues:

Program fees	\$ 781,027
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Expenditures:

Program:

Program costs	194,330
Salaries and benefits	848,971
Contractual/maintenance	29,642
Supplies	18,986
Capital expenses	18,227

Total program	1,110,156
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Administration:

General expenses	22,542
Utilities	7,630
Insurance	-

Total administration	30,172
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Total expenditures	1,140,328
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Excess (Deficiency) of Revenues Over Expenditures	\$ (359,301)
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

CAPITAL RESERVE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Original and Final	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ -	\$ 203,674	\$ 203,674
Interest and rent	2,034	11,502	9,468
Miscellaneous	-	129,308	129,308
Total revenues	2,034	344,484	342,450
Expenditures:			
Capital outlay	9,702,985	9,218,335	484,650
Total expenditures	9,702,985	9,218,335	484,650
Excess (Deficiency) of Revenues Over Expenditures	(9,700,951)	(8,873,851)	827,100
Other Financing Sources (Uses):			
Transfers in	6,850,967	7,076,526	225,559
Transfers out	-	-	-
Total other financing sources (uses)	6,850,967	7,076,526	225,559
Net Change in Fund Balance	(2,849,984)	(1,797,325)	1,052,659
Fund Balance:			
Beginning of year	2,628,903	2,628,903	-
End of year	\$ (221,081)	\$ 831,578	\$ 1,052,659



OTHER GOVERNMENTAL FUNDS

STATE HIGHWAY AID FUND: The State Highway Aid Fund is a special revenue fund that accounts for monies received that are legally restricted for specific purposes, such as salt purchases and street lighting.

VOLUNTEER FIRE DEPARTMENT FUND: The Volunteer Fire Department Fund, a special revenue fund, accounts for financial resources and expenditures related to the construction of a new building for the Bethel Park Volunteer Fire Company, and for the operations of the Bethel Park Volunteer Fire Company. A portion of the real estate tax millage is dedicated to this fund each year.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	Special Revenue State Highway Aid	Special Revenue Volunteer Fire Department	Total Other Governmental Funds
Assets			
Cash and cash equivalents	\$ 64,824	\$ 1,015,414	\$ 1,080,238
Receivables:			
Taxes	-	14,617	14,617
Other funds	-	-	-
Prepaid expenditures	-	51,693	51,693
Total Assets	\$ 64,824	\$ 1,081,724	\$ 1,146,548
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ -	\$ 35,930	\$ 35,930
Due to other funds	368	92,272	92,640
Unearned revenue	-	-	-
Total Liabilities	368	128,202	128,570
Deferred Inflows of Resources:			
Unavailable revenue	-	14,617	14,617
Fund Balance:			
Nonspendable - prepaid expenditures	-	51,693	51,693
Restricted for liquid fuels program	64,456	-	64,456
Restricted for volunteer fire department operations	-	887,212	887,212
Total Fund Balance	64,456	938,905	1,003,361
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 64,824	\$ 1,081,724	\$ 1,146,548

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue State Highway Aid	Special Revenue Volunteer Fire Department	Total Other Governmental Funds
Revenues:			
Real estate taxes	\$ -	\$ 853,615	\$ 853,615
Intergovernmental	955,644	-	955,644
Interest and rent	43,097	34,329	77,426
Miscellaneous	-	7,530	7,530
Total revenues	<u>998,741</u>	<u>895,474</u>	<u>1,894,215</u>
Expenditures:			
Public Safety	-	342,413	342,413
Debt service	-	507,888	507,888
Total expenditures	<u>-</u>	<u>850,301</u>	<u>850,301</u>
Excess (Deficiency) of Revenues Over Expenditures	998,741	45,173	1,043,914
Other Financing Sources (Uses):			
Transfers out	<u>(988,801)</u>	-	<u>(988,801)</u>
Net Change in Fund Balance	9,940	45,173	55,113
Fund Balance:			
Beginning of year	<u>54,516</u>	<u>893,732</u>	<u>948,248</u>
End of year	<u>\$ 64,456</u>	<u>\$ 938,905</u>	<u>\$ 1,003,361</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL STATE HIGHWAY AID FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Original and Final	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 936,669	\$ 955,644	\$ 18,975
Interest and rent	13,500	43,097	29,597
Miscellaneous	-	-	-
Total revenues	950,169	998,741	48,572
Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	950,169	998,741	48,572
Other Financing Sources (Uses):			
Transfers out	(950,169)	(988,801)	(38,632)
Net Change in Fund Balance	-	9,940	9,940
Fund Balance:			
Beginning of year	54,516	54,516	-
End of year	\$ 54,516	\$ 64,456	\$ 9,940

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL VOLUNTEER FIRE DEPARTMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Original and Final	Actual	Variance with Final Budget
Revenues:			
Real estate taxes	\$ 864,463	\$ 853,615	\$ (10,848)
Miscellaneous	-	7,530	7,530
Interest and rent	3,000	34,329	31,329
Total revenues	867,463	895,474	28,011
Expenditures:			
Public safety	190,951	342,413	(151,462)
Debt service	507,939	507,888	51
Total expenditures	698,890	850,301	(151,411)
Excess (Deficiency) of Revenues Over Expenditures	168,573	45,173	(123,400)
Net Change in Fund Balance	168,573	45,173	(123,400)
Fund Balance:			
Beginning of year	893,732	893,732	-
End of year	\$ 1,062,305	\$ 938,905	\$ (123,400)

Note: The Municipality's adopted budget for the Volunteer Fire Department Fund includes only those expenditures related to the operation of the Bethel Park Volunteer Fire Company, and for the required debt service expenditures related to the General Obligation Bonds.



MAJOR ENTERPRISE FUND

SEWER SYSTEM FUND: The Sewer System Fund accounts for the operations of the Municipality's public sewer system.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING SCHEDULE OF NET POSITION PROPRIETARY FUND

DECEMBER 31, 2023

	Municipality Sewer Fund	Municipal Authority	Combining Entries	Totals
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,234,690	\$ 153,591	\$ -	\$ 2,388,281
Investments	5,237,671	-	-	5,237,671
Investments - restricted per indenture of trust	-	22,307,242	-	22,307,242
Receivables (net, where applicable, of allowance for uncollectibles):				
Sewer charges	2,598,709	-	-	2,598,709
Lease rental	-	63,379,645	(63,379,645)	-
Other	224,943	-	-	224,943
Prepaid expenses	22,210	-	-	22,210
Total current assets	10,318,223	85,840,478	(63,379,645)	32,779,056
Capital assets (net of accumulated depreciation)	-	-	44,634,004	44,634,004
Net pension asset	393,526	-	-	393,526
Total Assets	10,711,749	85,840,478	(18,745,641)	77,806,586
Deferred Outflows of Resources				
Deferred outflows of resources for pension	272,066	-	-	272,066
Liabilities				
Current liabilities:				
Accounts payable	1,014,453	104,256	-	1,118,709
Accrued liabilities	17,386	-	-	17,386
Due to other governmental units	283,475	-	-	283,475
Due to other funds	363,840	-	-	363,840
Accrued interest payable	-	538,186	-	538,186
Bonds payable due within one year	-	1,795,000	-	1,795,000
Total current liabilities	1,679,154	2,437,442	-	4,116,596
Non-current liabilities:				
Bonds payable, net	-	61,046,999	-	61,046,999
Compensated absences	81,907	-	-	81,907
Total non-current liabilities	81,907	61,046,999	-	61,128,906
Total Liabilities	1,761,061	63,484,441	-	65,245,502
Deferred Inflows of Resources				
Deferred inflows of resources for pension	304,162	-	-	304,162
Net Position				
Net investment in capital assets	-	-	3,994,991	3,994,991
Restricted for construction	-	22,202,446	(22,202,446)	-
Restricted for pension	393,526	-	-	393,526
Unrestricted	8,525,066	153,591	(538,186)	8,140,471
Total Net Position	\$ 8,918,592	\$ 22,356,037	\$ (18,745,641)	\$ 12,528,988

