

TOWN OF BETHLEHEM, NEW YORK

SINGLE AUDIT REPORTS

DECEMBER 31, 2010

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**Report On Internal Control Over Financial Reporting And On Compliance
And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

The Members of the Town Board
Town of Bethlehem, New York
Bethlehem, New York

We have audited the statutory financial statements of the Town of Bethlehem, New York (the Town), as of and for the year ended December 31, 2010, which collectively comprise the Town's statutory financial statements and have issued our report thereon dated June 23, 2011. The report on the Town's statutory financial statements was adverse due to the records available not being sufficient to allow verification of the reported balances in the general fixed asset account group. In addition, the Town maintains a general long-term debt account group; however, available records were not sufficient to allow verification of the employer post employment benefits liability. The Town prepares its statutory financial statements using accounting practices prescribed or permitted by the Office of the State Comptroller of the State of New York which practices differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the statutory financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

(1)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's statutory financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Town's statutory financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of statutory financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Town, in a separate letter dated June 23, 2011.

This report is intended solely for the information and use of management, the Town Board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Albany, New York
June 23, 2011

Ted Beecher & Charomonte CPAs P.C.

**Independent Auditors' Report On Compliance With Requirements That Could
Have A Direct and Material Effect On Each Major Program And On
Internal Control Over Compliance In Accordance With OMB Circular A-133**

The Members of the Town Board
Town of Bethlehem, New York
Bethlehem, New York

Compliance

We have audited the Town of Bethlehem, New York's (the Town) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2010. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule Of Expenditures Of Federal Awards

We have audited the statutory financial statements of the Town, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011, which contained an adverse opinion on those statutory financial statements. Our audit was performed for the purpose of forming opinions on the statutory financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the statutory 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 statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory financial statements taken as a whole.

This report is intended solely for the information and use of management, the Town Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Albany, New York
June 23, 2011

Teal Beecher & Charamonte CPAs P.C.

TOWN OF BETHLEHEM, NEW YORK

Notes To Schedule Of Expenditures Of Federal Awards

For The Year Ended December 31, 2010

Note 1: Summary Of Certain Significant Accounting Policies

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the Town of Bethlehem, New York (the Town), using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the statutory financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented.

Matching costs (the Town's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the Town's financial reporting system.

Note 2: Subrecipients

No amounts were provided to subrecipients.

Note 3: Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the Town's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

TOWN OF BETHLEHEM, NEW YORK

Schedule Of Expenditures Of Federal Awards

For The Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	<u>Expenditures</u>
Department of Housing and Urban Development		
Direct Programs:		
Section 8 Housing Choice Vouchers	14.871	\$300,615
Pass-Through State of New York:		
ARRA - Community Development Block Grant	14.255	<u>436,315</u>
Total Department of Housing and Urban Development		<u>736,930</u>
Department of Transportation		
Pass-Through State of New York:		
Safety Incentive Grants for Use of Seatbelts	20.604	8,616
State and Community Highway Safety	20.600	12,419
Occupant Protection	20.602	1,774
Highway Planning and Construction	20.205	<u>125,343</u>
Total Department of Transportation		<u>148,152</u>
Total Federal Assistance		<u>\$885,082</u>

TOWN OF BETHLEHEM, NEW YORK

Schedule Of Findings And Questioned Costs

For The Year Ended December 31, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion(s) issued: Adverse

Internal control over financial reporting:

Material weakness(es) identified? Yes no

Significant deficiencies identified that are not considered to be material weakness(es)? Yes none reported

Noncompliance material to financial statements noted? Yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes no

Significant deficiencies identified that are not considered to be material weakness(es)? Yes none reported

Type of auditors' opinion(s) issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes no

Identification of major programs:

<u>Name of Federal Program</u>	<u>CDFA Number</u>
--------------------------------	--------------------

ARRA - Community Development Block Grant	14.255
Highway Planning and Construction	20.205

Dollar threshold used to distinguish between Type A and Type B Programs \$300,000

Auditee qualified as low risk? yes no

Supplemental Schedule III

TOWN OF BETHLEHEM, NEW YORK

Schedule Of Prior Audit Findings

For The Year Ended December 31, 2010

NONE

TOWN OF BETHLEHEM, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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The Members of the Town Board
Town of Bethlehem, New York

Independent Auditors' Report

We have audited the accompanying statutory financial statements of the Town of Bethlehem, New York (the Town), as of and for the years ended December 31, 2010 and 2009, as presented in the Annual Financial Report Update Document. These statutory financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these statutory financial statements based on our audits.

Except as discussed in the following paragraphs, we conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the statutory financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statutory financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the statutory financial statements, management has not recorded certain general infrastructure assets in the statutory financial statements and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, fund equity, and expenses of the Town. The amount by which this departure would affect the assets, fund equity, and expenses of the Town is not reasonably determinable.

As discussed in Note 1 to the statutory financial statements, management has not recorded the employer post employment benefits other than pension liability in the statutory financial statements and, accordingly, has not recorded the related expense on this liability. Accounting principles generally accepted in the United States of America require that this liability be recorded, which would increase the liabilities, decrease fund equity, and increase the expenses of the Town. The amount by which this departure would affect the liabilities, fund equity, and expenses of the Town is not reasonably determinable.

The statutory financial statements referred to above include only the primary government of the Town, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Town's legal entity. The statutory financial statements do not include financial data for the Town's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Town's primary government. As a result, the primary government statutory financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Town, as of December 31, 2010, and the changes in its financial position, and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the Town of Bethlehem Industrial Development Agency, has issued separate reporting entity financial statements for which we have issued our report dated March 14, 2011.

As described more fully in Note 1, the Town has prepared its statutory financial statements using accounting practices prescribed or permitted by the Office of the State Comptroller of the State of New York, which practices differ from accounting principles generally accepted in the United States of America. The effects on the statutory financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding paragraphs, the statutory financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town as of December 31, 2010 and 2009, or the results of its operations for the years then ended.

Also, except for the effects of the non-current governmental asset group of accounts, and the general long-term debt account group inasmuch as the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on them the statutory financial statements referred to previously present fairly, in all material respects, the assets, liabilities, and fund equity of the Town of Bethlehem, New York's funds as of December 31, 2010 and 2009, and the results of its operations for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the statutory financial statements that collectively comprise the Town's statutory financial statements as a whole. The management's discussion and analysis is presented for purposes of additional analysis and is not a required part of the statutory financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the statutory 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 statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the statutory financial statements as a whole.

Paul Becker & Charamonte CPAs P.C.

Albany, New York
June 23, 2011

**Town of Bethlehem, New York
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

The following discussion and analysis of the Town of Bethlehem's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2010. This document should be read in conjunction with the Town's financial statements.

Financial Highlights

Summarized below are the operating results for the Town of Bethlehem. Operating results surpassed the budget in all funds. While the General Fund had a deficit of approximately \$163,000, it was well below the budgeted shortfall of \$573,600. Anticipating potential weakness in sales tax and mortgage tax, discretionary expenditures were curtailed. By spending less than the amount budgeted, the Town limited the use of its fund balance.

The balances in the Highway, Water, and Sewer Funds were greater than expected. A mild winter and less money spent on snow removal is the primary reason the Highway Fund ended the year with surplus funds. The Sewer and Water Funds' surplus is attributable to an increase in water usage during the summer and fall months as well as deferred purchases of equipment and project delays that were not made as budgeted for in 2010.

Refer to the following chart, which compares the budgeted revenue and expenditures with actual figures for 2010:

	General	Highway	Water	Sewer
Budgeted Revenue	\$17,484,470	\$6,747,503	\$ 9,670,100	\$4,537,680
Budgeted Expenses	18,058,097	7,098,943	10,019,685	4,989,558
Budgeted Shortfall	\$ (573,627)	\$ (351,440)	\$ (349,585)	\$ (451,878)
Actual Revenue	\$16,746,543	\$5,910,180	\$ 8,830,928	\$3,906,223
Operating Expenses	16,909,714	5,171,729	8,220,524	3,793,373
Operating Surplus (Shortfall)	\$ (163,171)	\$ 738,451	\$ 610,404	\$ 112,850
Fund Balance, 12/31/09	3,902,087	1,703,174	2,761,169	2,113,442
Fund Balance, 12/31/10	\$ 3,738,916	\$2,441,625	\$ 3,371,573	\$2,226,292
Suggested Fund Balance (based on 15% budgeted appropriations)	2,708,715	1,064,841	1,502,953	748,434
Fund Balance Over Suggested Fund Balance	\$ 1,030,201	\$1,376,784	\$ 1,868,620	\$1,477,858

General Items of Note for All Funds

Fringe Benefits

The Town employed approximately 252 full time employees and 286 part time employees in 2010. Overall, fringe benefits increased by 2%. Health and Dental contributions are the main cause for the increase in fringe benefits, comprising \$214,910 of the total increase. The following schedule provides comparative detail on aggregated fringe benefit costs:

Fringe Benefits	2010 Actual	2009 Actual
Health and Dental Insurance	\$2,218,079	\$2,003,169
Retirement Systems	1,332,311	1,374,427
FICA/Medicare Taxes	1,155,589	1,142,090
Workers' Compensation Insurance	479,635	571,102
Life and Short-Term Disability Insurance	15,633	15,659
Total	\$5,201,247	\$5,106,447

Post-Retirement Benefits

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees and their spouses. Those benefits are provided through payments to an insurance company. The Town recognizes the cost of providing these benefits, for 97 retirees, by expensing the annual insurance premiums. The post-retirement expense was approximately \$418,000 for 2009, and \$564,000 for 2010 resulting in a 35% increase in the expense.

The current prescribed method for local governments to report these expenditures is on a cash basis, where the cost equals amounts paid to the insurance carrier. However, GASB 45 is applicable to governments who prepare their financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and became effective December 15, 2007. The standard requires the employer to recognize the future value of retiree benefits as a liability in the period in which the benefits are earned, which has the potential to significantly increase the reported obligations for the Town. Because the Town's statutory financial statements are prepared using an Other Comprehensive Basis of Accounting (OCBOA), the Town is not required to comply with the accounting principles generally accepted in the United States of America.

Interest Income

The interest earnings for 2010 were equal to \$50,415 a 50% decrease from the 2009 earnings of \$100,104. The decline in income reflected continued declines in interest rates and investment balances. The average rate earned on investments in 2010 was .33% compared to an average rate of .63% for 2009.

A summary of the budgeted interest income compared to actual for 2010 is presented in the table below (note that the Town only budgets for interest income in the operating funds, and not in the reserve funds):

Fund	Budget	Actual	Positive (Negative) Variance
General	\$ 30,420	\$ 7,373	\$(23,047)
Highway	37,200	9,080	(28,120)
Water	26,100	8,529	(17,571)
Sewer	15,950	10,608	(5,342)
Total	\$109,670	\$35,590	\$(74,080)

Summary of Long-Term Liabilities

The following table presents a comparative overview of long-term obligations, which are reported in the General Long-Term Debt Account Group, and are more fully described within the footnotes to the financial statement.

	2010	2009
Serial Bonds	\$18,745,000	\$19,808,000
Workers' Compensation	1,499,740	1,637,560
Compensated Absences	296,475	204,000
Landfill Closure and Post Closure	100,000	100,000
Judgments and Claims	70,000	60,000
Total Long-Term Debt	\$20,711,215	\$21,809,560

Items of Note for the General Fund

Total revenues increased 6% from \$15,632,890 in 2009 to \$16,496,543 in 2010. Of those revenues, sales tax was up 1.5% from \$9,305,251 in 2009 to \$9,444,723 in 2010, and was \$355,277 less than the \$9,800,000 the Town budgeted. Mortgage tax revenues decreased 14.7%, from \$1,162,611 in 2009 to \$991,195 in 2010. Total operating expenditures increased 3% from \$16,448,888 in 2009 to \$16,909,714 in 2010. In planning its 2010 budget, the Town appropriated \$573,627 of fund balance to use in operations. The Town's use of fund balance amounted to \$163,171 which was approximately \$410,456 less shortfall than budgeted.

Items of Note for the Highway Fund

The Highway Fund is largely funded with property taxes. Given the desire to maintain stability in the tax rates, the Fund is at a greater risk for imbalance due to the trend for operating costs to rise at a faster rate than the tax base. The Fund tries to preserve structural balance by managing the size of the workforce relative to the seasonal operating needs of the department. However, the growth in roads and sidewalks from new development continues to place service and cost pressures on the department. The Town bonded \$780,000 in 2010 for paving projects. The paving expenditures and corresponding liability are accounted for in the Highway Capital Fund.

