

OFFICIAL STATEMENT

**SERIAL BONDS
BOOK-ENTRY-ONLY BONDS**

**RATING – MOODY’S INVESTOR SERVICE: “Aaa”
See “Bond Rating”, herein**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivision, including The City of New York. See “TAX MATTERS” herein.

The Town will NOT designate the Bonds as “qualified tax-exempt obligations” pursuant to the provision of Section 265(b)(3) of the Code.

**TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK
(the “Town”)**

**\$22,600,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2021 SERIES A
(the “Series A Bonds”)**

**\$2,960,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2021 SERIES B
(the “Series B Bonds” together with the Series A Bonds, the “Bonds”)**

Dated: Date of Delivery

Principal and Interest Due: As shown on inside cover

SEE BOND MATURITY SCHEDULE HEREIN

Security and Sources of Payment: The Bonds are general obligations of the Town of Huntington, Suffolk County, New York (the “Town”), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “*Tax Levy Limit Law*” herein).

Prior Redemption: The Series A Bonds maturing on June 15, 2028 and thereafter are subject to redemption, prior to maturity, at the option of the Town, on June 15, 2027 and thereafter on any date, in accordance with terms described herein. (See “*Optional Redemption of the Series A Bonds*”, herein). The Series B Bonds are not subject to redemption prior to maturity.

Form and Denomination: The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Bonds. Individual purchases of the Bonds may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. (See “*DESCRIPTION OF BOOK-ENTRY SYSTEM*”, herein).

Payment: Payment of the principal of and interest on the Bonds will be made by the Town to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. (See “*DESCRIPTION OF BOOK-ENTRY SYSTEM*”, herein).

The Bonds are offered subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Town, and certain other conditions. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC on or about July 29, 2021 in New York, New York.

FOR A DESCRIPTION OF THE TOWN’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION, SEE “DISCLOSURE UNDERTAKING” HEREIN.

July 14, 2021

**TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK**

\$22,600,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2021 SERIES A

BOND MATURITY SCHEDULE

Principal Due: June 15, 2022-2036 inclusive
Interest Due: June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year to maturity

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
June 15, 2022	\$ 890,000	5.000%	0.080%	446457D67
June 15, 2023	1,205,000	5.000	0.120	446457D75
June 15, 2024	1,270,000	5.000	0.200	446457D83
June 15, 2025	1,335,000	5.000	0.310	446457D91
June 15, 2026	1,400,000	5.000	0.400	446457E25
June 15, 2027	1,475,000	5.000	0.510	446457E33
June 15, 2028	1,535,000*	3.000	0.630	446457E41
June 15, 2029	1,570,000*	2.000	0.940	446457E58
June 15, 2030	1,605,000*	2.000	1.100	446457E66
June 15, 2031	1,635,000*	2.000	1.250	446457E74
June 15, 2032	1,670,000*	2.000	1.320	446457E82
June 15, 2033	1,700,000*	2.000	1.400	446457E90
June 15, 2034	1,735,000*	2.000	1.500	446457F24
June 15, 2035	1,770,000*	2.000	1.600	446457F32
June 15, 2036	1,805,000*	2.000	1.700	446457F40

*Subject to prior redemption.

FHN FINANCIAL CAPITAL MARKETS

\$2,960,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2021 SERIES B

BOND MATURITY SCHEDULE

Principal Due: July 15, 2022-2027 inclusive
Interest Due: January 15, 2022, July 15, 2022 and semi-annually thereafter on January 15 and July 15 in each year to maturity

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
July 15, 2022	\$ 440,000	5.000	0.060%	446457C84
July 15, 2023	455,000	5.000	0.100	446457C92
July 15, 2024	480,000	5.000	0.220	446457D26
July 15, 2025	505,000	5.000	0.290	446457D34
July 15, 2026	530,000	5.000	0.400	446457D42
July 15, 2027	550,000	5.000	0.520	446457D59



**TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK**

Town Hall
100 Main Street
Huntington, New York 11743
Telephone: 631/351-3000
Fax: 631/424-7856

TOWN BOARD

Chad A. Lupinacci, Town Supervisor

Joan A. Cergol
Eugene Cook
Mark A. Cuthbertson
Edmund J. Smyth

Jillian Guthman, Receiver of Taxes
Kevin Orelli, Superintendent of Highway
Andrew P. Raia, Town Clerk
Nicholas Ciappetta, Town Attorney
Peggy Karayianakis, CPA, Town Comptroller

* * *

Bond Counsel

Hawkins Delafield & Wood LLP
New York, New York

* * *

Prepared with the Assistance of

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

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No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT
TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK

\$22,600,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2021 SERIES A
AND
\$2,960,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2021 SERIES B
[BOOK-ENTRY-ONLY BONDS]

This Official Statement and the appendices hereto present certain information relating to the Town of Huntington, in the County of Suffolk, in the State of New York (the “Town,” “County” and “State,” respectively) in connection with the sale of \$22,600,000 Public Improvement Serial Bonds – 2021 Series A (the “Series A Bonds”) and \$2,960,000 Public Improvement Refunding Serial Bonds – 2021 Series B (the “Series B Bonds”) of the Town. The Series A and Series B Bonds are collectively referred to herein as the “Bonds”.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town’s overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See “MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE” and “IMPACT OF COVID-19” herein.)

THE SERIES A BONDS

Description of the Series A Bonds

The Series A Bonds will be dated July 29, 2021 and will mature on June 15, in each of the years 2022 to 2036, inclusive, in the principal amounts as set forth on the inside cover page hereof.

The Series A Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series A Bonds. Individual purchases of the Series A Bonds may be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their respective interests in the Series A Bonds. (See “*Book-Entry System*”, herein).

Interest on the Series A Bonds will be payable on June 15, 2022, December 15, 2022, and semiannually thereafter on June 15 and December 15 in each year to maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series A Bonds, as described herein. The Series A Bonds may be transferred in the manner described on the Series A Bonds and as referenced in certain proceedings of the Town referred to therein. (See “*Description of Book-Entry System*”, herein).

The Record Date of the Series A Bonds will be the last day of the calendar month immediately preceding each interest payment date.

The Town Clerk will act as Fiscal Agent for the Series A Bonds. Paying agent fees, if any, will be paid by the purchaser. The Town’s contact information is as follows: Peggy Karayianakis, CPA, Town Comptroller, Town of Huntington, 100 Main Street, Huntington, New York 11743, Phone (631) 351-3038, Fax (631) 351-2898 and email: auditandcontrol@huntingtonny.gov.