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Municipality Sewer Fund	Municipal Authority	Combining Entries	Totals
Operating Revenues:				
Charges for services	\$ 9,992,090	\$ -	\$ -	\$ 9,992,090
Intergovernmental	-	1,514,053	(1,514,053)	-
Licenses and permits	27,290	-	-	27,290
Total operating revenues	10,019,380	1,514,053	(1,514,053)	10,019,380
Operating Expenses:				
Administration	108,185	367,124	-	475,309
Operations	5,449,748	-	-	5,449,748
Maintenance	1,781,116	-	-	1,781,116
Depreciation	-	-	952,303	952,303
Intergovernmental	3,790,923	-	(3,790,923)	-
Total operating expenses	11,129,972	367,124	(2,838,620)	8,658,476
Operating Income (Loss)	(1,110,592)	1,146,929	1,324,567	1,360,904
Non-Operating Revenues (Expenses):				
Intergovernmental transfer	(480,437)	381,859	(381,859)	(480,437)
Investment income (loss)	175,769	1,111,429	-	1,287,198
Interest expense	-	(1,517,679)	-	(1,517,679)
Capital outlay	-	(2,182,264)	2,182,264	-
Total non-operating revenues (expenses)	(304,668)	(2,206,655)	1,800,405	(710,918)
Change in Net Position	(1,415,260)	(1,059,726)	3,124,972	649,986
Net Position:				
Beginning of year	10,333,852	23,415,763	(21,870,613)	11,879,002
End of year	\$ 8,918,592	\$ 22,356,037	\$ (18,745,641)	\$ 12,528,988



FIDUCIARY FUNDS

NON-UNIFORMED EMPLOYEES PENSION FUND: The Non-Uniformed Employees Pension Fund was established to account for assets held in a trustee capacity for the Municipality's pension plan for eligible general employees.

POLICE PENSION FUND: The Police Pension Fund was established to account for assets held in a trustee capacity for the Municipality's pension plan for eligible police officers.

CUSTODIAL FUND: The Custodial Fund is used to hold assets held by the Municipality in an agent capacity on behalf of other entities operating in the Municipality.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

DECEMBER 31, 2023

Assets	Non-Uniformed Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Cash and cash equivalents	\$ 471,773	\$ 998,890	\$ 1,470,663
Receivables:			
Accrued interest receivable	17,770	29,273	47,043
Total receivables	17,770	29,273	47,043
Investments:			
U.S. Government Agencies	562,266	935,846	1,498,112
Mutual funds - fixed income	5,612,388	8,586,905	14,199,293
Mutual funds - equity	1,464,851	1,767,872	3,232,723
Mutual funds - balanced	141,535	116,680	258,215
Exchange traded funds - equity	777,413	2,032,503	2,809,916
Corporate debt	333,383	570,178	903,561
Equities	12,962,874	21,553,832	34,516,706
Total investments	21,854,710	35,563,816	57,418,526
Total Assets	22,344,253	36,591,979	58,936,232
Liabilities			
Benefits payable	-	-	-
Refund of member contributions payable	-	-	-
Total Liabilities	-	-	-
Net Position Restricted for Pension Benefits	\$ 22,344,253	\$ 36,591,979	\$ 58,936,232

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Non-Uniformed Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Additions:			
Contributions:			
Commonwealth	\$ -	\$ 805,458	\$ 805,458
Municipality	695,531	373,715	1,069,246
Employee	176,314	374,048	550,362
Total contributions	<u>871,845</u>	<u>1,553,221</u>	<u>2,425,066</u>
Investment income:			
Net appreciation in fair value of investments	3,228,075	5,437,370	8,665,445
Interest and dividends	305,395	503,031	808,426
Total investment income	<u>3,533,470</u>	<u>5,940,401</u>	<u>9,473,871</u>
Less investment expense	<u>(97,754)</u>	<u>(154,377)</u>	<u>(252,131)</u>
Net investment income	<u>3,435,716</u>	<u>5,786,024</u>	<u>9,221,740</u>
Miscellaneous	<u>2,771</u>	<u>4,628</u>	<u>7,399</u>
Total additions	<u>4,310,332</u>	<u>7,343,873</u>	<u>11,654,205</u>
Deductions:			
Benefits	1,013,725	3,256,171	4,269,896
Refund of member contributions	33,159	109,273	142,432
Administrative expense	6,000	17,510	23,510
Total deductions	<u>1,052,884</u>	<u>3,382,954</u>	<u>4,435,838</u>
Change in Net Position	<u>3,257,448</u>	<u>3,960,919</u>	<u>7,218,367</u>
Net Position:			
Beginning of year	<u>19,086,805</u>	<u>32,631,060</u>	<u>51,717,865</u>
End of year	<u>\$ 22,344,253</u>	<u>\$ 36,591,979</u>	<u>\$ 58,936,232</u>



STATISTICAL SECTION

STATISTICAL SECTION

This part of the Municipality of Bethel Park's (Municipality) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Municipality's overall financial health.

FINANCIAL TRENDS **106-110**

These schedules contain trend information to help the reader understand how the Municipality's financial performance and well-being have changed over time.

REVENUE CAPACITY **111-118**

These schedules contain information to help the reader assess the factors affecting the Municipality's ability to generate its property and earned income taxes.

DEBT CAPACITY **119-121**

These schedules present information to help the reader assess the affordability of the Municipality's current levels of outstanding debt and the Municipality's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION **122-123**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Municipality's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION **124-126**

