

The 2006 Annual Report
Town of Bethlehem
Industrial Development Agency

1. Operations and Accomplishments

The operations and accomplishments of the Agency in 2006 are as follows:

- In 2006, the Agency provided "financial assistance" to the American Housing Foundation, Inc. and Barrett Distribution Centers, Inc.,
- The Agency completed a strategic plan which revamped the Agency's real estate tax abatement policy to align it with three levels of economic development: Tier I provides an enhanced abatement for high quality business development which meets specific criteria; Tier II provides a standard abatement for a standard level of economic development and mirrors the Agency's long time abatement keyed to Section 485(b); Tier III provides a limited abatement for minimal or relatively modest economic development and tracks the Tier II abatement for County and Town taxes but excludes abatement for School taxes.
- The Agency partnered with the Supervisor on a program to visit businesses within the Town so that the Agency and the Town could become familiar with business development and expansion issues of existing businesses and to determine whether the Agency and Town would be able to assist with any such issues. Visits were made to Farm Family, Owens Corning, Security Supply, and CSX Corporation.
- The Agency negotiated an option to purchase two parcels of land on Lyons road adjacent to the Henry Hudson Park so that the property will be available if the projected master plan for the Park should recommend that the Town acquire the land.
- The Agency applied for and was awarded a Grant of \$1,300,000.00 to design and construct a rail sidetrack to 158 West Yard Road, an existing Agency Project, to enhance the Barrett Distribution Project.
- The Agency supported the Town's planning initiatives for the 9W Corridor Study, the Local Waterfront Revitalization Plan and the New Scotland Road Hamlet Master Plan
- In compliance with the Public Authorities Accountability Act of 2005 which became effective in 2006 the Agency adopted policies for compensation,

ethics, indemnification, investments, property disposition, purchasing procedures, real property acquisition, retaliatory action and travel.

- In further compliance with PAAA, the Agency created an Audit Committee and a Governance Committee together with appropriate charters.
- The Agency negotiated a Service Agreement with the Town pursuant to which the Town provides professional services to the Agency.
- The Agency negotiated a settlement of its claim in the bankruptcy proceeding of Daisytek, Inc. for a recapture of "financial assistance" and also obtained payment from Selkirk Ventures, Inc. for recapture of "financial assistance".
- The Agency initiated payment procedures pursuant to which PSEG began making quarterly energy reimbursement payments to the Agency.
- Representatives of the Agency participated on the Flags and Flowers Committee which provides hanging baskets of flowers and banners for utility poles to enhance the Delaware Avenue business district.

2. Revenues and Expenses

Revenues and expenses are set forth on the Agency's audited Annual Financial Report attached as Appendix A.

3. Assets and Liabilities

Assets and liabilities are set forth on the Agency's audited Annual Financial Report attached as Appendix A.

4. Schedule of Bonds and Notes

A schedule of bonds and notes is set forth on the Agency's audited Annual Financial Report for 2006 attached as Appendix A.

5. Compensation Schedule

The Agency has no officer, director or employee whose salary is in excess of \$100,000.00.

6. Projects Undertaken by BIDA During 2006

The Agency provided "financial assistance" to American Housing Foundation, Inc. in the form of tax exempt revenue refunding bonds issued in connection with the refinancing of bonds issued in 1999 for the construction of the Van Allen Senior Apartments. The financial assistance included exemption from sales tax and mortgage tax.

The Agency also provided "financial assistance" to Barrett Distribution Centers, Inc. under a "straight lease" of equipment at 158 West Yard Road in the form of exemption from sales taxes.

7. Listing of Real Property

The Agency has not owned, held or disposed of real property in 2006.

8. BIDA Code of Ethics

The Code of Ethics of the Agency is attached as Appendix B.

9. Assessment of Effectiveness of BIDA Internal Control Structure and Procedures

The management of the Agency is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Agency's internal control over financial reporting at December 31, 2006, and has concluded that based on its assessment, the Agency's internal control over financial reporting was effective as of December 31, 2006.

APPENDIX A

TOWN OF BETHLEHEM
INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2006

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Board of Directors
Town of Bethlehem Industrial
Development Agency
Bethlehem, New York

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Town of Bethlehem Industrial Development Agency (a public benefit corporation), as of and for the year ended December 31, 2006, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Bethlehem Industrial Development Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audit provides a reasonable basis for our opinions.

The Town of Bethlehem Industrial Development Agency has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the omission of Management's Discussion and Analysis as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Town of Bethlehem Industrial Development Agency, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2007 on our consideration of the Town of Bethlehem Industrial Development 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 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 audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedules of supplemental information on pages ten through fourteen are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Test Becker & Charmonite CPAs P.C.

Albany, New York
April 18, 2007

INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL FINANCIAL REPORT

___ Please check here if the name, address, and/or telephone number is different from last year.

FOR TOWN OF BETHLEHEM IDA
(name of Industrial Development Agency)

TOWN OF BETHLEHEM
(name of sponsoring municipality)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

General Municipal Law, Section 859 (1):

(b) Within ninety days following the close of its fiscal year, each agency or authority shall prepare a financial statement for that fiscal year in such form as may be prescribed by the State Comptroller. Such statement shall be audited within such ninety day period by an independent certified public accountant....

