

***TOWN OF BETHLEHEM  
INDUSTRIAL DEVELOPMENT AGENCY***

***FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION***

***DECEMBER 31, 2014 AND 2013***

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*TABLE OF CONTENTS*  
*DECEMBER 31, 2014 AND 2013*

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	<b><u>Page</u></b>
Management’s Discussion and Analysis	1-3
Independent Auditor’s Report	4-6
Statements of Net Position	7
Statements of Revenue, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10-13
Independent Auditor’s 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>	14-15
Supplemental Information	
Schedule of Revenues, Expenditures, and Changes in Net Position - Budget (Non-GAAP Basis) and Actual	16
Appendix I	
Required Communication with those Charged with Governance - Annual Financial Report for Industrial Development Agencies (PARIS)	

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*FOR THE YEAR ENDED DECEMBER 31, 2014*

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The following discussion and analysis of the Town of Bethlehem Industrial Development Agency's (the Agency) financial performance provides an overview of the Agency's financial activities for the year ended December 31, 2014. This document should be read in conjunction with the Agency's financial statements.

**Financial Highlights**

As reported in the project analysis section of the December 31, 2014 Annual Report, total PILOT payments received by the Town of Bethlehem (the Town) were approximately \$4.2 million which exceeded the tax exemptions granted by approximately \$.5 million.

The Agency is also eligible to receive supplemental fees from PSEG Power New York, Inc., assuming certain energy production levels are exceeded. Agency operating revenues of \$94,770 and \$176,917 include \$72,421 and \$61,855 in energy reimbursement fees from PSEG Power New York, Inc. for the years ended December 31, 2014 and 2013, respectively.

**Projects and New Developments**

***Vista Technology Campus Project***

The Agency continued to support the Vista Technology Campus project owned by Vista Development Group, LLC. In 2012, the 3/4 mile access road was completed and transferred to the Town. In 2013, the Agency provided financial assistance to a number of projects in the Vista Campus.

In July 2014, the Agency received an application for financial assistance for SAE Sun and Earth Energy Incorporated for a 26,000 square foot facility for research, development and manufacturing. The Agency is in the process of reviewing the application.

**Summary of Conduit Bonds**

The following table presents a summary of outstanding conduit bond issuances, which are more fully described within the footnotes to the financial statements:

<b><u>Project</u></b>	<b><u>Balance</u></b> <b><u>12/31/13</u></b>	<b><u>Issued In</u></b> <b><u>2014</u></b>	<b><u>Paid in</u></b> <b><u>2014</u></b>	<b><u>Balance</u></b> <b><u>12/31/14</u></b>
American Housing Foundation	\$ 6,055,000	\$ -	\$ 145,000	\$ 5,910,000
Vista Development Group, LLC	<u>6,551,435</u>	<u>-</u>	<u>141,645</u>	<u>6,409,790</u>
Total	<u>\$ 12,606,435</u>	<u>\$ -</u>	<u>\$ 286,645</u>	<u>\$ 12,319,790</u>

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)*  
*FOR THE YEAR ENDED DECEMBER 31, 2014*

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**Service Agreement**

The Agency entered into a 2014 Service Agreement with the Town, in recognition of the services provided by Town staff (primarily from the Town's Department of Economic Development and Planning) in furtherance of the mutual goals of the Town and the Agency, and given that the Agency has the financial ability to fund a portion of the costs devoted to these efforts.

The Agency agreed to pay the Town \$80,000 for 2014 services at its January 24, 2014 meeting.

**Interest Income**

Interest earnings for 2014 were equal to \$303, which was \$371 less than the 2013 earnings of \$674. The decrease in income reflected an decrease in the average balance in the accounts and in the rate of interest paid on the account.