These schedules contain information about the Municipality's operations and resources to help the reader understand how the Municipality's financial information relates to the services the Municipality provides and the activities it performs.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
NET POSITION BY COMPONENT
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (2)</u>
Governmental activities:										
Net investment in capital assets	\$ 18,816,719	\$ 14,287,181	\$ 14,295,091	\$ 14,462,992	\$ 14,326,781	\$ 13,877,943	\$ 13,793,612	\$ 14,875,580	\$ 14,119,506	\$ 13,899,420
Restricted	1,869,894	958,608	6,274,427	1,172,319	775,290	598,457	773,055	612,232	564,751	143,861
Unrestricted	4,984,816	5,787,060	1,051,966	3,115,162	2,602,908	1,553,735	4,381,324	4,514,051	3,647,654	3,073,644
<i>Total governmental activities net position</i>	<u>\$ 25,671,429</u>	<u>\$ 21,032,849</u>	<u>\$ 21,621,484</u>	<u>\$ 18,750,473</u>	<u>\$ 17,704,979</u>	<u>\$ 16,030,135</u>	<u>\$ 18,947,991</u>	<u>\$ 20,001,863</u>	<u>\$ 18,331,911</u>	<u>\$ 17,116,925</u>
Business-type activities:										
Net investment in capital assets	\$ 3,994,991	\$ (4,668,037)	\$ 2,767,965	\$ 2,689,785	\$ 6,347,023	\$ 5,309,308	\$ 4,181,972	\$ 2,543,375	\$ 2,543,218	\$ 3,742,506
Restricted	393,526	-	1,057,612	170,081	-	-	-	-	-	-
Unrestricted	8,140,471	16,547,039	8,655,769	8,735,802	8,042,186	8,295,207	6,812,721	5,777,918	4,074,943	2,771,973
<i>Total business-type activities net position</i>	<u>\$ 12,528,988</u>	<u>\$ 11,879,002</u>	<u>\$ 12,481,346</u>	<u>\$ 11,595,668</u>	<u>\$ 14,389,209</u>	<u>\$ 13,604,515</u>	<u>\$ 10,994,693</u>	<u>\$ 8,321,293</u>	<u>\$ 6,618,161</u>	<u>\$ 6,514,479</u>
Primary government:										
Net investment in capital assets	\$ 22,811,710	\$ 9,619,144	\$ 17,063,056	\$ 17,152,777	\$ 20,673,804	\$ 19,187,251	\$ 17,975,584	\$ 17,418,955	\$ 16,662,724	\$ 17,641,926
Restricted	2,263,420	958,608	7,332,039	1,342,400	775,290	598,457	773,055	612,232	564,751	143,861
Unrestricted	13,125,287	22,334,099	9,707,735	11,850,964	10,645,094	9,848,942	11,194,045	10,291,969	7,722,597	5,845,617
<i>Total primary government net position</i>	<u>\$ 38,200,417</u>	<u>\$ 32,911,851</u>	<u>\$ 34,102,830</u>	<u>\$ 30,346,141</u>	<u>\$ 32,094,188</u>	<u>\$ 29,634,650</u>	<u>\$ 29,942,684</u>	<u>\$ 28,323,156</u>	<u>\$ 24,950,072</u>	<u>\$ 23,631,404</u>

(1) A restatement in 2018 was made to record the total Other Post Employment Benefits (OPEB) liability. The restatement resulted in a decrease to the governmental net position of \$425,270 and had no effect on the business-type net position.

(2) A restatement in 2014 was made to record the net pension liability and related components. The restatement resulted in a decrease to the governmental net position of \$4,975,509 and a decrease to the business-type net position of \$605,276.

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 CHANGES IN NET POSITION
 LAST TEN YEARS
 ACCRUAL BASIS OF ACCOUNTING

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 300	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ 16,650	\$ 23,350	\$ 22,792	\$ 14,147
Public safety	613,809	411,987	435,708	431,554	549,709	530,783	600,987	429,585	375,966	330,285
Public works	203,142	480,093	441,532	351,536	350,372	202,283	427,568	717,788	634,672	466,923
Culture and recreation	888,348	717,001	712,307	341,545	823,597	751,006	701,170	707,286	691,929	627,447
Conservation and development	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,144,505	1,018,424	969,752	1,016,876	1,792,865	1,638,364	1,559,317	1,479,293	1,337,636	1,486,583
Capital grants and contributions	201,781	7,151	1,982	295,350	24,992	740,489	258,588	730,817	54,864	492,974
Total Governmental Activities Program Revenues	<u>3,051,885</u>	<u>2,634,656</u>	<u>2,561,431</u>	<u>2,436,861</u>	<u>3,541,535</u>	<u>3,862,925</u>	<u>3,564,280</u>	<u>4,088,119</u>	<u>3,117,859</u>	<u>3,418,359</u>
Business-Type Activities:										
Charges for services - sewer services	10,019,380	10,604,715	10,475,297	10,255,051	10,094,461	10,246,766	10,439,806	10,314,066	9,187,995	8,946,605
Operating grants and contributions - sewer services	-	31,178	17,958	-	-	-	50	-	-	-
Capital grants and contributions - sewer services	-	-	-	117,601	56,679	49,429	997	-	277	86
Total Business-type Activities Program Revenues	<u>10,019,380</u>	<u>10,635,893</u>	<u>10,493,255</u>	<u>10,372,652</u>	<u>10,151,140</u>	<u>10,296,195</u>	<u>10,440,853</u>	<u>10,314,066</u>	<u>9,188,272</u>	<u>8,946,691</u>
Total Primary Government Program Revenues	<u>\$ 13,071,265</u>	<u>\$ 13,270,549</u>	<u>\$ 13,054,686</u>	<u>\$ 12,809,513</u>	<u>\$ 13,692,675</u>	<u>\$ 14,159,120</u>	<u>\$ 14,005,133</u>	<u>\$ 14,402,185</u>	<u>\$ 12,306,131</u>	<u>\$ 12,365,050</u>
Expenses:										
Governmental Activities:										
General government	\$ 5,274,069	\$ 4,634,932	\$ 3,660,639	\$ 3,862,951	\$ 3,422,888	\$ 4,231,120	\$ 3,545,933	\$ 2,247,392	\$ 2,497,242	\$ 2,747,093
Public safety	9,574,099	9,173,975	7,227,860	8,467,509	9,547,173	9,552,231	9,297,521	8,367,907	8,542,147	8,121,090
Public works	7,811,015	9,360,878	7,901,530	8,212,688	7,082,162	8,542,538	7,534,704	7,015,165	6,456,964	7,741,073
Culture and recreation	1,919,019	2,660,757	3,043,083	2,197,645	2,238,029	3,224,641	2,009,597	2,250,979	1,691,236	1,788,040
Conservation and development	772,919	362,243	168,944	190,153	147,182	131,495	132,539	117,869	221,721	178,454
Interest on long-term debt	671,232	631,829	639,381	643,139	687,257	681,571	1,002,414	770,176	678,253	323,553
Total Governmental Activities Expenses	<u>26,022,353</u>	<u>26,824,614</u>	<u>22,641,437</u>	<u>23,574,085</u>	<u>23,124,691</u>	<u>26,363,596</u>	<u>23,522,708</u>	<u>20,769,488</u>	<u>20,087,563</u>	<u>20,899,303</u>
Business-Type Activities:										
Sewer services	10,176,155	9,983,898	9,850,803	12,944,823	9,544,333	7,781,664	8,089,527	8,580,920	9,274,093	11,598,092
Total Business-Type Activities Expenses	<u>10,176,155</u>	<u>9,983,898</u>	<u>9,850,803</u>	<u>12,944,823</u>	<u>9,544,333</u>	<u>7,781,664</u>	<u>8,089,527</u>	<u>8,580,920</u>	<u>9,274,093</u>	<u>11,598,092</u>
Total Primary Government Expenses	<u>\$ 36,198,508</u>	<u>\$ 36,808,512</u>	<u>\$ 32,492,240</u>	<u>\$ 36,518,908</u>	<u>\$ 32,669,024</u>	<u>\$ 34,145,260</u>	<u>\$ 31,612,235</u>	<u>\$ 29,350,408</u>	<u>\$ 29,361,656</u>	<u>\$ 32,497,395</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (22,970,468)	\$ (24,189,958)	\$ (20,080,006)	\$ (21,137,224)	\$ (19,583,156)	\$ (22,500,671)	\$ (19,958,428)	\$ (16,681,369)	\$ (16,969,704)	\$ (17,480,944)
Business-Type Activities	(156,775)	651,995	642,452	(2,572,171)	606,807	2,514,531	2,351,326	1,733,146	(85,821)	(2,651,401)
Total Primary Government Net (Expense)/Revenue	<u>\$ (23,127,243)</u>	<u>\$ (23,537,963)</u>	<u>\$ (19,437,554)</u>	<u>\$ (23,709,395)</u>	<u>\$ (18,976,349)</u>	<u>\$ (19,986,140)</u>	<u>\$ (17,607,102)</u>	<u>\$ (14,948,223)</u>	<u>\$ (17,055,525)</u>	<u>\$ (20,132,345)</u>