Optional Redemption of the Series A Bonds

The Series A Bonds maturing on or before June 15, 2027 will not be subject to redemption prior to maturity. The Series A Bonds maturing on June 15, 2028 and thereafter, will be subject to redemption, prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after June 15, 2027, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Town may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the Town shall determine to be in the best interest of the Town at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Authorization and Purpose on the Series A Bonds

The Series A Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Town Law, and various bond resolutions duly adopted by the Town Board, authorizing the following purposes:

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Amount to</u> <u>be Issued</u>
02/23/2021	LIRR Parking Garage & W Pedestrian Bridge Improvements	\$1,675,000	\$ 300,000
02/23/2021	Acquisition of Payloader for the Recycling Center	185,000	185,000
02/23/2021	Acquisition of Mowers	210,000	210,000
02/23/2021	Acquisition of Parking Lot Sweeper	270,000	270,000
02/23/2021	Replacement of Fuel Tanks	200,000	200,000
02/23/2021	Boiler & HVAC Flanagan Center Improvements	300,000	300,000
02/23/2021	Town Hall Exterior Improvements	100,000	100,000
05/11/2021	Woodbine Marina Improvements	1,500,000	1,500,000
04/13/2021	Animal Shelter Improvements	6,000,000	3,000,000
02/23/2021	Traffic Signals Replacements	400,000	400,000
02/23/2021	Various Road Improvements	4,500,000	4,500,000
02/23/2021	Various Drainage Improvements	1,000,000	1,000,000
02/23/2021	Improvements to Curbs Sidewalks & Pedestrian Ramps	300,000	300,000
02/23/2021	Acquisition of Equipment	1,000,000	1,000,000
03/16/2021	Acquisition of Packer Trucks	435,000	435,000
02/23/2021	Dix Hills Water District - Well No. 5 Improvements	3,000,000	3,000,000
03/16/2021	South Huntington Water District Improvements	7,200,000	7,200,000
Totals:		<u>\$28,275,000</u>	<u>\$23,900,000</u>

THE SERIES B BONDS

Description of the Series B Bonds

The Series B Bonds will be dated July 29, 2021 and will mature on July 15, in each of the years 2022 to 2027, inclusive, in the principal amounts as set forth on the inside cover page hereof.

The Series B Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series B Bonds. Individual purchases of the Series B Bonds may be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their respective interests in the Series B Bonds. (See "*Description of Book-Entry System*", herein).

Interest on the Series B Bonds will be payable on January 15, 2022, July 15, 2022 and semiannually thereafter on January 15 and July 15 in each year to maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series B Bonds, as described herein. The Series B Bonds may be transferred in the manner described on the Series B Bonds and as referenced in certain proceedings of the Town referred to therein. (See "*Description of Book-Entry System*", herein).

The Record Date of the Series B Bonds will be the last day of the calendar month immediately preceding each interest payment date.

The Town Clerk will act as Fiscal Agent for the Series B Bonds. Paying agent fees, if any, will be paid by the purchaser. The Town's contact information is as follows: Peggy Karayianakis, CPA, Interim Town Comptroller, Town of Huntington, 100 Main Street, Huntington, New York 11743, Phone (631) 351-3000, Fax (631) 424-7856 and email: pkarayianakis@huntingtonny.gov.

No Optional Redemption of the Series B Bonds

The Series B Bonds will not be subject to redemption prior to maturity.

Authorization and Purpose for the Series B Bonds

The Series B Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Town Law and a refunding bond resolution duly adopted by the Town Board on May 11, 2021, (the "Refunding Bond Resolution"), authorizing the refunding of all or a part of the Town's Public Improvement Serial Bonds - 2012. The amounts expected to be refunded are set forth below:

Summary of Refunded Bonds (the "Refunded Bonds")

Public Improvements Serial Bonds-2011 <u>Maturity Date</u>	<u>Amount to Be Refunded*</u>	<u>Interest Rate</u>	<u>Date of Redemption</u>	<u>Call Price</u>	<u>CUSIP Numbers</u>
07/15/2022	\$ 530,000	2.100%	08/31/2021	100.00%	446457UA9
07/15/2023	545,000	2.250	08/31/2021	100.00	446457UB7
07/15/2024	555,000	2.250	08/31/2021	100.00	446457UC5
07/15/2025	570,000	2.500	08/31/2021	100.00	446457UD3
07/15/2026	385,000	2.500	08/31/2021	100.00	446457UE1
07/15/2027	<u>595,000</u>	2.500	08/31/2021	100.00	446457UF8
Total:	<u>\$3,380,000</u>				

*Preliminary, subject to change.

Refunding Financial Plan

Pursuant to the Town's Refunding Financial Plan, as referred to in the Refunding Bond Resolution, the Series B Bonds are being issued to effect the refunding of the Refunded Bonds maturing on their respective principal payment dates as set forth herein. The Refunding Financial Plan will permit the Town to realize, as a result of the issuance of the Series B Bonds, cumulative dollar and present-value debt service savings.

The net proceeds of the Series B Bonds (after payment of the underwriting fee and other costs of issuance relating to the Series B Bonds), will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Series B Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by Manufacturers and Traders Trust Company (the "Escrow Holder"), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Town and the Escrow Holder, dated as of the delivery date of the Series B Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premiums, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Town and Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all cash on deposit in the Escrow Fund. Upon payment by the Escrow Holder to the fiscal agent for the Refunded Bonds of amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds to be paid from the Escrow Fund, including interest and redemption premium, if any, payable with respect thereto, and payment of all expenses incidental to the issuance of the Series B Bonds, such Escrow Contract shall terminate.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the Town and will continue to be payable from *ad valorem* taxes on all taxable real property in the Town. However, inasmuch as the funds held in the Escrow Fund together with interest earnings thereon and cash held in the Escrow Fund shall be sufficient to meet all required payments of principal of, interest on the premium payable with respect to the Refunded Bonds, it is not anticipated that other sources of payment will be utilized.

Sources and Uses of Bond Proceeds

Sources:	
Par Amount of Bonds	\$2,960,000.00
Original Issue Premium	489,909.05
Total.....	3,449,909.05
Uses:	
Escrow Deposit.....	3,390,052.34
Underwriter's Discount	10,249.95
Allowance for Costs of Issuance and Contingency	49,606.76
Total.....	\$3,449,909.05

DESCRIPTION OF BOOK-ENTRY SYSTEM

DTC will act as Securities Depository for any Bonds issued as book-entry bonds. Such Bonds will be issued as fully registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of each series of the Bonds and deposited with DTC.

DTC is limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants") and together with Direct Participant, the ("Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS; (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

CERTIFICATED BONDS

If the Bonds are issued as book-entry bonds registered in the name of Cede & Co., DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that such book-entry system is discontinued, the following provisions will apply: The Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Town as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

NATURE OF OBLIGATION

Each Bond when duly issued and paid for will constitute a contract between the Town and the holder thereof.

