

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, as of and for the years ended December 31, 2007 and 2006, 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 paragraph, 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 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.

The Town maintains a general fixed assets account group; however, available records were not sufficient to allow verification of the reported balances and we were unable to apply alternative procedures to substantiate carrying values as of December 31, 2007 and 2006.

The financial statements referred to above include only the primary government of the Town of Bethlehem, New York, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Town's legal entity. The financial statements do not include financial data for the Town's legally separate component unit, the Town of Bethlehem Industrial Development Agency, 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 financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Town of Bethlehem, New York, as of December 31, 2007, 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, 2008.

As described in Note 1 to the Annual Financial Report Update Document, the Town of Bethlehem, New York 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 is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The effects on the statutory financial statements of the variances between statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed material.

In our opinion, because of the effects of the matter discussed in the preceding paragraphs, the financial statements referred to in the first paragraph do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Town of Bethlehem, New York as of December 31, 2007 and 2006, 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, 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 financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund equity of the Town of Bethlehem, New York's funds and non-current governmental liabilities group of accounts as of December 31, 2007 and 2006, 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 5, 2008 on our consideration of the Town of Bethlehem, New York'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 of the Town of Bethlehem, New York. 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 State, Local Government and Non-Profit Organizations*, and is not a required part of the basic statutory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic statutory financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic statutory financial statements taken as a whole.

Teal Beecher & Charamonte CPAs P.C.

Albany, New York
June 5, 2008

Town of Bethlehem, New York Management's Discussion and Analysis For the Year Ended December 31, 2007

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, 2007. This document should be read in conjunction with the Town's financial statements.

Financial Highlights

The operating results surpassed the budget in all funds. While the General Fund had a deficit of about \$196,000, it was below the expected deficit of \$384,000. Discretionary expenditures were curtailed, anticipating potential weakness in sales tax and mortgage tax. These revenues were stronger than expected, and coupled with expenditures coming in under budget, limited the use of fund balance.

Although revenues were less than budget in the Highway, Water and Sewer Funds, expenditures were also less than budget, producing operating surpluses in each of these funds. The surpluses in these funds were invested in the Capital Reserves, helping to fund infrastructure needs and also to manage fund balance levels.

Refer to the following chart, which compares the budgeted revenue and expenditures with actual figures for 2007:

	General	Highway	Water	Sewer
Budgeted Revenue	\$16,445,000	\$5,944,000	\$8,670,000	\$4,225,000
Budgeted Expenses	16,829,000	6,138,000	9,050,000	4,225,000
Budgeted Surplus (Deficit)	(384,000)	(194,000)	(380,000)	0
Actual Revenue	16,467,415	5,884,400	8,110,530	4,193,284
Operating Expenses	16,663,912	5,751,969	7,528,482	3,785,123
Operating Surplus (Deficit)	(196,497)	132,431	582,048	408,161
Transfer to Reserve	0	(89,000)	(1,300,000)	(300,000)
Surplus (Deficit)	(196,497)	43,431	(717,952)	108,161
Fund Bal, 12/31/06	4,839,926	1,831,039	3,478,587	1,153,113
Fund Bal, 12/31/07	\$ 4,643,429	\$1,874,470	\$2,760,635	\$1,261,274

General Items of Note for All Funds

Fringe Benefits

Overall fringe benefits increased by 5.1%, up to \$4,867,000. Health insurance continues to be the driver of increases in fringe benefits, comprising \$174,000 of the total (increased 10.1% from 2006). The retirement system contributions and workers' compensation costs were stable. Note that benefit costs are distributed to the various divisions and funds. The following schedule provides comparative detail on aggregated fringe benefit costs:

Fringe Benefits	2007 Actual	2006 Actual
FICA/Medicare Taxes	\$1,062,115	\$ 998,577
Health & Dental Insurance	1,867,025	1,705,201
Retirement Systems	1,472,073	1,480,766
Workers' Compensation Ins.	441,340	417,231
Life & Short-Term Disability Ins.	24,937	28,483
Total	\$4,867,490	\$4,630,258

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 95 retirees, by expensing the annual insurance premiums, which were approximately \$649,000 for 2007, and \$621,000 for 2006.

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 Generally Accepted Accounting Principles (GAAP), and is effective in 2008. This standard would require the future value of retiree benefits to be recognized 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 financial statements are prepared using an Other Comprehensive Basis of Accounting, the Town is not required to comply with GAAP standards.

Interest Income

The interest earnings for 2007 were equal to \$810,668, about \$82,000 more than the 2006 earnings of \$728,629. The increase is primarily attributed to a nominal rise in interest rates, since the balances available for investment over this time period were about the same.

A summary of the budgeted interest income compared to actual for 2007 is as follows (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	\$150,000	\$168,285	\$18,195
Highway	164,000	162,405	(1,595)
Water	162,000	121,413	(40,587)
Sewer	86,000	60,400	(25,600)
Total	\$562,000	\$512,413	\$(49,587)

The negative variances for the Water and Sewer Funds reflect the transfers from the operating funds to the reserve funds. Between 2006 and 2007, significant amounts were transferred to the reserves: \$2.9 million to the Water Reserve and \$1.2 million to the Sewer Reserve. The Sewer Reserve funds available for investment were reduced by about \$800,000, largely attributable to the Dinmore Road Trunk Sewer replacement project. This is why the increase in the reserve fund income did not exceed the negative variance in the operating fund.

Note the increases in interest income for these two reserve funds:

Fund	2007 Actual	2006 Actual	Increase
Water Reserve	\$ 97,604	\$36,759	\$60,845
Sewer Reserve	62,741	42,549	20,192
Total	\$160,345	\$79,308	\$81,037

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.

	2007	2006
Serial Bonds	\$11,520,000	\$12,485,000
Installment Purchase Loans	189,611	294,007
Compensated Absences	190,000	164,000
Workers Compensation	254,000	1,212,000
Allowance for Insurance Claims	25,000	25,000
Landfill Closure and Post Closure	100,000	-
Total Long-Term Debt	\$12,278,611	\$14,180,007

Items of Note for the General Fund

Total revenues increased 2.0%, from \$16,145,760 in 2006 to \$16,467,415 in 2007. Sales tax revenues were only up 1.1%, to \$9,812,000, but were nonetheless about \$62,000 higher than budget. Mortgage tax revenues decreased 11%, dropping to \$1,238,000, but were similarly higher than budget by \$51,000.

Operating expenditures increased 2.9%, although overall expenditures increased only 1.7%, which reflects the reduction of \$200,000 in transfers to reserves. Total expenditures went from \$16,393,232 in 2006 to \$16,663,912 in 2007.

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 Highway Fund's operating revenue increased 2.1%, primarily from the increase in the tax levy from 2006 to 2007. Operating expenditures only grew 1.6%. Revenue growth slightly in excess of the rate of growth on expenditures will provide the most stability for the fund, and provide modest funding of capital reserves. This will enable the purchase of new equipment, as older fleet vehicles require replacement.

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. The surpluses will be kept in the fund to the extent they are needed to maintain sufficient cash flow, and the balance will be recommended for transfer into the capital reserves.

Both the Water and Sewer Funds sustained flood damage in the April 2007 storms, which costs were largely reimbursed by FEMA/SEMO. Combined state and Federal aid in 2007 was \$70,103 and \$258,118 for the Water and Sewer Funds, respectively.

Analysis of Fund Balances

The following chart summarizes the projected fund balance activity through the end of 2008, 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, 12/31/07	\$4,643,429	\$1,874,470	\$2,760,635	\$1,261,274
2008 Use of Fund Balance	(875,000)	(307,000)	(974,000)	(397,000)
Projected Balance, 12/31/08	3,768,429	1,567,470	1,786,635	864,274
2008 Budgeted Appropriations	17,371,000	6,438,000	9,450,000	4,366,000
Percent of Appropriations	21.7%	24.3%	18.9%	19.8%
15% of Budget Appropriations	2,606,000	966,000	1,418,000	655,000
Current Recommended Floor	2,600,000	900,000	1,400,000	600,000

The projected 2008 levels for the operating funds indicate sufficient net assets to fund current budgetary requirements.

Capital Reserves

The following chart shows the projected balances within the major Capital Reserve Funds:

	General	Highway	Water	Sewer	Recreation
Fund Balance, 12/31/07	\$671,611	\$828,257	\$2,798,929	\$934,435	\$728,790
Proposed Transfers In	0	0	0	0	0
Approved Project Expenditures	(157,000)	(452,000)	(961,000)	(615,000)	0
Available for Projects	\$514,611	\$376,257	\$1,837,929	\$319,435	\$728,790

These reserves provide a supplemental funding source for major capital expenditures. A formal capital plan is being developed 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 John H. Cunningham, Supervisor, or to Judith E. Kehoe, 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 Judith E. Kehoe, 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 12/31/2007

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 within sixty days after the close of the fiscal year of such Municipal Corporation *** 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 Services and Economic Development
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 2006 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2007:

- (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 2006 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Securities for Collateralization
- 3) Schedule of Time Deposits and Investments
- 4) Investment Certification
- 5) Bank Reconciliation
- 6) Local Government Questionnaire

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

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Cash In Time Deposits	1,202,808	A201	1,129,722
Petty Cash	1,850	A210	1,850
TOTAL Cash	1,204,658		1,131,572
Accounts Receivable	225,004	A380	201,617
TOTAL Other Receivables (net)	225,004		201,617
State & Federal, Other Additional Description 2006 Incl. DEC,Compost.,Reval~\$130k	171,115	A410	55,421
TOTAL State And Federal Aid Receivables	171,115		55,421
Due From Other Funds		A391	29,252
TOTAL Due From Other Funds	0		29,252
Due From Other Governments	3,291,390	A440	3,362,701
TOTAL Due From Other Governments	3,291,390		3,362,701
Inventory	23,456	A445	32,150
TOTAL Inventories	23,456		32,150
Prepaid Expenses	994,580	A480	983,156
TOTAL Prepaid Expenses	994,580		983,156
Cash In Time Deposits, Spec Res	25,350	A231	
TOTAL Restricted Assets	25,350		0
TOTAL Assets	5,935,553		5,795,869

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Accounts Payable Additional Description 2006 Incl \$110k MIS equip, \$95k EDP/TDE	465,393	A600	283,412
TOTAL Accounts Payable	465,393		283,412
Accrued Liabilities	221,318	A601	219,944
TOTAL Accrued Liabilities	221,318		219,944
Due To Other Funds	82,205	A630	125,100
TOTAL Due To Other Funds	82,205		125,100
Due To Other Governments Additional Description 2007 Incl \$95k '08 prop tax, \$100k incr ALS	242,056	A631	421,396
TOTAL Due To Other Governments	242,056		421,396
Deferred Revenues	132,655	A691	102,588
TOTAL Deferred Revenues	132,655		102,588
TOTAL Liabilities	1,143,627		1,152,440
Reserve For Encumbrances Additional Description Incl EDP grant and TDE's	74,656	A821	287,853
TOTAL Reserve For Encumbrances	74,656		287,853
Reserve For Inventory	23,456	A845	32,150
TOTAL Contributed Reserve	23,456		32,150
General Reserve Additional Description Drug Asset Forfeiture Program	8,878	A870	8,967
TOTAL Special Reserves	8,878		8,967
Unreserved Fund Balance Appropriated	384,000	A910	875,000
TOTAL Unreserved Fund Balance - Appropriated	384,000		875,000
Unreserved Fund Balance Unappropriated	4,300,936	A911	3,439,459
TOTAL Unreserved Fund Balance - Unappropriated	4,300,936		3,439,459
TOTAL Fund Equity	4,791,926		4,643,429
TOTAL Liabilities And Fund Equity	5,935,553		5,795,869