(Continued)

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 CHANGES IN NET POSITION
 LAST TEN YEARS
 ACCRUAL BASIS OF ACCOUNTING

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 7,318,355	\$ 7,352,076	\$ 7,276,631	\$ 6,937,754	\$ 6,922,642	\$ 6,264,914	\$ 6,109,540	\$ 5,931,507	\$ 5,530,903	\$ 5,462,811
Earned income taxes	10,954,678	10,776,238	10,048,901	9,632,127	9,479,467	9,001,586	8,872,836	8,592,482	8,854,334	7,414,508
Other taxes	2,554,267	2,263,438	2,747,991	2,575,018	2,215,005	1,840,272	2,148,450	1,858,004	1,714,005	1,510,306
Grants, subsidies, and contributions	5,060,258	1,836,179	2,085,971	1,839,742	1,018,567	967,072	927,496	918,327	952,078	704,048
Investment earnings	432,383	151,584	16,382	109,159	224,616	188,435	207,236	92,793	165,583	141,331
Franchise fees	719,434	751,989	850,411	793,067	798,871	808,521	838,939	830,773	808,283	779,851
Miscellaneous income	89,236	207,702	234,092	295,851	598,832	512,015	225,329	127,435	159,504	457,908
Transfers	480,437	262,117	(309,362)	-	-	-	-	-	-	-
Total Governmental Activities General Revenues	<u>27,609,048</u>	<u>23,601,323</u>	<u>22,951,017</u>	<u>22,182,718</u>	<u>21,258,000</u>	<u>19,582,815</u>	<u>19,329,826</u>	<u>18,351,321</u>	<u>18,184,690</u>	<u>16,470,763</u>
Business-Type Activities:										
Sewer services	1,287,198	(992,222)	(66,136)	(221,370)	177,887	95,291	322,074	(30,014)	189,503	7,502
Transfers	(480,437)	(262,117)	309,362	-	-	-	-	-	-	-
Total Business-Type Activities General Revenues	<u>806,761</u>	<u>(1,254,339)</u>	<u>243,226</u>	<u>(221,370)</u>	<u>177,887</u>	<u>95,291</u>	<u>322,074</u>	<u>(30,014)</u>	<u>189,503</u>	<u>7,502</u>
Total Primary Government General Revenues	<u>\$ 28,415,809</u>	<u>\$ 22,346,984</u>	<u>\$ 23,194,243</u>	<u>\$ 21,961,348</u>	<u>\$ 21,435,887</u>	<u>\$ 19,678,106</u>	<u>\$ 19,651,900</u>	<u>\$ 18,321,307</u>	<u>\$ 18,374,193</u>	<u>\$ 16,478,265</u>
Change in Net Position:										
Governmental Activities	\$ 4,638,580	\$ (588,635)	\$ 2,871,011	\$ 1,045,494	\$ 1,674,844	\$ (2,917,856)	\$ (628,602)	\$ 1,669,952	\$ 1,214,986	\$ (1,010,181)
Business-Type Activities	649,986	(602,344)	885,678	(2,793,541)	784,694	2,609,822	2,673,400	1,703,132	103,682	(2,643,899)
Total Primary Government Change in Net Position	<u>\$ 5,288,566</u>	<u>\$ (1,190,979)</u>	<u>\$ 3,756,689</u>	<u>\$ (1,748,047)</u>	<u>\$ 2,459,538</u>	<u>\$ (308,034)</u>	<u>\$ 2,044,798</u>	<u>\$ 3,373,084</u>	<u>\$ 1,318,668</u>	<u>\$ (3,654,080)</u>

(Concluded)

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:										
Nonspendable	\$ 198,049	\$ 292,513	\$ 140,955	\$ 128,836	\$ 127,477	\$ 29,659	\$ 267,590	\$ 187,732	\$ 171,322	\$ 52,067
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	174,812	160,679	72,170	30,102	51,680	48,540	30,102	40,981	40,981	40,981
Unassigned	5,285,371	6,359,361	9,197,546	9,152,087	8,198,109	7,918,751	9,019,883	9,143,027	8,670,674	8,087,057
<i>Total General Fund</i>	<u>5,658,232</u>	<u>6,812,553</u>	<u>9,410,671</u>	<u>9,311,025</u>	<u>8,377,266</u>	<u>7,996,950</u>	<u>9,317,575</u>	<u>9,371,740</u>	<u>8,882,977</u>	<u>8,180,105</u>
All Other Governmental Funds:										
Nonspendable	143,422	32,201	8,191	32,038	35,490	47,588	76,050	56,459	44,579	-
Restricted	951,668	958,608	787,558	775,464	775,290	775,372	2,205,749	8,521,360	11,617,801	7,705,833
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	739,849	2,628,903	625,297	973,682	2,362,265	798,078	1,483,687	1,636,213	1,124,956	860,321
Unassigned	-	-	-	-	-	-	-	(153)	(354)	-
<i>Total all other governmental funds</i>	<u>1,834,939</u>	<u>3,619,712</u>	<u>1,421,046</u>	<u>1,781,184</u>	<u>3,173,045</u>	<u>1,621,038</u>	<u>3,765,486</u>	<u>10,213,879</u>	<u>12,786,982</u>	<u>8,566,154</u>
<i>Total governmental funds</i>	<u>\$ 7,493,171</u>	<u>\$ 10,432,265</u>	<u>\$ 10,831,717</u>	<u>\$ 11,092,209</u>	<u>\$ 11,550,311</u>	<u>\$ 9,617,988</u>	<u>\$ 13,083,061</u>	<u>\$ 19,585,619</u>	<u>\$ 21,669,959</u>	<u>\$ 16,746,259</u>