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See "*Tax Levy Limit Law*", herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. However, Chapter 97 of the New York Laws of 2011, as amended (the "*Tax Levy Limit Law*"), imposes a statutory limitation upon the Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in *Tax Levy Limit Law*, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

The Town's credit rating could be affected by circumstances beyond the Town's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of the holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Town is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see “*Tax Matters*” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Bonds. (See “*Tax Levy Limit Law*” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town could impair the financial condition of such entities, including the Town and the ability of such entities, including the Town, to pay debt service on the Bonds.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*State Aid*” herein) (See “*Impacts of COVID-19*” herein).

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Town default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the Town and the owners for which the faith and credit of the Town are pledged and while remedies for enforcement of payment are not expressly included in the Town’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Town subject to taxation by the Town, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Town, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith and credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MUNICIPAL BANKRUPTCY

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a financial control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

No current state law purports to create any priority for holders of the Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity by the Governor reciting facts which in the judgment of the Governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of a local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

No Past Due Debt

No principal or interest payment on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and/or interest on any indebtedness.

THE TOWN

There follows in this Official Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

General Information

The Town is located at the western end of Suffolk County adjacent to the Nassau-Suffolk County boundary. It is approximately 40 miles from Manhattan and 40 miles from Riverhead, the Suffolk County seat. The history of Huntington is closely associated with the early development of the American colonies. The community was originally settled in 1653, well within the lifetime of the earliest New England colonist. In the beginning, water-borne transportation gave life to the community. The natural harbors offered ready access to the farm lands of the Long Island interior. The harbor was the setting for the early Huntington community which became the focal point for the movement of agricultural products into the commerce of the colonies. Although agriculture was its mainstay and water-borne transportation its lifeline for two centuries, in later years the whaling industry and expanded manufacturing activity broadened the local economy and gave impetus to the expansion of the harbor communities of Cold Spring, Huntington and Northport.

The Town has five harbors bordering the north shore of the Town: Cold Spring, Lloyd, Huntington, Centerport and Northport Harbors. With its coves and bays there are a total of nine beaches maintained by the Town. The Town has also put into operation a number of marinas for the use of residents. These facilities, along with boat ramps and municipal golf courses and park sites, provide active recreation for Town residents.

The Town encompasses an area of approximately 94 square miles and has a population of 200,495 according to the 2019 Census estimates. There are four incorporated villages in the Town: Northport, Asharoken, Lloyd Harbor and Huntington Bay. In addition, there are several prominent unincorporated areas in the Town including Cold Spring Harbor, Elwood, Huntington, Huntington Station, South Huntington, Melville, East Northport, Halesite, Dix Hills, Centerport, Greenlawn and Fort Salonga.

Water facilities are provided by the Suffolk County Water Authority and three Town water district plants, which are located in Dix Hills, Greenlawn and South Huntington. Electricity and natural gas are furnished by Public Service Electric and Gas (“PSE&G”) and National Grid, respectively. National grid maintains electric generating facilities in the Northport section of the Town.

There are eight public school districts in Huntington, five of which are entirely within the Town. The other three serve portions of the towns of Smithtown, Babylon and Oyster Bay, in addition to parts of Huntington.

The Town is within a short commuting distance of New York City. The Long Island Rail Road, which has frequent schedules of trains, accommodates its commuters daily to New York City from four stations in the town. The Town is connected with New York City and other nearby points by four main east-west highways: Route 25A (Northern Boulevard), Route 25 (Jericho Turnpike), the Northern State Parkway and the Long Island Expressway. In addition, Old Country Road provides a secondary east-west connecting highway to central and southern sections of the Town.

Over the past several decades, the “110 Corridor”, an area generally bordering New York State Route 110 (N-S) and primarily in the Melville section of the Town, has developed into a major business area. Numerous corporate offices as well as sizable commercial entities are situated there. The Hilton Long Island/Huntington, a 305 room hotel, and the Melville Marriott, a 372 room hotel, are located in this area and provided various amenities and facilities for businesses in the surrounding area. The 110 Corridor has been further strengthened with the addition of the new 700,000 square foot Canon North American Headquarters employing approximately 1,400 people.

Walt Whitman Shops, located within the Town, has completed construction on an expansion of 72,000 square feet. Major nationally known retail chains that currently anchor the Walt Whitman Shops are Bloomingdales, Lord & Taylor, Macy’s, and Saks Fifth Avenue. The mall encompasses over 1.2 million sq. ft. and includes approximately 100 satellite stores. The Town is home to a thriving downtown which hosts an art museum, movie theatre, about 50 restaurants and 200 retail stores.

Government

The Town was established in 1653. Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board. The Town Board consists of five members, including the Supervisor. The Supervisor is the chief executive officer of the Town and is elected for a term of two years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two councilmembers are elected every two years. All the Town Board members are elected at large and there is no limitation to the number of years that all elected officials may serve.

The Supervisor is also the chief fiscal officer of the Town. Additional Town officers are the Deputy Supervisor, the Town Clerk, (elected at large for a four-year term), the Receiver of Taxes, who is responsible for the collection of taxes (elected at large for a four-year term), the Superintendent of Highways (elected at large for a four-year term), the Assessor, the Town Attorney, and the Comptroller, all of whom are appointed by the Town Board.

Eight independently governed school districts are located wholly or partially within the Town. These school districts rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town’s assessment roll as their basis for taxation of property located within the Town.

Utilities and Other Services

Electricity and natural gas is supplied to the Town by the Long Island Power Authority and National Grid. The Town supplies water to various special assessment water districts and is responsible for the financing and construction of water transmission lines as well as maintenance of the necessary facilities in such areas. The Suffolk County Water Authority also supplies water to various parts of the Town. Police protection is provided by the Suffolk County Police Department and various Village Police Departments, and fire protection is provided by eleven volunteer Fire Districts that operate within the Town.

Employees

The Town employs approximately 675 full-time employees. The employees in collective bargaining agreement are shown below:

<u>Name of Union</u>	<u>Expiration Date of Contract</u>	<u>Approx. No. of Members</u>
Civil Service Employees Association.....	12/31/22	190
Long Island Service Employees, ILA, Labor Unit.....	12/31/22	306
Long Island Service Employees, ILA, Supervisory Unit .	12/31/22	79

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The population of the Town, County and the State is represented below:

<u>Year</u>	<u>Town of Huntington</u>	<u>Suffolk County</u>	<u>State of New York</u>
1990	191,474	1,321,864	17,990,455
2000	195,269	1,419,369	18,976,457
2010	203,264	1,493,350	19,378,102
2019	200,495	1,476,601	19,453,561

Source: U.S. Bureau of the Census.

Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019^a</u>
Town of Huntington	\$24,810	\$36,390	\$46,862	\$65,192
County of Suffolk	18,481	26,577	35,755	48,381
State of New York	16,501	23,389	30,791	41,857

	<u>Median Family Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019^a</u>
Town of Huntington	\$65,820	\$90,606	\$116,478	\$155,596
County of Suffolk	53,244	72,112	96,220	125,309
State of New York	32,965	43,393	55,603	89,475

Source: United State Bureau of the Census.

a. Based on American Community Survey Three-Year Estimates (2015-2019).

Summary of Building Activity
(Number of Building Permits Issued)

The chart below represents the level of building permit activity for the five most recently completed fiscal years. The figures include residential and commercial activity and with most of the activity coming from additions and renovations to existing homes and facilities. It also includes demolitions, installation of fences, swimming pools, fences, accessory buildings, etc.

<u>Classification</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
One Family	243	322	292	288	171
Commercial/Industrial	51	261	203	71	24
Alt & Adds (Res.)	725	843	751	690	471
Alt & Adds (Other)	323	307	271	246	143
Demolish Various Bldgs.	251	288	265	264	184
Other	1,544	1,388	1,276	1,445	1,240
Totals	<u>3,137</u>	<u>3,409</u>	<u>3,058</u>	<u>3,004</u>	<u>2,233</u>

Unemployment Rate Statistics

<u>Annual Averages:</u>	<u>Town of Huntington (%)</u>	<u>County of Suffolk (%)</u>	<u>New York State (%)</u>
2016	3.7	4.3	4.9
2017	4.3	4.8	5.1
2018	3.4	3.9	4.1
2019	3.3	3.7	4.0
2020	7.9	8.5	10.0
2021 (4 Months)	5.8	6.2	8.8

Source: Department of Labor, State of New York.

Selected Listing of Larger Employers (2021)

<u>Name</u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
Huntington Hospital	Hospital	2,734
Canon	Imaging Products	2,497
Northport Veterans Affairs Medical Center	Healthcare	2,000
Henry Schein, Inc.	Medical & Dental Supplies	1,400
Half Hollow Hills School District	Education	1,398
Western Suffolk BOCES	Education	1,185
Northport-East Northport UFSD	Education	1,023
South Huntington UFSD	Education	933
Huntington UFSD	Education	819
Town of Huntington	Government	815

Source: Town of Huntington Audit & Control.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

The State Constitution limits the power of the Town (as well as other municipalities and school districts of the State) to issue obligations and contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the Town and the Bonds:

Purpose and Pledge. The Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, bonds issued in anticipation of the sale of bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such bonds were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

In addition, under each bond resolution, the Town Board may delegate, and has delegated, power to issue and sell bonds and notes, to the Town Supervisor, the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See “*Tax Levy Limit Law*,” herein).

The following pages set forth certain details with respect to the indebtedness of the Town.

Trend of Town Indebtedness

	December 31:				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>
Bonds	\$107,770,000	\$108,460,000	\$107,300,000	\$104,450,000	\$109,555,000
Bond Anticipation Notes	1,000,000	500,000	0	0	0
Installment Purchase Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>421,490</u>	<u>0</u>
Totals	<u>\$108,770,000</u>	<u>\$108,960,000</u>	<u>\$107,300,000</u>	<u>\$104,871,490</u>	<u>\$109,555,00</u>

Details of Short-Term Indebtedness Outstanding
(As of July 1, 2021)

As of the date of this Official Statement, the Town has no short-term outstanding debt.

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of July 1, 2021)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	Full <u>Valuation</u>
2017	\$324,025,888	0.85	\$38,120,692,706
2018	323,515,483	0.84	38,513,747,976
2019	323,533,437	0.80	40,441,679,625
2020	322,626,518	0.76	42,450,857,632
2021	320,597,772	0.74	<u>43,324,023,243</u>
Total Five Year Full Valuation			\$202,851,001,182
Average Five Year Full Valuation			40,570,200,236
Debt Limit - 7% of Average Full Valuation			2,839,914,017
Inclusions:			
Outstanding Bonds:			
General Purpose Bonds			83,072,700
Water Debt			23,442,299
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>106,514,999</u>
Exclusions:			
Appropriations for Bonds			7,186,906
Water Debt			<u>23,442,299</u>
Total Exclusions			<u>30,629,205</u>
Total Net Indebtedness Before Issuing the Series A Bonds			<u>75,885,794</u>
The Series A Bonds			23,900,000
Less: BANs to be Redeemed by the Series A Bonds			<u>0</u>
Net Effect of Issuing the Series A Bonds			<u>23,900,000</u>
Total Net Indebtedness After the Issuance of the Series A Bonds			<u>99,785,794</u>
Net Debt Contracting Margin			<u><u>2,740,128,223</u></u>
Percent of Debt Limit Exhausted			3.51%

Debt Service Requirements – Outstanding Bonds

<u>Fiscal Year Ending 12/31</u>	<u>Outstanding Debt Service</u>	<u>Refunding Debt Service</u>	<u>Sub-total</u>	<u>Less: Debt Service to be Refunded*</u>	<u>Net After Issuance of Refunding Bonds</u>
2021	\$ 16,397,837	\$ 0	\$ 16,397,837	\$ 0	\$ 16,397,837
2022	14,949,771	582,244	15,532,016	609,630	14,922,386
2023	13,711,693	581,000	14,292,693	613,500	13,679,193
2024	12,199,475	583,250	12,782,725	611,238	12,171,487
2025	11,135,606	584,250	11,719,856	613,750	11,106,106
2026	9,904,350	584,000	10,488,350	614,500	9,873,850
2027	9,130,994	577,500	9,708,494	609,875	9,098,619
2028	8,525,944	0	8,525,944	0	8,525,944
2029	7,360,147	0	7,360,147	0	7,360,147
2030	6,671,675	0	6,671,675	0	6,671,675
2031	5,624,578	0	5,624,578	0	5,624,578
2032	4,552,269	0	4,552,269	0	4,552,269
2033	3,496,716	0	3,496,716	0	3,496,716
2034	2,590,875	0	2,590,875	0	2,590,875
2035	1,408,950	0	1,408,950	0	1,408,950
	<u>\$ 127,660,879</u>	<u>\$ 3,492,244</u>	<u>\$ 131,153,124</u>	<u>\$ 3,672,493</u>	<u>\$ 127,480,631</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Suffolk	12/03/2020	15.63	\$287,901,983	\$213,330,052
Villages	05/31/20 or Later	Var.	4,605,752	4,605,752
School Districts	06/30/20 or Later	Var.	184,348,121	132,641,589
Fire Districts	12/31/19 or Later	Var.	11,466,856	11,466,856
Library Districts	06/30/20 or Later	Var.	14,712,826	14,712,826
			<u>\$503,035,538</u>	<u>\$376,757,075</u>
Totals				

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

Debt Ratios
(As of July 1, 2021)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$106,514,999	\$531	0.246
Net Direct Debt	75,885,794	378	0.175
Total Direct & Applicable Total Overlapping Debt	609,550,537	3,040	1.407
Net Direct & Applicable Net Overlapping Debt	452,642,869	2,258	1.045

a. The current estimated population of the Town is 200,495.

b. The full valuation of taxable real property in the Town for 2019-20 is \$43,324,023,243.