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Real Property Taxes	951,300	A1001	1,217,400
TOTAL Real Property Taxes	951,300		1,217,400
Other Payments In Lieu of Taxes	373,791	A1081	449,308
TOTAL Real Property Tax Items	373,791		449,308
Non Prop Tax Dist By County	9,705,975	A1120	9,812,444
Franchises	443,060	A1170	497,293
TOTAL Non Property Tax Items	10,149,035		10,309,737
Tax Collector Fees	69,127	A1232	69,635
Comptroller Fees	1,588	A1240	1,207
Assessors Fees		A1250	225
Clerk Fees	3,396	A1255	2,893
Police Fees	53,258	A1520	49,164
Safety Inspection Fees	116,823	A1560	92,447
Vital Statistics Fees	11,154	A1603	11,060
Public Works Charges	87,556	A1710	40,151
Charges-Programs For The Aging	38,928	A1972	51,298
Park And Recreational Charges	237,060	A2001	218,065
Recreational Concessions	7,953	A2012	6,552
Special Recreational Facility Charges	181,891	A2025	261,091
Additional Description New charges: golf, fields, camps			
Zoning Fees	3,000	A2110	1,975
Planning Board Fees	94,378	A2115	132,617
Additional Description Includes TDE fees			
Refuse & Garbage Charges	759,151	A2130	756,578
TOTAL Departmental Income	1,665,263		1,694,958
Public Safety Services For Other Govts	14,000	A2260	14,000
Misc Revenue, Other Govts	202,700	A2389	202,965
Additional Description Includes IDA Service Agreement			
TOTAL Intergovernmental Charges	216,700		216,965
Interest And Earnings	158,097	A2401	168,285
Rental of Real Property	41,100	A2410	44,100
TOTAL Use of Money And Property	199,197		212,385
Bingo Licenses	948	A2540	1,471
Dog Licenses	10,782	A2544	10,196
Permits, Other	1,890	A2590	2,251
TOTAL Licenses And Permits	13,620		13,918
Fines And Forfeited Bail	556,025	A2610	553,340
TOTAL Fines And Forfeitures	556,025		553,340
Sales of Scrap & Excess Materials	19,503	A2650	30,867
Sales, Other	2,008	A2655	2,020
Sales of Equipment	9,092	A2665	20,272
Insurance Recoveries	96,703	A2680	115,912
TOTAL Sale of Property And Compensation For Loss	127,306		169,071
Reimbursement of Medicare Part D Exp		A2700	14,087
Refunds of Prior Year's Expenditures	18,207	A2701	22,055
Gifts And Donations	24,681	A2705	22,670

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Unclassified (specify)	27,823	A2770	441
Additional Description 2006 Included Medicare D			
TOTAL Miscellaneous Local Sources	70,711		59,253
Interfund Revenues	29,600	A2801	30,600
TOTAL Interfund Revenues	29,600		30,600
St Aid, Revenue Sharing	129,641	A3001	133,530
St Aid, Mortgage Tax	1,396,655	A3005	1,238,230
St Aid, Real Property Tax Administration	75,681	A3040	20,395
Additional Description 2006 Included Reval Aid			
ST. Aid, Records MgmT.	4,234	A3060	8,431
St Aid, Youth Programs	17,905	A3820	18,189
St Aid, Conservation Programs	86,124	A3910	108,559
Additional Description Composting, Household Haz. Waste			
TOTAL State Aid	1,710,240		1,527,334
Fed Aid, Crime Control	82,972	A4320	7,517
Additional Description 2006 Included LiveScan Equip. Grant			
Fed Aid, Disaster Assistance		A4785	5,629
TOTAL Federal Aid	82,972		13,146
TOTAL Revenues	16,145,760		16,467,415
TOTAL Detail Revenues And Other Sources	16,145,760		16,467,415

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Legislative Board, Pers Serv	51,132	A10101	52,664
Legislative Board, Contr Expend	5,274	A10104	5,140
Legislative Board, Empl Bnfts	8,125	A10108	7,873
TOTAL Legislative Board	64,531		65,677
Municipal Court, Pers Serv	255,029	A11101	262,305
Municipal Court, Equip & Cap Outlay	4,250	A11102	
Municipal Court, Contr Expend	20,645	A11104	17,478
Municipal Court, Empl Bnfts	70,701	A11108	82,651
TOTAL Municipal Court	350,625		362,434
Supervisor,pers Serv	148,764	A12201	151,139
Supervisor,equip & Cap Outlay		A12202	5,014
Supervisor,contr Expend	3,271	A12204	8,035
Supervisor,empl Bnfts	37,498	A12208	48,359
TOTAL Supervisor	189,533		212,547
Comptroller,pers Serv	264,707	A13151	289,459
Comptroller, Equip & Cap Outlay	2,706	A13152	
Comptroller, Contr Expend	50,713	A13154	49,399
Comptroller, Empl Bnfts	87,966	A13158	93,749
TOTAL Comptroller	406,092		432,607
Tax Collection,pers Serv	145,196	A13301	140,468
Tax Collection,contr Expend	20,535	A13304	21,691
Tax Collection,empl Bnfts	46,057	A13308	41,550
TOTAL Tax Collection	211,788		203,709
Assessment, Pers Serv	210,270	A13551	204,145
Assessment, Contr Expend	30,034	A13554	29,406
Assessment, Empl Bnfts	57,702	A13558	58,379
TOTAL Assessment	298,006		291,930
Clerk,pers Serv	143,769	A14101	150,459
Clerk,equip & Cap Outlay		A14102	940
Clerk,contr Expend	6,768	A14104	8,924
Clerk,empl Bnfts	37,782	A14108	38,607
TOTAL Clerk	188,319		198,930
Law, Pers Serv	117,070	A14201	120,725
Law, Contr Expend	29,498	A14204	39,633
Law, Empl Bnfts	30,203	A14208	31,810
TOTAL Law	176,771		192,168
Elections, Contr Expend	84,213	A14504	91,697
TOTAL Elections	84,213		91,697
Records Mgmt, Contr Expend	2,920	A14604	8,607
TOTAL Records Mgmt	2,920		8,607
Public Inform & Services, Contr Expend	13,730	A14804	14,560
TOTAL Public Inform & Services	13,730		14,560
Public Works Admin, Pers Serv	402,451	A14901	432,595
Public Works Admin, Equip & Cap Outlay	35,629	A14902	19,408
Public Works Admin, Contr Expend	55,017	A14904	43,264

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Public Works Admin, Empl Bnfts	115,635	A14908	129,420
TOTAL Public Works Admin	608,732		624,687
Buildings, Pers Serv	134,778	A16201	144,225
Buildings, Equip & Cap Outlay	15,861	A16202	28,742
Buildings, Contr Expend	194,728	A16204	192,668
Buildings, Empl Bnfts	53,388	A16208	55,803
TOTAL Buildings	398,755		421,438
Central Data Process, Pers Serv	303,452	A16801	316,995
Central Data Process & Cap Outlay	130,281	A16802	24,797
Central Data Process, Contr Expend	120,213	A16804	128,153
Central Data Process, Empl Bnfts	76,677	A16808	79,788
TOTAL Central Data Process	630,623		549,733
Unallocated Insurance, Contr Expend	258,368	A19104	252,296
TOTAL Unallocated Insurance	258,368		252,296
Municipal Assn Dues, Contr Expend	3,301	A19204	3,374
TOTAL Municipal Assn Dues	3,301		3,374
Judgements And Claims, Contr Expend	9,000	A19304	
TOTAL Judgements And Claims	9,000		0
Taxes & Assess On Munic Prop, Contr Expend	8,080	A19504	5,208
TOTAL Taxes & Assess On Munic Prop	8,080		5,208
TOTAL General Government Support	3,903,387		3,931,602
Other Education, Contr Expend Additional Description PEG funds	20,368	A29894	49,995
TOTAL Other Education	20,368		49,995
TOTAL Education	20,368		49,995
Public Safety Comm Sys, Pers Serv	711,352	A30201	733,534
Public Safety Comm Sys, Equip & Cap Outlay	16,254	A30202	12,094
Public Safety Comm Sys, Contr Expend	34,823	A30204	32,769
Public Safety Comm Sys, Empl Bnfts	224,537	A30208	233,952
TOTAL Public Safety Comm Sys	986,966		1,012,349
Police, Pers Serv	3,406,910	A31201	3,607,362
Police, Equip & Cap Outlay	122,662	A31202	154,884
Police, Contr Expend	604,969	A31204	585,299
Police, Empl Bnfts	1,137,183	A31208	1,219,786
TOTAL Police	5,271,724		5,567,331
Traffic Control, Pers Serv	26,819	A33101	55,922
Traffic Control, Contr Expen	56,765	A33104	20,293
Traffic Control, Empl Bnfts	16,165	A33108	25,633
TOTAL Traffic Control	99,749		101,848
Fire, Equip & Cap Outlay	24,421	A34102	5,107
Fire, Contr Expend	20,640	A34104	12,705
TOTAL Fire	45,061		17,812
Control of Animals, Pers Serv	82,660	A35101	85,539
Control of Animals, Contr Expend	12,177	A35104	13,091
Control of Animals, Empl Bnfts	21,958	A35108	22,241
TOTAL Control of Animals	116,795		120,871

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Safety Inspection, Pers Serv	346,162	A36201	352,476
Safety Inspection, Equip & Cap Outlay	15,610	A36202	
Safety Inspection, Contr Expend	26,196	A36204	35,232
Safety Inspection, Empl Bnfts	122,367	A36208	129,071
TOTAL Safety Inspection	510,335		516,779
Civil Defense, Pers Serv		A36401	2,949
Civil Defense, Contr Expend	509	A36404	1,291
Civil Defense, Empl Bnfts		A36408	236
TOTAL Civil Defense	509		4,476
TOTAL Public Safety	7,031,139		7,341,466
Registrar of Vital Statistics, Pers Serv	1,491	A40201	1,500
Registrar of Vital Stat Contr Expend	154	A40204	
Registrar of Vital Stat, Empl Bnfts	289	A40208	282
TOTAL Registrar of Vital Stat	1,934		1,782
TOTAL Health	1,934		1,782
Street Admin, Pers Serv	269,781	A50101	268,793
Street Admin, Equip & Cap Outlay		A50102	1,252
Street Admin, Contr Expend	14,627	A50104	14,301
Street Admin, Empl Bnfts	83,614	A50108	84,818
TOTAL Street Admin	368,022		369,164
Garage, Equip & Cap Outlay	16,163	A51322	3,438
Garage, Contr Expend	70,528	A51324	84,718
TOTAL Garage	86,691		88,156
Street Lighting, Contr Expend	216,911	A51824	229,615
TOTAL Street Lighting	216,911		229,615
TOTAL Transportation	671,624		686,935
Programs For Aging, Pers Serv	310,369	A67721	338,189
Programs For Aging, Equip & Cap Outlay	442	A67722	
Programs For Aging, Contr Expend	58,510	A67724	53,477
Programs For Aging, Empl Bnfts	101,653	A67728	105,134
TOTAL Programs For Aging	470,974		496,800
TOTAL Economic Assistance And Opportunity	470,974		496,800
Recreation Admini, Pers Serv	286,863	A70201	302,292
Recreation Admini, Contr Expend	28,633	A70204	25,544
Recreation Admini, Empl Bnfts	93,998	A70208	101,941
TOTAL Recreation Admini	409,494		429,777
Parks, Pers Serv	578,240	A71101	598,937
Parks, Equip & Cap Outlay	59,823	A71102	82,881
Parks, Contr Expend	327,400	A71104	345,007
Parks, Empl Bnfts	127,257	A71108	138,982
TOTAL Parks	1,092,720		1,165,807
Youth Prog, Contr Expend	30,305	A73104	30,086
TOTAL Youth Prog	30,305		30,086
Historian, Pers Serv	2,600	A75101	1,850
Historian, Contr Expend	5,109	A75104	7,253