(c) Within thirty days after completion, a copy of the audited financial statement shall be transmitted to the Commissioner of the Department of Economic Development, the State Comptroller and the governing body of the municipality for whose benefit the agency was created.

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
DIVISION OF LOCAL GOVERNMENT SERVICES AND ECONOMIC DEVELOPMENT
110 STATE STREET, 12TH FLOOR
ALBANY, NY 12236

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ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

	<u>EPP CODE</u>	<u>AMOUNT</u>
<u>Operating Revenues</u>		
Charges for Services	ED515S	\$ 79,165
<u>GIFTS AND DONATIONS; FLAGS/ FLOWERS</u>	ED 535S	5,000
Total Operating Revenues		\$ 84,165
<u>Operating Expenses</u>		
Personal Services	ED625.1S	28,008
Contractual Expenses	ED625.4S	230,218
Employee Benefits	ED625.8S	4,966
Depreciation	ED603.4S	-
Total Operating Expenses		\$ 263,192
Operating Income (Loss)		\$ (179,027)
<u>Non-Operating Revenues (Expenses)</u>		
Revenues:		
Use of Money and Property	ED525S	19,649
Sale of Property and Compensation for Loss	ED530S	-
	ED _____S	-
Expenses: (Specify)	ED _____S	-
	ED _____S	-
	ED _____S	-
Net Non-Operating Revenue (Expense)		\$ 19,649
Income (Loss) Before Transfers and Taxes		\$ (159,378)
Operating Transfers In	ED555S	-
Operating Transfers Out	ED655.9S	-
Real Property Taxes	ED _____4S	-
Net Income (Loss)		\$ 565,784
Net Assets - Beginning of Year	ED400S	565,784
Adjustments: (Specify)	ED _____S	-
	ED _____S	-
	ED405S	406,406

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	EPP CODE	AMOUNT
Cash Flows from Operating Activities:		
Cash Received from Providing Services	ED7111S	\$ 76,316
Cash Payments Contractual Expenses	ED7112S	(230,218)
Cash Payments Personal Services & Benefits	ED7113S	(32,976)
Other Operating Revenues	ED7114S	5,000
Net Cash Provided (Used) by Operating Activities	ED7119S	\$ (181,878)
Cash Flows from Non-Capital and Financing Activities:		
Real Property Taxes	ED7121S	\$ _____
Operating Grants Received	ED7122S	_____
Transfers To/From Other Funds	ED7123S	_____
Proceeds of Debt (Non-Capital)	ED7124S	_____
Payment of Debt (Non-Capital)	ED7125S	_____
Interest Expenses (Non-Capital)	ED7126S	_____
Net Cash Provided (Used) by Non-Capital Financing Activities	ED7129S	\$ _____
Cash Flows from Capital and Related Financing Activities:		
Proceeds of Debt (Capital)	ED7131S	\$ _____
Principal Payments Debt (Capital)	ED7132S	_____
Interest Expenses (Capital)	ED7133S	_____
Capital Contributed by Developers	ED7134S	_____
Capital Contributed by Other Funds	ED7135S	_____
Payments to Contractors	ED7136S	_____
Capital Grants Received from Other Governments	ED7137S	_____
Proceeds from Sale of Assets	ED7138S	_____
Net Cash Provided (Used) by Capital and Related Financing Activities	ED7139S	\$ _____

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Continued)

	<u>EDP CODE</u>	<u>AMOUNT</u>
Cash Flows from Investing Activities:		
Purchase of Investments	ED7151S	\$ _____
Sale of Investments	ED7152S	_____
Interest Income	ED7153S	19,649
	ED7159S	19,649
Net Cash Provided (Used) by Investing Activities		\$ _____
Net Increase (Decrease) in Cash and Cash Equivalents	ED7161S	\$ (162,229)
Cash and Cash Equivalents at Beginning of Year	ED7171S	566,333
Cash and Cash Equivalents at End of Year	ED7179S	404,104

RECONCILIATION OF OPERATING INCOME TO NET CASH

Operating Income (Loss)	ED7181S	\$ (179,027)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) from Operations:		
Depreciation	ED7182S	\$ _____
Increase/Decrease in Assets Other than Cash and Cash Equivalents	ED7183S	(2,849)
Increase/Decrease in Liabilities Other than Cash and Cash Equivalents	ED7184S	(2)
Other Reconciling Items:		_____
	ED7185S	_____
	ED7185S	_____
	ED7185S	_____
	ED7185S	_____
Total Adjustments	ED7186S	\$ (2,851)
Net Cash Provided (Used) by Operating Activities	ED7189S	\$ (181,878)

TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
(SEE INDEPENDENT AUDITORS' REPORT)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of 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 financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The Agency has elected not to follow subsequent private-sector guidance.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Revenues and Expense

Revenues and expenses are recorded on the accrual basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash consists of cash held in savings, checking and money market accounts. The Agency considers all investment instruments purchased with maturity of three months or less to be cash equivalents.

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 of more than one year. There were no fixed assets at December 31, 2006.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives an administration 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, 2006, the outstanding balance of bonds was \$280,201,150.