Authorized And Unissued Debt
(As of July 1, 2021)

As of the date of this Official Statement, the Town has authorized but unissued debt in the aggregate amount of \$23,900,000 as follows:

Various Public Improvements	\$ 6,900,000	
Highway Projects.....	6,800,000	
Special Districts.....	<u>10,200,000</u>	
Total	<u>\$ 23,900,000^a</u>	

a. A portion of such amount is to be financed with a portion of the Series A Bonds.

Resource Recovery Facilities

In September 1989, the Town Board closed the Town's sixty year old landfill, and thereafter entered into an agreement with the neighboring Town of Smithtown. This agreement, executed in December 1989, provided that until such time as the Town's waste-to-energy facility was constructed, the Town would share the use of Cells 5 and 6 in Smithtown's State-approved landfill for the disposal of its solid waste. For the reserving of capacity and the transfer of a fee interest in Cell 5, the Town paid the Town of Smithtown a charge of approximately \$33.30 per ton of solid waste deposited therein. For its use of Cell 6, which was constructed to receive solid waste upon Cell 5 being filled to capacity, the Town agreed to pay the Town of Smithtown a fee equal to a portion of the capital and usage costs associated with that cell. Included in the capital costs was a general obligation bond issued by the Town of Smithtown to finance the construction of the Cell 6. Cell 6 has since been capped.

The waste-to-energy Resource Recovery Facility constructed to service the Town was financed through the issuance of \$176,550,000 in Industrial Development Bonds, by the New York State Environmental Facilities Corporation. The facility was constructed and is now being operated by Covanta Huntington Limited Partnership (formerly known as Ogden Martin Systems, LP), an affiliate of Covanta Energy, Inc. The facility is currently operating at full capacity.

Industrial Development Bonds are not general obligations of the Town and do not constitute any indebtedness of or charge against the general credit of the Town. However, the Town has entered into a Service Agreement with Covanta Huntington, LP pursuant to which the Town has certain obligations with respect to the delivery of waste to the facility and the payment of related service fees, which when combined with revenue from the sale of facility-generated electricity, is expected to pay both the operating expenses and debt service of the facility. The Service Agreement had an initial term that expired in October 2012. In December 2010, the Town exercised the option to extend the Service Agreement until the year 2019 amending the financial provisions in the extension.

As further consideration for allowing the Town to use Cell 6 at the Smithtown landfill, the agreement grants the Town of Smithtown the right to deliver its processible solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement. The Town of Smithtown is responsible for approximately 37% of the landfill costs. As of December 31, 2020, the total amount paid by the Town under this agreement to Covanta is \$22,032,210 of which \$8,306,143 was reimbursed by the Town of Smithtown.

Town Landfill

A Remedial Investigation/Feasibility Study (RI/FS) and Interim Remedial Program (IRP) was completed for the Town's East Northport Landfill and a Record of Decision (ROD) was issued by the NYS Department of Environmental Conservation (NYSDEC) in March of 1996. The IRP included capping the landfill, providing public water, and installing a methane control system. All remedial work was approved by NYSDEC in August of 1996 and the NYSDEC classification of the Landfill was changed from a Class 2 to a Class 4 (no impact to the public or environment). The cost of the RI/FS and IRP was approximately \$26,000,000 of which 75% was reimbursed to the Town through a NYSDEC 1986 Environmental Quality Bond Act ("EQBA") Title 3 grant. The East Northport Landfill is periodically monitored for integrity of the cap, operation of the methane control system and contamination of the groundwater and reports are provided to NYSEC as required under the ROD.

Capital Project Plans

The Town is generally responsible for providing certain services to the citizens, as required, on a Town-wide basis. The Town maintains a Town road system necessitating a regular road resurfacing and improvement program and the acquisition of machinery and equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. The Town is also primarily responsible for the financing and construction of surface and storm water drainage improvements, and the Town is regularly acquiring and improving recreation facilities. The Town generally has provided the financing for water facilities for certain areas of the Town through several water districts and maintains primary responsibility for this function in those areas. Additionally, the Town finances park and community center improvements, and technology infrastructure. In general, needs for capital financing for the above described projects for which the Town has responsibility are anticipated to continue in similar amounts that have been issued in the past. The Town maintains a formal capital improvement plan that includes the priority, cost, and method of financing for each project.

Capital Budget Summary 2021-2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Dix Hills Water District	\$1,750,000	\$1,750,000	\$750,000	\$750,000		\$5,000,000
Engineering	3,300,000	6,375,000	9,000,000	3,550,000		22,225,000
Parks and Recreation	1,000,000					1,000,000
Environmental Waste Management	950,000	1,470,000	1,390,000	1,185,000	740,000	5,735,000
General Services	1,010,000	1,750,000	1,300,000	950,000	750,000	5,760,000
Highway	6,800,000	8,300,000	6,800,000	6,800,000	6,800,000	35,500,000
Information Technology	80,000					80,000
Maritime						0
Public Safety	3,000,000	3,000,000				6,000,000
Transportation and Safety	400,000	400,000	400,000	400,000	400,000	2,000,000
Totals	<u>\$18,290,000</u>	<u>\$23,045,000</u>	<u>\$19,640,000</u>	<u>\$13,635,000</u>	<u>\$8,690,000</u>	<u>\$83,300,000</u>

FINANCES OF THE TOWN

Independent Audit Procedures

The financial statements of the Town are audited annually by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2020, and is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller ("OSC") to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2016-2020 fiscal years.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following major governmental funds: General Fund, Highway, Debt Service, Refuse and Garbage and the Capital Projects Fund. Non-Major Funds consists of the Town Outside Village Fund, Special Grant, Local Development Corporation and Special District Funds. Fiduciary funds consist of a Trust and Agency Fund. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems, which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and (2) un-matured interest on general long-term debt, which is recognized when due.

Budgetary Procedures

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer (Supervisor) on or before September 20th of each year. The Town takes a multi-year approach to the budgetary process in order to help with future planning. Estimates for each fire district and certain special districts situated within the Town must also be filed with the budget officer by this date. After reviewing these estimates, the budget officer prepares a tentative budget which includes his or her recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before October 5th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications as are approved by the Board, if any, become the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is generally required to be held on the Thursday immediately following the general election. At such hearing, any person may express his or her opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor who is assisted in this area by the Town Comptroller. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board. A summary of the budgeted revenues and expenditures for the current fiscal year and the previous fiscal year may be found in Appendix A.