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Historian, Empl Bnfts	208	A75108	148
TOTAL Historian	7,917		9,251
Celebrations, Contr Expend	3,308	A75504	4,072
TOTAL Celebrations	3,308		4,072
TOTAL Culture And Recreation	1,543,744		1,638,993
Zoning, Pers Serv	25,754	A80101	44,528
Zoning, Contr Expend	14,564	A80104	1,271
Zoning, Empl Bnfts	2,906	A80108	6,729
TOTAL Zoning	43,224		52,528
Planning, Pers Serv	444,448	A80201	432,292
Planning, Equip & Cap Outlay	78	A80202	6,659
Planning, Contr Expend	120,026	A80204	213,320
Additional Description Contracted Eng Svcs-offset w/ fee income			
Planning, Empl Bnfts	115,620	A80208	112,791
TOTAL Planning	680,172		765,062
Refuse & Garbage, Pers Serv	148,092	A81601	226,355
Refuse & Garbage, Equip & Cap Outlay	49,496	A81602	3,150
Refuse & Garbage, Contr Expend	996,440	A81604	838,389
Refuse & Garbage, Empl Bnfts	60,554	A81608	90,449
TOTAL Refuse & Garbage	1,254,582		1,158,343
Comm Beautification, Contr Expend	50,056	A85104	62,397
TOTAL Comm Beautification	50,056		62,397
TOTAL Home And Community Services	2,028,034		2,038,330
Other Employee Benefits (spec)	341,819	A90898	373,498
Additional Description Retiree health insurance			
TOTAL Employee Benefits	341,819		373,498
Install Pur Debt, Principal	168,699	A97856	97,412
TOTAL Debt Principal	168,699		97,412
Install Pur Debt, Interest	11,510	A97857	7,099
TOTAL Debt Interest	11,510		7,099
TOTAL Expenditures	16,193,232		16,663,912
Transfers, Other Funds		A99019	
Transfers, Capital Projects Fund	200,000	A99509	
TOTAL Operating Transfers	200,000		0
TOTAL Other Uses	200,000		0
TOTAL Detail Expenditures And Other Uses	16,393,232		16,663,912

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	5,039,398	A8021	4,791,926
Prior Period Adj-Increase To Fund Equity		A8012	48,000
Restated Fund Equity - Beg of Year	5,039,398	A8022	4,839,926
ADD - REVENUES AND OTHER SOURCES	16,145,760		16,467,415
DEDUCT - EXPENDITURES AND OTHER USES	16,393,232		16,663,912
Fund Equity-End of Year	4,791,926	A8029	4,643,429

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Budget Summary

Code Description	2007	EdpCode	2008
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	1,217,400	A1049N	1,324,000
Est Rev - Real Property Tax Items	377,000	A1099N	479,000
Est Rev - Non Property Tax Items	10,236,000	A1199N	10,171,500
Est Rev - Departmental Income	2,024,000	A1299N	2,008,500
Est Rev - Intergovernmental Charges	222,000	A2399N	72,000
Est Rev - Use of Money And Property	195,000	A2499N	197,500
Est Rev - Licenses And Permits	11,000	A2599N	15,000
Est Rev - Fines And Forfeitures	575,000	A2649N	580,000
Est Rev - Sale of Prop And Comp For Loss	122,000	A2699N	124,000
Est Rev - Miscellaneous Local Sources	40,600	A2799N	50,000
Est Rev - Interfund Revenues	30,000	A2801N	32,000
Est Rev - State Aid	1,370,000	A3099N	1,167,500
Est Rev - Federal Aid	25,000	A4099N	35,000
TOTAL Estimated Revenues	16,445,000		16,256,000
Estimated - Interfund Transfer		A5031N	240,000
Appropriated Fund Balance	384,000	A599N	875,000
TOTAL Estimated Other Sources	384,000		1,115,000
TOTAL Estimated Revenues And Other Sources	16,829,000		17,371,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(A) GENERAL

Budget Summary

Code Description	2007	EdpCode	2008
Appropriations And Other Uses			
App - General Government Support	4,170,580	A1999N	4,176,260
App - Public Safety	7,312,390	A3999N	7,557,125
App - Health	2,020	A4999N	1,805
App - Transportation	726,900	A5999N	736,000
App - Economic Assistance And Opportunity	500,250	A6999N	570,370
App - Culture And Recreation	1,636,985	A7999N	1,854,630
App - Home And Community Services	2,017,680	A8999N	1,993,510
App - Employee Benefits	357,675	A9199N	380,000
App - Debt Service	104,520	A9899N	101,300
TOTAL Appropriations	16,829,000		17,371,000
TOTAL Appropriations And Other Uses	16,829,000		17,371,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Cash In Time Deposits	24,465	CD201	51,496
TOTAL Cash	24,465		51,496
Accounts Receivable	4,500	CD380	408
TOTAL Other Receivables (net)	4,500		408
Cash In Time Deposits, Spec Res	3,546	CD231	5,090
TOTAL Restricted Assets	3,546		5,090
TOTAL Assets	32,511		56,994

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Other Liabilities	8,046	CD688	5,090
TOTAL Other Liabilities	8,046		5,090
Deferred Revenues	24,465	CD691	51,904
TOTAL Deferred Revenues	24,465		51,904
TOTAL Liabilities	32,511		56,994
TOTAL Liabilities And Fund Equity	32,511		56,994

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(CD) SPECIAL GRANT

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Interest And Earnings	192	CD2401	360
TOTAL Use of Money And Property	192		360
Federal Aid Rental Assistance Program	243,985	CD4915	241,853
TOTAL Federal Aid	243,985		241,853
TOTAL Revenues	244,177		242,213
TOTAL Detail Revenues And Other Sources	244,177		242,213

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(CD) SPECIAL GRANT

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Rent Subsidy, Contr Expend	244,177	CD86104	242,213
TOTAL Rent Subsidy	244,177		242,213
TOTAL Home And Community Services	244,177		242,213
TOTAL Expenditures	244,177		242,213
TOTAL Detail Expenditures And Other Uses	244,177		242,213

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(CD) SPECIAL GRANT

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year		CD8021	
Restated Fund Equity - Beg of Year		CD8022	
ADD - REVENUES AND OTHER SOURCES	244,177		242,213
DEDUCT - EXPENDITURES AND OTHER USES	244,177		242,213
Fund Equity-End of Year		CD8029	

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Cash In Time Deposits	1,427,873	DA201	1,527,197
Petty Cash	200	DA210	200
TOTAL Cash	1,428,073		1,527,397
State & Federal Receivables	2,784	DA410	
TOTAL State And Federal Aid Receivables	2,784		0
Inventory of Materials & Supplies	308,116	DA445	300,082
TOTAL Inventories	308,116		300,082
Prepaid Expenses	239,325	DA480	225,480
TOTAL Prepaid Expenses	239,325		225,480
TOTAL Assets	1,978,298		2,052,959

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Accounts Payable	53,474	DA600	87,584
TOTAL Accounts Payable	53,474		87,584
Accrued Liabilities	44,218	DA601	68,267
TOTAL Accrued Liabilities	44,218		68,267
Deferred Revenues	1,567	DA691	22,638
TOTAL Deferred Revenues	1,567		22,638
TOTAL Liabilities	99,259		178,489
Reserve For Encumbrances	21,852	DA821	239,099
TOTAL Reserve For Encumbrances	21,852		239,099
Reserve For Inventory	308,116	DA845	300,082
TOTAL Contributed Reserve	308,116		300,082
Unreserved Fund Balance Appropriated	194,000	DA910	307,000
TOTAL Unreserved Fund Balance - Appropriated	194,000		307,000
Unreserved Fund Balance Unappropriated	1,355,071	DA911	1,028,289
TOTAL Unreserved Fund Balance - Unappropriated	1,355,071		1,028,289
TOTAL Fund Equity	1,879,039		1,874,470
TOTAL Liabilities And Fund Equity	1,978,298		2,052,959

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Real Property Taxes	3,590,000	DA1001	3,744,000
TOTAL Real Property Taxes	3,590,000		3,744,000
Other Payments In Lieu of Taxes	1,372,515	DA1081	1,353,473
TOTAL Real Property Tax Items	1,372,515		1,353,473
Misc Revenue From Other Govt	3,952	DA2389	3,171
TOTAL Intergovernmental Charges	3,952		3,171
Interest And Earnings	144,485	DA2401	162,405
Rental of Equipment	48,000	DA2414	48,000
TOTAL Use of Money And Property	192,485		210,405
Sales of Scrap & Excess Materials	852	DA2650	1,673
Sales of Equipment	320	DA2665	12,200
Insurance Recoveries	6,599	DA2680	21,653
TOTAL Sale of Property And Compensation For Loss	7,771		35,526
Reimbursement of Medicare Part D Exp		DA2700	8,223
Unclassified (specify)	16,567	DA2770	75
Additional Description 2006 Figure is Medicare D Reimbursement			
TOTAL Miscellaneous Local Sources	16,567		8,298
Interfund Revenues	379,603	DA2801	311,084
TOTAL Interfund Revenues	379,603		311,084
St Aid, Consolidated Highway Aid	199,531	DA3501	202,910
St Aid Emergency Disaster Assistance		DA3960	3,770
TOTAL State Aid	199,531		206,680
Fed Aid Emer Disaster Assist		DA4960	11,763
TOTAL Federal Aid	0		11,763
TOTAL Revenues	5,762,424		5,884,400
TOTAL Detail Revenues And Other Sources	5,762,424		5,884,400

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Maint of Streets, Pers Serv	1,501,978	DA51101	1,361,340
Maint of Streets, Equip & Cap Outlay		DA51102	
Maint of Streets, Contr Expend	488,603	DA51104	598,581
Maint of Streets, Empl Bnfts	656,512	DA51108	558,077
TOTAL Maint of Streets	2,647,093		2,517,998
Perm Improve Highway, Contr Expend	539,999	DA51124	560,000
TOTAL Perm Improve Highway	539,999		560,000
Machinery, Pers Serv	345,693	DA51301	357,128
Machinery, Equip & Cap Outlay	299,162	DA51302	1,700
Machinery, Contr Expend	487,888	DA51304	522,939
Machinery, Empl Bnfts	136,505	DA51308	134,534
TOTAL Machinery	1,269,248		1,016,301
Brush And Weeds, Pers Serv	498,467	DA51401	481,667
Brush And Weeds, Contr Expend	63,278	DA51404	89,851
Brush & Weeds, Empl Bnfts	215,804	DA51408	199,567
TOTAL Brush & Weeds	777,549		771,085
Snow Removal, Pers Serv	95,541	DA51421	371,123
Snow Removal, Contr Expend	69,080	DA51424	171,402
Snow Removal, Empl Bnfts	52,585	DA51428	133,920
TOTAL Snow Removal	217,206		676,445
TOTAL Transportation	5,451,095		5,541,829
Other Employee Benefits (spec)	203,035	DA90898	205,300
Additional Description Retiree Health Insurance			
TOTAL Employee Benefits	203,035		205,300
Debt Principal, Install Purch. Debt	8,799	DA97856	4,472
TOTAL Debt Principal	8,799		4,472
Debt Interest, Install. Purch Debt	593	DA97857	368
TOTAL Debt Interest	593		368
TOTAL Expenditures	5,663,522		5,751,969
Transfers, Capital Projects Fund	250,000	DA99509	89,000
TOTAL Operating Transfers	250,000		89,000
TOTAL Other Uses	250,000		89,000
TOTAL Detail Expenditures And Other Uses	5,913,522		5,840,969

