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REPORT TO THE COMMITTEE

December 14, 2011

The Deferred Compensation Committee
Deferred Compensation Plan for Employees
of the Town of Bethlehem

Dear Committee Members:

We have audited the financial statements of the Deferred Compensation Plan for Employees of the Town of Bethlehem (the Plan) for the year ended December 31, 2010 and have issued our report thereon dated December 14, 2011. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

We are responsible for communicating significant matters related to the audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies have not changed during 2010. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. For the year ended December 31, 2010, there were no significant estimates embodied in the financial statements.

Significant Disclosures

The disclosures in the financial statements are consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

No difficulties were encountered during the current year audit. No delays were noted after the commencement of the audit or in providing us with needed information.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

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This information is intended solely for the use of the Deferred Compensation Committee and management of the Deferred Compensation Plan for Employees of the Town of Bethlehem and is not intended to be should not be used by anyone other than these specified parties.

Very truly yours,

TOSKI & CO., CPAs, P.C.