Items of Note for the Water and Sewer Funds

The Water and Sewer Funds are largely funded with user charges, and are somewhat easier to bring to a self-sustaining financial position, even considering the longer-term and sizeable infrastructure construction and maintenance costs for these funds. Surpluses will be kept in the Funds to the extent they are needed to maintain sufficient cash flow.

The Water Fund's operating revenue increased by \$447,800 or 5% in 2010, primarily due to an increase in water usage from July through September of 2010. Operating expenditures increased \$248,236 or 3%. The Town bonded \$150,000 in 2010 for an equipment acquisition. The expenditures and corresponding liability are accounted for in the Water Capital Fund. Increased revenue from water usage caused the increase to fund balance.

The Sewer Fund's operating revenue remained flat from 2009 to 2010. Operating expenditures decreased 21% primarily because the Town bonded \$395,000 for equipment acquisition. The expenditures and corresponding liability are accounted for in the Sewer Capital Fund.

Analysis of Fund Balances

The following chart summarizes the projected fund balance activity through the end of 2010, along with a calculation showing a fund balance calculated at 15% of the subsequent year's budgeted appropriations, along with a recommended level of fund balance that would be necessary to maintain cash flow:

	General	Highway	Water	Sewer
Fund Balance, 12/31/10	\$ 3,738,916	\$2,441,625	\$3,371,572	\$2,226,292
2011 Use of Fund Balance	(130,196)	(412,910)	(685,429)	(757,816)
Projected Balance, 12/31/11	3,608,720	2,028,715	2,686,143	1,468,476
2011 Budgeted Appropriations	17,801,327	7,516,165	9,499,128	4,906,801
Percent of Appropriations	20.28%	26.99%	28.28%	29.93%
15% of Budget Appropriations	2,708,715	1,127,425	1,424,869	748,434
Current Recommended Floor	\$ 2,708,000	\$1,127,000	\$1,425,000	\$ 748,000

The projected 2011 levels for the operating funds indicate sufficient net assets to fund current budgetary requirements.

Capital Reserves

The following chart lists the activity within the major Capital Reserve Funds:

	General	Highway	Water	Sewer	Recreation
Fund Balance, 12/31/09	\$ 510,185	\$ 485,975	\$1,943,871	\$ 503,971	\$ 973,116
Increases	106,571	2,242	6,383	1,683	1,777
Decreases	(125,039)	(780,000)	(151,971)	(284,180)	(468,258)
Fund Balance, 12/31/2010	\$ 491,717	\$(291,783)	\$1,798,283	\$ 221,474	\$ 506,635

These reserves provide a supplemental funding source for major capital expenditures. The Town is developing a formal capital plan which will identify a timeline for anticipated projects, estimated funding needs, and an indication of the source of the project's funding (reserves, capital leases, grants or bonded indebtedness).

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances for all those having an interest, and should be considered along with the annual audit report, including the related footnotes. Questions concerning any of the information provided in this report may be addressed to Sam Messina, Supervisor, or to Suzanne E. Traylor, CPA, Comptroller, at 445 Delaware Avenue, Delmar, NY 12054.

The Town of Bethlehem Industrial Development Agency is a Component Unit of the Town of Bethlehem. Separately issued audited financial statements for the Town of Bethlehem Industrial Development Agency may be obtained by contacting Suzanne E. Traylor, CPA, Comptroller, at 445 Delaware Avenue, Delmar, NY 12054.

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
TOWN of Bethlehem
County of Albany
For the Fiscal Year Ended 12/31/2010

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***
5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF Bethlehem

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2009 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2010:

- (A) GENERAL
- (CD) SPECIAL GRANT
- (DA) HIGHWAY-TOWN-WIDE
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (SM) MISCELLANEOUS
- (SS) SEWER
- (SW) WATER
- (TA) AGENCY
- (V) DEBT SERVICE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2009 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** ARRA SECTION ***

The American Recovery and Reinvestment Act (ARRA) section of your Annual Financial Report is designed to report revenues and expenditures of federal stimulus money for the current fiscal year ended.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(A) GENERAL

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Cash In Time Deposits	1,156,374	A201	769,260
Petty Cash	1,850	A210	1,850
TOTAL Cash	1,158,224		771,110
Accounts Receivable	267,901	A380	285,628
TOTAL Other Receivables (net)	267,901		285,628
State & Federal, Other	176,038	A410	145,740
TOTAL State And Federal Aid Receivables	176,038		145,740
Due From Other Governments	3,041,882	A440	2,959,366
TOTAL Due From Other Governments	3,041,882		2,959,366
Inventory	46,550	A445	59,959
TOTAL Inventories	46,550		59,959
Prepaid Expenses	923,103	A480	1,355,846
TOTAL Prepaid Expenses	923,103		1,355,846
TOTAL Assets	5,613,698		5,577,649

TOWN OF Bethlehem
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For the Fiscal Year Ending 2010

(A) GENERAL

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Accounts Payable	293,263	A600	362,490
TOTAL Accounts Payable	293,263		362,490
Accrued Liabilities	361,067	A601	421,711
TOTAL Accrued Liabilities	361,067		421,711
Bond Anticipation Notes Payable		A626	
TOTAL Notes Payable	0		0
Due To Other Funds	152,501	A630	144,316
TOTAL Due To Other Funds	152,501		144,316
Due To Other Governments	556,974	A631	659,386
TOTAL Due To Other Governments	556,974		659,386
Deferred Revenues	347,806	A691	250,830
TOTAL Deferred Revenues	347,806		250,830
TOTAL Liabilities	1,711,611		1,838,733
Reserve For Encumbrances	150,498	A821	51,971
TOTAL Reserve For Encumbrances	150,498		51,971
Reserve For Inventory	46,550	A845	59,959
TOTAL Contributed Reserve	46,550		59,959
General Reserve		A870	
TOTAL Special Reserves	0		0
Unreserved Fund Balance Appropriated	573,627	A910	130,196
TOTAL Unreserved Fund Balance - Appropriated	573,627		130,196
Unreserved Fund Balance Unappropriated	3,131,412	A911	3,496,790
TOTAL Unreserved Fund Balance - Unappropriated	3,131,412		3,496,790
TOTAL Fund Equity	3,902,087		3,738,916
TOTAL Liabilities And Fund Equity	5,613,698		5,577,649

TOWN OF Bethlehem
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(A) GENERAL

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Real Property Taxes	1,393,000	A1001	2,056,672
TOTAL Real Property Taxes	1,393,000		2,056,672
Other Payments In Lieu of Taxes	483,468	A1081	684,528
TOTAL Real Property Tax Items	483,468		684,528
Non Prop Tax Dist By County	9,305,251	A1120	9,444,723
Franchises	509,561	A1170	707,304
TOTAL Non Property Tax Items	9,814,812		10,152,027
Tax Collector Fees	114,205	A1232	112,015
Comptroller Fees	8,523	A1240	1,119
Clerk Fees	3,998	A1255	2,123
Police Fees	30,500	A1520	97,479
Safety Inspection Fees	113,551	A1560	177,798
Vital Statistics Fees	11,620	A1603	8,627
Public Works Charges	42,397	A1710	51,300
Charges-Programs For The Aging	52,551	A1972	53,804
Park And Recreational Charges	239,470	A2001	253,308
Recreational Concessions	6,361	A2012	6,160
Special Recreational Facility Charges	383,757	A2025	371,974
Zoning Fees	1,250	A2110	3,475
Planning Board Fees	68,188	A2115	81,352
Refuse & Garbage Charges	354,896	A2130	315,100
TOTAL Departmental Income	1,431,267		1,535,634
Misc Revenue, Other Govts	45,000	A2389	34,500
TOTAL Intergovernmental Charges	45,000		34,500
Interest And Earnings Additional Description Includes add'l int from Selkirk Cogen	20,635	A2401	9,320
Rental of Real Property	62,500	A2410	74,000
TOTAL Use of Money And Property	83,135		83,320
Bingo Licenses	1,036	A2540	346
Dog Licenses	8,373	A2544	6,581
Permits, Other	3,380	A2590	5,784
TOTAL Licenses And Permits	12,789		12,711
Fines And Forfeited Bail	533,559	A2610	500,567
TOTAL Fines And Forfeitures	533,559		500,567
Sales of Scrap & Excess Materials	21,139	A2650	28,838
Sales, Other	2,044	A2655	1,800
Sales of Equipment	13,673	A2665	13,699
Insurance Recoveries	90,288	A2680	74,009
TOTAL Sale of Property And Compensation For Loss	127,144		118,346
Refunds of Prior Year's Expenditures	50,022	A2701	22,271
Gifts And Donations	173,344	A2705	10,942
TOTAL Miscellaneous Local Sources	223,366		33,213
Interfund Revenues	32,834	A2801	33,167
TOTAL Interfund Revenues	32,834		33,167
St Aid, Revenue Sharing	137,536	A3001	129,222

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(A) GENERAL

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
St Aid, Mortgage Tax	1,162,611	A3005	991,195
St Aid, Real Property Tax Administration	692	A3040	
ST. Aid, Records MgmT.	3,897	A3060	4,958
St Aid - Other (specify)		A3089	7,471
St Aid, Youth Programs	14,960	A3820	12,360
St Aid, Planning Studies	25,000	A3902	375
St Aid, Conservation Programs	27,337	A3910	30,271
St Aid Emergency Disaster Assistance	5,438	A3960	7,196
TOTAL State Aid	1,377,471		1,183,048
Fed Aid, Crime Control	42,414	A4320	24,610
Fed Aid, Emergency Disaster Assistance	32,631	A4960	44,200
TOTAL Federal Aid	75,045		68,810
TOTAL Revenues	15,632,890		16,496,543
Interfund Transfers	250,000	A5031	250,000
TOTAL Interfund Transfers	250,000		250,000
Bond Anticipation Notes		A5730	
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	250,000		250,000
TOTAL Detail Revenues And Other Sources	15,882,890		16,746,543

TOWN OF Bethlehem
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(A) GENERAL

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Legislative Board, Pers Serv	56,416	A10101	56,416
Legislative Board, Contr Expend	2,330	A10104	8,264
Legislative Board, Empl Bnfts	7,808	A10108	8,480
TOTAL Legislative Board	66,554		73,160
Municipal Court, Pers Serv	258,738	A11101	269,937
Municipal Court, Equip & Cap Outlay	9,729	A11102	7,081
Municipal Court, Contr Expend	16,491	A11104	16,397
Municipal Court, Empl Bnfts	84,899	A11108	91,343
TOTAL Municipal Court	369,857		384,758
Supervisor,pers Serv	154,841	A12201	158,118
Supervisor,equip & Cap Outlay	27	A12202	565
Supervisor,contr Expend	9,186	A12204	7,286
Supervisor,empl Bnfts	50,443	A12208	21,401
TOTAL Supervisor	214,497		187,370
Comptroller,pers Serv	324,823	A13151	269,123
Comptroller, Equip & Cap Outlay	440	A13152	513
Comptroller, Contr Expend	94,883	A13154	63,295
Comptroller, Empl Bnfts	89,028	A13158	66,352
TOTAL Comptroller	509,174		399,283
Tax Collection,pers Serv	163,479	A13301	160,671
Tax Collection,contr Expend	36,377	A13304	31,387
Tax Collection,empl Bnfts	42,366	A13308	57,122
TOTAL Tax Collection	242,222		249,180
Assessment, Pers Serv	195,401	A13551	205,928
Assessment, Equip & Cap Outlay	565	A13552	
Assessment, Contr Expend	20,390	A13554	35,550
Assessment, Empl Bnfts	56,069	A13558	58,863
TOTAL Assessment	272,425		300,341
Clerk,pers Serv	158,011	A14101	160,315
Clerk,equip & Cap Outlay		A14102	2,935
Clerk,contr Expend	6,817	A14104	4,917
Clerk,empl Bnfts	51,521	A14108	40,200
TOTAL Clerk	216,349		208,367
Law, Pers Serv	129,292	A14201	129,323
Law, Contr Expend	71,793	A14204	34,673
Law, Empl Bnfts	20,316	A14208	19,384
TOTAL Law	221,401		183,380
Personnel, Pers Serv		A14301	146,239
Personnel,equip & Cap Outlay		A14302	152
Personnel, Contr Expend		A14304	10,399
Personnel, Empl Bnfts		A14308	58,484
TOTAL Personnel	0		215,274
Elections, Contr Expend	75,209	A14504	100,126
TOTAL Elections	75,209		100,126
Records Mgmt, Contr Expend	3,072	A14604	3,075
TOTAL Records Mgmt	3,072		3,075