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	2,030,137	DA8021	1,879,039
Prior Period Adj - Decrease In Fund Equity		DA8015	48,000
Restated Fund Equity - Beg of Year	2,030,137	DA8022	1,831,039
ADD - REVENUES AND OTHER SOURCES	5,762,424		5,884,400
DEDUCT - EXPENDITURES AND OTHER USES	5,913,522		5,840,969
Fund Equity - End of Year	1,879,039	DA8029	1,874,470

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2007	EdpCode	2008
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	3,744,000	DA1049N	3,889,000
Est Rev - Real Property Tax Items	1,388,000	DA1099N	1,367,000
EsT. ReV. - Intergovernmental Charges	4,000	DA2399N	4,000
Est Rev - Use of Money And Property	212,000	DA2499N	217,000
Est Rev - Sale of Prop And Comp For Loss	31,000	DA2699N	31,000
Est Rev - Miscellaneous Local Sources	15,000	DA2799N	20,000
Est Rev - Interfund Revenues	350,000	DA2801N	400,000
Est Rev - State Aid	200,000	DA3099N	203,000
TOTAL Estimated Revenues	5,944,000		6,131,000
Appropriated Fund Balance	194,000	DA599N	307,000
TOTAL Estimated Other Sources	194,000		307,000
TOTAL Estimated Revenues And Other Sources	6,138,000		6,438,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2007	EdpCode	2008
Appropriations And Other Uses			
App - Transportation	5,903,000	DA5999N	6,193,000
App - Employee Benefits	230,000	DA9199N	240,000
App - Debt Service	5,000	DA9899N	5,000
TOTAL Appropriations	6,138,000		6,438,000
TOTAL Appropriations And Other Uses	6,138,000		6,438,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Cash In Time Deposits	241,380	H201	89,933
TOTAL Cash	241,380		89,933
State & Federal Receivables		H410	
TOTAL State And Federal Aid Receivables	0		0
Cash Special Reserves	5,940,749	H230	6,461,757
TOTAL Restricted Assets	5,940,749		6,461,757
TOTAL Assets	6,182,129		6,551,690

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Accounts Payable	27,305	H600	6,957
TOTAL Accounts Payable	27,305		6,957
Retained Percentages, Cont Pay	15,000	H605	
TOTAL Retained Percentages	15,000		0
Bond Anticipation Notes Payable	2,860,750	H626	2,722,500
TOTAL Notes Payable	2,860,750		2,722,500
Due To Other Funds		H630	
TOTAL Due To Other Funds	0		0
Deferred Revenues		H691	
TOTAL Deferred Revenues	0		0
TOTAL Liabilities	2,903,055		2,729,457
Reserve For Encumbrances	245,553	H821	794,769
TOTAL Reserve For Encumbrances	245,553		794,769
Capital Reserve	5,744,134	H878	5,644,335
TOTAL Special Reserves	5,744,134		5,644,335
Unreserved Fund Balance Appropriated		H910	
TOTAL Unreserved Fund Balance - Appropriated	0		0
Unreserved Fund Balance Unappropriated	-2,710,613	H911	-2,616,871
TOTAL Unreserved Fund Balance - Unappropriated	-2,710,613		-2,616,871
TOTAL Fund Equity	3,279,074		3,822,233
TOTAL Liabilities And Fund Equity	6,182,129		6,551,690

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Interest And Earnings	201,985	H2401	297,805
TOTAL Use of Money And Property	201,985		297,805
Unclassified (specify)	3,000	H2770	
TOTAL Miscellaneous Local Sources	3,000		0
St Aid, Other Home And Comm Serv	100,000	H3989	
TOTAL State Aid	100,000		0
Fed Aid, Sewer Cap Proj	231,549	H4990	
TOTAL Federal Aid	231,549		0
TOTAL Revenues	536,534		297,805
Interfund Transfers	2,925,000	H5031	1,689,000
TOTAL Interfund Transfers	2,925,000		1,689,000
Bans Redeemed From Appropriations	137,250	H5731	138,250
Installment Purchase Debt		H5785	
TOTAL Proceeds of Obligations	137,250		138,250
TOTAL Other Sources	3,062,250		1,827,250
TOTAL Detail Revenues And Other Sources	3,598,784		2,125,055

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Central Data Process & Cap Outlay	78,490	H16802	73,116
TOTAL Central Data Process & Cap Outlay	78,490		73,116
TOTAL General Government Support	78,490		73,116
Machinery, Equip & Cap Outlay	88,000	H51302	
TOTAL Machinery	88,000		0
Sidewalks, Equip & Cap Outlay	28,622	H54102	303,772
TOTAL Sidewalks	28,622		303,772
TOTAL Transportation	116,622		303,772
Parks, Equip & Cap Outlay	497,510	H71102	79,667
TOTAL Parks	497,510		79,667
TOTAL Culture And Recreation	497,510		79,667
Sewage Treat Disp, Equip & Cap Outlay	124,618	H81302	802,626
TOTAL Sewage Treat Disp	124,618		802,626
Refuse & Garbage, Equip & Cap Outlay		H81602	3,074
TOTAL Refuse & Garbage	0		3,074
Water Trans & Distrib, Equip & Cap Outlay	151,193	H83402	319,076
TOTAL Water Trans & Distrib	151,193		319,076
Misc Home & Comm Serv, Equip & Cap Outlay	1,654	H89892	565
TOTAL Misc Home & Comm Serv	1,654		565
TOTAL Home And Community Services	277,465		1,125,341
TOTAL Expenditures	970,087		1,581,896
TOTAL Detail Expenditures And Other Uses	970,087		1,581,896

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(H) CAPITAL PROJECTS

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	650,377	H8021	3,279,074
Restated Fund Equity - Beg of Year	650,377	H8022	3,279,074
ADD - REVENUES AND OTHER SOURCES	3,598,784		2,125,055
DEDUCT - EXPENDITURES AND OTHER USES	970,087		1,581,896
Fund Equity - End of Year	3,279,074	H8029	3,822,233

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Land	1,641,390	K101	1,641,390
Buildings	23,964,661	K102	24,015,101
Improvements Other Than Buildings	7,546,002	K103	7,640,961
Machinery & Equipment	14,476,098	K104	14,924,248
Infrastructure	5,679,041	K106	7,394,238
TOTAL Fixed Assets (net)	53,307,192		55,615,938
TOTAL Assets	53,307,192		55,615,938

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Total Non-Current Govt Assets	53,307,192	K159	55,615,938
TOTAL Investments in Non-Current Government Assets	53,307,192		55,615,938
TOTAL Fund Equity	53,307,192		55,615,938
TOTAL Liabilities And Fund Equity	53,307,192		55,615,938

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SM) MISCELLANEOUS

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Misc Current Assets		SM489	
Additional Description Intentionally left blank.			
TOTAL Other	0		0
TOTAL Assets	0		0

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SM) MISCELLANEOUS

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Other Liabilities		SM688	
Additional Description Intentionally left blank.			
TOTAL Other Liabilities	0		0
TOTAL Liabilities	0		0
TOTAL Liabilities And Fund Equity	0		0

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SM) MISCELLANEOUS

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Real Property Taxes	885,435	SM1001	1,092,548
TOTAL Real Property Taxes	885,435		1,092,548
TOTAL Revenues	885,435		1,092,548
TOTAL Detail Revenues And Other Sources	885,435		1,092,548

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SM) MISCELLANEOUS

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Ambulance, Contr Expend	885,435	SM45404	1,092,548
TOTAL Ambulance	885,435		1,092,548
TOTAL Health	885,435		1,092,548
TOTAL Expenditures	885,435		1,092,548
TOTAL Detail Expenditures And Other Uses	885,435		1,092,548

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SM) MISCELLANEOUS

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year		SM8021	
Restated Fund Equity - Beg of Year		SM8022	
ADD - REVENUES AND OTHER SOURCES	885,435		1,092,548
DEDUCT - EXPENDITURES AND OTHER USES	885,435		1,092,548
Fund Equity - End of Year		SM8029	

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Cash In Time Deposits	606,351	SS201	735,767
Petty Cash	100	SS210	100
TOTAL Cash	606,451		735,867
Sewer Rents Receivable	234,202	SS360	215,464
Accounts Receivable	73,785	SS380	5,782
Unbilled Receivables	360,477	SS383	370,222
TOTAL Other Receivables (net)	668,464		591,468
State & Federal Receivables		SS410	30,519
TOTAL State And Federal Aid Receivables	0		30,519
Due From Other Governments	81,128	SS440	81,775
TOTAL Due From Other Governments	81,128		81,775
Prepaid Expenses	88,487	SS480	89,653
TOTAL Prepaid Expenses	88,487		89,653
TOTAL Assets	1,444,530		1,529,282

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Accounts Payable	92,854	SS600	93,986
TOTAL Accounts Payable	92,854		93,986
Accrued Liabilities	17,563	SS601	23,024
TOTAL Accrued Liabilities	17,563		23,024
Deferred Revenues	181,000	SS691	150,998
TOTAL Deferred Revenues	181,000		150,998
TOTAL Liabilities	291,417		268,008
Reserve For Encumbrances	123,388	SS821	179,046
TOTAL Reserve For Encumbrances	123,388		179,046
Unreserved Fund Balance Appropriated		SS910	397,000
TOTAL Unreserved Fund Balance - Appropriated	0		397,000
Unreserved Fund Balance Unappropriated	1,029,725	SS911	685,228
TOTAL Unreserved Fund Balance - Unappropriated	1,029,725		685,228
TOTAL Fund Equity	1,153,113		1,261,274
TOTAL Liabilities And Fund Equity	1,444,530		1,529,282

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Real Property Taxes	1,667,000	SS1001	1,563,000
TOTAL Real Property Taxes	1,667,000		1,563,000
Sewer Charges	2,206,746	SS2122	2,262,228
TOTAL Departmental Income	2,206,746		2,262,228
Interest And Earnings	71,399	SS2401	60,400
TOTAL Use of Money And Property	71,399		60,400
Sales of Equipment		SS2665	4,850
Insurance Recoveries	26,378	SS2680	43,328
TOTAL Sale of Property And Compensation For Loss	26,378		48,178
Unclassified (specify)	1,193	SS2770	1,360
TOTAL Miscellaneous Local Sources	1,193		1,360
Interfund Revenues	1,424	SS2801	
TOTAL Interfund Revenues	1,424		0
State Aid Emergency Disaster		SS3960	64,210
TOTAL State Aid	0		64,210
Fed Aid, Emergency Disaster Assistance		SS4960	193,908
TOTAL Federal Aid	0		193,908
TOTAL Revenues	3,974,140		4,193,284
TOTAL Detail Revenues And Other Sources	3,974,140		4,193,284

