

BETHEL LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025

BETHEL LOCAL DEVELOPMENT CORPORATION

DECEMBER 31, 2025

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Fund Net Position	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Independent Auditors' 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.	19

INDEPENDENT AUDITORS' REPORT

To the Board of the Bethel Local
Development Corporation
White Lake, NY

Opinions

We have audited the accompanying financial statements of the Bethel Local Development Corporation, a component unit of the Town of Bethel, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bethel Local Development Corporation, as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bethel Local Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bethel Local Development Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bethel Local Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bethel Local Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 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 consisted 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026 on our consideration of the Bethel Local Development Corporation'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 solely 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* in considering the Bethel Local Development Corporation's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
March 5, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

This section of the Bethel Local Development Corporation’s annual financial report presents our discussion and analysis of the Corporation’s financial performance during the fiscal year ended December 31, 2025. Please read it in conjunction with the Corporation’s financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- Operating revenues decreased \$5,877 (15%) from the previous year
- Operating expenses increased \$1,765 (4%) from the previous year.
- Net operating loss of \$9,414 was up \$7,816 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management’s Discussion and Analysis (this section) and the basic financial statements. The Corporation’s statements follow the accrual basis of accounting and are presented in a manner similar to a private business.

FINANCIAL ANALYSIS OF THE CORPORATION

The following table summarizes the changes in net position between December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Current Assets	\$ 1,454	\$ 9,042
Capital Assets, net	<u>85,344</u>	<u>82,775</u>
Total Assets	<u>86,798</u>	<u>91,817</u>
Current Liabilities	2,451	1,056
Long Term Liabilities	<u>68,404</u>	<u>65,404</u>
Total Liabilities	<u>70,855</u>	<u>66,460</u>
Net Investment In Capital Assets	66,500	58,931
Restricted	15,437	20,547
Unrestricted	<u>(65,994)</u>	<u>(54,121)</u>
Total Net Position	<u>\$ 15,943</u>	<u>\$ 25,357</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

Operating Income. The following table summarizes the changes in operating activity between fiscal years 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Commissions	\$ 20,000	\$ 20,000
Grants and Contributions	13,387	18,794
Other Income	<u>-</u>	<u>470</u>
Total Operating Revenues	<u>33,387</u>	<u>39,264</u>
Program Expenses	22,868	23,187
Legal and Professional Fees	4,500	4,500
Consulting	13,738	11,151
Other Expenses	<u>789</u>	<u>1,292</u>
Total Operating Expenses	<u>41,895</u>	<u>40,130</u>
Operating Revenue (Loss)	(8,508)	(866)
Non-Operating Expense		
Depreciation Expense	<u>(906)</u>	<u>(732)</u>
Change In Net Position	<u>\$ (9,414)</u>	<u>\$ (1,598)</u>

CAPITAL ASSETS

The Corporation had \$85,344 and \$82,775 invested in capital assets, net of \$11,643 and \$10,737 in accumulated depreciation as of December 31, 2025 and 2024, respectively. Depreciation expense was \$906 and \$732 for the years ended December 31, 2025 and 2024, respectively.

DEBT

The Corporation had no debt as of December 31, 2025 and 2024.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

OPERATIONS AND ACCOMPLISHMENTS

I. MISSION AND GOVERNANCE

⌘

Founded in May 1998, the Bethel Local Development Corporation (BLDC) reached a landmark 26th year of operations in 2025. In strict adherence to the Public Authorities Law (PAL) of 2005, the Corporation maintains full compliance with the Public Authorities Reporting Information System (PARIS). The BLDC continues to function as a vital instrument for the Town of Bethel, ensuring transparency, fiscal accountability, and strategic economic development.

II. STRATEGIC LAND MANAGEMENT & FISCAL IMPACT

The BLDC’s stewardship of the 196-acre Forest Reserve at Smallwood (formerly the Smallwood Golf Course) remains a cornerstone of its value proposition:

- Revenue Generation: Pursuant to the 2014 transfer of the 60-acre mining parcel to the Town, the BLDC realized a \$20,000 annual commission in 2025 for extracted road sand and gravel.
- Infrastructure Development: The Forest Reserve has evolved into a premier "green" community asset. Key accomplishments include the maintenance of the Inclusive Playground (supported by Sullivan 180 and TOB), the 2018 Dog Park, designed to enhance the mental and physical well-being of residents.