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Real estate taxes	\$ 7,150,731	\$ 7,170,704	\$ 7,370,782	\$ 6,802,737	\$ 6,972,203	\$ 6,264,472	\$ 6,059,746	\$ 5,961,578	\$ 5,495,141	\$ 5,462,811
Earned income taxes	10,954,678	10,776,238	10,048,901	9,632,127	9,479,467	9,001,586	8,872,836	8,592,482	8,854,334	8,609,544
Other taxes	2,554,267	2,263,438	2,747,991	2,575,018	2,215,005	1,840,272	2,148,450	1,858,004	1,714,005	1,510,306
Licenses and permits	911,535	1,212,398	1,275,684	1,137,024	1,126,594	1,175,962	1,363,235	1,516,525	1,390,524	1,192,564
Fines and forfeits	125,115	81,634	100,028	76,538	109,938	90,774	104,236	90,654	92,599	90,827
Intergovernmental	6,294,197	2,792,411	2,754,984	3,152,657	2,837,009	3,346,150	2,729,321	3,126,712	2,341,882	2,675,517
Charges for services	1,106,735	944,007	953,421	597,771	1,175,087	1,108,049	1,103,606	927,664	876,716	784,890
Interest and rent	540,790	260,291	116,272	218,076	333,320	298,540	344,803	236,636	296,652	263,437
Miscellaneous	374,138	291,370	547,898	292,575	600,433	315,183	376,599	285,799	314,934	599,262
<i>Total revenues</i>	<u>30,012,186</u>	<u>25,792,491</u>	<u>25,915,961</u>	<u>24,484,523</u>	<u>24,849,056</u>	<u>23,440,988</u>	<u>23,102,832</u>	<u>22,596,054</u>	<u>21,376,787</u>	<u>21,189,158</u>
Expenditures:										
Current:										
General government	4,070,635	3,323,857	3,146,044	2,928,618	2,471,176	2,662,458	2,579,717	2,293,238	2,253,875	2,289,968
Public safety	9,644,985	9,132,278	9,111,319	8,981,296	8,640,579	8,272,640	8,283,879	7,558,397	7,540,346	7,169,495
Public works	6,156,645	7,700,746	5,637,036	5,245,907	5,136,318	6,037,377	5,013,630	4,895,642	5,270,304	5,115,946
Culture and recreation	2,143,437	2,021,376	1,828,678	1,651,263	1,896,315	1,815,533	1,798,838	1,732,748	1,682,498	1,606,336
Conservation and development	145,542	110,921	153,308	169,896	131,779	120,012	122,903	108,720	100,553	160,251
Insurance	685,326	556,552	-	-	-	-	-	-	-	-
Capital outlay	9,218,335	3,315,673	4,846,141	5,481,845	3,934,925	6,804,902	10,512,217	6,842,086	7,660,203	3,976,194
Debt service:										
Principal	724,504	651,345	618,471	585,311	671,630	546,674	552,448	481,291	399,715	437,618
Interest	638,248	598,845	616,385	609,552	519,507	646,465	746,697	768,272	496,275	228,699
Bond issuance costs/fiscal agent fees	4,060	3,500	-	-	134,116	-	268,316	-	105,377	-
<i>Total expenditures</i>	<u>33,431,717</u>	<u>27,415,093</u>	<u>25,957,382</u>	<u>25,653,688</u>	<u>23,536,345</u>	<u>26,906,061</u>	<u>29,878,645</u>	<u>24,680,394</u>	<u>25,509,146</u>	<u>20,984,507</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(3,419,531)</u>	<u>(1,622,602)</u>	<u>(41,421)</u>	<u>(1,169,165)</u>	<u>1,312,711</u>	<u>(3,465,073)</u>	<u>(6,775,813)</u>	<u>(2,084,340)</u>	<u>(4,132,359)</u>	<u>204,651</u>
Other Financing Sources (Uses):										
Issuance of general obligation bonds	-	-	-	-	9,175,000	-	8,115,000	-	9,105,000	-
Payment to refunding bond escrow	-	-	-	-	(8,709,476)	-	(7,841,745)	-	-	-
Issuance of note payable	-	961,033	90,291	711,063	154,088	-	-	-	-	-
Bond discount	-	-	-	-	-	-	-	-	(48,941)	-
Transfers in	10,317,738	6,985,247	5,392,402	4,731,963	6,331,370	5,076,814	4,485,349	4,250,367	3,398,324	3,203,901
Transfers out	(9,837,301)	(6,398,248)	(5,701,764)	(4,731,963)	(6,331,370)	(5,076,814)	(4,485,349)	(4,250,367)	(3,398,324)	(3,203,901)
<i>Total other financing sources (uses)</i>	<u>480,437</u>	<u>1,548,032</u>	<u>(219,071)</u>	<u>711,063</u>	<u>619,612</u>	<u>-</u>	<u>273,255</u>	<u>-</u>	<u>9,056,059</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,939,094)</u>	<u>\$ (74,570)</u>	<u>\$ (260,492)</u>	<u>\$ (458,102)</u>	<u>\$ 1,932,323</u>	<u>\$ (3,465,073)</u>	<u>\$ (6,502,558)</u>	<u>\$ (2,084,340)</u>	<u>\$ 4,923,700</u>	<u>\$ 204,651</u>
Debt service as a percentage of non-capital expenditures	5.44%	4.92%	5.27%	5.23%	6.24%	5.04%	5.89%	6.52%	4.81%	3.54%
Debt service as a percentage of total expenditures	4.09%	4.57%	4.76%	4.66%	5.63%	4.43%	5.25%	5.06%	3.93%	3.18%

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

<u>Function/Program:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:										
General government	\$ 41,677	\$ 38,277	\$ 29,481	\$ 33,772	\$ 353,984	\$ 260,165	\$ 234,330	\$ 236,122	\$ 219,140	\$ 198,469
Public safety	613,809	411,987	435,708	431,554	926,649	908,715	1,058,439	1,079,146	707,671	906,986
Public works	1,161,346	1,409,223	1,356,078	1,363,945	1,377,201	1,268,185	1,432,280	1,615,035	1,405,331	1,165,660
Culture and recreation	1,235,053	775,169	740,164	607,590	883,701	1,425,860	839,231	1,157,816	785,717	1,147,244
Conservation and development	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>3,051,885</u>	<u>2,634,656</u>	<u>2,561,431</u>	<u>2,436,861</u>	<u>3,541,535</u>	<u>3,862,925</u>	<u>3,564,280</u>	<u>4,088,119</u>	<u>3,117,859</u>	<u>3,418,359</u>
Business-type activities:										
Sewer services	<u>10,019,380</u>	<u>10,635,893</u>	<u>10,493,255</u>	<u>10,372,652</u>	<u>10,151,140</u>	<u>10,296,195</u>	<u>10,440,853</u>	<u>10,314,066</u>	<u>9,188,272</u>	<u>8,946,691</u>
Total business-type activities	<u>10,019,380</u>	<u>10,635,893</u>	<u>10,493,255</u>	<u>10,372,652</u>	<u>10,151,140</u>	<u>10,296,195</u>	<u>10,440,853</u>	<u>10,314,066</u>	<u>9,188,272</u>	<u>8,946,691</u>
Total primary government	<u>\$ 13,071,265</u>	<u>\$ 13,270,549</u>	<u>\$ 13,054,686</u>	<u>\$ 12,809,513</u>	<u>\$ 13,692,675</u>	<u>\$ 14,159,120</u>	<u>\$ 14,005,133</u>	<u>\$ 14,402,185</u>	<u>\$ 12,306,131</u>	<u>\$ 12,365,050</u>