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Judgements And Claims, Contr Expend		SS19304	
TOTAL Judgements And Claims	0		0
TOTAL General Government Support	0		0
Sewer Administration, Pers Serv	154,740	SS81101	174,643
Sewer Administration, Equip & Cap Outlay		SS81102	979
Sewer Administration, Contr Expend	98,963	SS81104	119,453
Sewer Administration, Empl Bnfts	59,837	SS81108	60,363
TOTAL Sewer Administration	313,540		355,438
Sanitary Sewers, Pers Serv	382,856	SS81201	437,642
Sanitary Sewers, Equip & Cap Outlay	105,744	SS81202	29,755
Sanitary Sewers, Contr Expend	676,032	SS81204	823,080
Sanitary Sewers, Empl Bnfts	145,787	SS81208	151,001
TOTAL Sanitary Sewers	1,310,419		1,441,478
Sewage Treat Disp, Pers Serv	324,948	SS81301	366,197
Sewage Treat Disp, Equip & Cap Outlay	119,305	SS81302	123,915
Sewage Treat Disp, Contr Expend	641,935	SS81304	716,868
Sewage Treat Disp, Empl Bnfts	110,188	SS81308	113,670
TOTAL Sewage Treat Disp	1,196,376		1,320,650
Joint Sewer Project, Contr Expend	3,668	SS81504	14,140
TOTAL Joint Sewer Project	3,668		14,140
TOTAL Home And Community Services	2,824,003		3,131,706
Other Employee Benefits (spec) Additional Description Retiree Health Insurance	22,775	SS90898	21,416
TOTAL Employee Benefits	22,775		21,416
Debt Principal, Serial Bonds	493,000	SS97106	493,000
Debt Principal, Bond Anticipation Notes	38,750	SS97306	38,750
Debt Principal, Installment Purchase Debt	39,674	SS97856	1,257
TOTAL Debt Principal	571,424		533,007
Debt Interest, Serial Bonds	104,327	SS97107	71,789
Debt Interest, Bond Anticipation Notes	26,233	SS97307	27,101
Debt Interest, Installment Purchase Debt	1,265	SS97857	104
TOTAL Debt Interest	131,825		98,994
TOTAL Expenditures	3,550,027		3,785,123
Transfers, Capital Projects Fund	875,000	SS99509	300,000
TOTAL Operating Transfers	875,000		300,000
TOTAL Other Uses	875,000		300,000
TOTAL Detail Expenditures And Other Uses	4,425,027		4,085,123

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	1,604,000	SS8021	1,153,113
Restated Fund Equity - Beg of Year	1,604,000	SS8022	1,153,113
ADD - REVENUES AND OTHER SOURCES	3,974,140		4,193,284
DEDUCT - EXPENDITURES AND OTHER USES	4,425,027		4,085,123
Fund Equity-End of Year	1,153,113	SS8029	1,261,274

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Budget Summary

Code Description	2007	EdpCode	2008
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	1,563,000	SS1049N	1,568,000
Est Rev - Departmental Income	2,570,000	SS1299N	2,322,000
Est Rev - Use of Money And Property	86,000	SS2499N	72,000
Est Rev - Sale of Prop And Comp For Loss	5,000	SS2699N	5,000
Est Rev-Miscellaneous Local Sources	1,000	SS2799N	2,000
TOTAL Estimated Revenues	4,225,000		3,969,000
Appropriated Fund Balance		SS599N	397,000
TOTAL Estimated Other Sources	0		397,000
TOTAL Estimated Revenues And Other Sources	4,225,000		4,366,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SS) SEWER

Budget Summary

Code Description	2007	EdpCode	2008
Appropriations And Other Uses			
App - Home And Community Services	3,426,520	SS8999N	3,725,600
App-Employee Benefits	32,000	SS9199N	26,000
App - Debt Service	566,480	SS9899N	314,400
TOTAL Appropriations	4,025,000		4,066,000
App - Interfund Transfer	200,000	SS9999N	300,000
TOTAL Other Uses	200,000		300,000
TOTAL Appropriations And Other Uses	4,225,000		4,366,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Cash In Time Deposits	1,925,690	SW201	1,571,383
Petty Cash	100	SW210	100
TOTAL Cash	1,925,790		1,571,483
Water Rents Receivable	366,003	SW350	374,227
Accounts Receivable	14,343	SW380	15,784
Unbilled Receivables	1,039,432	SW383	1,050,440
TOTAL Other Receivables (net)	1,419,778		1,440,451
State & Federal Receivables	491	SW410	
TOTAL State And Federal Aid Receivables	491		0
Due From Other Governments	158,184	SW440	141,085
TOTAL Due From Other Governments	158,184		141,085
Inventory of Materials & Supplies	7,110	SW445	5,633
TOTAL Inventories	7,110		5,633
Prepaid Expenses	146,812	SW480	146,919
TOTAL Prepaid Expenses	146,812		146,919
Cash In Time Deposits, Spec Res	146,380	SW231	5,000
TOTAL Restricted Assets	146,380		5,000
TOTAL Assets	3,804,545		3,310,571

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Accounts Payable	88,872	SW600	292,135
TOTAL Accounts Payable	88,872		292,135
Accrued Liabilities	27,586	SW601	37,308
TOTAL Accrued Liabilities	27,586		37,308
Deferred Revenues	209,500	SW691	220,493
TOTAL Deferred Revenues	209,500		220,493
TOTAL Liabilities	325,958		549,936
Reserve For Encumbrances	275,331	SW821	489,395
TOTAL Reserve For Encumbrances	275,331		489,395
Reserve For Inventory	7,110	SW845	5,633
TOTAL Contributed Reserve	7,110		5,633
Unreserved Fund Balance Appropriated	380,000	SW910	974,000
TOTAL Unreserved Fund Balance - Appropriated	380,000		974,000
Unreserved Fund Balance Unappropriated	2,816,146	SW911	1,291,607
TOTAL Unreserved Fund Balance - Unappropriated	2,816,146		1,291,607
TOTAL Fund Equity	3,478,587		2,760,635
TOTAL Liabilities And Fund Equity	3,804,545		3,310,571

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Real Property Taxes	1,890,100	SW1001	1,800,000
TOTAL Real Property Taxes	1,890,100		1,800,000
Metered Water Sales	5,716,079	SW2140	5,833,075
Unmetered Water Sales	59,429	SW2142	63,238
Water Service Charges	51,780	SW2144	77,634
TOTAL Departmental Income	5,827,288		5,973,947
Interest And Earnings	152,471	SW2401	121,413
Rental of Real Property, Other Govts	91,652	SW2410	109,396
TOTAL Use of Money And Property	244,123		230,809
Sales, Other	2,675	SW2655	17,513
Insurance Recoveries	2,715	SW2680	3,694
TOTAL Sale of Property And Compensation For Loss	5,390		21,207
Unclassified (specify)	3,296	SW2770	14,464
TOTAL Miscellaneous Local Sources	3,296		14,464
Interfund Revenues	1,993	SW2801	
TOTAL Interfund Revenues	1,993		0
State Aid Emergency Disaster		SW3960	17,080
TOTAL State Aid	0		17,080
Fed Aid, Emergency Disaster Assistance		SW4960	53,023
TOTAL Federal Aid	0		53,023
TOTAL Revenues	7,972,190		8,110,530
TOTAL Detail Revenues And Other Sources	7,972,190		8,110,530

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Water Administration, Pers Serv	177,246	SW83101	190,151
Water Administration, Equip & Cap Outlay		SW83102	979
Water Administration, Contr Expend	177,014	SW83104	193,543
Water Administration, Empl Bnfts	53,787	SW83108	55,813
TOTAL Water Administration	408,047		440,486
Source Supply Pwr & Pump, Equip & Cap Outlay	32,643	SW83202	2,387
Source Supply Pwr & Pump, Contr Expend	824,263	SW83204	920,177
TOTAL Source Supply Pwr & Pump	856,906		922,564
Water Purification, Pers Serv	847,409	SW83301	900,898
Water Purification, Equip & Cap Outlay	87,203	SW83302	162,510
Water Purification, Contr Expend	1,388,925	SW83304	1,721,333
Water Purification, Empl Bnfts	312,552	SW83308	338,428
TOTAL Water Purification	2,636,089		3,123,169
Water Trans & Distrib, Pers Serv	424,999	SW83401	525,079
Water Trans & Distrib, Equip & Cap Outlay	58,102	SW83402	155,120
Water Trans & Distrib, Contr Expend	633,740	SW83404	567,316
Water Trans & Distrib, Empl Bnfts	156,662	SW83408	181,936
TOTAL Water Trans & Distrib	1,273,503		1,429,451
Common Water Supply, Contr Expend	302,988	SW83504	323,815
TOTAL Common Water Supply	302,988		323,815
TOTAL Home And Community Services	5,477,533		6,239,485
Other Employee Benefits (spec)	53,347	SW90898	48,630
Additional Description Retiree Health Insurance			
TOTAL Employee Benefits	53,347		48,630
Debt Principal, Serial Bonds	447,000	SW97106	472,000
Debt Principal, Bond Anticipation Notes	98,500	SW97306	99,500
Debt Principal, Installment Purchase Debt	2,474	SW97856	1,257
TOTAL Debt Principal	547,974		572,757
Debt Interest, Serial Bonds	615,468	SW97107	592,236
Debt Interest, Bond Anticipation Notes	71,312	SW97307	75,270
Debt Interest, Installment Purchase Debt	167	SW97857	104
TOTAL Debt Interest	686,947		667,610
TOTAL Expenditures	6,765,801		7,528,482
Transfers, Capital Projects Fund	1,600,000	SW99509	1,300,000
TOTAL Operating Transfers	1,600,000		1,300,000
TOTAL Other Uses	1,600,000		1,300,000
TOTAL Detail Expenditures And Other Uses	8,365,801		8,828,482

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	3,872,198	SW8021	3,478,587
Restated Fund Equity - Beg of Year	3,872,198	SW8022	3,478,587
ADD - REVENUES AND OTHER SOURCES	7,972,190		8,110,530
DEDUCT - EXPENDITURES AND OTHER USES	8,365,801		8,828,482
Fund Equity-End of Year	3,478,587	SW8029	2,760,635

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Budget Summary

Code Description	2007	EdpCode	2008
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	1,800,000	SW1049N	1,770,000
Est Rev - Departmental Income	6,601,000	SW1299N	6,427,000
Est Rev - Use of Money And Property	262,000	SW2499N	264,000
Est Rev - Sale of Prop And Comp For Loss	6,000	SW2699N	11,000
Est Rev-Miscellaneous Local Sources	1,000	SW2799N	4,000
TOTAL Estimated Revenues	8,670,000		8,476,000
Appropriated Fund Balance	380,000	SW599N	974,000
TOTAL Estimated Other Sources	380,000		974,000
TOTAL Estimated Revenues And Other Sources	9,050,000		9,450,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(SW) WATER

Budget Summary

Code Description	2007	EdpCode	2008
Appropriations And Other Uses			
App - Home And Community Services	7,682,830	SW8999N	8,332,000
App-Employee Benefits	63,450	SW9199N	58,000
App - Debt Service	1,103,720	SW9899N	1,060,000
TOTAL Appropriations	8,850,000		9,450,000
App - Interfund Transfer	200,000	SW9999N	
TOTAL Other Uses	200,000		0
TOTAL Appropriations And Other Uses	9,050,000		9,450,000

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(TA) AGENCY

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Time Deposits	144,601	TA201	120,444
TOTAL Cash	144,601		120,444
Due From Other Funds	82,205	TA391	125,100
TOTAL Due From Other Funds	82,205		125,100
Cash, Special Reserves	59,297	TA230	83,037
TOTAL Restricted Assets	59,297		83,037
TOTAL Assets	286,103		328,581