In addition to the administrative fees received upon closing, the Agency also is 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 Charges for Services revenue includes \$38,140 in Energy Reimbursement Payments.

Investments

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy. Agency moneys must be deposited in FDIC insured commercial banks or trust companies located within the State of New York. The Chief Financial Officer is authorized to use demand accounts and certificates of deposit. Cash and money market investments reflected on the balance sheet were entirely covered by FDIC insurance or secured by collateral held by a third party agent. Cash and money market investments at December 31, 2006 totaled \$404,104.

2. RAIL ASSISTANCE PROGRAM GRANT AWARD

In 2006 the Agency was awarded a Rail Assistance Program Grant from the New York State Department of Transportation (DOT). The award is for a maximum of \$1,300,000, and is to provide funding to construct a sidetrack to the Selkirk Ventures' site within the Town of Bethlehem. The award monies are received after the eligible expenses are disbursed; however, in recognition of the Agency's pass-through role, Selkirk Ventures will provide both escrow monies and an unconditional guaranty for payment of any construction services incurred for this project. As of December 31, 2006, the project was still in the bid specification phase, and no eligible costs had been incurred.

3. RELATED PARTY TRANSACTIONS

The Chief Executive Officer and the Chief Financial Officer are employees of the Town of Bethlehem. The two positions are not voting members of the Agency Board.

4. FRINGE BENEFITS

Fringe benefits include pension contributions of \$2,745 to the New York State and Local Employees' Retirement System for the benefit of the Agency's counsel. The system provides various plans and options, some of which require employee contributions.

5. COMMITMENTS AND CONTINGENCIES

The Agency entered into a 2006 Service Agreement with the Town of Bethlehem (the "Town"), in recognition of the services provided by Town staff in furtherance of the mutual goals held by 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, primarily from the Department of Economic Development and Planning. The 2006 agreement provided for a payment of \$200,000. The Agency approved the 2007 agreement at their December 19, 2006 meeting, which provides for a contribution of \$200,000 in 2007.

5. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Agency entered into an Option Agreement to purchase land adjacent to existing Town-owned property by the Hudson River. The option specifies a purchase price of \$300,000, and expires July 1, 2007. The Agency may extend the option through July 1, 2008 if the seller is paid a non-refundable amount of \$5,000, which amount will be applied to the ultimate purchase. In conjunction with the Town's creation of a Local Waterfront Revitalization Plan and a Master Plan for the Henry Hudson Park, the Agency has reserved the right to negotiate the sale of said parcel to a private, non-public entity, in furtherance of the potential economic development of this area.

STATEMENT OF INDEBTEDNESS

List Separately by Date of Issue	EDP CODE	Month and Year*	AI Issuance	Interest Rate If Variable, Applicable Range	Outstanding Beginning of Fiscal Year	Do Not Include Redeemed During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date
		T			1	3	5	7	
Capital Notes:	2P1865	/							
Other Debt (specify):		/							
Bond Anticipation Notes:		/							
		/							
		/							
		/							
		/							
Total Bond Anticipation Notes	2P1866								
*BANS Redeemed from Bond Proceeds	2P1888								
Bonds (List by Purpose)		/							
STURK COGEN		/	SEE	11 A	287,093,508	—	31,657,358	255,396,150	
AMERICAN HOUSING FDN.		/	SEE	11 B	6,345,000	6,705,000	6,345,000	6,705,000	
ALY DELAWARE AVE.		/	SEE	11 C	11,100,000	—	200,000	10,900,000	
YMCA		/	SEE	11 D	2,700,000	4,100,000	—	7,000,000	
Total Bonds	2P1867				307,418,508	11,005,000	38,222,358	280,201,150	
Authority Loans	2P1869	/							
TOTAL OF ALL INDEBTEDNESS					307,418,508	11,005,000	38,222,358	280,201,150	

Please note callable features of bond issues and any reserve funds available to pay debt (include also in the Notes to Financial Statements)

*ON NEW ISSUES, PLEASE INSERT NEW ISSUE DATE. ON RENEWAL, PLEASE INSERT LATEST RENEWAL DATE. PLEASE INSERT 4 DIGITS. I.E. APRIL 2003 WOULD BE 0403.

**MATURITY SCHEDULE
BONDS ISSUED DURING THE YEAR**

Year	EDP CODE	01039901A	01030401A
2017	2P317	165,000	345,672
2018	2P318	170,000	362,124
2019	2P319	180,000	379,368
2020	2P320	200,000	397,428
2021	2P321	205,000	416,552
2022	2P322	215,000	436,164
2023	2P323	225,000	456,936
2024	2P324	240,000	478,692
2025	2P325	250,000	501,480
2026	2P326	260,000	525,352
2027	2P327	275,000	
2028	2P328	290,000	
2029	2P329	305,000	
2030	2P330	320,000	
2031	2P331	340,000	
2032	2P332	360,000	
2033	2P333	370,000	
2034	2P334	390,000	
2035	2P335	410,000	
2036	2P336	430,000	

Amount of Principal Redeemed
In or to be Redeemed In
Fiscal Year Ending In

Continue on Next Page

*PLEASE INSERT SIX DIGITS. FOR EXAMPLE, APRIL 1, 2003 SHOULD BE SHOWN AS 04/01/03
NOTE: If two or more purposes are combined in a consolidated issue, show the maturity schedule for each purpose.