TOWN OF Bethlehem
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(A) GENERAL

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Public Inform & Services, Contr Expend	15,858	A14804	22,694
TOTAL Public Inform & Services	15,858		22,694
Public Works Admin, Pers Serv	371,430	A14901	328,565
Public Works Admin, Equip & Cap Outlay	29,340	A14902	1,561
Public Works Admin, Contr Expend	56,568	A14904	110,580
Public Works Admin, Empl Bnfts	106,367	A14908	94,627
TOTAL Public Works Admin	563,705		535,333
Buildings, Pers Serv	169,018	A16201	208,743
Buildings, Equip & Cap Outlay	6,410	A16202	
Buildings, Contr Expend	178,565	A16204	185,072
Buildings, Empl Bnfts	66,943	A16208	79,726
TOTAL Buildings	420,936		473,541
Central Data Process, Pers Serv	344,102	A16801	348,766
Central Data Process & Cap Outlay	38,415	A16802	42,895
Central Data Process, Contr Expend	139,217	A16804	137,686
Central Data Process, Empl Bnfts	79,231	A16808	79,814
TOTAL Central Data Process	600,965		609,161
Unallocated Insurance, Contr Expend	211,291	A19104	197,768
TOTAL Unallocated Insurance	211,291		197,768
Municipal Assn Dues, Contr Expend	2,265	A19204	2,265
TOTAL Municipal Assn Dues	2,265		2,265
Taxes & Assess On Munic Prop, Contr Expend	5,719	A19504	5,128
TOTAL Taxes & Assess On Munic Prop	5,719		5,128
TOTAL General Government Support	4,011,499		4,150,204
Other Education, Contr Expend	14,076	A29894	1,192
TOTAL Other Education	14,076		1,192
TOTAL Education	14,076		1,192
Public Safety Comm Sys, Pers Serv	747,190	A30201	760,948
Public Safety Comm Sys, Equip & Cap Outlay	6,777	A30202	12,959
Public Safety Comm Sys, Contr Expend	34,798	A30204	36,795
Public Safety Comm Sys, Empl Bnfts	224,731	A30208	238,510
TOTAL Public Safety Comm Sys	1,013,496		1,049,212
Police, Pers Serv	3,731,068	A31201	3,911,182
Police, Equip & Cap Outlay	109,582	A31202	42,805
Police, Contr Expend	522,898	A31204	548,245
Police, Empl Bnfts	1,201,034	A31208	1,269,491
TOTAL Police	5,564,582		5,771,723
Traffic Control, Pers Serv	51,676	A33101	59,381
Traffic Control, Contr Expen	26,226	A33104	32,188
Traffic Control, Empl Bnfts	21,419	A33108	36,586
TOTAL Traffic Control	99,321		128,155
Fire, Contr Expend	6,356	A34104	3,828
TOTAL Fire	6,356		3,828
Control of Animals, Pers Serv	46,623	A35101	46,414
Control of Animals, Equip & Cap Outlay	472	A35102	

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(A) GENERAL

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Control of Animals, Contr Expend	6,080	A35104	13,640
Control of Animals, Empl Bnfts	25,116	A35108	15,677
TOTAL Control of Animals	78,291		75,731
Safety Inspection, Pers Serv	373,007	A36201	368,318
Safety Inspection, Equip & Cap Outlay		A36202	
Safety Inspection, Contr Expend	28,463	A36204	33,385
Safety Inspection, Empl Bnfts	121,541	A36208	117,118
TOTAL Safety Inspection	523,011		518,821
Civil Defense, Pers Serv	3,140	A36401	3,171
Civil Defense, Equip & Cap Outlay	168	A36402	
Civil Defense, Contr Expend	862	A36404	1,540
Civil Defense, Empl Bnfts	266	A36408	251
TOTAL Civil Defense	4,436		4,962
TOTAL Public Safety	7,289,493		7,552,432
Registrar of Vital Statistics, Pers Serv	1,506	A40201	1,468
Registrar of Vital Stat Contr Expend	5,343	A40204	2,497
Registrar of Vital Stat, Empl Bnfts	253	A40208	152
TOTAL Registrar of Vital Stat	7,102		4,117
TOTAL Health	7,102		4,117
Street Admin, Pers Serv	237,059	A50101	207,514
Street Admin, Equip & Cap Outlay		A50102	
Street Admin, Contr Expend	15,933	A50104	15,291
Street Admin, Empl Bnfts	74,414	A50108	72,239
TOTAL Street Admin	327,406		295,044
Garage, Equip & Cap Outlay		A51322	7,328
Garage, Contr Expend	73,870	A51324	89,380
TOTAL Garage	73,870		96,708
Street Lighting, Contr Expend	201,393	A51824	217,812
TOTAL Street Lighting	201,393		217,812
TOTAL Transportation	602,669		609,564
Programs For Aging, Pers Serv	402,126	A67721	370,827
Programs For Aging, Equip & Cap Outlay	16,707	A67722	
Programs For Aging, Contr Expend	56,289	A67724	66,289
Programs For Aging, Empl Bnfts	117,661	A67728	108,230
TOTAL Programs For Aging	592,783		545,346
TOTAL Economic Assistance And Opportunity	592,783		545,346
Recreation Admini, Pers Serv	323,644	A70201	328,401
Recreation Admini, Contr Expend	38,740	A70204	35,617
Recreation Admini, Empl Bnfts	92,649	A70208	94,772
TOTAL Recreation Admini	455,033		458,790
Parks, Pers Serv	662,362	A71101	679,082
Parks, Equip & Cap Outlay	242,657	A71102	155,622
Parks, Contr Expend	369,343	A71104	380,275
Parks, Empl Bnfts	141,157	A71108	144,641
TOTAL Parks	1,415,519		1,359,620

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(A) GENERAL

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Youth Prog, Contr Expend	25,000	A73104	20,781
TOTAL Youth Prog	25,000		20,781
Historian, Pers Serv	2,610	A75101	2,610
Historian, Contr Expend	11,499	A75104	5,234
Historian, Empl Bnfts	210	A75108	207
TOTAL Historian	14,319		8,051
Celebrations, Contr Expend	13,470	A75504	5,978
TOTAL Celebrations	13,470		5,978
TOTAL Culture And Recreation	1,923,341		1,853,220
Zoning, Pers Serv	46,900	A80101	27,847
Zoning, Contr Expend	718	A80104	2,810
Zoning, Empl Bnfts	7,455	A80108	3,860
TOTAL Zoning	55,073		34,517
Planning, Pers Serv	357,654	A80201	347,302
Planning, Contr Expend	91,483	A80204	32,901
Planning, Empl Bnfts	103,898	A80208	102,332
TOTAL Planning	553,035		482,535
Refuse & Garbage, Pers Serv	289,389	A81601	277,418
Refuse & Garbage, Equip & Cap Outlay		A81602	20,900
Refuse & Garbage, Contr Expend	401,287	A81604	576,126
Refuse & Garbage, Empl Bnfts	109,953	A81608	109,106
TOTAL Refuse & Garbage	800,629		983,550
Comm Beautification, Contr Expend	39,812	A85104	50,953
TOTAL Comm Beautification	39,812		50,953
TOTAL Home And Community Services	1,448,549		1,551,555
Other Employee Benefits (spec)	243,905	A90898	364,636
TOTAL Employee Benefits	243,905		364,636
Debt Principal, Serial Bonds	150,000	A97106	169,232
Install Pur Debt, Principal	78,748	A97856	
TOTAL Debt Principal	228,748		169,232
Debt Interest, Serial Bonds	85,008	A97107	97,216
Install Pur Debt, Interest	1,715	A97857	
TOTAL Debt Interest	86,723		97,216
TOTAL Expenditures	16,448,888		16,898,714
Transfers, Other Funds		A99019	11,000
TOTAL Operating Transfers	0		11,000
TOTAL Other Uses	0		11,000
TOTAL Detail Expenditures And Other Uses	16,448,888		16,909,714

TOWN OF Bethlehem
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(A) GENERAL

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	4,468,085	A8021	3,902,087
Restated Fund Equity - Beg of Year	4,468,085	A8022	3,902,087
ADD - REVENUES AND OTHER SOURCES	15,882,890		16,746,543
DEDUCT - EXPENDITURES AND OTHER USES	16,448,888		16,909,714
Fund Equity-End of Year	3,902,087	A8029	3,738,916

TOWN OF Bethlehem
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(A) GENERAL

Budget Summary

Code Description	2010	EdpCode	2011
Estimated Revenues			
Est Rev - Real Property Taxes	2,056,672	A1049N	2,078,649
Est Rev - Real Property Tax Items	703,164	A1099N	700,965
Est Rev - Non Property Tax Items	10,317,000	A1199N	10,042,774
Est Rev - Departmental Income	1,604,080	A1299N	1,595,525
Est Rev - Intergovernmental Charges	47,450	A2399N	40,000
Est Rev - Use of Money And Property	100,420	A2499N	100,930
Est Rev - Licenses And Permits	12,850	A2599N	50,990
Est Rev - Fines And Forfeitures	600,000	A2649N	561,000
Est Rev - Sale of Prop And Comp For Loss	131,400	A2699N	128,120
Est Rev - Miscellaneous Local Sources	25,100	A2799N	81,100
Est Rev - Interfund Revenues	32,834	A2801N	669,578
Est Rev - State Aid	1,401,500	A3099N	1,303,500
Est Rev - Federal Aid	37,000	A4099N	43,000
TOTAL Estimated Revenues	17,069,470		17,396,131
Estimated - Interfund Transfer	275,000	A5031N	275,000
Estimated - Proceeds of Obligations	140,000	A5799N	
Appropriated Fund Balance	573,627	A599N	130,196
TOTAL Estimated Other Sources	988,627		405,196
TOTAL Estimated Revenues And Other Sources	18,058,097		17,801,327

TOWN OF Bethlehem
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(A) GENERAL

Budget Summary

Code Description	2010	EdpCode	2011
Appropriations			
App - General Government Support	4,568,437	A1999N	4,582,137
App - Public Safety	7,918,063	A3999N	8,100,444
App - Health	2,049	A4999N	1,676
App - Transportation	724,634	A5999N	687,084
App - Economic Assistance And Opportunity	591,519	A6999N	586,367
App - Culture And Recreation	1,923,882	A7999N	1,774,456
App - Home And Community Services	1,734,501	A8999N	1,409,791
App - Employee Benefits	298,000	A9199N	330,000
App - Debt Service	297,012	A9899N	329,372
TOTAL Appropriations	18,058,097		17,801,327
TOTAL Appropriations And Other Uses	18,058,097		17,801,327

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Cash In Time Deposits	55,750	CD201	50,884
TOTAL Cash	55,750		50,884
Accounts Receivable	54	CD380	
TOTAL Other Receivables (net)	54		0
Cash In Time Deposits, Spec Res	8,028	CD231	13,982
TOTAL Restricted Assets	8,028		13,982
TOTAL Assets	63,832		64,866

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Other Liabilities	8,028	CD688	13,982
TOTAL Other Liabilities	8,028		13,982
Deferred Revenues	55,804	CD691	50,884
TOTAL Deferred Revenues	55,804		50,884
TOTAL Liabilities	63,832		64,866
TOTAL Liabilities And Fund Equity	63,832		64,866

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(CD) SPECIAL GRANT

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Interest And Earnings	105	CD2401	43
TOTAL Use of Money And Property	105		43
Federal Aid Rental Assistance Program	298,276	CD4915	300,572
TOTAL Federal Aid	298,276		300,572
TOTAL Revenues	298,381		300,615
TOTAL Detail Revenues And Other Sources	298,381		300,615

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(CD) SPECIAL GRANT

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Rent Subsidy, Contr Expend	298,381	CD86104	300,615
TOTAL Rent Subsidy	298,381		300,615
TOTAL Home And Community Services	298,381		300,615
TOTAL Expenditures	298,381		300,615
TOTAL Detail Expenditures And Other Uses	298,381		300,615

TOWN OF Bethlehem
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(CD) SPECIAL GRANT

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year		CD8021	
Restated Fund Equity - Beg of Year		CD8022	
ADD - REVENUES AND OTHER SOURCES	298,381		300,615
DEDUCT - EXPENDITURES AND OTHER USES	298,381		300,615
Fund Equity-End of Year		CD8029	