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(TA) AGENCY

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Due To Other Funds		TA630	29,252
TOTAL Due To Other Funds	0		29,252
Disability Insurance	5,374	TA19	6,022
Guaranty & Bid Deposits	164,607	TA30	143,426
Bail Deposits	36,500	TA35	28,075
Other Funds (specify)	79,622	TA85	121,806
TOTAL Agency Liabilities	286,103		299,329
TOTAL Liabilities	286,103		328,581
TOTAL Liabilities And Fund Equity	286,103		328,581

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(V) DEBT SERVICE

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Misc Current Assets		V489	
Additional Description Intentionally left blank.			
TOTAL Other	0		0
TOTAL Assets	0		0

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(V) DEBT SERVICE

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Other Liabilities		V688	
Additional Description Intentionally left blank.			
TOTAL Other Liabilities	0		0
TOTAL Liabilities	0		0
TOTAL Liabilities And Fund Equity	0		0

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(V) DEBT SERVICE

Results of Operation

Code Description	2006	EdpCode	2007
Detail Revenues And Other Sources			
Advanced Refunding Bonds		V5791	
Additional Description Intentionally left blank.			
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	0		0

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(V) DEBT SERVICE

Results of Operation

Code Description	2006	EdpCode	2007
Detail Expenditures And Other Uses			
Repayments To Esc Agent Adv Ref Bonds		V99914	
Additional Description Intentionally left blank.			
	0		0
TOTAL Other Uses	0		0
TOTAL Detail Expenditures And Other Uses	0		0

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(V) DEBT SERVICE

Changes in Fund Equity

Code Description	2006	EdpCode	2007
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year		V8021	
Restated Fund Equity - Beg of Year		V8022	
ADD - REVENUES AND OTHER SOURCES			
DEDUCT - EXPENDITURES AND OTHER USES			
Fund Equity - End of Year		V8029	

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2006	EdpCode	2007
Assets			
Total Non-Current Govt Liabilities	14,180,008	W129	12,278,611
TOTAL Provision To Be Made In Future Budgets	14,180,008		12,278,611
TOTAL Assets	14,180,008		12,278,611

TOWN OF Bethlehem
Annual Update Document
For the Fiscal Year Ending 2007

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2006	EdpCode	2007
Liabilities And Fund Equity			
Landfill Closure & Post Closure		W684	100,000
Installment Purchase Debt	294,008	W685	189,611
Judgments And Claims Payable	25,000	W686	25,000
Compensated Absences	1,376,000	W687	444,000
TOTAL Other Liabilities	1,695,008		758,611
Bonds Payable	12,485,000	W628	11,520,000
TOTAL Bond And Long Term Liabilities	12,485,000		11,520,000
TOTAL Liabilities	14,180,008		12,278,611
TOTAL Liabilities And Fund Equity	14,180,008		12,278,611

TOWN OF Bethlehem
Financial Comments
For the Fiscal Year Ending 2007

(A) GENERAL

Adjustment Reason

Account Code A8012 Audited report submitted to OSC has a 12/31/06 fund balance of \$4,839,926. Code A81604 should be \$948,440 in 2006.

(DA) HIGHWAY-TOWN-WIDE

Adjustment Reason

Account Code DA8015 12/31/06 adjusting entry not reflected in OSC figures.

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2007

Water and Other Purposes Exempt From Constitutional Debt Limit

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		3.6500
Outstanding Beginning of Year	2P18661	240,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	29,000
Outstanding End of the Fiscal Year	2P18667	211,000
Final Maturity Date		8/7/2008
Bond Anticipation Note No. 2005000002	EDPCODE	Amount
Month and Year of Issue		12/15/2005
Purpose of Issue		ater & Sewer Projects
Current Interest Rate		3.1600
Outstanding Beginning of Year	2P18661	761,250
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	38,750
Outstanding End of the Fiscal Year	2P18667	722,500
Final Maturity Date		12/11/2008
Bond Anticipation Note No. 2004000002	EDPCODE	Amount
Month and Year of Issue		12/16/2004
Purpose of Issue		ater & Sewer Projects
Current Interest Rate		3.1600
Outstanding Beginning of Year	2P18661	1,859,500
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	70,500
Outstanding End of the Fiscal Year	2P18667	1,789,000
Final Maturity Date		12/11/2008
Total Bond Anticipation Note		Amount
Outstanding Beginning of Year		2,860,750
Issued During Fiscal Year		0
Paid During Fiscal Year		138,250
Outstanding End of Year		2,722,500
*** Bond Anticipation Notes Redeemed		
From Bond Proceeds During Fiscal Year	2P18885	0

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2007

Water and Other Purposes Exempt From Constitutional Debt Limit

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	11,110,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	455,000
Outstanding End of the Fiscal Year	2P18677	10,655,000
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	91,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	17,000
Outstanding End of the Fiscal Year	2P18677	74,000
Final Maturity Date		7/15/2011
Bond No. 2000000002	EDPCODE	Amount
Month and Year of Issue		11/1/1976
Purpose of Issue		Sewer
Current Interest Rate		6.7500
Outstanding Beginning of Year	2P18671	300,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	300,000
Outstanding End of the Fiscal Year	2P18677	0
Final Maturity Date		3/1/2007
Total Bond		Amount
Outstanding Beginning of Year		11,501,000
Issued During Fiscal Year		0
Paid During Fiscal Year		772,000
Outstanding End of Year		10,729,000

0

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2007

Water and Other Purposes Exempt From Constitutional Debt Limit

Installment Purchase Contract No. 2003000001	EDPCODE	Amount
Month and Year of Issue		5/9/2003
Purpose of Issue		Emergency Radio System
Current Interest Rate		2.9030
Outstanding Beginning of Year	3P61	251,163
Issued During the Fiscal Year		
(do not include renewals here)	3P63	0
Paid During the Fiscal Year		
(do not include renewals here)	3P65	81,319
Outstanding End of the Fiscal Year	3P67	169,844
Final Maturity Date		11/9/2009
Installment Purchase Contract No. 2005000001	EDPCODE	Amount
Month and Year of Issue		11/1/2005
Purpose of Issue		Computer Equipment
Current Interest Rate		3.0000
Outstanding Beginning of Year	3P61	42,844
Issued During the Fiscal Year		
(do not include renewals here)	3P63	0
Paid During the Fiscal Year		
(do not include renewals here)	3P65	23,077
Outstanding End of the Fiscal Year	3P67	19,767
Final Maturity Date		11/1/2008
Total Installment Purchase Contract		Amount
Outstanding Beginning of Year		294,007
Issued During Fiscal Year		0
Paid During Fiscal Year		104,396
Outstanding End of Year		189,611
		0

TOWN OF Bethlehem
Statement of Indebtedness
For the Fiscal Year Ending 2007

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	984,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	193,000
Outstanding End of the Fiscal Year	2P18777	791,000
Final Maturity Date		7/1/2011
Total Bond		Amount
Outstanding Beginning of Year		984,000
Issued During Fiscal Year		0
Paid During Fiscal Year		193,000
Outstanding End of Year		791,000

0

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

Total Bond		Amount
Outstanding Beginning of Year		15,639,757
Issued During Fiscal Year		0
Paid During Fiscal Year		1,207,646
Outstanding End of Year		14,432,111

TOWN OF Bethlehem
Maturity Schedule
For the Fiscal Year Ending 2007

TOWN OF Bethlehem
Schedule of Securities for Collateralization
For the Fiscal Year Ending 2007

General Municipal Law, Section 10 as amended by chapter 708 Laws of 1992 lists the types of securities which may be pledged for collateralization. Please click in the response box next to the type(s) of securities used by banks as collateral for your deposits.

- Yes 1. Obligations issued by the United States of America, an agency thereof or a United States sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
2. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development
3. Obligations partially insured or fully guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or
- Yes 4. Obligations issued or fully insured or guaranteed by this state, obligations by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.
- Yes 5. Obligations issued by states (other than this state) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
6. Obligations of Puerto Rico rated in one of three highest rating categories by at least one nationally recognized statistical rating organization.
7. Obligations of counties, cities, and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- Yes 8. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
9. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.
10. Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.
- Yes 11. Zero-coupon obligations of the United States government marketed as "Treasury Strips".
- Yes 12. Letters of Credit.
- Yes 13. Surety bonds.

TOWN OF Bethlehem
 Schedule of Time Deposits and Investments
 For the Fiscal Year Ending 2007

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$2,250.00
Demand Deposits	9Z2011	\$242,942.00
Time Deposits	9Z2021	\$11,538,310.00
Total		\$11,783,502.00
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$781,337.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$15,382,199.00
Total		\$16,163,536.00
 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
Investment Certification
For the Fiscal Year Ending 2007

DEFINITIONS:

Repurchase Agreement - A generic term for an agreement in which a government entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities or for different securities.

Reverse Repurchase Agreement - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a government entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for the same securities or different securities.

RESPONSE

- | | |
|---|-----|
| 1) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39? | Yes |
| 2) The following investments are permitted by your investment policy. | |
| * Obligations of the UNITED STATES | Yes |
| * Obligations of the U.S. Government Agencies, guaranteed by the UNITED STATES Government | Yes |
| * Obligations of the STATE of NEW YORK | Yes |
| * Obligations of other NEW YORK STATE Local Governments | Yes |
| * Other | Yes |
| 3) Do you engage in reverse repurchase agreements? | No |
| 4) Are Repurchase Agreements authorized by your investment policy? | No |

Name: Judith E. Kehoe, CPA
Title: Comptroller
Phone Number: (518) 439-4955

TOWN OF Bethlehem
Bank Reconciliation
For the Fiscal Year Ending 2007

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
Cable PEG Funds	\$89,641	\$0	\$0	\$89,641
Citizens Bank	\$1,353,849	\$0	\$0	\$1,353,849
HSBC CD	\$1,500,000	\$0	\$0	\$1,500,000
HSBC Mmkt	\$521,574	\$0	\$0	\$521,574
JPMorgan Chase	\$2,092,951	\$0	\$0	\$2,092,951
Judge Donovan	\$46,968	\$0	\$30,188	\$16,780
Judge Dwyer	\$52,768	\$0	\$41,473	\$11,295
Key Bank Mmkt	\$3,553,808	\$0	\$0	\$3,553,808
Key Bank Savings	\$402,452	\$46,609	\$291,312	\$157,749
Land Acquisition	\$17,576	\$0	\$0	\$17,576
M and T Mmkt	\$77,848	\$0	\$0	\$77,848
NYS Rt 85 grant	\$5,000	\$0	\$0	\$5,000
Performance Bonds	\$83,038	\$0	\$0	\$83,038
Pioneer Mmkt	\$80,186	\$0	\$0	\$80,186
Rcvr of Taxes	\$10	\$135,757	\$0	\$135,767
Sect 8 Checking	\$51,496	\$0	\$0	\$51,496
Sect 8 Housing Plus	\$5,090	\$0	\$0	\$5,090
TDBanknorth CD	\$2,000,000	\$0	\$0	\$2,000,000
Town Clerk	\$3,154	\$0	\$426	\$2,728
VISA.MC Receipts	\$23,303	\$1,147	\$0	\$24,450
Total Adjusted Bank Balance				\$11,780,826
Petty Cash				\$2,250.00
Adjustments				\$.00
Total Cash			9ZCASH *	\$11,783,076
Total Cash Balance All Funds			9ZCASHB *	\$11,783,076
* Must be equal				

TOWN OF Bethlehem
Local Government Questionnaire
For the Fiscal Year Ending 2007

	<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>Yes</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>Yes</u>
9) Does your municipality have access to the internet?	<u>Yes</u>
Does your municipality have an official E-mail address?	<u>Yes</u>
If yes, what is it?	<u>kryan@townofbethlehem.org</u>
Does the chief fiscal officer have a separate E-mail address?	<u>Yes</u>
If yes, what is it?	<u>jcunningham@townofbethlehem.org</u>
Do you have a web site?	<u>Yes</u>
If yes, what is the official address of the web site for your municipality?	<u>www.townofbethlehem.org</u>

CERTIFICATION OF CHIEF FISCAL OFFICER

I, John H. Cunningham, 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 12/31/2007, 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 12/31/2007 and filed by means of electronic data transmission.