MATURITY SCHEDULE
BONDS ISSUED DURING THE YEAR

N/A

	EDP CODE				
Amount of Principal Redeemed In or to be Redeemed In Fiscal Year Ending In	2037	2P337			
	2038	2P338			
	2039	2P339			
	2040	2P340			
	2041	2P341			
	2042	2P342			
	2043	2P343			
	2044	2P344			
	2045	2P345			
	2046	2P346			
	2047	2P347			
	2048	2P348			
	2049	2P349			
	2050	2P350			
	2051	2P351			
	2052	2P352			
	2053	2P353			
	2054	2P354			
	2055	2P355			
	Total	-----			

*PLEASE INSERT SIX DIGITS, FOR EXAMPLE, APRIL 1, 2003 SHOULD BE SHOWN AS 04/01/03
NOTE: If two or more purposes are combined in a consolidated issue, show the maturity schedule for each purpose.

INSTRUCTIONS FOR COMPLETING SCHEDULE OF SUPPLEMENTAL BONDNOTE AND LEASE INFORMATION FOR INDUSTRIAL DEVELOPMENT AGENCIES AND AUTHORITIES

The Supplemental Information follows the Minority Schedule and is required to be completed for each project begun in 1990 and thereafter for which debt was issued, outstanding or retired during the fiscal year or any straight lease agreement which was entered into since 1990 and thereafter and is outstanding. (Photocopy additional sheets if needed).

1. On the Schedule of Supplemental Information, the name of the project, the name of the project owner, and the project owner's address must be completed for all projects begun in 1990 and thereafter. This information should be current and reflect any changes since the project was undertaken. The project code must be established and reported for all projects started in 1990 and thereafter. Refer to separate instructions for coding structure for IDA project identification numbers. This code should also be used to identify the project in reporting project activity to other state agencies or departments.
2. The project purpose code should be taken from the list on the top of pages 11 and 12 of the annual report forms. The definitions for the codes follows these instructions.
3. Total Project Amount is the cost of the entire project.
4. Benefitted Project Amount is Total Project Amount less any project costs that will not result in an IDA-derived benefit. For example, items included within the project amount that are not sales taxable (e.g. services, such as legal, architectural, engineering) or do not result in an increase in the real property assessment.
5. Bond or Note Amount is the original principal amount of bond or note issued.
6. Show the federal tax status of each bond or note using the codes on top of page 11.
7. Non-for-Profit Organization status of project occupant should be indicated by putting a "yes" in the non-for-profit column.
8. New Tax Revenue If No Exemptions Granted refers to the amount of tax revenue a project would generate if the project did not receive any tax exemptions.
9. Method of Financial Assistance Other Than Tax Exemptions or other economic benefits can be detailed on another page if necessary.
10. Tax exemptions refer to the total dollar amount of exemptions received during the year for which the report is being completed. For real property tax exemptions, please indicate the total amount of taxes for which the project would have been liable if the IDA was not involved. Do not deduct amounts paid pursuant to any payment in lieu of taxes (PILOT) agreements. Real property tax exemptions must be shown for all projects including those in which PILOTS are made.
11. Total Real Property Tax Exemptions Net of RPTL section 485-b Exemptions is the amount of real property tax exemptions the project received as a result of IDA status, i.e., deduct from the IDA exemption the amount of any real property tax exemptions the project would have received, irrespective of IDA involvement.
12. Each project where a PILOT is made must be listed on pages 11b and 12b.
-- code 1 (all local units); -- code 2 (selected local units)
13. FTB Jobs Created and Retained-report the number of full time equivalent jobs.

PROJECT PURPOSE CODE DEFINITIONS

- Services:** This category includes establishments primarily engaged in producing a wide variety of services for individuals, business and government establishments and other organizations. Hotels and other lodging places, recreational services, health, legal, engineering, and other professional services; educational institutions, membership organizations, and other miscellaneous services, are included.
- Construction:** This category includes establishments primarily engaged in construction. Three broad types of construction activity are covered: (1) building construction by general contractors or by operative builders; (2) heavy construction other than building by general contractors and special trade contractors; and (3) construction activity by other special trade contractors.
- Agriculture, Forestry and Fishing:** This category includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping and related services.
- Wholesale Trade:** This category includes establishments or places of business primarily engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm, construction contractors, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies.
- Retail Trade:** This category includes establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods. In general, retail establishments are classified by kind of business according to the principal lines of commodities sold (groceries, hardware, etc.), or the usual trade designation (drug store, cigar store, etc.). Some of the important characteristics of retail trade establishments are: the establishment is usually a place of business and is engaged in activities to attract the general public to buy; the establishment buys or receives merchandise as well as sells; the establishment may process its products, but such processing is incidental or subordinate to selling; the establishment is considered as retail in the trade; and the establishment sells to customers for personal or household use.
- Finance, Insurance and Real Estate:** This category includes establishments operating primarily in the fields of finance, insurance and real estate. Finance includes depository institutions, non-depository credit institutions, holding (but not predominantly operating) companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges. Insurance covers carriers of all types of insurance, and insurance agents and brokers. Real estate includes owners, lessors, lessees, buyers, sellers, agents, and developers of real estate.
- Transportation, Communications, Electric, Gas and Sanitary Services:** This category includes establishments providing, in the general public or to other business enterprises, passenger and freight transportation, communications services, or electricity, gas, steam, water or sanitary services.
- Other Categories:**
- Exempt Facility
 - Local furnishing of electric energy or gas
 - Water and sewage facilities
 - Docks, wharves and public transit
 - Solid waste and resource recovery
 - Exempt sports facility
 - Pollution control
 - Civic Facility-- Facility owned or occupied by a nonprofit organization
- Manufacturing:** The manufacturing category includes establishments engaged in the mechanical or chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories, or mills and characteristically use power drive machines and materials handling equipment. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing if the new product is neither a structure nor other fixed improvement. Also included is the blending of materials, such as lubricating oils, plastic resins, or liquors.