TOWN OF Bethlehem
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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Cash In Time Deposits	1,377,273	DA201	2,068,281
Petty Cash	200	DA210	200
TOTAL Cash	1,377,473		2,068,481
State & Federal Receivables	1,860	DA410	2,436
TOTAL State And Federal Aid Receivables	1,860		2,436
Inventory of Materials & Supplies	361,758	DA445	366,753
TOTAL Inventories	361,758		366,753
Prepaid Expenses	199,783	DA480	303,537
TOTAL Prepaid Expenses	199,783		303,537
TOTAL Assets	1,940,874		2,741,207

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Accounts Payable	99,163	DA600	152,819
TOTAL Accounts Payable	99,163		152,819
Accrued Liabilities	118,588	DA601	132,594
TOTAL Accrued Liabilities	118,588		132,594
Bond Anticipation Notes Payable		DA626	
TOTAL Notes Payable	0		0
Deferred Revenues	19,949	DA691	14,169
TOTAL Deferred Revenues	19,949		14,169
TOTAL Liabilities	237,700		299,582
Reserve For Encumbrances	63,337	DA821	333,989
TOTAL Reserve For Encumbrances	63,337		333,989
Reserve For Inventory	361,758	DA845	367,053
TOTAL Contributed Reserve	361,758		367,053
Unreserved Fund Balance Appropriated	351,440	DA910	412,910
TOTAL Unreserved Fund Balance - Appropriated	351,440		412,910
Unreserved Fund Balance Unappropriated	926,639	DA911	1,327,673
TOTAL Unreserved Fund Balance - Unappropriated	926,639		1,327,673
TOTAL Fund Equity	1,703,174		2,441,625
TOTAL Liabilities And Fund Equity	1,940,874		2,741,207

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Real Property Taxes	4,171,000	DA1001	3,903,328
TOTAL Real Property Taxes	4,171,000		3,903,328
Other Payments In Lieu of Taxes	1,416,181	DA1081	1,281,873
TOTAL Real Property Tax Items	1,416,181		1,281,873
Misc Revenue From Other Govt	12,929	DA2389	6,126
TOTAL Intergovernmental Charges	12,929		6,126
Interest And Earnings	22,436	DA2401	9,080
TOTAL Use of Money And Property	22,436		9,080
Sales of Scrap & Excess Materials	229	DA2650	2,020
Sales of Equipment	6,705	DA2665	12,339
Insurance Recoveries	3,924	DA2680	2,754
TOTAL Sale of Property And Compensation For Loss	10,858		17,113
Reimbursement of Medicare Part D Exp		DA2700	
TOTAL Miscellaneous Local Sources	0		0
Interfund Revenues	195,380	DA2801	443,601
TOTAL Interfund Revenues	195,380		443,601
St Aid, Consolidated Highway Aid	247,800	DA3501	249,059
St Aid Emergency Disaster Assistance	51,030	DA3960	
TOTAL State Aid	298,830		249,059
Fed Aid Emer Disaster Assist	306,178	DA4960	
TOTAL Federal Aid	306,178		0
TOTAL Revenues	6,433,792		5,910,180
Bond Anticipation Notes		DA5730	
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	6,433,792		5,910,180

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Property Loss, Contr Expend		DA19314	
TOTAL Property Loss	0		0
TOTAL General Government Support	0		0
Maint of Streets, Pers Serv	1,490,233	DA51101	1,490,306
Maint of Streets, Contr Expend	489,992	DA51104	336,326
Maint of Streets, Empl Bnfts	641,496	DA51108	639,198
TOTAL Maint of Streets	2,621,721		2,465,830
Perm Improve Highway, Contr Expend	781,090	DA51124	12,822
TOTAL Perm Improve Highway	781,090		12,822
Machinery, Pers Serv	414,041	DA51301	394,617
Machinery, Equip & Cap Outlay	303,249	DA51302	58,650
Machinery, Contr Expend	504,337	DA51304	502,682
Machinery, Empl Bnfts	159,075	DA51308	148,995
TOTAL Machinery	1,380,702		1,104,944
Brush And Weeds, Pers Serv	611,799	DA51401	674,038
Brush And Weeds, Contr Expend	57,068	DA51404	10,676
Brush & Weeds, Empl Bnfts	232,944	DA51408	276,543
TOTAL Brush & Weeds	901,811		961,257
Snow Removal, Pers Serv	306,341	DA51421	257,788
Snow Removal, Contr Expend	202,807	DA51424	137,538
Snow Removal, Empl Bnfts	130,507	DA51428	102,381
TOTAL Snow Removal	639,655		497,707
TOTAL Transportation	6,324,979		5,042,560
Other Employee Benefits (spec)	118,390	DA90898	129,169
TOTAL Employee Benefits	118,390		129,169
Debt Principal, Install Purch. Debt	4,736	DA97856	
TOTAL Debt Principal	4,736		0
Debt Interest, Install. Purch Debt	103	DA97857	
TOTAL Debt Interest	103		0
TOTAL Expenditures	6,448,208		5,171,729
TOTAL Detail Expenditures And Other Uses	6,448,208		5,171,729

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(DA) HIGHWAY-TOWN-WIDE

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	1,717,590	DA8021	1,703,174
Restated Fund Equity - Beg of Year	1,717,590	DA8022	1,703,174
ADD - REVENUES AND OTHER SOURCES	6,433,792		5,910,180
DEDUCT - EXPENDITURES AND OTHER USES	6,448,208		5,171,729
Fund Equity - End of Year	1,703,174	DA8029	2,441,625

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2010	EdpCode	2011
Estimated Revenues			
Est Rev - Real Property Taxes	3,903,328	DA1049N	3,973,588
Est Rev - Real Property Tax Items	1,315,975	DA1099N	1,311,427
EsT. ReV. - Intergovernmental Charges	13,000	DA2399N	13,000
Est Rev - Use of Money And Property	85,200	DA2499N	22,540
Est Rev - Sale of Prop And Comp For Loss	50,000	DA2699N	12,700
Est Rev - Miscellaneous Local Sources	0	DA2799N	
Est Rev - Interfund Revenues	350,000	DA2801N	380,000
Est Rev - State Aid	250,000	DA3099N	250,000
TOTAL Estimated Revenues	5,967,503		5,963,255
Estimated - Proceeds of Obligations	780,000	DA5799N	1,140,000
Appropriated Fund Balance	351,440	DA599N	412,910
TOTAL Estimated Other Sources	1,131,440		1,552,910
TOTAL Estimated Revenues And Other Sources	7,098,943		7,516,165

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2010	EdpCode	2011
Appropriations			
App - Transportation	6,825,443	DA5999N	6,993,936
App - Employee Benefits	178,000	DA9199N	130,000
App - Debt Service	95,500	DA9899N	113,679
TOTAL Appropriations	7,098,943		7,237,615
Interfund Transfers		DA9999N	278,550
TOTAL Other Uses	0		278,550
TOTAL Appropriations And Other Uses	7,098,943		7,516,165

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Cash In Time Deposits	1,937,714	H201	1,543,906
TOTAL Cash	1,937,714		1,543,906
Cash Special Reserves	4,714,663	H230	4,011,747
TOTAL Restricted Assets	4,714,663		4,011,747
TOTAL Assets	6,652,377		5,555,653

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Accounts Payable	117,007	H600	74,068
TOTAL Accounts Payable	117,007		74,068
Bond Anticipation Notes Payable	143,000	H626	1,505,000
TOTAL Notes Payable	143,000		1,505,000
TOTAL Liabilities	260,007		1,579,068
Reserve For Encumbrances	555,187	H821	5,125
TOTAL Reserve For Encumbrances	555,187		5,125
Capital Reserve	5,874,343	H878	3,965,577
TOTAL Special Reserves	5,874,343		3,965,577
Unreserved Fund Balance Unappropriated	-37,160	H911	5,883
TOTAL Unreserved Fund Balance - Unappropriated	-37,160		5,883
TOTAL Fund Equity	6,392,370		3,976,585
TOTAL Liabilities And Fund Equity	6,652,377		5,555,653

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Misc Revenue, Other Govts		H2389	
TOTAL Intergovernmental Charges	0		0
Interest And Earnings	30,118	H2401	14,826
TOTAL Use of Money And Property	30,118		14,826
Grants From Local Governments	13,800	H2706	
Unclassified (specify)	23,250	H2770	
TOTAL Miscellaneous Local Sources	37,050		0
Fed Aid - Cap Projects	38,208	H4097	527,997
TOTAL Federal Aid	38,208		527,997
TOTAL Revenues	105,376		542,823
Interfund Transfers		H5031	11,000
TOTAL Interfund Transfers	0		11,000
Serial Bonds	7,958,000	H5710	
Bans Redeemed From Appropriations	147,250	H5731	43,000
TOTAL Proceeds of Obligations	8,105,250		43,000
TOTAL Other Sources	8,105,250		54,000
TOTAL Detail Revenues And Other Sources	8,210,626		596,823

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Traffic Viol Bureau, Equip & Cap Outlay		H11302	
TOTAL Traffic Viol Bureau	0		0
TOTAL General Government Support	0		0
Law Enforcement, Equip & Cap Outlay		H31972	78,748
TOTAL Law Enforcement	0		78,748
TOTAL Public Safety	0		78,748
Perm Improve Highway, Equip & Cap Outlay		H51122	780,000
TOTAL Perm Improve Highway	0		780,000
Machinery, Equip & Cap Outlay		H51302	
TOTAL Machinery	0		0
Sidewalks, Equip & Cap Outlay	92,748	H54102	46,291
TOTAL Sidewalks	92,748		46,291
TOTAL Transportation	92,748		826,291
Parks, Equip & Cap Outlay	229,007	H71102	468,258
TOTAL Parks	229,007		468,258
TOTAL Culture And Recreation	229,007		468,258
Sewage Treat Disp, Equip & Cap Outlay	2,153,443	H81302	1,467,604
TOTAL Sewage Treat Disp	2,153,443		1,467,604
Refuse & Garbage, Equip & Cap Outlay	39,905	H81602	15,375
TOTAL Refuse & Garbage	39,905		15,375
Water Trans & Distrib, Equip & Cap Outlay	83,584	H83402	151,970
TOTAL Water Trans & Distrib	83,584		151,970
Misc Home & Comm Serv, Equip & Cap Outlay	79,118	H89892	4,361
TOTAL Misc Home & Comm Serv	79,118		4,361
TOTAL Home And Community Services	2,356,050		1,639,310
TOTAL Expenditures	2,677,805		3,012,607
Transfers, Other Funds		H99019	
TOTAL Operating Transfers	0		0
TOTAL Other Uses	0		0
TOTAL Detail Expenditures And Other Uses	2,677,805		3,012,607

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(H) CAPITAL PROJECTS

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	859,548	H8021	6,392,369
Restated Fund Equity - Beg of Year	859,548	H8022	6,392,369
ADD - REVENUES AND OTHER SOURCES	8,210,626		596,823
DEDUCT - EXPENDITURES AND OTHER USES	2,677,805		3,012,607
Fund Equity - End of Year	6,392,369	H8029	3,976,585

TOWN OF Bethlehem
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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Land	1,870,099	K101	1,871,149
Buildings	24,738,111	K102	24,856,775
Improvements Other Than Buildings	7,713,768	K103	8,184,787
Machinery & Equipment	17,608,175	K104	18,324,152
Infrastructure	9,048,796	K106	9,887,908
TOTAL Fixed Assets (net)	60,978,949		63,124,771
TOTAL Assets	60,978,949		63,124,771

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2009	EdpCode	2010
Fund Equity			
Total Non-Current Govt Assets	60,978,949	K159	63,124,771
TOTAL Investments in Non-Current Government Assets	60,978,949		63,124,771
TOTAL Fund Equity	60,978,949		63,124,771
TOTAL Liabilities And Fund Equity	60,978,949		63,124,771

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Balance Sheet

Code Description	2009	EdpCode	2010
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Balance Sheet

Code Description	2009	EdpCode	2010
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(SM) MISCELLANEOUS

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Real Property Taxes	1,458,155	SM1001	1,440,765
TOTAL Real Property Taxes	1,458,155		1,440,765
TOTAL Revenues	1,458,155		1,440,765
TOTAL Detail Revenues And Other Sources	1,458,155		1,440,765