Judith E. Kehoe, CPA
Name of Report Preparer if different than Chief Fiscal Officer

John H. Cunningham
Name

(518) 439-4955
Telephone Number

Supervisor
Title

445 Delaware Ave, Delmar, NY 1205
Official Address

04/30/2008
Date of Certification

(518) 439-4955
Official Telephone Number

TOWN OF Bethlehem
Supplemental Section Comments
For the Fiscal Year Ending 2007

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

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.

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:

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.
 - 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/Masurement 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.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. *Basis of Accounting/Measurement Focus*

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 3.
- d. Pension costs are recognized as an expenditure when due. See Note 3.

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.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. *General Budget Policies*

2. Encumbrances

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

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.

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 payment 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, for 95 retirees, by expensing the annual insurance premiums, which were approximately \$649,000 for 2007.

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.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Estimates

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

The Town has not provided for a complete estimate of sales tax revenue because the available information does not report the final adjustments, if any, that may be imposed by the State as a result of their tax enforcement procedures.

K. Departures from OSC Guidelines

General Fixed Assets – 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 cost as required by OSC.

L. 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, 2007	<u>\$1,212,000</u>
Incurred claims and claim adjustment expenses:	
Provision for incurred claims expenditures for 2007 events	0
Decrease in provision for incurred events of prior years	<u>(789,976)</u>
Total incurred claims and claim adjustments	<u>(789,976)</u>
Payments made of claims	<u>(168,024)</u>
 Unpaid Claims and Claim Adjustment Expenses at December 31, 2007	 <u>\$ 254,000</u>
 Unpaid claims and claim adjustment expenses at January 1, 2006	 <u>\$1,044,000</u>
Incurred claims and claim adjustment expenses:	
Provision for incurred claims expenditures for 2006 events	0
Increase in provision for incurred events of prior years	<u>364,922</u>
Total incurred claims and claim adjustment expenses	<u>364,922</u>
Payments made of claims	<u>(196,922)</u>
 Unpaid Claims and Claim Adjustment Expenses at December 31, 2006	 <u>\$1,212,000</u>

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. 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.

See Note 1.K regarding the completeness of the records supporting the non-current governmental assets account group.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Deficit Fund Balances

The Capital Projects Fund had a deficit fund balance of \$2,663,376 (See note 3.E.2.a for reconciliation to AFRUD). The deficit is caused by temporarily financing project costs through the issuance of bond anticipation notes (BAN's). The deficit will be offset when permanent financing is issued and/or principal payments are budgeted and paid in the governmental funds responsible for the debt.

3. 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 moneys 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.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

1. Cash and Investments (continued)

At year-end, the book amount of the Town's (the primary government) deposits was \$11,780,826 (excluding \$2,250 in petty cash) and the bank balance was \$11,960,712. The insured and collateral status of the year-end bank balance was as follows:

Covered by federal deposit insurance	\$ 781,337
Collateralized with securities held by a third party custodian for the benefit of the Town pursuant to a three-party custody agreement	<u>11,179,375</u>
Total	<u>\$11,960,712</u>

Investments at December 31, 2007 consist of money market accounts and bank certificate of deposits.

2. Restricted Cash

Restricted cash consists of:

General Fund and Water Fund – Restricted cash of \$25,350 in the General Fund (for 2006) and \$146,380 (for 2006) in the Water Fund consists of deposits held by New York State as the Town's required share of grants and betterment agreements. The balances at December 31, 2007 were \$0 and \$5,000, for the General Fund and the Water Fund, respectively.

Capital Projects Funds – Restricted cash of \$6,461,757 consists of \$6,444,181 for various capital reserves and \$17,576 for construction of a water source as part of a legal settlement.

Special Grant Fund – Restricted cash of \$5,090 is held for recipients of the program.

Agency – Restricted cash of \$83,037 consists of cash held to ensure performance by contractors.

3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Land	\$ 1,641,390	\$ 0	\$ 0	\$ 1,641,390
Buildings	23,964,661	50,440	0	24,015,101
Improvements Other than Buildings	7,546,002	94,959	0	7,640,961
Machinery & Equipment	14,476,098	761,691	313,541	14,924,248
Infrastructure	5,679,041	1,715,197	0	7,394,238
TOTAL	\$53,307,192	\$2,622,287	\$313,541	\$55,615,938

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

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 \$1,445,208 as of December 31, 2007 (see Note 3.B.1). The balance at December 31, 2007 consists of:

<u>Fund</u>	<u>Amount</u>
General	\$ 983,156
Highway – Town-Wide	225,480
Sewer	89,653
Water	<u>146,919</u>
Total	<u>\$1,445,208</u>

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 a 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, NY 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.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

B. Liabilities

1. Pension Plans (continued)

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 2008 would be based on the pension value as of March 31, 2007).

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.

The required contributions for 2007 were \$1,469,205 (the December 2006 prepayment, for the ultimate Systems' payment due date of February 14, 2007). The Town elected to pay the February 2008 contributions on December 15, 2007 in order to receive the discount offered by the Systems, resulting in a prepaid expense of \$1,445,208 as of December 31, 2007. 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>
2007	\$ 989,847	\$479,358
2006	1,011,819	470,111
2005	1,042,248	441,749

2. Short-Term Debt

a. Bond Anticipation Notes

Liabilities for bond anticipation notes (BAN'S) 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.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

<u>Fund</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Amount</u>
Water	No. Bethlehem Transmission Main	3.65	\$ 211,000
Water	Various Improvements	3.16	1,789,000
Sewer	Pump Station Improvements	3.16	<u>722,500</u>
Total			<u>\$2,722,500</u>

B. Liabilities

3. Long-Term Debt

a. At December 31, 2007 the total outstanding debt of serial bonds and BAN's of the Town aggregated \$14,242,500. Of this amount, \$791,000 was subject to the constitutional debt limit and represented approximately 0.40% of its debt limit.

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 noncurrent 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 4.E.
- Installment Purchase Debt. Represents the total of future installments due on capital lease obligations.
- Workers' Compensation. See Note 4.D.
- Landfill Closure and Post Closure. See Notes 4.B and 4.C.

d. Summary Long-Term Debt - The following is a summary of long-term liabilities outstanding at December 31, 2007. All liabilities are within the General Long-Term Debt Account Group.

Serial Bonds	\$11,520,000
Installment Purchase Bans	189,611
Compensated Absences	190,000
Workers' Compensation	254,000
Landfill Closure & Post Closure	100,000
Judgments and Claims	<u>25,000</u>
Total Long-Term Debt	<u>\$12,278,611</u>

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

e. The following is a summary of changes in long-term liabilities outstanding in the Non-current Governmental Liability Account Group at December 31, 2007:

	Serial Bonds	Workers' Compensation	Compensated Absences	Judgments and Claims	Landfill Closure & Post Closure	Installment Purchase Loans
Balance 12/06	\$12,485,000	\$1,212,000	\$164,000	\$25,000	\$ 0	\$294,007
Issued	0	0	0	0	0	0
Redeemed	(965,000)	0	0	0	0	(104,396)
Other Net Change	0	(958,000)	26,000	0	100,000	0
Balance 12/07	\$11,520,000	\$ 254,000	\$190,000	\$25,000	\$100,000	\$189,611

B. Liabilities

3. Long-Term Debt

A summary of serial bonds outstanding at December 31, 2007:

Description by Fund(s)	Original Date Issued	Original Amount	Rate (%)	Date Final Maturity	Outstanding at 12/31/07
Water, Sewer	1991	\$ 4,125,000	6.20	2011	\$ 855,000
Water	2004	12,105,000	5.00	2022	10,665,000
Total Outstanding					\$11,520,000

The payments for future debt service requirements as of 12/31/07 are as follows:

	Principal	Interest
2008	\$ 685,000	\$ 616,744
2009	715,000	578,025
2010	745,000	536,887
2011	780,000	493,613
2012	590,000	448,063
2013 – 2017	3,475,000	1,714,731
2018 – 2022	4,530,000	644,381
Total	\$11,520,000	\$5,032,444

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

The Town has entered into non-cancelable capital leases used to purchase equipment. Future minimum lease payments due on the leases are:

2008	\$108,064
2009	<u>88,024</u>
Total Payments	196,088
Less interest	<u>6,477</u>
PV Min Lease Payment	<u>\$189,611</u>

f. Serial bonds have been authorized for water improvements, but have not been issued as of December 31, 2007, in the amount of \$11,776,000.

C. Interfund Receivables and Payables

Balances of receivables and (payables) at December 31, 2007 are as follows:

General Fund	\$(125,100)	Trust and Agency	\$125,100
General Fund	29,252	Trust and Agency	(29,252)

D. Deferred Revenue

The following chart summarizes deferred revenue at December 31, 2007:

	General Fund	Highway Fund	Water Fund	Sewer Fund	Special Grant
NYS Grants	\$ 12,494	\$ 0	\$ 0	\$ 0	\$ 0
Prepaid 2008 Taxes	7,356	21,606	9,383	9,998	0
Parks Programs	27,898	0	0	0	0
Prepaid Inspection & Review Fees	54,840	0	0	0	0
Usage Fees	0	0	210,000	141,000	0
Prepaid Water Tower Rents	0	0	1,110	0	0
Rental Assistance	0	0	0	0	51,904
Retiree Health Payments	0	1,032	0	0	0
Total	\$102,588	\$22,638	\$220,493	\$150,998	\$51,904

**TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007**

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

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	\$4,643,429	\$1,874,470
Special Districts	0	4,021,909
Totals	\$4,643,429	\$5,896,379

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	\$ 615,019
Recreational facilities	728,790
Fire tower and additions and improvement	125,481
Highway equipment	795,129
Reconstruction of water facilities	2,755,337
Reconstruction of sewer facilities	<u>445,179</u>
Total GML Section 6-C	<u>\$5,464,935</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 – Townwide. At December 31, 2007, the balance of the reserve was \$179,400.

Total Capital Reserves under GML Sections 6-C and 6-O	<u>\$5,644,335</u>
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TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

3. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Unreserved fund balance, unappropriated in the deficit amount of \$2,616,871 as of December 31, 2007 related to:

Total deficits (see Note 2)	\$ (2,663,376)
Total unreserved fund balances	<u>46,505</u>
Net Unreserved Fund Balance, Unappropriated	<u><u>\$ (2,616,871)</u></u>

b. Inventory Reserves

The General Fund, Highway Fund, and Water Fund have reserves for inventory in the amounts of \$32,150, \$300,082, and \$5,633 respectively, as of December 31, 2007.

c. Drug Asset Forfeiture Reserve

The General Fund has a Drug Asset Forfeiture Reserve of \$8,967 as of December 31, 2007.

4. CONTINGENCIES AND COMMITMENTS

A. The Town has received significant amounts of Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

B. 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 11 years lapsed as of December 31, 2007. The current estimated liability for post closure care costs of the landfill for the remaining 19 years is \$40,000. 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 3.E.2.a.