Project Code NONE: PRE-1998

Please Specify: Bond Project ● Lease Project ○

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: SELKIRK COGEN Project Owner and Address: 24 POWER PARK DRIVE SELKIRK NY 12158

Project Purpose (see instructions): B - POWER GENERATION

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 392,000,000

Straight Lease End Date: N/A

Benefited Project Amt \$ 207,000,000 Bond/Note Amount \$ 392,000,000

Non-profit? Y N New tax revenues if no exemptions granted \$ 0

Please check box if applicable: Not all data is reported. Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax		Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec. 485-b Exemptions
	County:	School:			
\$ 0	\$ 516,874		0	\$ 3,262,694	\$ 3,262,694
\$ 374,815	Local (sum of city/town/village): \$ 496,255				
	School: \$ 1,874,650				

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)		School	Total PILOTS	Code (see instructions)
	Local	School			
\$ 0	\$ 1,772,564	\$ 2,280,000		\$ 4,052,564	2

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
0.0	8.0	27.0	37.0	0.0	27.0	0.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

11A

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	05/94				
Interest Rate:					
• At issuance	8.800				
• If variable, applicable range					
Outstanding Beginning of Fiscal Year:	287,053,508				
Issued During Fiscal Year:	0				
Paid During Fiscal Year:	31,657,358				
Outstanding End of Fiscal Year:	255,396,150				
Final Maturity Date:	06/12				Final maturity date of last outstanding bond: 06/12

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code 01039901A

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: AMERICAN HOUSING FOUNDATION Project Owner and Address: 317 BRICK CHURCH ROAD
TROY NY 12180
 PROJECT LOCATION: 790 ROUTE 9W

Project Purpose (see instructions): 6 Tax Exempt Straight Lease
 Federal Tax Status: Taxable _____ End Date: N/A
 Total Project/Lease Amount \$ 9,030,000
 Bond/Note Amount \$ 6,905,000
 Benefited Project Amt \$ 6,530,000

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Non-profit? N New tax revenues if no exemptions granted \$ NON-PROFIT

Sales Tax		Real Property Tax	Exemptions		Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	Mortgage Recording	Total Exemptions	Total Exemptions	
\$ 0	\$ 0	\$ 0	\$ 9,448	\$ 9,448	
Local (sum of city/town/village):	Local (sum of city/town/village):				
\$ 0	\$ 9,448				
School:	School:				
\$ 0	\$ 0				

Payments in Lieu of Taxes (PILOTS)		Total PILOTS	Code (see instructions)
County	School		
\$ 0	\$ 0	\$ 20,489	1

Full-Time Equivalent (FTE) Jobs Created and Retained			
# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	# Current FTE Employees	# FTE Jobs Created During Fiscal Year
0.0	3.5	2.5	0.0
			# FTE Construction Jobs Created during Fiscal Year
			0.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type.

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	07/99	12/06			
Interest Rate:					
• At Issuance	6,875	3,920			
• If variable, applicable range					
Outstanding Beginning of Fiscal Year:	6,365,000	0			6,365,000
Issued During Fiscal Year:	0	6,905,000			6,905,000
Paid During Fiscal Year:	6,365,000	0			6,365,000
Outstanding End of Fiscal Year:	0	6,905,000			6,905,000
Final Maturity Date:	DEFEASED IMMEDIATE ADVANCE RECORDING	12/36			Final maturity date of last outstanding bond: 12/36

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code 01030301A

Please Specify: Bond Project ● Lease Project ○

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: 467 DELAWARE AVENUE LLC Project Owner and Address: 467 DELAWARE AVE
DELMAR NY 12054

Project Purpose (see instructions): 6 Straight Lease
Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 12,440,000 End Date: N/A
Benefited Project Amt \$ 11,100,000 Bond/Note Amount \$ 11,100,000

Non-profit? Y N New tax revenues if no exemptions granted \$ _____

Please check box if applicable:
 Not all data is reported.
Letter of explanation attached.