III. CIVIC ANCHOR: THE DR. DUGGAN COMMUNITY CENTER

The BLDC facilitates some of the activities at the Duggan School in White Lake as the town’s primary civic and cultural hub:

- Educational Resources: The facility houses the Literacy Center and the Past Perfect Bookstore, providing essential access to affordable literature and lifelong learning programs.
- Programming Support: The center serves as the year-round venue supported initiatives, including the indoor winter sessions of the Farmers Market and various community-building workshops.
- Meetings The center's meeting room is the primary venue for official town business
- Sports The facility provides indoor space for year-round physical activity

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

IV. ECONOMIC DEVELOPMENT & CULTURAL ENRICHMENT

The BLDC serves as a catalyst for local commerce, leveraging Bethel's unique heritage as the home of the 1969 Woodstock Music Festival:

- Bethel Lakeside Music (BLM): In 2025, BLM hosted 27 admission-free events, offering a multi-sensory experience of live music and arts. The series included a dedicated Tribute to First Responders, strengthening community bonds.
- Kauneonga Lake Farm & Makers Market: Operating as a high-impact business incubator, the market transitioned between summer outdoor sessions at Veterans Square and winter indoor sessions, supporting local artisans and farmers.
- Bethel Business Association (BBA): The BLDC continues to partner with the BBA to drive foot traffic to the business corridor and promote the "multiplier effect" within the local economy.

V. ESSENTIAL HUMAN SERVICES & ENVIRONMENTAL STEWARDSHIP

The BLDC prioritizes community resilience through targeted social and environmental support:

- Food Security: Through the Shepherd's Pantry and Nourish Your Neighbor programs, the BLDC facilitates the distribution of fresh produce and staples to seniors and families in need.
- Emergency Assistance: Support for the Community Energy Assistance Program (CEAP) provided critical heating fuel aid to vulnerable residents during the winter season.
- Water Quality: The BLDC actively supports the White Lake Association, advocating for the preservation of the town's water resources and the ecological health of the regional "blue spaces."

VI. FINANCIAL PERFORMANCE & GRANT AWARDS

The BLDC concludes the 2025 fiscal year in a stable financial position, having met all reporting and fiduciary obligations:

- Grant Funding: Successful awards were secured from the Delaware Valley Arts Alliance (DVAA) and the Sullivan County Legislative Discretionary Contract Program.
- Revenue Growth: Operating revenues, driven by sand commissions, grants, and private donations, were utilized to fund "admission-free" programming that enriches the mind, body, and spirit of the Bethel community ☸

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

CONTACTING THE CORPORATION'S MANAGEMENT

If you have any questions about this report or need additional information, contact the Bethel Local Development Corporation, at PO Box 300, White Lake, NY 12786.

BETHEL LOCAL DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
DECEMBER 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash – Restricted	\$ <u>1,454</u>	\$ <u>9,042</u>
Total Current Assets	<u>1,454</u>	<u>9,042</u>
Fixed Assets		
Land - Smallwood Golf Course (Note 4)	80,944	80,944
Equipment	16,043	12,568
Accumulated Depreciation	<u>(11,643)</u>	<u>(10,737)</u>
Net Fixed Assets	<u>85,344</u>	<u>82,775</u>
TOTAL ASSETS	<u>86,798</u>	<u>91,817</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	<u>2,451</u>	<u>1,056</u>
Total Current Liabilities	<u>2,451</u>	<u>1,056</u>
Long Term Liabilities		
Loans Payable – Related Party (Note 3)	<u>68,404</u>	<u>65,404</u>
Total Long-Term Liabilities	<u>68,404</u>	<u>65,404</u>
TOTAL LIABILITIES	<u>70,855</u>	<u>66,460</u>
NET POSITION		
Net Investment In Capital Assets	66,500	58,931
Restricted	15,437	20,547
Unrestricted	<u>(65,994)</u>	<u>(54,121)</u>
TOTAL NET POSITION	<u>\$ 15,943</u>	<u>\$ 25,357</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

BETHEL LOCAL DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Commissions	\$ 20,000	\$ 20,000
Grants and Contributions	13,387	18,794
Other Income	<u>-</u>	<u>470</u>
 TOTAL OPERATING REVENUES	 <u>33,387</u>	 <u>39,264</u>
 OPERATING EXPENSES		
Program Expenses (Note 5)	22,868	23,187
Consulting	13,738	11,151
Legal and Professional Fees	4,500	4,500
Miscellaneous Expenses	<u>789</u>	<u>1,292</u>
 TOTAL OPERATING EXPENSES	 <u>41,895</u>	 <u>40,130</u>
 NET OPERATING REVENUE (LOSS)	 (8,508)	 (866)
 NON-OPERATING EXPENSES		
Depreciation Expense	<u>(906)</u>	<u>(732)</u>
 CHANGE IN NET POSITION	 (9,414)	 (1,598)
 NET POSITION - Beginning of Period	 <u>25,357</u>	 <u>26,955</u>
 NET POSITION – End of Period	 <u>\$ 15,943</u>	 <u>\$ 25,357</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