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN YEARS

MODIFIED ACCRUAL BASIS OF ACCOUNTING

<u>Year</u>	<u>Real Estate</u>	<u>Real Estate Transfer</u>	<u>Earned Income</u>	<u>Amusement</u>	<u>Mechanical Device</u>	<u>Local Services</u>	<u>Parking</u>	<u>Total</u>
2023	\$ 7,150,731	\$ 1,855,529	\$ 10,954,678	\$ 10,651	\$ 10,100	\$ 665,613	\$ 12,374	\$ 20,659,676
2022	7,170,704	1,579,864	10,776,238	7,993	1,200	666,801	7,580	20,210,380
2021	7,370,782	2,120,639	10,048,901	6,923	6,900	608,632	4,897	20,167,674
2020	6,802,737	1,972,580	9,632,127	6,879	9,300	576,764	9,495	19,009,882
2019 ⁽¹⁾	6,972,203	1,541,598	9,479,467	10,178	8,800	617,806	36,623	18,666,675
2018	6,264,472	1,190,495	9,001,586	11,024	11,800	601,160	26,793	17,107,330
2017	6,059,746	1,469,351	8,872,836	12,703	13,800	618,879	33,717	17,081,032
2016 ⁽²⁾	5,961,578	1,190,387	8,592,482	14,138	10,800	611,523	31,156	16,412,064
2015	5,495,141	1,065,266	8,854,334	11,128	12,800	596,271	28,540	16,063,480
2014 ⁽³⁾	5,462,811	863,351	8,609,544	6,751	15,800	595,291	29,113	15,582,661

Change

2013-2022	52.3%	78.0%	32.2%	-94.7%	-93.4%	10.4%	-71.5%	38.9%
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(1) In 2019, the following tax rate was increased: Real Estate Tax (from 2.53 mills to 2.78 mills)

(2) In 2016, the following tax rate was increased: Real Estate Tax (from 2.32 mills to 2.53 mills)

(3) In 2014, the following tax rate was increased: Real Estate Tax (from 1.98 mills to 2.32 mills)

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

<u>Tax Year</u>	<u>Municipality of Bethel Park</u>			<u>Bethel Park School District</u>	<u>Allegheny County</u>	<u>Total</u>
	<u>General Millage</u>	<u>VFD Millage</u>	<u>Total</u>			
2023	2.44	0.34	2.78	24.55	4.73	32.06
2022	2.44	0.34	2.78	21.77	4.73	29.28
2021	2.44	0.34	2.78	22.73	4.73	30.24
2020	2.44	0.34	2.78	21.77	4.73	29.28
2019	2.44	0.34	2.78	21.00	4.73	28.51
2018	2.19	0.34	2.53	22.88	4.73	30.14
2017	2.19	0.34	2.53	22.88	4.73	30.14
2016	2.19	0.34	2.53	22.88	4.73	30.14
2015	1.98	0.34	2.32	22.88	4.73	29.93
2014	1.98	0.34	2.32	22.43	4.73	29.48

Note: A mill is one one-thousandth of a dollar used to calculate a tax levied on real estate.
(One mill= \$.001)

Sources: Municipality of Bethel Park
Bethel Park School District
Allegheny County

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN YEARS

<u>Year</u>	<u>Taxable Property Values</u>	<u>Exempt Property Values</u>	<u>Total Property Values</u>	<u>Estimated Actual Values of Real Property ⁽¹⁾</u>	<u>Ratio of Total Assessed to Estimated Actual Value</u>	<u>Bethel Park Municipality Millage Rate</u>
2023	\$ 2,590,524,350	\$ 319,449,050	\$ 2,909,973,400	\$ 2,909,973,400	100%	2.78
2022	2,583,258,650	319,094,850	2,902,353,500	2,902,353,500	100%	2.78
2021	2,608,687,750	314,673,250	2,923,361,000	2,923,361,000	100%	2.78
2020	2,585,676,248	313,620,150	2,899,296,398	2,899,296,398	100%	2.78
2019	2,508,867,448	299,123,150	2,807,990,598	2,807,990,598	100%	2.78
2018	2,517,936,948	296,796,050	2,814,732,998	2,814,732,998	100%	2.53
2017	2,442,680,158	315,459,050	2,758,139,208	2,758,139,208	100%	2.53
2016	2,416,654,458	307,260,950	2,723,915,408	2,723,915,408	100%	2.53
2015	2,405,756,168	309,100,450	2,714,856,618	2,714,856,618	100%	2.32
2014	2,375,592,133	309,100,450	2,684,692,583	2,684,692,583	100%	2.32

(1) Estimated actual value is computed based on the assessed value and the assessment ratio as determined by the Allegheny County Office of Property Assessments.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

PRINCIPAL REAL ESTATE TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	December 31, 2023			December 31, 2014		
	Estimated Actual Values of Real Property	Rank	Percentage of Total Assessed Valuation	Estimated Actual Values of Real Property	Rank	Percentage of Total Assessed Valuation
South Hills Village Associates	\$ 47,318,400	1	1.83%	\$ 75,701,350	1	3.19%
4000 Oxford Drive Associates	33,410,900	2	1.29%	45,015,200	2	1.89%
Reva Liberty Owners LLC	32,153,900	3	1.24%	18,917,000	8	0.80%
Dawson-Suncap SHV LLC	28,683,300	4	1.11%	11,596,200	4	0.49%
Jefferson Regional Medical	16,724,580	5	0.65%	-		
T Bethel Park Elm PA LLC	16,785,000	6	0.65%	16,270,600		0.68%
L&M Associates	16,129,600	7	0.62%	12,314,000	5	0.52%
35th Strouss Associates	14,311,200	8	0.55%	11,333,800	7	0.48%
University of Pittsburgh Medical Center	13,516,900	9	0.52%	11,400,000	10	0.48%
Clover Communities	12,363,900	10	0.48%	-	9	0.00%
Joseph Horne Co Inc	-		0.00%	23,892,100	3	1.01%
Sagecrest Bethel LLC	-		0.00%	16,129,600	6	0.68%
	\$ 231,397,680		8.94%	\$ 242,569,850		10.22%
Total Taxable Assessed Valuation	\$ 2,590,524,350			\$ 2,375,592,133		

Sources: Allegheny County Office of Property Assessments
Jordan Tax Service

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Adjusted Total Tax Levy	Collected within Fiscal Year of Levy			Total Collections to Date	
		Face Value of Collections	Percent of Adjusted Total Tax Levy	Collections in Subsequent Years	Amount	Percent of Levy
2023	\$ 7,117,322	\$ 6,987,643	98.18%	\$ 115,312	\$ 7,102,955	99.80%
2022	7,201,387	7,069,557	98.17%	103,267	7,172,824	99.60%
2021	7,137,957	6,856,639	96.06%	122,616	6,979,255	97.78%
2020	7,111,738	6,797,295	95.58%	138,331	6,935,626	97.52%
2019	6,986,356	6,847,541	98.01%	19,810	6,867,351	98.30%
2018	6,261,377	6,080,881	97.12%	23,820	6,104,701	97.50%
2017	6,121,517	5,969,618	97.52%	-	5,969,618	97.52%
2016	6,044,056	5,918,844	97.93%	81,393	6,000,237	99.28%
2015	5,515,574	5,402,933	97.96%	88,583	5,491,516	99.56%
2014 ⁽¹⁾	5,511,374	5,405,247	98.07%	84,904	5,490,151	99.61%

(1) Beginning in 2014, the Municipality began levying an additional fire tax. The tax information presented for 2014 and later includes the portion related to the fire tax.