Financial Operations

The Town Supervisor functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out under the supervision of the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. During the absence of the Supervisor, the Deputy Supervisor may generally exercise the Supervisor's powers.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and the issuance of bonded debt. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

Town finances are operated primarily through the General and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water districts and sewer districts, which are accounted for within separate funds. The primary source of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Investment Policy

The Town's investments are governed by a formal written investment policy, which is consistent with the Investment Policies and Procedures guidelines promulgated by the Office of the State Comptroller. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies authorized to do business in the State of New York and authorized by the Town Board. The Town limits its investments to time deposit accounts, obligations of the United States of America, obligations of the State of New York, certificates of deposit and repurchase agreements that are fully collateralized and retained in segregated accounts.

It is the Town's policy to require collateral for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Certain irrevocable letters of credit issued by banks and federal home loan banks may also be pledged as collateral.

The Town's investment policy further provides that all investment obligations must be payable or redeemable at the option of the Town within such time or times as the proceeds will be needed to meet expenditures for the purposes for which monies were provided.

The Town's investment policy does not permit the Town to invest in so-called derivatives or reverse repurchase agreements and the Town has never invested in derivatives or reverse repurchase agreements.

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financings sources for the five most recently completed fiscal years for which financial statements are available may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information," herein.

State Aid

Based on the audited financial reports of the Town, the Town received approximately 12.47% of its total General Fund operating revenue (predominantly mortgage tax revenues) from State aid in 2020 and budgeted approximately 10.38% for 2021. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. Due to the outbreak of COVID-19, the State declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions or infusions of Federal aid. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "*Impacts of COVID-19*" herein.)

The State's 2020-2021 Adopted Budget authorized the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. Specifically, the legislation provided that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provided that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature failed to approve its own plan, the Budget Director's reductions take effect automatically.

On April 25, 2020 the New York State Division of the Budget (the "DOB") announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projected a \$13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. On August 13, 2020, the DOB issued its first quarterly update to the Financial Plan (the "Updated Financial Plan") which noted that the DOB began withholding 20% of most local aid payments in June due to the absence of Federal action. Depending on the size and timing of any new Federal aid, all or a portion of such withheld funds may become permanent reductions. The Updated Financial Plan includes \$8.2 billion in recurring local aid reductions and that, in the absence of unrestricted Federal aid, the DOB will continue to withhold a range of payments through the second quarter of the State's 2021 fiscal year. On October 30, 2020, the DOB issued its midyear update to the Financial Plan (the "Midyear Update") which projected a \$14.9 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the State 2020-21 Budget forecast released in February, creating a total loss of nearly \$63 billion through FY 2024 as a direct consequence of the COVID-19 pandemic. In the absence of Federal funding to offset this revenue loss, the Midyear Update shows the State reduced spending through September by \$4.3 billion compared to FY 2020 spending over the same period by freezing hiring, new contracts and pay raises, and temporarily holding back 20% of most payments, including payments to municipalities and school districts.

The State's revenue picture improved in the final quarter of fiscal year 2021, with tax collections exceeding expectations. On March 1, 2021 the Executive and Legislature reached consensus that cumulative tax receipts over fiscal year 2021 and fiscal year 2022 would be at least \$2.5 billion higher than estimated in the Executive Budget Financial Plan. Collections through the end of fiscal year 2021 were even more favorable, providing the basis for the substantial upward revision to tax receipts. The State finished fiscal year 2021 in a stronger overall position in comparison to the Executive Budget Financial Plan. Results reflected both strong tax receipts and disbursements that fell substantially below budgeted levels.

On March 11, 2021 the Federal American Rescue Plan Act (ARPA) was enacted. The ARPA is a \$1.9 trillion economic stimulus bill intended to contain the COVID-19 pandemic and accelerate the nation's economic recovery. The ARPA provides the State with \$12.6 billion in general aid ("recovery aid"), as well as \$17.2 billion in categorical aid for schools, universities, childcare, housing and other purposes. (See "*Impact of COVID-19*", herein). The enacted 2021-22 State budget provides for an increase in All Funds spending of 9.7% over 2020-21, relying on a combination of the new federal funding and revenue-raising initiatives to avoid cuts and support additional investments. According to the State, the budget deploys the first \$5.5 billion of the \$12.6 billion provided for under ARPA.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 pandemic.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State aid for each of the fiscal years 2016 through 2020 and as budgeted, for 2021.

Fiscal Year Ending December 31:	Total General Fund Revenue	State Aid	Real Property Taxes to Revenues (%)
2016	\$ 98,771,387	\$11,329,131	11.47
2017	101,434,819	11,912,773	11.74
2018	103,877,897	11,836,886	11.39
2019	109,356,709	10,677,159	9.76
2020	107,916,401	13,462,085	12.47
2021 (Budgeted)	108,775,715	11,295,402	10.38

Source: Audited financial statements 2016 through 2020, and the adopted budget for 2021. The 2021 budgeted revenues include appropriation of fund balance.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 12.9%).

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released in May, 2013. The purpose of such audit was to review internal controls over the Town's payroll and legal services practices for the period January 1, 2011 to May 31, 2012. The complete report, along with the Town's response, may be found on the State Comptroller's official website. Reference to this website implies no warranty of accuracy of information therein.

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS" or "Retirement System"). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for "Tier 6" employees, as discussed below, whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The

Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, a new Tier 5 was created, which was effective for new ERS employees hired between January 1, 2010 and March 31, 2012. New ERS employees in Tier 5 contribute 3% of their salaries to the pensions. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Legislation also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, the new Tier 6 pension program was established, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Due to significant capital market declines in the past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings in certain years. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

The Town's contribution to the System was 100 percent of the contributions required for years ending December 31, 2013 through 2016. For the year ending December 31, 2012, the Town elected to amortize \$3,905,184 of its required pension contribution over a ten-year period at an interest rate of 3%. The balance remaining at December 31, 2020 was \$876,354.

The Town is required to contribute an actuarially determined rate. The required contributions for the six most recently completed fiscal years are as follows:

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>Amount of Contribution</u>
2015	\$11,317,997
2016	9,045,917
2017	8,764,939
2018	8,698,228
2019	8,531,934
2020	8,603,374

Other Post-Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the Town adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2018, the Town implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The Town’s total OPEB liability at December 31, 2020 is as follows:

Total OPEB Liability at Dec 31, 2019	\$284,279,558
Charges for the Year:	
Service Cost	7,692,777
Interest	7,870,668
Difference between expected and actual experience	
Changes in Assumptions or Other Inputs	30,345,646
Benefit Payments	(9,507,636)
Net Changes	36,401,455
Total OPEB Liability at Dec 31, 2020	\$320,681,013

The Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both. There is no authority in the State to establish a reserve fund for the liability at this time.