Sales Tax	Exemptions			Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
	Real Property Tax	Mortgage Recording			
State:	County: \$ 26,309	\$ 0		\$	\$
Local:	Local (sum of city/town/village): \$ 28,533				
	School: \$ 76,112				

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 10,531	\$ 21,091	\$ 65,094	\$ 96,716	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
0.0	31.0	0.0	55.0	26.6	0.0	0.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

11 C

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	09/03				
Interest Rate:					
• At Issuance	1.210				
• If variable, applicable range	MAX 12.7%				
Outstanding Beginning of Fiscal Year:	11,100,000				
Issued During Fiscal Year:	—				
Paid During Fiscal Year:	200,000				
Outstanding End of Fiscal Year:	10,900,000				
Final Maturity Date:	09/33				Final maturity date of last outstanding bond: 09/33

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code 0103 04 01 A

Please Specify: Bond Project ● Lease Project ○

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: YMCA OF THE CAPITAL DISTRICT Project Owner and Address: 900 DELAWARE AVE.
BETHLEHEM AREA YMCA DELMAR NY 12054

Project Purpose (see instructions): CIVIC FACILITY

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 8,400,000

Straight Lease

End Date: N/A

Benefitted Project Amt \$ 7,000,000

Bond/Note Amount \$ 7,000,000

Non-profit? N New tax revenues if no exemptions granted \$ 0

Please check box if applicable:

Not all data is reported.
Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County: <u>0</u>	<u>0</u>	<u>0</u>	\$ <u>0</u>
Local:	Local (sum of city/town/village): <u>0</u>			<u>0</u>
	School: <u>0</u>			

Payments in Lieu of Taxes (PILOTS) N/A - NON-PROFIT ENTITY

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>-</u>

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
<u>0.0</u>	<u>150.0</u>	<u>0.0</u>	<u>43.5</u>	<u>19.0</u>	<u>0.0</u>	<u>105.0</u>

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type.

11 D

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	06/05				
Interest Rate:					
• At issuance	4.640				
• If variable, applicable range					
Outstanding Beginning of Fiscal Year:	2,900,000				
Issued During Fiscal Year:	4,100,000				
Paid During Fiscal Year:	-				
Outstanding End of Fiscal Year:	7,000,000				
Final Maturity Date:	12/26				Final maturity date of last outstanding bond: 12/26

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code 01039903A

Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: FIRST COLUMBIA SLINGERLANDS Project Owner and Address: 1240 NEW SCOTLAND ROAD SLINGERLANDS NY 12159

Project Purpose (see instructions): 1
Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 5,170,000

Straight Lease
End Date: 01/2010

Benefited Project Amt \$ 5,000,000

Bond/Note Amount \$ 0

Non-profit? Y N New tax revenues if no exemptions granted \$ 0

Please check box if applicable:
 Not all data is reported.
Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec. 485-b Exemptions
State: \$ 0	County: \$ 20,788	\$ 0	\$ 121,670	\$ 96,299
Local: \$ 0	Local (sum of city/town/village): \$ 24,941			
	School: \$ 75,941			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 15,170	\$ 22,271	\$ 76,862	\$ 114,373	<u>1</u>

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
0.0	200.0	0.0	61.0	0.0	0.0	0.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

MORTGAGE NOTE, SECURITY MUTUAL LIFE INS. CO. OF NY, \$5,000,000

Please complete bond and note information on reverse

Project Code 01030101A

Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: PITTSFIELD NEWS

Project Owner and Address: 41 HAMILTON LANE
GLENMONT NY 12077

Project Purpose (see instructions): 6

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 2,000,000

Straight Lease

End Date: 01/2012

Benefited Project Amt \$ 900,000

Bond/Note Amount \$ 0

Non-profit? Yes No New tax revenues if no exemptions granted \$ 0

Please check box if applicable:

Not all data is reported.

Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 0	County: \$ 4,837	\$ 0	\$ 27,804	\$ 20,872
Local: \$ 0	Local (sum of city/town/village): \$ 5,297			
	School: \$ 17,670			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 3,331	\$ 4,587	\$ 13,986	\$ 21,904	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
0.0	30.0	0.0	24.0	2.0	0.0	0.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type.

MORTGAGE NOTE, BEAKSHIRE BANK, \$ 2,000,000

Please complete bond and note information on reverse

Project Code 0103 02 01 A

Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: SELKICK VENTURES LLC Project Owner and Address: 158 WEST YARD ROAD
FEURA BUSH NY 12067

Project Purpose (see instructions): 6 Straight Lease
Federal Tax Status: Taxable Tax Exempt End Date: 01/2018
Total Project/Lease Amount \$ 7,510,000
Benefited Project Amt \$ 7,510,000 Bond/Note Amount \$ 0

Non-profit? Y N New tax revenues if no exemptions granted \$ 26,806
Please check box if applicable:
 Not all data is reported.
Letter of explanation attached.

Sales Tax		Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	0	County: 20,890	0	216,287	102,114
Local:	0	Local (sum of city/town/village): 20,061			
		School: 175,336			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 8,630	\$ 14,278	\$ 62,400	\$ 75,308	1

Full-Time Equivalent (FTE) Jobs Created and Retained - SEEKING TENANT FOR FACILITY

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
0.0	300.0	0.0	0.0	0.0	0.0	0.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type.

MORTGAGE NOTE, HUDSON RIVER BANK & TRUST, \$9,500,000

Please complete bond and note information on reverse

Project Code 0103 02 03A

Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: PSEG POWER NY INC.