BETHEL LOCAL DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and contributions	\$ 13,387	\$ 15,794
Cash received from related parties	20,000	23,000
Other Cash Received	-	470
Cash payments for contractual expenses	<u>(40,500)</u>	<u>(39,524)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(7,113)</u>	<u>(260)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(3,475)	-
Loan repayment to Related Party	<u>(5,000)</u>	<u>-</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(8,475)</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loan from Related Party	<u>8,000</u>	<u>-</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>8,000</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(7,588)	(260)
CASH- BEGINNING OF PERIOD	<u>9,042</u>	<u>9,302</u>
CASH- END OF PERIOD	<u>\$ 1,454</u>	<u>\$ 9,042</u>
Reconciliation of operating revenue to net cash provided by operating activities:		
Operating Revenue (Loss)	\$ (8,508)	\$ (866)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	<u>1,395</u>	<u>606</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,113)</u>	<u>\$ (260)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

BETHEL LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Bethel Local Development Corporation was established in May 1998 under Section 1411 of the Not For Profit Corporation Law, which covers local development corporations. The purpose of the Bethel Local Development Corporation is to foster the creation, retention and expansion of jobs and economic opportunities within the Town of Bethel, located in Sullivan County, New York. The Corporation's main revenues are generated from grants and contributions.

The Corporation is a component unit of the Town of Bethel, New York. The Town Supervisor appoints the Board members of the Corporation and a majority of the Board must be made up of officials of the Town of Bethel. The financial activities of the Corporation are combined with the financial activities of the Town and other component units, which constitutes the entire reporting entity for the Town of Bethel.

Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The Corporation follows the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Operating Revenues and Expenses

In the statement of revenues, expenses and changes in fund net position, operating revenues and expenses include all activity that is part of the Corporation's normal operating activities. Interest earned on cash balances, depreciation and unusual or infrequent items are included as non-operating activities.

BETHEL LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

For the statement of cash flows, the Bethel Local Development Corporation considers all highly liquid investments as cash.

New Accounting Standards

The Corporation has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2025 the Corporation implemented the following new standards:

GASB 102 – *Certain Risk Disclosures*

Future Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 103 – *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026

GASB 104 – *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026

GASB 105 – *Subsequent Events*, effective for the year ending December 31, 2027

The Corporation will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Equity Classifications

In the financial statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

BETHEL LOCAL DEVELOPMENT CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Corporation’s restricted net position consisted of amounts restricted to use on the following programs as of December 31:

	<u>2025</u>	<u>2024</u>
Save Your Life	\$ 3,534	\$ 3,534
CEAP	-	2,085
Bethel Business Association	6,498	5,355
Nourish Your Neighbor	2,103	6,603
Animal Abuse and Prevention	2,520	2,520
Other Programs	<u>782</u>	<u>450</u>
 TOTAL	 <u>\$ 15,437</u>	 <u>\$ 20,547</u>

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Corporation.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Corporation and then determine which classification of net position will be applied.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation reported no deferred outflows or inflows of resources as of December 31, 2025 and 2024.

BETHEL LOCAL DEVELOPMENT CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The Corporation records all purchased capital assets at historical cost. Donated assets are recorded at their fair market or appraised value at the date of the gift. Depreciation and amortization of capital assets are provided over the estimated useful lives of the respective assets on a straight-line basis. The estimated useful lives for depreciation purposes are as follows:

Equipment	5-10 Years
-----------	------------

NOTE 2 – CASH AND INVESTMENTS

Corporation monies are deposited in FDIC-insured commercial banks in the form of demand deposits or certificates of deposit. All cash balances were covered by FDIC insurance as of December 31, 2025 and 2024.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Town of Bethel has control over the appointment of board members to the Bethel Local Development Corp. Therefore, the Corporation is a component unit of the Town. The Corporation is involved in the following transactions with the Town of Bethel:

Loans Payable

The Bethel Local Development Corporation receives loans from the Town of Bethel to finance various projects in anticipation of future revenues, such as grant income, that will be used to repay the loans. The Corporation had the following outstanding loans with the Town of Bethel for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Smallwood Golf Course	\$ 18,844	\$ 23,844
Operating Funds	33,513	25,513
Community Events	<u>16,047</u>	<u>16,047</u>
 TOTAL	 <u>\$ 68,404</u>	 <u>\$ 65,404</u>

BETHEL LOCAL DEVELOPMENT CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2025

NOTE 3 – RELATED PARTY TRANSACTIONS (Continued)

Operating Revenues

During the year ended December 31, 2014, the Town purchased a parcel of land from the Corporation to be used for sand and gravel mining. In addition to the purchase price, the Town will pay a commission to the Corporation for all sand and gravel extracted from the parcel. The annual commission of \$15,000 may be revised upon the mutual consent of both parties. In September 2022, the Town Board approved an increase of \$5,000 to the payment. The Corporation received commission payments from the Town of \$20,000 and \$20,000 for the years ended December 31, 2025 and 2024, respectively.