Actuarial Valuation will be required every two years for OPEB plans with more than two hundred members, or every three years if there are less than two hundred members. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

Legislation has been introduced in the State Legislature to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government's governing body which would serve as the trustee (unless trustee authority is delegated to the local government's chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with the written investment policy developed by the trustee and the written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust. Such legislation has not been approved at this time.

Length of Service Award Program

The Town sponsors two Volunteer Ambulance Workers Service Award Programs (the "Plans"): Commack Volunteer Ambulance Corporation, and Huntington Community First Aid Squad, Inc. All Plans are single-employer defined benefit plans covering the Town's volunteer ambulance workers.

Any volunteer ambulance worker who completes five years of service and attains age 65 is eligible for normal retirement benefits. Participants acquire a nonforfeitable right to a service award after being credited with five years of ambulatory service or upon attaining the program's entitlement age. In general, an active volunteer ambulance worker is credited with a year of ambulatory service for each calendar year after the establishment of the program in which he or she accumulated fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of service rendered prior to the establishment of the program.

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of ambulatory service. The number of years of ambulatory service used to compute the benefit cannot exceed forty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

The Town is required to retain an actuary to determine the amount of the Sponsor's contributions to the plan.

Pension contributions are determined based on an annual actuarial calculation. Based upon accepted actuarial methods and the assumptions used, it has been determined that the contributions for the Commack Volunteer Ambulance Corporation and Huntington Community First Aid Squad, Inc. of \$579,912 for the year ended December 31, 2020 were sufficient to satisfy current and future service award obligations upon eligibility for retirement.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a significant portion of its annual revenue from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein.) Property taxes accounted for approximately 42.66% of total budgeted General Fund revenues, for the fiscal year ended 2020. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. (See "*Tax Levy Limit Law*" herein).

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2016 through 2020, and, as budgeted, for the year ending December 31, 2021.

Fiscal Year Ending December 31:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2016	\$ 98,771,387	\$ 39,577,619	40.07
2017	101,434,819	42,218,885	41.62
2018	103,877,897	43,033,219	41.43
2019	109,356,709	44,631,243	40.81
2020	107,916,401	45,707,019	42.35
2021 (Budgeted)	108,775,715	46,769,577	43.00

Source: Audited financial statements 2016 through 2020, and the adopted budget for 2021. The 2021 budgeted revenues include appropriation of fund balance.

Tax Levy and Collection Record

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

	2017	2018	2019	2020	2021
Total Tax Levy	\$1,022,937,520	\$1,042,572,430	\$1,070,127,499	\$1,108,453,781	\$1,119,088,111
Amount to Supervisor	878,328,523	895,604,546	921,369,255	953,576,579	971,462,242
Amount to County Treasurer	144,608,997	146,967,884	148,758,244	154,877,201	147,625,869
Uncollected (Returned)	25,500,438	23,879,194	25,658,988	40,645,630	N/A
Adjusted Percent Uncollected When Due	2.49%	2.29%	2.40%	3.70%	N/A

a. Includes School, County, Town and Special Districts.

b. Historically, the town has received 100% of its levy prior to the close of its fiscal year. See "Tax Collection Procedure" herein.

Tax Collection Procedure

Property taxes for the Town, together with County, fire and school district taxes are collected by the Town Receiver of Taxes on a single tax bill. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable and 10% after May 31.

The Receiver of Taxes distributes the collected tax money to the Town, fire and school districts prior to distributing the balance to the County. Uncollected amounts are not segregated by the Receiver of Taxes and any deficiency in tax collection is the County's responsibility. The Town thereby is assured to receive its tax levy.

As a result of the COVID-19 pandemic, in certain counties in the State, during the first half of the 2020 fiscal year, the deadline to pay property taxes, without interest or penalty, was extended in certain circumstances. No assurance can be given that similar extensions with respect to the deadlines to pay property taxes, without interest or penalty, may occur during the 2021 fiscal year. Any such extensions may result in a delay in the receipt of taxes collected.

Tax Rates Per \$1,000 of Assessed Valuation

As of December 31:	2017	2018	2019	2020	2021
General Town-Wide	\$129.77	\$132.16	\$137.92	\$141.30	\$145.44
Highway Items and Part-Town	131.68	133.16	137.73	139.61	142.36

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of the Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two one-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Tax Levy Limit Law also provides for adjustments to be made to the Town's tax levy based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

The 2013-2016 and 2018-2021 Budgets did not exceed the tax levy limitation. Town did exceed the tax cap in 2017.

Selected Listing of Large Taxable Properties
2021 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
LIPA/Keyspan Energy Corp.	Utility	\$36,045,765
The Retail Property Trust	Real Estate	2,000,000
58/68 S. Service Road SPE LLC	Commercial	801,465
Avalon Bay Communities	Real Estate	764,975
Huntington Quadrangle	Real Estate	675,000
Estee Lauder	Cosmetics	469,700
Verizon	Utility	442,590
Avalon Huntington Former S Corp	Real Estate	455,000
Grandview Hotel Limited	Hotel	425,000
3 HQ Owner LLC	Real Estate	425,000
	Total ^a	\$42,504,495

- a. Assessment Roll established in 2020 for levy and collection of taxes during 2021 Fiscal Year.
b. Represents 13.26% of the total taxable assessed valuation of the Town for 2021.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Town taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. There is one significant claim on file with the Town. (See “*Tax Collection Procedure*” and “*LITIGATION*” herein.)

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial condition of the Town, in view of the Town’s ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The American Rescue Plan Act (“ARPA”) is a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The Town is expected to receive approximately \$22 million in direct aid through the ARPA which was signed into law on March 11, 2021. The exact amount allocated will not be known until it is distributed to the Town. The Town received 50% of its allocation in 2021 and expects to receive the remaining 50% in 2022. According to the ARPA, the Town must obligate the funds by December 31, 2024 and expend them by December 31, 2026. It is the intent of the Town, to the extent allowable under the ARPA, to use these funds for expenditures incurred as well as lost revenue related to COVID-19. The intended use of the remaining funds is still under discussion, but investment in the Town’s infrastructure is under consideration (pending further guidance under the ARPA).

Although the ARPA provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules. The Town will continue to monitor closely the 2021 economic environment and the global COVID-19 pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the Town.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Bonds and Bond Counsel has assumed compliance by the Town with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Town, in executing the Tax Certificate, will certify to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bond under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the

excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix C.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Town will provide an executed copy of its Undertaking to Provide Continuing Disclosure substantially as set forth in Appendix D.