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(SM) MISCELLANEOUS

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Ambulance, Contr Expend	1,208,155	SM45404	1,190,765
TOTAL Ambulance	1,208,155		1,190,765
TOTAL Health	1,208,155		1,190,765
TOTAL Expenditures	1,208,155		1,190,765
Transfers, Other Funds	250,000	SM99019	250,000
TOTAL Operating Transfers	250,000		250,000
TOTAL Other Uses	250,000		250,000
TOTAL Detail Expenditures And Other Uses	1,458,155		1,440,765

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(SM) MISCELLANEOUS

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year		SM8021	
Restated Fund Equity - Beg of Year		SM8022	
ADD - REVENUES AND OTHER SOURCES	1,458,155		1,440,765
DEDUCT - EXPENDITURES AND OTHER USES	1,458,155		1,440,765
Fund Equity - End of Year		SM8029	

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(SS) SEWER

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Cash In Time Deposits	1,515,924	SS201	1,566,297
Petty Cash	100	SS210	100
TOTAL Cash	1,516,024		1,566,397
Sewer Rents Receivable	264,895	SS360	305,611
Accounts Receivable	18,123	SS380	800
Unbilled Receivables	408,366	SS383	398,795
TOTAL Other Receivables (net)	691,384		705,206
State & Federal Receivables		SS410	
TOTAL State And Federal Aid Receivables	0		0
Due From Other Governments	100,580	SS440	97,213
TOTAL Due From Other Governments	100,580		97,213
Prepaid Expenses	90,678	SS480	152,815
TOTAL Prepaid Expenses	90,678		152,815
TOTAL Assets	2,398,666		2,521,631

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(SS) SEWER

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Accounts Payable	68,685	SS600	76,062
TOTAL Accounts Payable	68,685		76,062
Accrued Liabilities	49,305	SS601	55,346
TOTAL Accrued Liabilities	49,305		55,346
Customers Deposits		SS615	5,000
TOTAL Other Deposits	0		5,000
Bond Anticipation Notes Payable		SS626	
TOTAL Notes Payable	0		0
Deferred Revenues	167,233	SS691	158,931
TOTAL Deferred Revenues	167,233		158,931
TOTAL Liabilities	285,223		295,339
Reserve For Encumbrances	40,533	SS821	69,434
TOTAL Reserve For Encumbrances	40,533		69,434
Unreserved Fund Balance Appropriated	451,878	SS910	757,816
TOTAL Unreserved Fund Balance - Appropriated	451,878		757,816
Unreserved Fund Balance Unappropriated	1,621,032	SS911	1,399,042
TOTAL Unreserved Fund Balance - Unappropriated	1,621,032		1,399,042
TOTAL Fund Equity	2,113,443		2,226,292
TOTAL Liabilities And Fund Equity	2,398,666		2,521,631

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(SS) SEWER

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Real Property Taxes	1,600,000	SS1001	1,500,230
TOTAL Real Property Taxes	1,600,000		1,500,230
Sewer Charges	2,258,141	SS2122	2,389,107
TOTAL Departmental Income	2,258,141		2,389,107
Interest And Earnings	11,431	SS2401	10,608
TOTAL Use of Money And Property	11,431		10,608
Sales of Equipment	10,021	SS2665	2,335
Insurance Recoveries	25,272	SS2680	321
TOTAL Sale of Property And Compensation For Loss	35,293		2,656
Unclassified (specify)		SS2770	3,622
TOTAL Miscellaneous Local Sources	0		3,622
State Aid Emergency Disaster	2,223	SS3960	
TOTAL State Aid	2,223		0
Fed Aid, Emergency Disaster Assistance	13,338	SS4960	
TOTAL Federal Aid	13,338		0
TOTAL Revenues	3,920,426		3,906,223
Bond Anticipation Notes		SS5730	
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	3,920,426		3,906,223

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(SS) SEWER

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Sewer Administration, Pers Serv	312,526	SS81101	342,785
Sewer Administration, Equip & Cap Outlay		SS81102	
Sewer Administration, Contr Expend	111,255	SS81104	99,926
Sewer Administration, Empl Bnfts	86,700	SS81108	92,703
TOTAL Sewer Administration	510,481		535,414
Sanitary Sewers, Pers Serv	478,625	SS81201	470,380
Sanitary Sewers, Equip & Cap Outlay	26,981	SS81202	49,288
Sanitary Sewers, Contr Expend	340,762	SS81204	705,873
Sanitary Sewers, Empl Bnfts	184,298	SS81208	179,986
TOTAL Sanitary Sewers	1,030,666		1,405,527
Sewage Treat Disp, Pers Serv	447,424	SS81301	453,663
Sewage Treat Disp, Equip & Cap Outlay	24,405	SS81302	24,925
Sewage Treat Disp, Contr Expend	599,483	SS81304	633,116
Sewage Treat Disp, Empl Bnfts	148,309	SS81308	143,966
TOTAL Sewage Treat Disp	1,219,621		1,255,670
Joint Sewer Project, Contr Expend	18,797	SS81504	2,633
TOTAL Joint Sewer Project	18,797		2,633
TOTAL Home And Community Services	2,779,565		3,199,244
Other Employee Benefits (spec)	19,978	SS90898	21,143
TOTAL Employee Benefits	19,978		21,143
Debt Principal, Serial Bonds	197,000	SS97106	312,048
Debt Principal, Bond Anticipation Notes	38,750	SS97306	
Debt Principal, Installment Purchase Debt	1,332	SS97856	
TOTAL Debt Principal	237,082		312,048
Debt Interest, Serial Bonds	32,133	SS97107	260,938
Debt Interest, Bond Anticipation Notes	70,712	SS97307	
Debt Interest, Installment Purchase Debt	29	SS97857	
TOTAL Debt Interest	102,874		260,938
TOTAL Expenditures	3,139,499		3,793,373
TOTAL Detail Expenditures And Other Uses	3,139,499		3,793,373

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(SS) SEWER

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	1,332,515	SS8021	2,113,442
Restated Fund Equity - Beg of Year	1,332,515	SS8022	2,113,442
ADD - REVENUES AND OTHER SOURCES	3,920,426		3,906,223
DEDUCT - EXPENDITURES AND OTHER USES	3,139,499		3,793,373
Fund Equity-End of Year	2,113,442	SS8029	2,226,292

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(SS) SEWER

Budget Summary

Code Description	2010	EdpCode	2011
Estimated Revenues			
Est Rev - Real Property Taxes	1,500,230	SS1049N	1,527,234
Est Rev - Departmental Income	2,626,500	SS1299N	2,605,801
Est Rev - Use of Money And Property	15,950	SS2499N	15,950
TOTAL Estimated Revenues	4,142,680		4,148,985
Estimated Proceeds of Obligations	395,000	SS5799N	
Appropriated Fund Balance	451,878	SS599N	757,816
TOTAL Estimated Other Sources	846,878		757,816
TOTAL Estimated Revenues And Other Sources	4,989,558		4,906,801

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(SS) SEWER

Budget Summary

Code Description	2010	EdpCode	2011
Appropriations			
App - Home And Community Services	4,379,799	SS8999N	4,020,802
App-Employee Benefits	24,000	SS9199N	18,000
App - Debt Service	585,759	SS9899N	695,956
TOTAL Appropriations	4,989,558		4,734,758
App - Interfund Transfer		SS9999N	172,043
TOTAL Other Uses	0		172,043
TOTAL Appropriations And Other Uses	4,989,558		4,906,801

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(SW) WATER

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Cash In Time Deposits	1,377,442	SW201	1,981,639
Petty Cash	100	SW210	100
TOTAL Cash	1,377,542		1,981,739
Water Rents Receivable	477,058	SW350	561,002
Accounts Receivable	36,033	SW380	50,122
Unbilled Receivables	1,078,016	SW383	1,030,271
TOTAL Other Receivables (net)	1,591,107		1,641,395
State & Federal Receivables		SW410	
TOTAL State And Federal Aid Receivables	0		0
Due From Other Governments	190,172	SW440	202,086
TOTAL Due From Other Governments	190,172		202,086
Inventory of Materials & Supplies	9,473	SW445	10,127
TOTAL Inventories	9,473		10,127
Prepaid Expenses	127,256	SW480	218,035
TOTAL Prepaid Expenses	127,256		218,035
Cash In Time Deposits, Spec Res	5,000	SW231	
TOTAL Restricted Assets	5,000		0
TOTAL Assets	3,300,550		4,053,382

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(SW) WATER

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Accounts Payable	248,375	SW600	365,910
TOTAL Accounts Payable	248,375		365,910
Accrued Liabilities	78,929	SW601	85,765
TOTAL Accrued Liabilities	78,929		85,765
Bond Anticipation Notes Payable		SW626	
TOTAL Notes Payable	0		0
Deferred Revenues	212,075	SW691	230,134
TOTAL Deferred Revenues	212,075		230,134
TOTAL Liabilities	539,379		681,809
Reserve For Encumbrances	117,793	SW821	103,336
TOTAL Reserve For Encumbrances	117,793		103,336
Reserve For Inventory	9,473	SW845	10,127
TOTAL Contributed Reserve	9,473		10,127
Unreserved Fund Balance Appropriated	349,585	SW910	685,429
TOTAL Unreserved Fund Balance - Appropriated	349,585		685,429
Unreserved Fund Balance Unappropriated	2,284,320	SW911	2,572,681
TOTAL Unreserved Fund Balance - Unappropriated	2,284,320		2,572,681
TOTAL Fund Equity	2,761,171		3,371,573
TOTAL Liabilities And Fund Equity	3,300,550		4,053,382

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(SW) WATER

Results of Operation

Code Description	2009	EdpCode	2010
Revenues			
Real Property Taxes	2,010,800	SW1001	1,910,800
TOTAL Real Property Taxes	2,010,800		1,910,800
Metered Water Sales	5,967,936	SW2140	6,517,010
Unmetered Water Sales	72,276	SW2142	40,263
Water Service Charges	161,075	SW2144	188,792
TOTAL Departmental Income	6,201,287		6,746,065
Interest And Earnings	15,382	SW2401	8,529
Rental of Real Property, Other Govts	115,019	SW2410	116,669
TOTAL Use of Money And Property	130,401		125,198
Sales, Other	13,050	SW2655	13,540
Other Compensation For Loss		SW2690	28,692
TOTAL Sale of Property And Compensation For Loss	13,050		42,232
Unclassified (specify)	9,443	SW2770	
TOTAL Miscellaneous Local Sources	9,443		0
Interfund Revenues		SW2801	6,633
TOTAL Interfund Revenues	0		6,633
State Aid Emergency Disaster	2,591	SW3960	
TOTAL State Aid	2,591		0
Fed Aid, Emergency Disaster Assistance	15,547	SW4960	
TOTAL Federal Aid	15,547		0
TOTAL Revenues	8,383,119		8,830,928
Bond Anticipation Notes		SW5730	
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	8,383,119		8,830,928

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(SW) WATER

Results of Operation

Code Description	2009	EdpCode	2010
Expenditures			
Judgements And Claims, Contr Expend		SW19304	
TOTAL Judgements And Claims	0		0
TOTAL General Government Support	0		0
Water Administration, Pers Serv	288,051	SW83101	314,575
Water Administration, Equip & Cap Outlay	5,022	SW83102	
Water Administration, Contr Expend	151,995	SW83104	150,297
Water Administration, Empl Bnfts	75,961	SW83108	82,778
TOTAL Water Administration	521,029		547,650
Source Supply Pwr & Pump, Equip & Cap Outlay	12,100	SW83202	16,589
Source Supply Pwr & Pump, Contr Expend	1,354,857	SW83204	1,767,807
TOTAL Source Supply Pwr & Pump	1,366,957		1,784,396
Water Purification, Pers Serv	961,314	SW83301	954,773
Water Purification, Equip & Cap Outlay	378,431	SW83302	188,717
Water Purification, Contr Expend	1,692,511	SW83304	1,571,571
Water Purification, Empl Bnfts	364,235	SW83308	340,230
TOTAL Water Purification	3,396,491		3,055,291
Water Trans & Distrib, Pers Serv	553,097	SW83401	603,995
Water Trans & Distrib, Equip & Cap Outlay	23,057	SW83402	28,139
Water Trans & Distrib, Contr Expend	528,608	SW83404	603,765
Water Trans & Distrib, Empl Bnfts	207,829	SW83408	218,359
TOTAL Water Trans & Distrib	1,312,591		1,454,258
Common Water Supply, Contr Expend	123,991	SW83504	124,845
TOTAL Common Water Supply	123,991		124,845
TOTAL Home And Community Services	6,721,059		6,966,440
Other Employee Benefits (spec)	35,442	SW90898	48,838
TOTAL Employee Benefits	35,442		48,838
Debt Principal, Serial Bonds	518,000	SW97106	581,720
Debt Principal, Bond Anticipation Notes	108,500	SW97306	43,000
Debt Principal, Installment Purchase Debt	1,332	SW97856	
TOTAL Debt Principal	627,832		624,720
Debt Interest, Serial Bonds	539,172	SW97107	578,344
Debt Interest, Bond Anticipation Notes	48,754	SW97307	2,182
Debt Interest, Installment Purchase Debt	29	SW97857	
TOTAL Debt Interest	587,955		580,526
TOTAL Expenditures	7,972,288		8,220,524
TOTAL Detail Expenditures And Other Uses	7,972,288		8,220,524