C. The Town operates the Rupert Road landfill which accepts construction and demolition waste. The Town is not subject to a consent order for this site, although DEC is expected to issue an order for the site in 2008. The site is projected to reach capacity in 2009, and the Town will be required to complete closure of the site and monitor the site for thirty years. The current estimate for closure and post closure monitoring costs is \$320,000. 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 partially funded in a capital reserve fund. See Note 3.E.2.a. The current estimated unfunded liability is \$100,000. See Note 3.B.3.c.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

4. CONTINGENCIES AND COMMITMENTS

D. As described in Note 1.L 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.

E. 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 \$5,000 to \$25,000. 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 3.B.3.c.

F. The Town has an Order on Consent issued by the New York State Department of Environmental Conservation (DEC), which requires completion of reconstruction and repairs to the wastewater collection system for an area in South Bethlehem. The terms of the order have been completed as of April 2006; however, the sand filter treatment system has exhibited an inability to effectively treat the waste to the new permit standards. The Town is pursuing engineering alternatives to remediate this part of the system. It is likely that DEC will not close out the consent order until the sand filter has been repaired or replaced.

G. In April 2006, the Town entered into a Municipal Betterments and Maintenance Agreement with the New York State Department of Transportation, to incorporate municipal betterments in the design and construction of the Slingerlands Bypass project, adding water mains and related improvements to existing mains in the project area. The Town has a remaining deposit of \$5,000, which is reported within the Water Fund's Restricted Cash at December 31, 2007. Project construction was substantially completed in 2007.

H. In March 2008, the Town elected to participate in an enhanced retirement system benefit for its police officers, as part of the settlement of the collective bargaining agreement. The Town has issued taxable pension obligation bonds in the amount of \$1,880,000 to fund the past service cost associated with the plan benefits. The term of the bonds is for ten years, maturing April 1, 2018, with interest rates ranging from 4.5% to 5.0%. The annual debt service cost approximates \$241,000.

I. In April 2008, the Town authorized the issuance of up to \$5,200,000 in bonds to finance the construction of several wastewater pump stations and for the replacement of force mains.

J. In 2008, the Town has been the subject of an investigation by DEC into the failure to properly report two instances of spilled mercury, and one instance of spilled oil coincident with the removal of a buried oil tank. DEC has imposed a fine of \$75,000, with \$60,000 suspended. The suspended portion only becomes due in the event the town fails to comply with the terms of the agreement. The Town has agreed to replace the mercury flow meters in the water treatment plant, at a cost estimated to be approximately \$238,000.

TOWN OF BETHLEHEM, NEW YORK
NOTES TO THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

4. CONTINGENCIES AND COMMITMENTS

K. 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, such that the cost to the Town has been budgeted to increase from \$650,000 in 2007 to \$1,250,000 in 2008 (from 250 million gallons per year (MGY) to 365 MGY). In 2014 and in 2019, the quantities increase to 450 MGY and 500 MGY, respectively.

5. 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.L) 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 2007. There was no reduction in insurance coverage during 2007. An estimate of liability is recorded at December 31, 2007 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 3.B.3.c).

TOWN OF BETHLEHEM, NEW YORK

SINGLE AUDIT REPORTS

DECEMBER 31, 2007

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133	3-5
Notes To Schedule Of Expenditures Of Federal Awards	6-7

SUPPLEMENTAL SCHEDULES

Schedule Of Expenditures Of Federal Awards	I
Schedule Of Findings And Questioned Costs	II
Schedule Of Prior Audit Findings	III



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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, as of and for the year ended December 31, 2007, which collectively comprise the Town of Bethlehem, New York's statutory financial statements and have issued our report thereon dated June 5, 2008. 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 of Bethlehem, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bethlehem, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Bethlehem, New York's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Bethlehem, New York's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Bethlehem, New York's financial statements that is more than inconsequential will not be prevented or detected by the Town of Bethlehem, New York's internal control.

(1)

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Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Bethlehem, New York's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 of Bethlehem, New York's 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 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*.

This report is intended solely for the information and use of management, the audit committee, 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.

Tul Becker & Charamita LLPs P.C.

Albany, New York
June 5, 2008

**Report On Compliance With Requirements Applicable To 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 compliance of the Town of Bethlehem, New York with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The Town of Bethlehem, New York'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 of Bethlehem, New York's management. Our responsibility is to express an opinion on the Town of Bethlehem, New York'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 of Bethlehem, New York'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 of Bethlehem, New York's compliance with those requirements.

In our opinion, the Town of Bethlehem, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Town of Bethlehem, New York 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 of Bethlehem, New York's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 of Bethlehem, New York's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 of Bethlehem, New York, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 5, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Bethlehem, New York's statutory financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the statutory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and, in our opinion, 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, 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.

Tul Becker & Charamonte CPAs P.C.

Albany, New York
June 5, 2008

TOWN OF BETHLEHEM, NEW YORK

Notes To Schedule Of Expenditures Of Federal Awards

For The Year Ended December 31, 2007

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, which is described in Note 1 to the Town of Bethlehem, New York's accompanying statutory financial statements, 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 of Bethlehem, New York'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.

TOWN OF BETHLEHEM, NEW YORK

Notes To Schedule Of Expenditures Of Federal Awards

For The Year Ended December 31, 2007

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 of Bethlehem, New York'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, 2007

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	<u>\$242,213</u>
Total Department of Housing and Urban Development		<u>\$242,213</u>
Department of Justice:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>4,500</u>
Total Department of Justice		<u>4,500</u>
Department of Transportation		
Pass-Through State of New York:		
Safety Incentive Grants for Use of Seat Belts	20.604	7,017
State and Community Highway Safety	20.600	7,130
Occupant Protection	20.602	<u>1,364</u>
Total Department of Transportation		<u>15,511</u>
Federal Emergency Management Agency		
Pass-Through State of New York:		
Public Assistance Grant	97.036	<u>264,323</u>
Total Federal Emergency Management Agency		<u>264,323</u>
Total Federal Assistance		<u>\$526,547</u>

TOWN OF BETHLEHEM, NEW YORK

Schedule Of Findings And Questioned Costs

For The Year Ended December 31, 2007

Section I - Summary of Auditors' Results***Financial Statements***

Type of auditors' opinion(s) issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes noSignificant deficiencies identified that are not considered to be material weakness(es)? yes none reportedNoncompliance material to financial statements noted? yes no***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? yes noSignificant 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:

Name of Federal Program CDFA Number

Public Assistance Grant 97.036

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, 2007

NONE

**Town of Bethlehem
Balance Sheet
December 31, 2007**

	General	Special Revenue Funds:				Section 8	Total Special	Capital	Trust &
	Fund	Highway	Water	Sewer	Program	Revenue	Projects	Agency	
		Fund	Fund	Fund					
Cash and investments	1,131,572	1,527,397	1,571,483	735,867	51,496	3,886,243	89,933	120,444	
Cash -- special reserves	0					0		83,037	
Restricted Cash	0				5,090	5,090	6,461,757		
Deposits held in trust	0		5,000			5,000			
Accounts Receivable	201,617		1,440,451	591,468	408	2,032,327			
Due from state and federal governments	55,421	0	0	30,519		30,519	0		
Due from other funds	29,252		0			0		125,100	
Due from other governments	3,362,701		141,085	81,775		222,860			
Inventory	32,150	300,082	5,633			305,715			
Prepaid Retirement System Contribution	983,156	225,480	146,919	89,653		462,052			
Total Assets	5,795,869	2,052,959	3,310,571	1,529,282	56,994	6,949,806	6,551,690	328,581	
Accounts payable	283,412	87,584	292,135	93,986		473,705	6,957		
Accrued expenses	219,944	68,267	37,308	23,024		128,599		6,022	
Retainage payable	0					0	0		
Due to other funds	125,100					0	0	29,252	
Due to other governments	421,396					0			
Bonds and notes payable	0					0	2,722,500		
Deferred revenues	102,588	22,638	220,493	150,998	51,904	446,033	0		
Other liabilities -- FSS Program Escrow					5,090	5,090			
Performance Deposits, Parkland Fees & Bail						0		293,307	
Total Liabilities	1,152,440	178,489	549,936	268,008	56,994	1,053,427	2,729,457	328,581	
Reserve for encumbrances	287,853	239,099	489,395	179,046		907,540	794,769		
Reserve for inventory	32,150	300,082	5,633			305,715			
Capital projects						0	5,644,335		
Reserved for Drug Asset Forfeiture	8,967					0			
Unreserved:									
Designated for subs. Years' expend.	875,000	307,000	974,000	397,000		1,678,000			
Deficit						0	(2,663,376)		
Undesignated	3,439,459	1,028,289	1,291,607	685,228		3,005,124	46,505		
Total Fund Equity	4,643,429	1,874,470	2,760,635	1,261,274	0	5,896,379	3,822,233	0	
Total Liabilities and Fund Equity	5,795,869	2,052,959	3,310,571	1,529,282	56,994	6,949,806	6,551,690	328,581	

Town of Bethlehem
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2007

	General Fund	Special Revenue Funds:				Ambulance	Section 8 Program	Total Special Revenue	Capital Projects
		Highway Fund	Water Fund	Sewer Fund					
Real Property Taxes	1,217,400	3,744,000	1,800,000	1,563,000	1,092,548		8,199,548		
Real Property Tax Items (PILOT's)	449,308	1,353,473					1,353,473		
Non-property Tax Items	10,309,737	0	0	0			0		
Departmental Income	1,694,958	0	5,973,947	2,262,228			8,236,175		
Intergovernmental Charges	216,965	3,171	0	0			3,171		
Use of Money and Property	212,385	210,405	230,809	60,400		360	501,974	297,805	
Licenses & Permits	13,918	0	0	0			0		
Fines & Forfeitures	553,340	0	0	0			0		
Sale of Property & Comp. For Loss	169,071	35,526	21,207	48,178			104,911	0	
Miscellaneous	59,253	8,298	14,464	1,360			24,122	0	
Interfund Revenue	30,600	311,084	0	0			311,084		
State Aid	1,527,334	206,680	17,080	64,210			287,970	0	
Federal Aid	13,146	11,763	53,023	193,908		241,853	500,547	0	
Total Revenues	16,467,415	5,884,400	8,110,530	4,193,284	1,092,548	242,213	19,522,975	297,805	
General Government Support	3,931,602		0	0			0	73,116	
Education	49,995						0		
Public Safety	7,341,466						0	0	
Health	1,782				1,092,548		1,092,548		
Transportation	686,935	5,541,829					5,541,829	303,772	
Culture and Recreation	1,638,993						0	79,667	
Economic Assistance & Opportunity	496,800						0		
Home and Community Services	2,038,330		6,239,485	3,131,706		242,213	9,613,404	1,125,341	
Post Retirement Benefits	373,498	205,300	48,630	21,416			275,346		
Debt Service	104,511	4,840	1,240,367	632,001			1,877,208		
Total Expenditures	16,663,912	5,751,969	7,528,482	3,785,123	1,092,548	242,213	18,400,335	1,581,896	
Capital Lease Financing								0	
BAN's Redeemed from Appropriations								138,250	
Transfers In	0	0	0	0	0	0	0	1,689,000	
Transfers Out	0	(89,000)	(1,300,000)	(300,000)	0	0	(1,689,000)	0	
Excess (Deficiency)	(196,497)	43,431	(717,952)	108,161	0	0	(566,360)	543,159	
Fund Balance, Beginning	4,839,926	1,831,039	3,478,587	1,153,113	0	0	6,462,739	3,279,074	
Fund Balance, Ending	4,643,429	1,874,470	2,760,635	1,261,274	0	0	5,896,379	3,822,233	