**Change in Net Assets**

The Agency's net assets as of the end of 2014 decreased from the levels at the end of 2013 as follows:

	<u>2014</u>	<u>2013</u>
Net Assets as of Beginning of Year	\$ 677,486	\$ 1,039,823
Revenue	95,073	268,765
Expenditures - Operation	(158,648)	(120,613)
- Construction	-	(26,548)
Release of Bond Closing Costs (Noncash)	-	(483,941)
Net Assets as of End of Year	<u>\$ 613,911</u>	<u>\$ 677,486</u>

During 2013 the drawdown reconciliation was performed and final payments related to the Vista Technology Campus infrastructure construction were made to complete the financing of the construction. The Agency's oversight of the construction financing was completed and following the transfer of the road to the Town in November 2012, the Agency removed the financing-related assets and liability in 2013.

During 2014 the Agency did not close any projects and as a result fee income was lower than budgeted.

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)*  
*FOR THE YEAR ENDED DECEMBER 31, 2014*

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**Contacting the Agency's Financial Management**

This financial report is designed to provide a general overview of the Agency's finances for those having an interest, and should be considered along with the Annual Financial Statements, including the related footnotes. Questions concerning any of the information provided in this report may be addressed to Allen Maikels, CPA, Chief Financial Officer, or Frank Venezia, Agency Chairman, at 445 Delaware Avenue, Delmar, NY 12054.

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CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Town of Bethlehem Industrial Development Agency

### **Report on the Financial Statements**

We have audited the accompanying statements of net position of the Town of Bethlehem Industrial Development Agency (the "Agency") as of December 31, 2014 and 2013, and the related statements of revenues, expenses, changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Bethlehem Industrial Development Agency's basic financial statements. The schedule of revenues, expenditures, and changes in net assets - budget (non-GAAP basis) and actual and the annual financial report for industrial development agencies are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenues, expenditures, and changes in net assets - budget (non-GAAP basis) and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenditures, and changes in net assets - budget (non-GAAP basis) and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The Annual Financial Report for Industrial Development Agencies (PARIS) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued report dated February 12, 2015 on our consideration of the Agency'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
February 12, 2015

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**

STATEMENTS OF NET POSITION  
DECEMBER 31, 2014 AND 2013

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	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash	\$ 583,313	\$ 666,432
Accounts Receivable	27,409	10,989
Prepaid Expenses	<u>4,826</u>	<u>2,625</u>
Total Assets	<u>\$ 615,548</u>	<u>\$ 680,046</u>

**Liabilities and Net Position**

Current Liabilities:		
Accrued Liabilities	<u>\$ 1,637</u>	<u>\$ 2,560</u>
Total Liabilities	<u>1,637</u>	<u>2,560</u>
Net Position		
Nonspendable	4,826	2,625
Unassigned	<u>609,085</u>	<u>674,861</u>
Total Net Position	<u>613,911</u>	<u>677,486</u>
Total Liabilities and Net Position	<u>\$ 615,548</u>	<u>\$ 680,046</u>

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION*  
*FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013*

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	<u>2014</u>	<u>2013</u>
Operating Revenues:		
Project Closing Fees	\$ 11,000	\$ 108,954
Administrative Fees	11,349	6,108
Supplemental Fees	<u>72,421</u>	<u>61,855</u>
Total Operating Revenue	<u>94,770</u>	<u>176,917</u>
Operating Expenses:		
Contractual Expenses	<u>158,648</u>	<u>120,613</u>
Operating Income (Loss)	<u>(63,878)</u>	<u>56,304</u>
Other Revenues and Expenses:		
Interest Income	303	674
PILOT Revenues - Vista Project	-	91,174
Construction Related Expenses - Vista Project	-	(26,548)
Release of Bond Closing Costs - Vista Project	<u>-</u>	<u>(483,941)</u>
Total Other Revenues and Expenses	<u>303</u>	<u>(418,641)</u>
Net Loss	(63,575)	(362,337)
Net Position, at Beginning of Year	<u>677,486</u>	<u>1,039,823</u>
Net Position, at End of Year	<u><u>\$ 613,911</u></u>	<u><u>\$ 677,486</u></u>

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*STATEMENTS OF CASH FLOWS*  
*FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013*