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(SW) WATER

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	2,350,338	SW8021	2,761,169
Restated Fund Equity - Beg of Year	2,350,338	SW8022	2,761,169
ADD - REVENUES AND OTHER SOURCES	8,383,119		8,830,928
DEDUCT - EXPENDITURES AND OTHER USES	7,972,288		8,220,524
Fund Equity-End of Year	2,761,169	SW8029	3,371,573

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(SW) WATER

Budget Summary

Code Description	2010	EdpCode	2011
Estimated Revenues			
Est Rev - Real Property Taxes	1,910,800	SW1049N	1,945,194
Est Rev - Departmental Income	6,877,600	SW1299N	6,701,905
Est Rev - Use of Money And Property	146,100	SW2499N	146,000
Est Rev - Sale of Prop And Comp For Loss	10,000	SW2699N	20,000
Est Rev-Miscellaneous Local Sources	600	SW2799N	600
Est Rev - Interfund Revenues	370,000	SW2801N	
TOTAL Estimated Revenues	9,315,100		8,813,699
Estimated Proceeds of Obligations	355,000	SW5799N	
Appropriated Fund Balance	349,585	SW599N	685,429
TOTAL Estimated Other Sources	704,585		685,429
TOTAL Estimated Revenues And Other Sources	10,019,685		9,499,128

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(SW) WATER

Budget Summary

Code Description	2010	EdpCode	2011
Appropriations			
App - Home And Community Services	8,589,308	SW8999N	8,066,896
App-Employee Benefits	48,000	SW9199N	45,000
App - Debt Service	1,382,377	SW9899N	1,168,247
TOTAL Appropriations	10,019,685		9,280,143
App - Interfund Transfer		SW9999N	218,985
TOTAL Other Uses	0		218,985
TOTAL Appropriations And Other Uses	10,019,685		9,499,128

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(TA) AGENCY

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Time Deposits	76,823	TA201	48,711
TOTAL Cash	76,823		48,711
Due From Other Funds	152,501	TA391	144,316
TOTAL Due From Other Funds	152,501		144,316
Cash, Special Reserves	103,977	TA230	118,537
TOTAL Restricted Assets	103,977		118,537
TOTAL Assets	333,301		311,564

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(TA) AGENCY

Balance Sheet

Code Description	2009	EdpCode	2010
Liabilities			
Disability Insurance	5,931	TA19	5,911
Guaranty & Bid Deposits	130,978	TA30	131,424
Bail Deposits	34,839	TA35	22,996
Other Funds (specify)	161,553	TA85	151,233
TOTAL Agency Liabilities	333,301		311,564
TOTAL Liabilities	333,301		311,564
TOTAL Liabilities And Fund Equity	333,301		311,564

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

Balance Sheet

Code Description	2009	EdpCode	2010
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TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

Balance Sheet

Code Description	2009	EdpCode	2010
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TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

Results of Operation

Code Description	2009	EdpCode	2010
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TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

Results of Operation

Code Description	2009	EdpCode	2010
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TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(V) DEBT SERVICE

Changes in Fund Equity

Code Description	2009	EdpCode	2010
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year		V8021	
Restated Fund Equity - Beg of Year		V8022	
Fund Equity - End of Year		V8029	

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2009	EdpCode	2010
Assets			
Total Non-Current Govt Liabilities	21,809,560	W129	20,711,215
TOTAL Provision To Be Made In Future Budgets	21,809,560		20,711,215
TOTAL Assets	21,809,560		20,711,215

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2010

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2009	EdpCode	2010
General Long Term Debt			
Bond Anticipation Notes Payable		W626	
TOTAL Notes Payable	0		0
Landfill Closure & Post Closure	100,000	W684	100,000
Installment Purchase Debt		W685	
Judgments And Claims Payable	60,000	W686	70,000
Compensated Absences	1,841,560	W687	1,796,215
TOTAL Other Liabilities	2,001,560		1,966,215
Bonds Payable	19,808,000	W628	18,745,000
TOTAL Bond And Long Term Liabilities	19,808,000		18,745,000
TOTAL Liabilities	21,809,560		20,711,215
TOTAL General Long Term Debt	21,809,560		20,711,215

TOWN OF Bethlehem
Financial Comments
For the Fiscal Year Ending 2010

TOWN OF Bethlehem
ARRA Reporting
For the Fiscal Year Ending 2010

(SS) SEWER
Revenues

Code Description	Code	Amount
Fed Aid, Sewer Cap Proj	SS4990	
Total ARRA Revenues:		0

TOWN OF Bethlehem
ARRA Reporting
For the Fiscal Year Ending 2010

(SS) SEWER

Expenditures

Code Description	Code	Amount
Sewage Treat Disp, Equip & Cap Outlay	SS81302	385,447
Total ARRA Expenditures:		385,447

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2010

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond Anticipation Note No. 2010000004	EDPCODE	Amount
Month and Year of Issue		8/6/2010
Purpose of Issue		Fund Fleet Purchases
Current Interest Rate		.9100
Outstanding Beginning of Year	2P18661	0
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	395,000
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	
Outstanding End of the Fiscal Year	2P18667	395,000
Final Maturity Date		8/5/2011

Bond Anticipation Note No. 2010000002	EDPCODE	Amount
Month and Year of Issue		8/6/2010
Purpose of Issue		Highway Paving
Current Interest Rate		.9100
Outstanding Beginning of Year	2P18661	0
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	780,000
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	
Outstanding End of the Fiscal Year	2P18667	780,000
Final Maturity Date		8/5/2011

Bond Anticipation Note No. 2000000008	EDPCODE	Amount
Month and Year of Issue		8/24/2000
Purpose of Issue		No Beth Wtr Main
Current Interest Rate		1.0800
Outstanding Beginning of Year	2P18661	143,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	43,000
Outstanding End of the Fiscal Year	2P18667	100,000
Final Maturity Date		8/5/2011

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2010

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond Anticipation Note No. 2010000001	EDPCODE	Amount
Month and Year of Issue		8/6/2010
Purpose of Issue		Purchase Police Fleet
Current Interest Rate		.9100
Outstanding Beginning of Year	2P18661	0
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	80,000
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	
Outstanding End of the Fiscal Year	2P18667	80,000
Final Maturity Date		8/5/2011

Bond Anticipation Note No. 2010000003	EDPCODE	Amount
Month and Year of Issue		8/6/2010
Purpose of Issue		Fund Fleet Purchases
Current Interest Rate		.9100
Outstanding Beginning of Year	2P18661	0
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	150,000
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	
Outstanding End of the Fiscal Year	2P18667	150,000
Final Maturity Date		8/5/2011

Total Bond Anticipation Note		Amount
Outstanding Beginning of Year		143,000
Prior Year Adjustment		0
Issued During Fiscal Year		1,405,000
Paid During Fiscal Year		43,000
Outstanding End of Year		1,505,000
*** Bond Anticipation Notes Redeemed		
From Bond Proceeds During Fiscal Year	2P18885	0

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2010

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2009000001	EDPCODE	Amount
Month and Year of Issue		12/9/2009
Purpose of Issue		Public Improvement
Current Interest Rate		3.2500
Outstanding Beginning of Year	2P18671	7,958,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	158,000
Outstanding End of the Fiscal Year	2P18677	7,800,000
Final Maturity Date		12/1/2037

Bond No. 2004000001	EDPCODE	Amount
Month and Year of Issue		12/1/2004
Purpose of Issue		Water Treatment Plant
Current Interest Rate		5.0000
Outstanding Beginning of Year	2P18671	9,680,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	530,000
Outstanding End of the Fiscal Year	2P18677	9,150,000
Final Maturity Date		3/1/2022

Bond No. 2000000005	EDPCODE	Amount
Month and Year of Issue		11/1/1991
Purpose of Issue		Public Improvement Wtr
Current Interest Rate		6.1000
Outstanding Beginning of Year	2P18671	39,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	19,000
Outstanding End of the Fiscal Year	2P18677	20,000
Final Maturity Date		7/15/2011

Total Bond		Amount
Outstanding Beginning of Year		17,677,000
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		707,000
Outstanding End of Year		16,970,000

0

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2010

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2000000013	EDPCODE	Amount
Month and Year of Issue		11/1/1991
Purpose of Issue		Pub Imprv Swr
Current Interest Rate		6.1000
Outstanding Beginning of Year	2P18771	401,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	196,000
Outstanding End of the Fiscal Year	2P18777	205,000
Final Maturity Date		7/1/2011

Bond No. 2008000001	EDPCODE	Amount
Month and Year of Issue		4/1/2008
Purpose of Issue		NYS Police Retirement
Current Interest Rate		4.5000
Outstanding Beginning of Year	2P18771	1,730,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	160,000
Outstanding End of the Fiscal Year	2P18777	1,570,000
Final Maturity Date		4/1/2018

Total Bond		Amount
Outstanding Beginning of Year		2,131,000
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		356,000
Outstanding End of Year		1,775,000

0

Total of All Indebtedness
Includes Total of Bonds and Notes - Exempt and Not Exempt

Total Bond		Amount
Outstanding Beginning of Year		19,951,000
Prior Year Adjustment		0
Issued During Fiscal Year		1,405,000
Paid During Fiscal Year		1,106,000
Outstanding End of Year		20,250,000

TOWN OF Bethlehem
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2010

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$2,250.00
Demand Deposits	9Z2011	\$1,466,342.00
Time Deposits	9Z2021	\$10,706,903.00
Total		\$12,175,495.00
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$2,615,932.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$9,940,440.00
Total		\$12,556,372.00
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	_____
Market Value at Balance Sheet Date	9Z4502	_____
Collateralized with securities held in possession of municipality or its agent	9Z4504A	_____
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	_____
Market Value at Balance Sheet Date	9Z4512	_____
Collateralized with securities held in possession of municipality or its agent	9Z4514A	_____

TOWN OF Bethlehem
Bank Reconciliation
For the Fiscal Year Ending 2010

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-6268	\$4,997,218	\$0	\$13,603	\$4,983,615
****-5709	\$425,192	\$1,117	\$0	\$426,309
****-4788	\$104,934	\$13,603	\$0	\$118,537
****-7035	\$17,830	\$0	\$0	\$17,830
****-4653	\$2,427,879	\$0	\$0	\$2,427,879
****-4129	\$511,087	\$0	\$0	\$511,087
****-8753	\$536,483	\$0	\$0	\$536,483
****-4066	\$1,756,604	\$0	\$0	\$1,756,604
****-0149	\$40,705	\$52,652	\$0	\$93,357
****-1541	\$10	\$90,684	\$0	\$90,694
****-1785	\$50,884	\$0	\$0	\$50,884
****-0884	\$27,055	\$0	\$14,168	\$12,887
****-3678	\$49,379	\$0	\$36,463	\$12,916
****-5021	\$13,982	\$0	\$0	\$13,982
****-3768	\$49,436	\$0	\$39,356	\$10,080
****-0298	\$243	\$0	\$151	\$92
****-9720	\$10,986	\$1,888	\$0	\$12,874
****-9187	\$12,737	\$0	\$0	\$12,737
****-9738	\$16,593	\$0	\$0	\$16,593
****-1991	\$71,055	\$0	\$13,967	\$57,088
****-2369	\$78,138	\$0	\$0	\$78,138
****-0025	\$82,080	\$0	\$0	\$82,080
****-0047	\$1,232,846	\$0	\$414,567	\$818,279
****-3654	\$43,016	\$58	\$10,854	\$32,220

Total Adjusted Bank Balance	\$12,173,245
Petty Cash	\$2,250.00
Adjustments	\$0.00
Total Cash	9ZCASH * <u>\$12,175,495</u>
Total Cash Balance All Funds	9ZCASHB * \$12,175,494