Source: Municipality of Bethel Park Tax Records

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
MUNICIPAL EARNED INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

<u>Fiscal Year</u>	<u>Tax Rate</u>	<u>Total Earned Income Tax Collected</u>	<u>Refunds</u>	<u>Net Earned Income Tax Collected</u>
2023	0.90%	\$ 11,046,651	\$ (199,269)	\$ 10,847,382
2022	0.90%	10,881,067	(125,910)	10,755,157
2021	0.90%	9,854,023	(132,976)	9,721,047
2020	0.90%	9,849,092	(124,685)	9,724,407
2019	0.90%	9,614,889	(135,422)	9,479,467
2018	0.90%	9,117,079	(115,493)	9,001,586
2017	0.90%	8,977,952	(105,116)	8,872,836
2016	0.90%	8,694,365	(101,883)	8,592,482
2015	0.90%	8,970,185	(115,851)	8,854,334
2014	0.90%	8,726,966	(117,422)	8,609,544

Note: Earned income tax rate and collection amounts represent only the municipal share. Bethel Park School District levies a separate earned income tax at a rate of 0.50% for a 2017 combined rate of 1.40%.

Sources: Municipality of Bethel Park Tax Records
Municipality of Bethel Park Annual Financial Reports

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
EARNED INCOME TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

<u>Tax Year</u>	<u>Municipality of Bethel Park</u>	<u>Bethel Park School District</u>	<u>Direct & Overlapping Rate Total</u>
2023	0.90%	0.50%	1.40%
2022	0.90%	0.50%	1.40%
2021	0.90%	0.50%	1.40%
2020	0.90%	0.50%	1.40%
2019	0.90%	0.50%	1.40%
2018	0.90%	0.50%	1.40%
2017	0.90%	0.50%	1.40%
2016	0.90%	0.50%	1.40%
2015	0.90%	0.50%	1.40%
2014	0.90%	0.50%	1.40%

Sources: Municipality of Bethel Park
Bethel Park School District

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

General Bonded Debt									
Year	Governmental Activities General Obligation Bonds	Business-type Activities General Obligation Bonds	Total Primary Government	% of Taxable Assessed Valuation	Debt per Capita ⁽¹⁾	Notes Payable	Total Primary Government Debt	Total % of Personal Income ⁽¹⁾	Total Debt per Capita
2023	\$ 16,160,000	\$ 62,841,999	\$ 79,001,999	3.05%	\$ 2,353	\$ 3,588,365	\$ 82,590,364	4.83%	\$ 2,460
2022	16,630,000	64,717,879	81,347,879	3.15%	2,423	3,842,869	85,190,748	5.40%	2,537
2021	17,080,000	66,533,759	83,613,759	3.21%	2,490	3,083,181	86,696,940	5.84%	2,582
2020	17,520,000	68,299,639	85,819,639	3.32%	2,656	3,181,361	89,001,000	8.12%	2,754
2019	17,955,000	35,025,000	52,980,000	2.11%	1,640	2,620,609	55,600,609	5.07%	1,721
2018	17,715,000	36,335,000	54,050,000	2.15%	1,673	2,612,550	56,662,550	5.17%	1,754
2017	18,120,000	37,610,000	55,730,000	2.28%	1,725	2,754,224	58,484,224	5.33%	1,810
2016	17,320,000	38,855,000	56,175,000	2.32%	1,738	2,891,672	59,066,672	5.39%	1,828
2015	17,680,000	40,055,000	57,735,000	2.40%	1,787	3,012,963	60,747,963	5.54%	1,880
2014	8,850,000	41,220,000	50,070,000	2.11%	1,550	3,129,605	53,199,605	4.85%	1,646

Note: Details regarding the Municipality's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 122 for earned income and population data.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN YEARS

Year	Three year average revenue (borrowing base) ⁽¹⁾	Legal debt limit ⁽²⁾	Debt applicable to limit ⁽³⁾	Legal debt margin	Legal debt margin %
2023	\$ 37,782,461	\$ 94,456,153	\$ 19,748,365	\$ 74,707,788	79.09%
2022	35,545,775	88,864,438	20,472,869	68,391,569	76.96%
2021	36,248,930	90,622,325	20,163,181	70,459,144	77.75%
2020	34,577,004	86,442,510	20,701,361	65,741,149	76.05%
2019	34,205,728	85,514,320	20,575,609	64,938,711	75.94%
2018	33,404,038	83,510,095	20,327,550	63,182,545	75.66%
2017	32,353,616	80,884,040	20,874,224	60,009,816	74.19%
2016	26,854,937	67,137,343	20,211,672	46,925,671	69.90%
2015	24,986,516	62,466,290	20,692,963	41,773,327	66.87%
2014	23,793,047	59,482,618	11,659,605	47,823,013	80.40%

(1) The local Governmental Unit Debt Act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues, and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Economic Development.

(2) 250% of borrowing base

(3) Includes non-electoral debt less self-liquidating debt. All business-type activity debt is excluded because it is all considered lease rental debt, which is not counted against the legal debt limit reported above.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2023

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Municipality of Bethel Park</u>	<u>Amount Applicable to Municipality of Bethel Park</u>
Direct			
Municipality of Bethel Park (1)	\$ 19,748,365	100.00%	\$ 19,748,365
<i>Total Direct Debt</i>	<u>19,748,365</u>		<u>19,748,365</u>
Overlapping			
Bethel Park School District (2)	103,690,253	100.00%	103,690,253
County of Allegheny (3)	<u>1,063,606,904</u>	2.35%	<u>24,994,762</u>
<i>Total Overlapping Debt</i>	<u>1,167,297,157</u>		<u>128,685,015</u>
Total Debt	<u>\$ 1,187,045,522</u>		<u>\$ 148,433,380</u>

(1) The local Governmental Unit Debt Act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues, and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Economic Development. The calculation of direct net outstanding debt excludes \$62,030,000 of debt related to business type activities of the Municipality.

(2) Source: Pennsylvania Department of Education (figures are for the fiscal year ending June 30, 2023)

(3) Proportional share of Allegheny County's existing debt as of December 31, 2023 based on the ratio of the Municipality of Bethel Park's assessed valuation to Allegheny County's 2022 assessed valuation.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Year	Population ⁽¹⁾	Total Personal Income ⁽²⁾	Per Capita Personal Income ⁽³⁾	Median Age ⁽³⁾	Educational Attainment: Bachelor's Degree or Higher ⁽⁴⁾	Unemployment Rate ⁽⁵⁾	Average Sales Price of Residential Property ⁽⁶⁾
2023	33,577 (b)	\$ 1,710,711,594	\$ 52,803 (b)	47.2 (b)	51.0% (b)	2.7%	\$ 274,900
2022	33,577 (b)	1,576,420,816	48,088 (b)	47.6 (b)	49.4% (b)	4.4%	241,000
2021	33,577 (b)	1,484,707,786	44,218 (b)	47.6 (b)	48.1% (b)	4.1%	241,000
2020	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	7.1%	220,000
2019	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	6.0%	161,000
2018	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	4.0%	177,100
2017	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	4.1%	173,000
2016	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	4.7%	184,515
2015	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	4.3%	179,620
2014	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	4.1%	175,478