Project Owner and Address: 380 RIVER ROAD
GLENMONT NY 12077

Project Purpose (see instructions): 8-POWER GENERATION

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 400,000,000

Straight Lease

End Date: 2023

Benefited Project Amt \$ 400,000,000

Bond/Note Amount \$ 0

Non-profit? Y N New tax revenues if no exemptions granted \$ 0

Please check box if applicable:



Not all data is reported.
Letter of explanation attached.

Sales Tax		Exemptions			Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	Real Property Tax	Mortgage Recording	Total Exemptions	
\$ 386,844	\$ 508,878	\$	0	\$ 3,537,145	\$ 2,771,102
Local:	Local (sum of city/town/village):				
\$ 386,844	\$ 315,549				
	School:				
	\$ 1,859,030				

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 304,811	\$ 299,298	\$ 2,416,438	\$ 3,020,547	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Constinction Jobs Created during Fiscal Year
64.0	78.0	64.0	56.0	0.0	56.0	3.0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type.

OWNER FINANCED

Please complete bond and note information on reverse

Project Code 0103 04 02 A

Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: FIRST COLUMBIA 1200 NSR, LLC Project Owner and Address: 1220 NEW SCOTLAND ROAD SINGERLANDS NY 12159

Project Purpose (see instructions): 1

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 6,751,000

Straight Lease

End Date: 12/31/2016

Benefited Project Amt \$ 5,900,000

Bond/Note Amount \$ 0

Non-profit? Y New tax revenues if no exemptions granted \$ 25,983

Please check box if applicable:

Not all data is reported. Letter of explanation attached.

(Note: FINANCIAL STATEMENTS FALL 2006)

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ <u>12,992</u>	County: \$ <u>-</u>	\$ <u>-</u>	\$ <u>130,089</u>	\$ <u>82,609</u>
Local: \$ <u>12,991</u>	Local (sum of city/town/village): \$ <u>-</u>			
	School: \$ <u>104,106</u>			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ <u>-</u>	\$ <u>-</u>	\$ <u>56,626</u>	\$ <u>56,626</u>	<u>1</u>

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year
<u>0.0</u>	<u>82.0</u>	<u>0.0</u>	<u>57.0</u>	<u>0.0</u>	<u>0.0</u>	<u>5.0</u>

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type.

MORTGAGE NOTE, M + T REAL ESTATE TRUST, \$5,900,000

Please complete bond and note information on reverse

CERTIFICATE OF CHIEF FISCAL OFFICER

I, JUDITH E. KEHOE, CERTIFY THAT I AM THE CHIEF FISCAL OFFICER OF THE
TOWN OF BETHLEHEM IDA AND THAT THIS REPORT TO THE BEST OF MY
KNOWLEDGE, INFORMATION, AND BELIEF, IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL TRANSACTIONS AND FISCAL
CONDITION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006.

SIGNATURE Judith E. Kehoe DATE 4/30/07

TITLE CHIEF FINANCIAL OFFICER

OFFICIAL ADDRESS: TOWN OF BETHLEHEM IDA
445 DELAWARE AVE.
DELMAR NY 12054

OFFICE TELEPHONE NO. 518-439-4955 #1123

PLEASE MAIL REPORT TO:

OFFICE OF THE STATE COMPTROLLER
DIVISION OF LOCAL GOVERNMENT SERVICES
AND ECONOMIC DEVELOPMENT
DATA MANAGEMENT UNIT - 12TH FLOOR
110 STATE STREET
ALBANY, NY 12236

IF YOU HAVE QUESTIONS RELATING TO THIS REPORT, PLEASE
CALL: (518) 408-2941



**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 the financial statements of the governmental activities and the business-type activities of the Town of Bethlehem Industrial Development Agency, as of and for the year ended December 31, 2006, which collectively comprise the Town of Bethlehem Industrial Development Agency's basic financial statements and have issued our report thereon dated April 18, 2007. The report on the Town of Bethlehem Industrial Development Agency was qualified because management has omitted Management's Discussion and Analysis -- for State and Local Governments. 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 Industrial Development Agency'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 Bethlehem Industrial Development Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Bethlehem Industrial Development Agency'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 Industrial Development Agency'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 Industrial Development Agency's financial statements that is more than inconsequential will not be prevented or detected by the Town of Bethlehem Industrial Development Agency's internal control.

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 Industrial Development Agency'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 Industrial Development Agency'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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, and management of the Agency and the State of New York Office of the State Comptroller, and is not intended to be and should not be used by anyone other than these specified parties.

Tul Becker & Charonitz CPAs P.C.

Albany, New York
April 18, 2007

TEAL
BECKER
& CHIARAMONTE



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Albany, New York 12205

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John R. Teevan, Jr., CPA
Kevin B. Tully, CPA

April 18, 2007

To The Board of Directors
Town of Bethlehem Industrial
Development Agency
Bethlehem, New York

We have audited the financial statements of the governmental activities and the business-type activities of the Town of Bethlehem Industrial Development Agency for the year ended December 31, 2006, and have issued our report thereon dated April 18, 2007. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted In The United States
Of America And Government Auditing Standards**

As stated in our engagement letter dated February 2, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Town of Bethlehem Industrial Development Agency. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Bethlehem Industrial Development Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Town of Bethlehem Industrial Development Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2006. We noted no transactions entered into by the Town of Bethlehem Industrial Development Agency during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no sensitive estimates affecting the financial statements which we are required to disclose separately.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Town of Bethlehem Industrial Development Agency's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, no adjustments were proposed, whether recorded or unrecorded by the Town of Bethlehem Industrial Development Agency, either individually or in the aggregate, indicate matters that could have a significant effect on the Town of Bethlehem Industrial Development Agency's financial reporting process.