* Must be equal

TOWN OF Bethlehem
Local Government Questionnaire
For the Fiscal Year Ending 2010

	<u>Response</u>
1) Does your municipality have a written procurement policy?	<u>Yes</u>
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	<u>Yes</u>
3) Does your local government participate in an insurance pool with other local governments?	<u>No</u>
4) Does your local government participate in an investment pool with other local governments?	<u>No</u>
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	<u>No</u>
6) Does your municipality have a Capital Plan?	<u>No</u>
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	<u>No</u>
8) Have you had a change in chief executive or chief fiscal officer during the last year?	<u>No</u>
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	<u>Yes</u>

TOWN OF Bethlehem
Employee and Retiree Benefits
For the Fiscal Year Ending 2010

Total Full Time Employees:		252			
Total Part Time Employees:		286			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$820,329.00	209		
90158	Police and Fire Retirement	\$511,982.00	43		
90258	Local Pension Fund				
90308	Social Security	\$1,155,589.00	252	286	
90408	Worker's Compensation Insurance	\$479,635.00	252	286	
90458	Life Insurance	\$7,693.00	252		
90508	Unemployment Insurance	\$5,167.00	252		
90558	Disability Insurance	\$15,633.00	252		
90608	Hospital and Medical (Dental) Insurance	\$2,218,079.00	252		
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits	\$563,786.00			97
Total		\$5,777,893.00			
Computed Total From Financial Section (comparative purposes only)		\$5,777,893.00			

TOWN OF Bethlehem
 Energy Costs and Consumption
 For the Fiscal Year Ending 2010

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$225,508	99,811	gallons	
Diesel Fuel	\$208,939	85,000	gallons	
Fuel Oil	\$85,986	33,311	gallons	
Natural Gas	\$28,822	32,000	cubic feet	
Electricity	\$1,024,486	6,600,000	kilowatts	
Coal			tons	

TOWN OF Bethlehem
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2010

Annual OPEB Cost and Net OPEB Obligation

Type of Other Post Employment Benefits Plan
Annual Required Contribution(ARC)
Interest on Net OPEB Obligation
Adjustment to Annual Required Contribution
Annual OPEB Expense
Less: Actual Contribution Made
Increase in Net OPEB Obligation
Net OPEB Obligation - beginning of year
Net OPEB Obligation - end of year
Total Other Post Employment Benefits as reported in Accounts 683 in
Financial Section, Current Fiscal Year
Percentage of Annual OPEB Cost Contributed (Actual Contribution
Made/Annual OPEB Cost)

Funded Status and Funding Process

Actuarial Accrued Liability(AAL)
Less: Actuarial Value of Plan Assets
Unfunded Actuarial Accrued Liability(UAAL)
Funded Ratio(Actuarial Value of Plan Assets/AAL)
Annual Covered Payroll (of active employees covered by the plan)
UAAL as Percentage of Annual Covered Payroll

Other OPEB Information

Date of most recent actuarial valuation
Actuarial method used
Assumed rate of return on investments discount rate .00%
Amortization period of UAAL(in years)

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Sam Messina, hereby certify that I am the Chief Fiscal Officer of the Town of Bethlehem, and that the information provided in the annual financial report of the Town of Bethlehem, for the fiscal year ended 12/31/2010, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Town of Bethlehem, and adopted by me as my signature for use in conjunction with the filing of the Town of Bethlehem's annual financial report, I am evidencing my express intent to authenticate my certification of the Town of Bethlehem's annual financial report for the fiscal year ended 12/31/2010 and filed by means of electronic data transmission.

Suzanne E. Traylor, CPA
Name of Report Preparer if different than Chief Fiscal Officer

Town of Bethlehem
Name

(518) 439-4955
Telephone Number

Comptroller
Title

445 Delaware Ave., Delmar, NY 12019
Official Address

04/30/2010
Date of Certification

(518) 439-4955
Official Telephone Number

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office of the State Comptroller's (OSC) Annual Financial Report Update Document (AFRUD) for the Town of Bethlehem has been prepared in conformity with OSC guidelines. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

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

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

The AFRUD includes all funds and account groups over which the Town Officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

B. Basis of Presentation

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specified regulations, restrictions or limitations. The various funds are summarized by type in the AFRUD. Certain funds of the Town are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire Town. The following fund types and account groups are used:

1. Governmental Funds Types - are those through which most governmental functions are financed. They account for the acquisition, use and balances of the government's expendable financial resources according to the purposes for which they may or must be used. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources).
 - a. General Fund - To account for all unrestricted resources except those required to be accounted for in another fund. The General Fund consists of the General-Townwide Fund. It operates within the financial limits of an annual budget adopted by the Town Board.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds - To account for the proceeds of specific revenue sources other than major capital projects or to finance specified activities as required by law or administrative regulations. Funds operate within the financial limits of an annual budget adopted by the Town Board and consist of the following:
 - 1. Water District Fund - the Town has an operating water district. Water District #1 supplies water to residents in part of the Town. Revenues are obtained from property taxes, special assessments, and metered water sales.
 - 2. Ambulance District Funds - There are three ambulance districts throughout the Town. Each district levies taxes on property owners within the District. Expenditures are made for providing ambulance service and advanced life support.
 - 3. Sewer District Funds - The Town has three operating sewer districts. Their revenues are obtained primarily from property taxes.
 - 4. Highway Fund - Is used to account for the revenues and expenditures of repairs and improvements to town highways, purchase, repair, maintenance, and storage of highway machinery, tools and equipment, pursuant to Section 133 of the Highway Law, controlling weeds and brush along highways, and snow removal from highways.
 - 5. Special Grant Fund - Used to account for funds received from the Federal government to operate a public housing program for eligible low-income families and the elderly through an authorized public housing agency.
 - c. Capital Projects Funds - To account for financial resources segregated for the acquisition of major capital facilities. Financing is generally provided from the proceeds of bond and note sales, transfers from other funds, and/or Federal and State grants.
- 2. Fiduciary Funds - Fiduciary Funds are used to account for assets held by the Town in a trustee or custodial capacity.
 - a. Trust and Agency Funds - To account for assets held by the Town as trustee or agent for individuals, private organizations, and other governmental units.
 - 3. Account Groups - Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The account group is not a "fund". It is concerned with measurement of financial position and not results of operations.
 - a. The Non-current Governmental Liability Account Group - used to account for all long-term debt.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. The Non-current Governmental Assets Account Group - used to account for land, buildings, improvements other than buildings, certain infrastructure assets, and equipment utilized for general government purposes. However, the Town has not had a physical inventory recently to determine the completeness of the account group.

C. *Basis of Accounting/Measurement Focus*

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e., expenditures or expenses.

- 1. Governmental Funds -- The modified accrual basis of accounting is followed by the governmental funds. Using this basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days, to be used to pay liabilities of the current period.

Material revenue sources considered susceptible to accrual include real property taxes, State and Federal aid, sales tax, and certain user charges in the special revenue funds. For those types of revenue sources, such as grants, where expenditures are the prime factor for determining eligibility, revenues are recognized when the expenditure is made unless it has not been received within 60 days after the fiscal year has ended.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses and some inventory-type items are recognized at the time of the disbursements. The Town has chosen to recognize an inventory value for gasoline, fleet maintenance items, yard stock (such as pipes and manholes), and for computer-related supplies. Inventory is valued at cost using a weighted average.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as an expenditure when paid. See Note 2.
- d. Pension costs are recognized as an expenditure when due. See Note 2.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. *Property Taxes and Collections*

Town real property taxes are levied together with Albany County property taxes annually no later than January 1st and become a lien on January 1st. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

E. *General Budget Policies*

1. The Town employs the following budgetary procedures:
 - a. No later than September 30, the Budget Officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Town. Capital projects are budgeted for at the start of each project.
 - b. After public hearings are conducted to obtain taxpayer comments, but no later than November 20, the Town Board adopts the budget.
 - c. All revisions that alter an appropriation of any department or fund must be approved by the Town Board.
2. Encumbrances:
 - a. Encumbrances are reservations of fund balance for outstanding purchase commitments. Expenditures for such commitments are recorded in the period in which the liability is incurred.
3. Budget Basis of Accounting:
 - a. Budgets are adopted annually on a basis consistent with OSC guidelines. Appropriations authorized for the current year are increased by the amount of encumbrances, if any, carried forward from the prior year.

F. *Vacation and Compensatory Time*

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

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment of vacation and compensatory time recorded in the general long-term debt account group is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and compensatory time.

Estimated vacation and compensatory time accumulated by governmental fund type employees and additional salary related payments have been recorded in the general long-term debt account group.

G. *Post-Retirement Health Insurance Benefits*

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees and their spouses. Those benefits are provided through payments to an insurance company. The Town recognizes the cost of providing these benefits to 97 retirees, by expensing the annual insurance premiums, which were approximately \$563,786 for 2010. The Town has not adopted accounting principles generally accepted in the United States of America which require the employer to recognize the future value of retiree benefits other than pension benefits as a liability in the period in which the benefits are earned, which has the potential to significantly increase the reported obligations of the Town.

H. *Retirement Plans*

The Town provides retirement benefits for its employees through contributions to the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement Systems. The Systems provide various plans and options, some of which require employee contributions.

I. *Deferred Compensation Plan*

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

J. *Estimates*

The preparation of these statutory financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Self-Insurance

1. Workers' Compensation Section 207-C

The Town has retained a portion of the liability to cover losses under Section 207-C of the General Municipal Law for police officers. Certain employees are entitled to their full pay when out on leave. The Town is required to cover any amount of losses not reimbursed by Workers' Compensation.

The Town establishes a liability for reported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the Town:

Unpaid claims and claim adjustment expenses at January 1, 2010	\$1,637,560
Incurred claims and claim adjustment expenses:	
Increase in provision for incurred events of prior years	45,057
Payments made of claims	<u>(182,877)</u>
Unpaid Claims and Claim Adjustment Expenses at December 31, 2010	<u>\$1,499,740</u>
Unpaid claims and claim adjustment expenses at January 1, 2009	\$ 146,000
Incurred claims and claim adjustment expenses:	
Increase in provision for incurred events of prior years	1,573,191
Payments made of claims	<u>(81,631)</u>
Unpaid Claims and Claim Adjustment Expenses at December 31, 2009	<u>\$1,637,560</u>

L. Property, Plant, and Equipment - General

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure type improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, have been capitalized as infrastructure.

No depreciation has been provided on general fixed assets, nor has interest on general fixed assets construction in progress been capitalized.

The Town does not maintain adequate subsidiary records of general fixed assets to substantiate the balances. Therefore, fixed assets are not accounted for at cost or at an estimate of historical costs as required by the OSC.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

1. Cash and Investments

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

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

At year-end, the book amount of the Town's (the primary government) deposits was \$12,173,245 (excluding \$2,250 in petty cash) and the bank balance was \$12,556,372. The insured and collateral status of the year-end bank balance was as follows:

Covered by federal deposit insurance	\$ 2,615,932
Collateralized with securities held by a third party custodian for the benefit of the Town pursuant to a three-party custody agreement	<u>9,940,440</u>
Total	<u>\$12,556,372</u>

Investments at December 31, 2010 consist of money market accounts.

2. Restricted Cash

Restricted cash consists of:

Capital Projects Funds - Restricted cash consists of \$5,159,401 for various capital reserves.

Agency - Restricted cash of \$118,537 consists of cash held to ensure performance by contractors and \$12,737 of drug/asset forfeiture monies.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance At 12/31/09	Additions	Deletions	Balance At 12/31/10
Land	\$ 1,870,099	\$ 1,050	\$ 0	\$ 1,871,149
Buildings	24,738,111	118,664	0	24,856,775
Improvements Other than Buildings	7,713,768	471,019	0	8,184,787
Machinery and Equipment	17,608,175	970,946	254,969	18,324,152
Infrastructure	9,048,796	839,112	0	9,887,908
TOTAL	\$60,978,949	\$2,400,791	\$254,969	\$63,124,771

4. Prepaid Expenses

The Town elected to prepay its required contributions to the New York State and Local Employees' Retirement System, the New York State Local Police and Fire Retirement Systems, and the Public Employees' Group Life Insurance Plan. The prepayment is equal to \$1,860,466 as of December 31, 2010 (see Note 2.B.1). The balance at December 31, 2010 consists of:

<u>Fund</u>	<u>Amount</u>
General	\$1,214,571
Highway - Town-Wide	303,537
Sewer	201,872
Water	<u>140,486</u>
Total	<u>\$1,860,466</u>

During 2010, the Town elected to prepay the maintenance fees for the SunGard Public Sector enterprise system in the amount of \$250,925. During 2010, the Town recognized \$83,642, with the remaining \$167,283 to be amortized evenly in 2011 and 2012.