The Town contributed \$3,000 towards the Corporation’s Nourish Your Neighbor program for the year ended December 31, 2024.

NOTE 4 – SMALLWOOD GOLF COURSE

On November 4, 2011, the Bethel Local Development Corporation purchased a golf course located in the Town of Bethel, New York from the County of Sullivan. The property is reported as land and, therefore, no depreciation is recognized.

NOTE 5 – PROGRAM EXPENSES

The Corporation’s program expenses for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Bethel Business Association	\$ 3,107	\$ 3,368
Little Free Pantry	500	-
CEAP	3,200	1,800
Farmer’s Market	6,568	4,396
Dog Park	316	500
Nourish Your Neighbor	4,500	5,500
Music in the Park	4,677	5,653
Animal Abuse and Prevention	-	1,500
Save the Lake	-	470
	<u>\$ 22,868</u>	<u>\$ 23,187</u>

BETHEL LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 – LIABILITIES PAID FROM RESTRICTED ASSETS

The following liabilities of the Corporation will be paid from restricted assets:

	<u>2025</u>	<u>2024</u>
Accounts Payable	<u>\$ 743</u>	<u>\$ 643</u>

NOTE 7 – CAPITAL ASSETS

Capital asset balances and activity for the years ended December 31, 2025 and 2024 were as follows:

<u>2025</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Non-depreciable capital assets:				
Land	\$ 80,944	\$ -	\$ -	\$ 80,944
Total non-depreciable	<u>80,944</u>	<u>-</u>	<u>-</u>	<u>80,944</u>
Depreciable capital assets:				
Machinery and Equipment	<u>12,568</u>	<u>3,475</u>	<u>-</u>	<u>16,043</u>
Total depreciable	<u>12,568</u>	<u>3,475</u>	<u>-</u>	<u>16,043</u>
Less accumulated depreciation:				
Machinery and Equipment	<u>10,737</u>	<u>906</u>	<u>-</u>	<u>11,643</u>
Total Accumulated Depreciation	<u>10,737</u>	<u>906</u>	<u>-</u>	<u>11,643</u>
Total historical cost, net	<u>\$ 82,775</u>	<u>\$ 2,569</u>	<u>\$ -</u>	<u>\$ 85,344</u>
 <u>2024</u>				
Non-depreciable capital assets:				
Land	\$ 80,944	\$ -	\$ -	\$ 80,944
Total non-depreciable	<u>80,944</u>	<u>-</u>	<u>-</u>	<u>80,944</u>
Depreciable capital assets:				
Machinery and Equipment	<u>12,568</u>	<u>-</u>	<u>-</u>	<u>12,568</u>
Total depreciable	<u>12,568</u>	<u>-</u>	<u>-</u>	<u>12,568</u>
Less accumulated depreciation:				
Machinery and Equipment	<u>10,005</u>	<u>732</u>	<u>-</u>	<u>10,737</u>
Total Accumulated Depreciation	<u>10,005</u>	<u>732</u>	<u>-</u>	<u>10,737</u>
Total historical cost, net	<u>\$ 83,507</u>	<u>\$ (732)</u>	<u>\$ -</u>	<u>\$ 82,775</u>

BETHEL LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Net Capital Assets	\$ 85,344	\$ 82,775
Less: Outstanding Loans	<u>(18,844)</u>	<u>(23,844)</u>
Net Investment In Capital Assets	<u>\$ 66,500</u>	<u>\$ 58,931</u>

NOTE 9 – EVENTS OCCURRING AFTER REPORTING DATE

The Bethel Local Development Corporation has evaluated events and transactions that occurred between December 31, 2025 and March 5, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

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*

To the Board of the Bethel Local
Development Corporation
White Lake, New York 12786

We have audited, 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, the financial statements of the Bethel Local Development Corporation, a component unit of the Town of Bethel, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Bethel Local Development Corporation's financial statements and have issued our report thereon dated March 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bethel Local Development Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Bethel Local Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bethel Local Development Corporation'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cooper Arias, LLP

Mongaup Valley, New York
March 5, 2026