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash Flows from Operating Activities:		
Cash Received from Providing Services	\$ 78,350	\$ 194,247
Cash Payments Personal Services and Benefits	(60,749)	(57,398)
Cash Payments Contractual Expenses	<u>(101,023)</u>	<u>(64,515)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(83,422)</u>	<u>72,334</u>
Cash Flows from Investing Activities:		
Investment Income	303	674
Cash Payments for Construction Project	<u>-</u>	<u>(904,005)</u>
Net Cash Provided by (Used in) Investing Activities	<u>303</u>	<u>(903,331)</u>
Cash Flows from Financing Activities:		
Proceeds from Bond Payable	<u>-</u>	<u>91,174</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>91,174</u>
Net Decrease in Cash	(83,119)	(739,823)
Cash at Beginning of Year	<u>666,432</u>	<u>1,406,255</u>
Cash at End of Year	<u><u>\$ 583,313</u></u>	<u><u>\$ 666,432</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	<u>\$ (63,878)</u>	<u>\$ 56,304</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operations:		
(Increase) Decrease in Accounts Receivable and Prepaid Expenses	(18,621)	16,580
Decrease in Accrued Liabilities	<u>(923)</u>	<u>(550)</u>
Total Adjustments	<u>(19,544)</u>	<u>16,030</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (83,422)</u></u>	<u><u>\$ 72,334</u></u>
Supplemental Disclosure of Non-Cash Activities		
Release of Bond Closing Costs - Vista Project	<u><u>\$ -</u></u>	<u><u>\$ 483,941</u></u>
Release of PILOT Mortgage Receivable	<u><u>\$ -</u></u>	<u><u>\$ 6,250,000</u></u>
Release of Bond Payable	<u><u>\$ -</u></u>	<u><u>\$ 6,500,000</u></u>

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

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**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

*Business Activity*

The Town of Bethlehem Industrial Development Agency (the Agency) is a public benefit corporation created in 1980 by the Town Board of the Town of Bethlehem, New York under the provisions of Chapter 1030 of the 1969 Laws of New York State, for the purpose of encouraging economic growth in the Town of Bethlehem. The Agency is exempt from Federal, State, and Local income taxes. The Agency, although established by the Town Board of the Town of Bethlehem, is a separate entity and operates independently of the Town of Bethlehem.

This summary of significant accounting policies of the Town of Bethlehem Industrial Development Agency is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

*Basis of Accounting*

The Agency's financial statements are prepared using the accrual basis of accounting with accounting principles generally accepted in the United States of America (GAAP) for public authorities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Agency is determined by its measurement focus. The transactions of the Agency are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included in the statement of net position.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash*

For purposes of the statement of cash flows, cash consists of cash held in savings, checking, and money market accounts.

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Receivables*

The Agency utilizes the allowance method to determine the allowance for doubtful accounts. At December 31, 2014 and 2013 management determined no allowance was necessary based upon their review of specific receivables and prior history.

*Income Taxes*

The financial statements do not provide a tax liability for the Agency. The Agency is exempt from federal, state, and local taxes.

*Plant, Property, and Equipment*

Plant, property, and equipment acquired through the Agency's conduit financing are recorded as assets on the books of the project entities, along with the associated debt.

The Agency has a capitalization policy for additions of fixed assets with a minimum cost of \$1,000 and a useful life or more than one year. There were no fixed assets at December 31, 2014 and 2013.

*Industrial Revenue Bond and Note Transactions*

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency, Town of Bethlehem, or New York State. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives an administrative fee from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds, notes, and upon closing of straight lease transactions. At December 31, 2014, the outstanding balance of bonds was \$12,319,790.

In addition to the administrative fees received upon closing, the Agency is also eligible to receive supplemental fees from PSEG Power New York, Inc., assuming certain energy production levels are exceeded. The calculations are made quarterly, commencing August 2005, which was the month following the date commercial operations began (July 18, 2005). The Fees revenue includes \$72,421 and \$61,855 in Energy Reimbursement Payments for the years ended December 31, 2014 and 2013, respectively. Accounts receivable include \$27,409 and \$10,989 due from PSEG as of December 31, 2014 and 2013, respectively.