In September of 2009, the Town upgraded its firewall system by prepaying the subscription cost of \$4,968. A portion of the cost, \$2,484, was recognized as expense in 2010 with the remaining \$2,484 to be recognized in 2011.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

B. Liabilities

1. Pension Plans

General Information

The Town of Bethlehem participates in the New York State and Local Employees' Retirement System (ERS), the New York State Local Police and Fire Retirement Systems (PFRS), and the Public Employees' Group Life Insurance Plan (the Systems). The Systems are cost-sharing multiple-employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description

The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of its funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12208.

Funding Policies

The Systems are noncontributory except for employees who joined the Systems after July 27, 1976, who contribute 3% of their salary, until such time as they achieve ten years of service credit. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates used in computing the employers' contributions.

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the Systems:

- Requires minimum contributions by employers of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.
- Changes the cycle of annual billing such that the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1st (billings due February 2011 would be based on the pension value as of March 31, 2010).

Chapter 260 of the Laws of New York State changed the annual payment due date for employers who participate in the Systems. The December 15 payment due date changed to February 1. The covered salary period (April 1 - March 31) will not change for the calculation.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

The pension expense for 2011 was prepaid in December 2010, in order to receive the discount offered by the State Retirement System. Prepaying the 2011 pension expense of \$1,860,466 resulted in a savings to the Town of \$17,985 as of December 31, 2010. The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year. The contributions in the current and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2010	\$1,254,132	\$ 606,334
2009	888,320	486,107
2008	956,605	2,440,758

2. Short-Term Debt

a. Bond Anticipation Notes

Liabilities for bond anticipation notes (BANs) for construction are accounted for in the capital projects fund. Principal payments must be made annually on BANs that the Town has outstanding. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Fund	Description	Interest Rate	Amount
Water	No. Bethlehem Transmission Main	1.08%	\$ 100,000
General	Police Vehicles	0.91%	80,000
Highway	Road Paving Projects	0.91%	780,000
Water, Sewer	Equipment	0.91%	545,000
Total			\$1,505,000

3. Long-Term Debt

a. At December 31, 2010 the total outstanding debt of serial bonds and BAN's of the Town aggregated \$20,250,000. Of this amount, \$9,214,720 was subject to the constitutional debt limit and represented approximately 3.97% of its debt limit.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

b. Serial Bonds - The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are guaranteed by the full faith and credit of the Town, are recorded in the Non-Current Governmental Liability Account Group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

c. Other Long-Term Debt - In addition to the above long-term debt, the Town had the following non-current liabilities:

- **Compensated Absences.** Represents the value of the earned and unused portion of the liability for compensated absences.
- **Judgments and Claims.** Represents the non-current portion of the estimated liability for various legal actions taken against the Town - See Note 3.D.
- **Installment Purchase Debt.** Represents the total of future installments due on capital lease obligations.
- **Workers' Compensation.** See Note 3.C
- **Landfill Closure and Post Closure.** See Notes 3.A and 3.B.

d. Summary Long-Term Debt - The following is a summary of long-term liabilities outstanding at December 31, 2010. All liabilities are within the General Long-Term Debt Account Group:

Serial Bonds	\$18,745,000
Workers' Compensation	1,499,740
Compensated Absences	296,475
Landfill Closure and Post-Closure	100,000
Judgments and Claims	<u>70,000</u>
Total Long-Term Debt	<u>\$20,711,215</u>

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

- e. The following is a summary of changes in long-term liabilities outstanding in the Non-Current Governmental Liability Account Group at December 31, 2010:

	Serial Bonds	Workers' Compensation	Compensated Absences	Judgments And Claims	Landfill Closure And Post-Closure
Balance 12/31/09	\$19,808,000	\$1,637,560	\$204,000	\$60,000	\$100,000
Issued	0	0	0	0	0
Redeemed	(1,063,000)	0	0	0	0
Other Net Change	0	(137,820)	92,475	10,000	0
Balance 12/31/10	\$18,745,000	\$1,499,740	\$296,475	\$70,000	\$100,000

A summary of serial bonds outstanding at December 31, 2010:

Description by Fund(s)	Original Date Issued	Original Amount	Rate (%)	Date Final Maturity	Outstanding at 12/31/10
Water, Sewer	1991	\$ 4,125,000	6.20	2011	\$ 225,000
Water	2004	12,105,000	5.00	2022	9,150,000
General	2008	1,880,000	4.50	2018	1,570,000
General, Water, and Sewer	2009	7,985,000	3.25	2037	7,800,000
Total Outstanding					\$18,745,000

The payments for future debt service requirements as of December 31, 2010 are as follows:

	Principal	Interest
2011	\$ 1,105,000	\$ 880,775
2012	930,000	822,375
2013	975,000	775,525
2014	1,030,000	727,088
2015	1,085,000	676,819
2016 - 2020	5,800,000	2,524,769
2021 - 2025	3,280,000	1,248,100
2026 - 2030	1,625,000	851,325
2031 - 2035	1,995,000	482,338
2036 - 2036	920,000	62,550
Total	\$18,745,000	\$9,051,664

- f. Serial bonds have been authorized for water improvements, but have not been issued as of December 31, 2010, in the amount of \$11,776,000.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

C. Interfund Receivables and Payables

Balances of receivables and (payables) at December 31, 2010 are as follows:

General Fund \$(144,316) Trust and Agency \$144,316

	Interfund	
	Revenues	Expenditures
General Fund	\$33,168	\$ 0
Water Fund	0	16,584
Sewer Fund	0	16,584
Total	\$33,168	\$33,168

The Town typically transfers funds from the Water and Sewer Funds to the General Fund to provide cash flow.

The Town typically loans resources between funds for the purpose of mitigating transient cash flow issues.

All interfund payables are expected to be repaid within one year.

D. Deferred Revenue

The following chart summarizes deferred revenue at December 31, 2010:

	General Fund	Highway Fund	Water Fund	Sewer Fund	Special Grant
NYS Grants	\$129,197	\$ 0	\$ 0	\$ 0	\$ 0
Prepaid 2011 Taxes	6,894	13,179	6,147	4,739	0
Usage Fees	0	0	223,987	154,192	0
Rental Assistance	0	0	0	0	50,884
Other Deferred	10,712	990	0	0	0
Customer Deposits	63,716	0	0	0	0
Parks Programs	40,311	0	0	0	0
Total	\$250,830	\$14,169	\$230,134	\$158,931	\$50,884

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

E. Fund Equity

1. Allocation of Fund Balance

Certain funds of the Town apply to areas less than the entire Town. The fund equity at the balance sheet date is allocated as follows:

	General Fund	Special Revenue Funds
Government Wide	\$3,738,916	\$2,441,625
Special Districts	0	5,597,865
Total	\$3,738,916	\$8,039,490

2. Reserves

a. Capital Reserves

Established pursuant to General Municipal Law (GML), Section 6-C, to establish a capital reserve fund for:

Capital Projects Funds:

Improvements and equipment	\$ 491,717
Recreational facilities	506,636
Fire tower and additions and improvement	61,184
Highway equipment	(291,784)
Reconstruction of water facilities	1,798,283
Reconstruction of sewer facilities	221,473
Pump station	990,862
Waste water treatment	<u>(329)</u>
Total GML Section 6-C	<u>\$3,778,042</u>

Established pursuant to GML, Section 6-O, to establish a solid waste management facility reserve fund for the purpose of paying for closure or post-closure care costs for the general fund - Town-wide. At December 31, 2010, the balance of the reserve was \$187,535.

Total Capital Reserves under GML Sections 6-C and 6-O **\$3,965,577**

Unreserved fund balance, unappropriated in the amount of \$5,883 as of December 31, 2010 related to:

Total deficits	\$(40,876)
Total unreserved fund balances	<u>46,759</u>
Net Unreserved Fund Balance, Unappropriated	<u>\$ 5,883</u>

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

2. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

b. Inventory Reserves

The General Fund, Highway Fund, and Water Fund have reserves for inventory in the amounts of \$59,959, \$367,053, and \$10,127, respectively, as of December 31, 2010. Inventory is valued at lower of cost or market using the first-in, first-out method (FIFO).

3. CONTINGENCIES AND COMMITMENTS

A. The Town of Bethlehem has completed closure of the North Street landfill, in accordance with an Order of Consent issued by the Department of Environmental Conservation (DEC) on November 18, 1993. The Town is required to monitor the site for 30 years, with 14 years lapsed as of December 31, 2010. The current estimated liability for post-closure care costs of the landfill for the remaining 16 years is \$38,000. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The liability has been funded in a capital reserve fund. See Note 2.E.2.a.

B. The Town operates the Rupert Road landfill which accepts construction and demolition waste. The Town became subject to a consent order for this site on April 3, 2009. The anticipated total closure costs are between \$450,000 and \$500,000. To date, over \$400,000 has been expended in labor, equipment, and consulting costs. The liability has been partially funded in a capital reserve fund. See Note 2.E.2.a. The current estimated unfunded liability is \$100,000. See Note 2.B.3.c.

C. As described in Note 1.K the Town is self-insured for Workers' Compensation for police employees for the difference between the State's payment and the full salary of the Officers. The Town has determined the estimated value of this potential loss and has recorded the liability in the non-current governmental liability account group.

D. The Town has been named defendant in various actions. A review of these actions with the Town's Attorney indicates that the risk of loss to the Town is reasonably possible for certain cases. The estimated range of loss for the cases that have as reasonably possible risk of loss is \$10,000 to \$70,000. Provision for losses for those cases that have a reasonably possible risk of loss for which a range of loss has been estimated is recorded in the non-current governmental liability group of accounts. See Note 2.B.3.c.

E. The Town was issued an Order of Consent by the New York State (NYS) Department of Environmental Conservation (DEC) in 2007. This Consent Order required the Town to repair or replace the existing sand filter system used to treat wastewater in a small community of 23 homes in South Bethlehem. The Town received a grant through the NYS CDBG-R in the amount of \$467,383, the estimated amount to completely replace the existing sand filter system. Construction of the replacement system was completed last fall (2010). Currently the system is undergoing a commissioning and monitoring phase before the project can be completely closed out. The Consent Order requires completion by May 1, 2011; however, DEC is working with the Town and Contractor during the commissioning phase and is aware that this phase may extend beyond the end of the Consent Order.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

3. CONTINGENCIES AND COMMITMENTS (CONTINUED)

F. In 2004, the Town entered into a 20-year contract with the City of Albany for the purchase of finished water. The contract calls for the purchase of specified minimum quantities, at rates that are subject to the same percentage increases paid by other customers within the City. In 2008, the contract's minimum quantities increased from 250 million gallons per year (MGY) to 365 MGY resulting in a significant increase in expense. The only change in 2009 was a 6% rate increase.

G. In 2008, a petition for reduction of assessment was filed by Bronco Development Group, based on their attempt to change the status of their free standing buildings to a classification of condominium. The Town's position is that the property owner did not obtain proper authorizations prior to the Town's assessment date. The Courts, however, have denied all motions filed by both the Town and by Bronco Development, leaving open the question of the validity of the condominium.

4. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance for all risk above minimal deductible amounts except for Workers' Compensation (see Note 1.K) and environmental hazards. Settled claims have not exceeded the commercial coverage, or the amounts provided for in the non-current governmental liability group of accounts by any material amounts during 2010. There was no reduction in insurance coverage during 2010. An estimate of liability is recorded at December 31, 2010, for outstanding claims or for any potential claims incurred but not reported as of that date in the non-current governmental liability group of accounts (see Note 2.B.3.c).

**REQUIRED SUPPLEMENTAL INFORMATION
AND SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)**

TOWN OF BETHLEHEM, NEW YORK

Schedule Of Expenditures Of Federal Awards

For The Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures
Department of Housing and Urban Development		
Direct Programs:		
Section 8 Housing Choice Vouchers	14.871	\$300,615
Pass-Through State of New York:		
ARRA - Community Development Block Grant	14.255	<u>436,315</u>
Total Department of Housing and Urban Development		<u>736,930</u>
Department of Transportation		
Pass-Through State of New York:		
Safety Incentive Grants for Use of Seatbelts	20.604	8,616
State and Community Highway Safety	20.600	12,419
Occupant Protection	20.602	1,774
Highway Planning and Construction	20.205	<u>125,343</u>
Total Department of Transportation		<u>148,152</u>
Total Federal Assistance		<u>\$885,082</u>