(1) Source: 2010 U.S. Census (a); 2020 U.S. Census (b)

(2) Source: Computation of per capita personal income multiplied by population

(3) Source: 2010 U.S. Census (a); 2020 U.S. Census (b)

(4) Source: 2010 U.S. Census (a); 2020 U.S. Census (b)

(5) Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics for Allegheny County

(6) Source: RealSTATs, Inc.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Employer:</u>	<u>2023 (1)</u>			<u>2014 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Bethel Park School District	706	1	6.03 %	793	1	6.93 %
Giant Eagle Markets, Inc.	530	2	4.53	640	2	5.59
PNC Bank NA	216	3	1.85	-		-
Macy's Retail Holding, Inc.	192	4	1.64	377	3	3.29
Walmart Associates, Inc.	170	5	1.45	172	7	1.50
Lowe's Homecenters, Inc.	162	6	1.38	150	9	1.31
Eat'N Park Restaurants	161	7	1.38	205	4	1.79
Pittsburgh Regional Transit	147	8	1.26	-		-
Municipality of Bethel Park	140	9	1.20	-		-
Home Depot USA Inc	136	10	1.16	-		-
UPMC	-		-	205	4	1.79
Greater Pittsburgh Assisted Living	-		-	175	6	1.53
Southwest Human Services	-		-	164	8	1.43
Kohl's Department Store	-		-	147	10	1.28
Total	2,560		21.88 %	3,028		26.44 %
Total Employees	11,704			11,448		

(1) Source: Municipality of Bethel Park Local Services Tax records

(2) Source: Jordan Tax Services

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

<u>Function/Program:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General government:										
Administration	9.00	9.00	9.00	4.00	6.00	5.00	5.00	5.00	5.00	5.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public safety:										
Police officers	39.00	38.00	38.00	37.00	38.00	40.00	42.00	36.00	36.00	35.00
Dispatch	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.00	4.50
Other department personnel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public works:										
Administration	13.00	13.00	12.00	11.00	8.50	8.50	8.50	7.50	7.50	7.50
Labor force	22.00	20.00	20.00	20.00	23.00	23.00	22.00	22.00	22.00	22.00
Sewage treatment	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Culture and recreation:										
Administration	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Community Center staff	5.00	3.50	3.50	4.82	4.82	4.82	4.82	4.82	4.82	4.82
Public Access Television	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Conservation and development:										
Administration	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	<u>114.00</u>	<u>109.00</u>	<u>108.00</u>	<u>102.82</u>	<u>106.32</u>	<u>107.32</u>	<u>108.32</u>	<u>101.32</u>	<u>100.57</u>	<u>100.07</u>

Note: Part-time employees' FTE was calculated by dividing each employee's total annual hours by 2,080.

Source: Municipality of Bethel Park finance and personnel records.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

<u>Function/program:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>General Government:</u>										
Dye tests certified	395	474	582	500	613	525	467	478	452	442
<u>Conservation and Development:</u>										
Building permits issued	379	410	450	443	366	395	354	322	301	284
Estimated value of construction	\$45,058,432	\$35,442,195	\$30,240,996	\$16,238,013	\$17,365,510	\$27,593,320	\$52,593,062	\$54,846,125	\$61,738,695	\$24,782,198
<u>Public Works:</u>										
Roads resurfaced/reconstructed (linear feet)	16,668	18,753	24,196	23,503	28,497	36,351	20,567	23,963	20,567	31,599
Snow storm call-outs (1)	10	11	21	19	26	36	24	35	52	52
Salt used (in tons) (1)	2,987	2,041	5,178	7,095	5,457	3,375	3,219	8,025	10,000	13,501
<u>Public Works (Sewer):</u>										
Sanitary sewers rehabilitated (linear feet) (2)	9,271	14,462	15,483	795	225	225	36,351	24,901	53,409	46,092
Average daily sewage treatment (in millions of gallons)	3.7	4.5	4.5	3.8	3.8	3.8	3.8	3.8	3.8	3.8
<u>Culture and Recreation:</u>										
Number of seasonal programs	266	266	97	95	155	177	168	129	140	167
Community Center memberships sold	456	456	305	383	860	865	997	990	1,168	1,111
Hours of broadcasting aired on BPTV	8,875	7,307	7,819	7,644	6,552	5,824	8,760	9,125	5,824	6,552
<u>Public Safety:</u>										
Calls for service	15,743	14,910	13,536	12,880	14,609	14,661	16,951	14,632	14,442	14,359
Total arrests	479	436	363	400	520	600	737	452	533	458
Part I offenses reported (major offenses)	336	268	246	261	380	364	404	402	387	357
Part I offenses cleared	222	178	142	200	206	243	253	254	235	204
Part II offenses reported (other crimes)	514	474	608	513	545	622	748	707	564	575
Part II offenses cleared	285	262	222	239	270	361	399	316	244	241
DUI arrests	96	92	72	70	54	90	90	66	39	35

(1) Figures for snow storm call-outs and salt used are reported on a snow season basis, which overlaps years. The season is typically October through April. The reporting year used above represents the year in which the season began. For example, the figures reported in the 2017 column correspond to the snow season that began in October 2017.

(2) The large figures in 2014-2017 are the result of the Bethel Park Municipal Authority spending down Guaranteed Sewer Revenue Bonds, Series of 2013 proceeds for various improvements to the Municipality's sewer system.

Source: Municipality of Bethel Park records

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN YEARS

<u>Function/program:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>General Government:</u>										
Square footage occupied (1)	14,179	14,179	14,179	14,179	14,179	14,645	16,132	14,645	14,645	14,645
<u>Conservation and Development:</u>										
Square footage occupied (1)	200	200	200	200	200	200	200	200	200	200
<u>Public Works:</u>										
Municipal street (lane miles)	112	112	112	112	112	112	112	112	112	112
Sanitary sewers (miles)	200	200	200	208	208	208	208	208	208	208
Storm sewers (miles)	98	98	98	120	120	120	120	120	120	120
Square footage occupied - Municipal Building (1)	505	505	505	505	505	505	3,312	3,312	3,312	3,312
Square footage occupied - Public Works Complex	43,718	43,718	43,718	43,718	43,718	43,718	30,525	25,625	25,625	25,625
<u>Culture and Recreation:</u>										
Number of parks	13	13	13	14	14	14	14	14	14	14
Acreage of park land and open space	136	136	136	137	137	137	137	137	137	137
Recreation centers	1	1	1	1	1	1	1	1	1	1
Recreation center square footage	40,495	40,495	40,495	40,495	40,495	40,495	40,495	40,495	40,495	40,495
<u>Public Safety:</u>										
Square footage occupied (1)	11,807	11,807	11,807	11,807	11,807	11,807	7,047	7,047	7,047	7,047

(1) The reported square footage occupied is within the Bethel Park Municipal Building. In addition to the functions listed above, the Bethel Park Municipal Building is also partially occupied by the Bethel Park Library (16,931 sq. feet). The total square footage of the Bethel Park Municipal Building is 43,622.

Source: Municipality of Bethel Park