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net Position*

In 2014, the Agency updated its policy setting a minimum level for net position. The policy is designed to provide an appropriate level of assets to cover the Agency's operating costs, given the sometimes multiple year cycle between project transactions. The policy defines a minimum reasonable balance at three times the annual base budget, currently equal to \$450,000. If the fund balance is projected to fall below this threshold, the Agency must adopt a plan to restore the minimum net position within a twelve-month period.

**2. NET POSITION**

Governmental Accounting Standards Board No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," defines certain categories of fund balances. The Agency has similarly classified net position as follows:

- **Nonspendable** net position includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. There was nonspendable net position in the amounts of \$4,826 and \$2,625 at December 31, 2014 and 2013, respectively.
- **Assigned** net position includes amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. There was no assigned net position at December 31, 2014 and 2013.
- **Unassigned** net position represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

**3. FRINGE BENEFITS**

Fringe benefits include pension contributions of \$9,029 and \$6,590 for the years ended December 31, 2014 and 2013, respectively, to the New York State and Local Employees' Retirement System (the System) for the benefit of the Agency's employee. The system provides various plans and options, some of which require employee contributions. The System is a cost sharing multiple employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability. All benefits generally vest after ten years of service. The New York State Retirement and Social Security Law provides that all participants in the System are jointly and severally liable for any actuarial unfunded amounts. Such amounts are covered through annual billings to all participating employers.

**3. FRINGE BENEFITS (CONTINUED)**

Generally, all employees except certain part-time employees participate in the System. The System is non contributory except for employees who joined the System after July 27, 1975, who must contribute 3% of their salary for the first ten years of service and employees who joined after January 1, 2010 who generally contribute 3% of their salary for the entire length of service. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Governor Alfred E. Smith Office Building, Albany, New York 12204.

**4. SERVICE AGREEMENT**

The Agency entered into a 2014 Service Agreement with the Town of Bethlehem (the Town), in recognition of the services provided by Town staff (primarily from the Department of Economic Development and Planning), in furtherance of the mutual goals held by the Town and the Agency. The Agency paid the Town \$80,000 for 2014 services and this amount is included in contractual expenses as of December 31, 2014.

**5. SUBSEQUENT EVENTS**

Management has evaluated subsequent events or transactions for any potential material impact on operations or financial position occurring through February 12, 2015, the date the financial statements were available to be issued. No such events or transactions were identified.

**INDEPENDENT AUDITOR'S 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**

Board of Directors  
Town of Bethlehem Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Bethlehem Industrial Development Agency, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Bethlehem Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bethlehem Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bethlehem Industrial Development Agency's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town of Bethlehem Industrial Development Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Bethlehem Industrial Development Agency's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bethlehem Industrial Development Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
February 12, 2015

**TOWN OF BETHLEHEM**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - BUDGET  
 (NON-GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2014

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	<u>Budget</u>	<u>Actual</u>	<b>Favorable (Unfavorable) Variance</b>
<b>Revenues:</b>			
Fees	\$ 116,000	\$ 94,770	\$ (21,230)
Interest Income	<u>500</u>	<u>303</u>	<u>(197)</u>
 Total Revenues	 <u>116,500</u>	 <u>95,073</u>	 <u>(21,427)</u>
<b>Expenditures:</b>			
Salaries *	46,682	46,682	-
Other Employee Benefits *	12,218	13,144	(926)
Professional Services Contracts	95,000	91,050	3,950
Administrative Expenses	<u>10,100</u>	<u>7,772</u>	<u>2,328</u>
 Total Expenditures	 <u>164,000</u>	 <u>158,648</u>	 <u>5,352</u>
 Operating Loss	 <u>\$ (47,500)</u>	 <u>\$ (63,575)</u>	 <u>\$ (16,075)</u>

\* The Agency contracts with the Town of Bethlehem for its salaries and benefits.

## **APPENDIX I**