Disagreements With Management

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

Consultation With Other Independent Accountants

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

Issues Discussed Prior To Retention Of Independent Auditors

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

Difficulties Encountered In Performing The Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Board of Directors and management of the Town of Bethlehem Industrial Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

TEAL, BECKER & CHIARAMONTE, CPAs, P.C.

Teal Becker & Chiaramonte CPAs P.C.

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John R. Teevan, Jr., CPA
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April 18, 2007

Board of Directors
Town of Bethlehem Industrial Development Agency
445 Delaware Avenue
Delmar, NY 12054

In planning and performing our audit of the financial statements of the Town of Bethlehem Industrial Development Agency for the year ended December 31, 2006, we considered the Agency's internal control structure to plan our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control or compliance with laws, regulations, contracts and grants.

However, during our audit we noted the following matters for your consideration. This letter does not affect our report dated April 18, 2007, on the financial statements of the Town of Bethlehem Industrial Development Agency.

Management's Discussion and Analysis

The Town of Bethlehem Industrial Development Agency has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America determine is necessary to supplement, although not required to be a part of, the basic financial statements. This supplemental information could provide the users of the financial statements with additional information helpful in understanding the Agency and its finances.

Prior Year Audit Comments

It was recommended in the prior year audit that the Agency invest excess cash in a higher interest bearing account. We noted that during 2006, excess additional cash was invested in pooled investment accounts, resulting in higher interest yields.

We wish to thank the staff of the Comptroller's office for their assistance during our audit.

Very truly yours,

TEAL, BECKER & CHIARAMONTE, CPAs, P.C.



Katharine K. Doran, CPA

KKD/jlm
2913doc/mgt ltr

Frank S. Venezia
Chairman

Sam Messina
Secretary

Robert B. Ward
Assistant Secretary

Pamela Clark Robbins
Treasurer

Joanne Cunningham
Member

Joseph P. Richardson
Member

Brian T. Stenson
Member

TOWN OF BETHLEHEM

Albany County - New York

INDUSTRIAL DEVELOPMENT AGENCY

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George E. Leveille
*Executive Director and
Chief Executive Officer*

Judith E. Kehoe
Chief Financial Officer

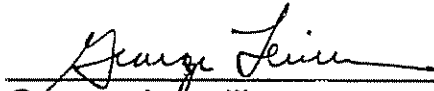
Thomas P. Connolly Esq.
*Assistant Executive Director,
Assistant Secretary and
Agency Counsel*

Response to 2006 Management Letter: Corrective Action Plan

The Town of Bethlehem Industrial Development Agency (Agency) is in receipt of the management letter issued by the independent auditing firm of Teal, Becker & Chiaramonte, CPA's, PC, dated April 18, 2007. The letter recommended that the Agency consider presenting Management's Discussion and Analysis as a supplement to the basic financial statements.

The Agency concurs with the suggestion, and plans to include the additional information in the 2007 financial statements.

A copy of this response will be provided to the Town of Bethlehem Town Board Members, as the oversight entity for the Agency, and to the Office of the State Comptroller.


George Leveille
Executive Director and
Chief Executive Officer


Judith E. Kehoe
Chief Financial Officer

Dated: April 30, 2007

APPENDIX B

CODE OF ETHICS

This Code of Ethics applies to both the members and the employees of Town of Bethlehem Industrial Development Agency (the "Agency"). The purpose of this Code of Ethics is to promote honest and ethical conduct and compliance with the law

1. Definition. As used in this section: The term "Agency" shall mean the Town of Bethlehem Industrial Development Agency.

The term "employee" shall mean any employee of the Town of Bethlehem Industrial Development Agency.

2. Rule with respect to conflicts of interest. No member or employee of the Agency should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.

3. Standards.

a. No member or employee of the Agency should accept other employment which will impair his independence of judgment in the exercise of his official duties.

b. No member or employee of the Agency should accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority.

c. No member or employee of the Agency should disclose confidential information acquired by him in the course of his official duties nor use such information to further his personal interests.

d. No member or employee of the Agency should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.

e. No member or employee of the Agency should engage in any transaction as representative or agent of the Agency with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

f. A member or employee of the Agency should not by his conduct give reasonable basis for the impression that any person can improperly influence him or

unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.

g. A member or employee of the Agency should abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest.

h. A member or employee of the Agency should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

i. No member or employee of the Agency employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the Agency

j. If any officer or employee of the Agency shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is subject to receiving benefits from the Agency, he should file with the members of the Agency a written statement that he has such a financial interest in such activity which statement shall be open to public inspection.

4. Violations. In addition to any penalty contained in any other provision of law any such member or employee who shall knowingly and intentionally violate any of the provisions of this section may be fined, suspended or removed from office or employment in the manner provided by law.