BOND RATING

Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, has assigned a rating of "Aaa" to the Bonds. Such rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any downward revision or withdrawal of the rating assigned to the Bonds could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE SERIES B BONDS

Causey Demgen & Moore Inc. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Series B Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Series B Bonds contained in the provided schedules to be used by Hawkins Delafield & Wood LLP, as Bond Counsel to the Town for the Series B Bonds, in its determination that the interest on the Series B Bonds is excludable from gross income for Federal income tax purposes. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Series B Bonds.

The accuracy of the mathematical computations regarding the adequacy of the cash as deposit in the Escrow Fund, to pay, when due, the principal of and interest on the Refunded Bonds on the applicable payment date(s) will be verified by Causey Demgen & Moore, P.C. Such verification of the accuracy of the mathematical computation will be based, in part, upon factual information supplied by the Town and the Purchaser or the Municipal Advisor.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Peggy Karayianakis, CPA, Town Comptroller, Town of Huntington, 100 Main Street, Huntington, New York 11743, Phone (631) 351-3038, Fax (631) 351-2898 and email: auditandcontrol@huntingtonny.gov. or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Town also assumes no liability or responsibility for any errors or omissions, unauthorized editing, or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or owners of any of the Bonds.

The preparation and distribution of this Official Statement has been authorized by the applicable refunding bond resolution of the Town which delegates to the Supervisor the power to sell and issue the Bonds.

Morgan Stanley & Co. LLC., an underwriter of the Series B Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series B Bonds.

TOWN OF HUNTINGTON, NEW YORK

By: s/s CHAD A. LUPINACCI
Supervisor and Chief Fiscal Officer
Town of Huntington
Huntington, New York

July 14, 2021

APPENDIX A

FINANCIAL INFORMATION

BALANCE SHEETS

FISCAL YEAR ENDING DECEMBER 31, 2020

	Select Governmental Funds			
	General	Highway	Town Refuse	Non-Major
<u>Assets</u>	<u>Fund</u>	<u>Funds</u>	<u>& Garbage</u>	<u>Funds</u>
Cash & Cash Equivalents	\$ 19,729,297	\$ 9,255,948	\$ 8,016,748	\$ 7,528,400
Restricted Cash	14,393,713	1,762,412	78,305	14,825,322
Accounts Receivable	3,400,537	122,903	17,275	524,745
Due From Federal, State, and Other Governments	8,714,149	5,248,940	1,014	
Due From Other Funds	2,601,848		25,509	433,279
Due From Other Governments				
Inventories				
Prepaid Charges	1,479,230	487,087	187,326	108,376
Total Assets	\$ 50,318,774	16,877,290	\$ 8,326,177	\$ 23,420,122
<u>Liabilities</u>				
Accounts Payable	\$ 1,581,340	\$ 3,037,226	\$ 828,231	\$ 345,010
Accrued Liabilities	8,755,839	613,603	1,766,630	206,041
Deposits	421,731			
Other Liabilities	0			
Due to Other Funds	20,161	632,721	526,485	41,123
Total Liabilities	10,779,071	4,283,550	3,121,346	592,174
<u>Deferred Inflows of Resources</u>				
Deferred Revenue	12,570	772,724		167
<u>Fund Balance</u>				
Nonspendable	1,479,230	487,087	187,326	108,376
Restricted	14,393,713	1,762,412	78,305	14,825,322
Assigned	970,837	9,571,517	4,939,200	7,894,083
Unassigned	22,683,353			
Total Fund Balance	39,527,133	11,821,016	5,204,831	22,827,781
Total Liabilities and Fund Balances	\$ 50,318,774	\$ 16,877,290	\$ 8,326,177	\$ 23,420,122

Non-Major Governmental Funds include Special Grant (HDCA), Local Development Corporation (LDC), Town Business Improvement Districts and Special Districts

Sources: Audited Financial Statements of the Town (2020).

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUND

	Fiscal Years Ending December 31:				
	2016	2017	2018	2019	2020
Revenues:					
Real Property Taxes	\$ 39,577,619	\$ 42,218,885	\$ 43,033,219	\$ 44,631,243	\$ 45,707,019
Other Property Tax Items	365,187	417,834	365,518	413,758	431,775
Non-Property Tax items	4,715,779	4,887,765	4,852,415	5,452,789	4,601,052
Departmental Income	31,688,875	31,398,492	32,296,260	32,978,424	31,250,872
Intergovernmental Charges	138,365	216,782	142,415	163,048	132,516
Use of Money and Property	1,125,915	1,104,982	1,735,020	2,236,002	1,257,066
Licenses and Permits	1,048,059	1,023,016	1,050,988	1,149,331	635,293
Fines and Forfeitures	1,160,476	1,204,294	1,163,599	1,609,378	656,502
Sale of Property	1,048,705	305,069	470,177	1,988,108	485,625
Miscellaneous Local Sources	1,113,249	1,060,315	1,660,233	1,736,015	1,675,521
Interfund Revenues	4,469,548	4,763,246	4,482,286	4,558,953	4,686,461
State and Other Local Government Aid	11,329,131	11,912,773	11,836,886	11,744,316	13,462,085
Federal Aid	990,479	921,366	788,881	636,839	2,934,614
Total Revenues	98,771,387	101,434,819	103,877,897	109,298,204	107,916,401
Expenditures:					
General Government Support	24,450,385	25,344,163	26,080,545	26,990,336	26,945,185
Public Safety	5,037,331	5,281,060	5,292,953	5,564,167	5,388,128
Health	798,663	641,850	738,268	785,734	676,564
Transportation	4,815,160	4,953,653	4,967,828	5,001,925	4,873,894
Economic Assistance & Opportunity	2,158,587	2,237,607	2,278,756	2,303,917	2,306,867
Culture and Recreation	12,436,746	12,790,979	12,392,839	13,146,479	12,196,141
Home & Community Services	21,454,137	20,620,613	22,564,073	23,446,067	24,165,407
Employee Benefits	18,556,191	19,372,126	21,267,404	20,337,259	20,889,286
Debt Service	512,500	4,083		0	0
Total Expenditures	90,219,700	91,246,134	95,582,666	97,575,884	97,441,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,551,687	10,188,685	8,295,231	11,722,320	10,474,929
Other Financing Sources (Uses):					
Amortization of Retirement Systems					
Operating Transfers In	65,347	14,746	92,178	58,507	
Other Transfers Out	(7,056,912)	(5,339,721)	(5,076,780)	(7,395,692)	(8,833,834)
Total Other Financing Sources (Uses)	(6,991,565)	(5,324,975)	(4,984,602)	(7,337,185)	(8,833,834)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,560,122	4,863,710	3,310,629	4,385,135	1,641,095
Fund Balance, Beginning of Year	23,766,442	25,326,564	30,190,274	33,500,903	37,886,038
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	23,766,442	25,326,564	30,190,274	33,500,903	37,886,038
Fund Balance, End of Year	\$ 25,326,564	\$ 30,190,274	\$ 33,500,903	\$ 37,886,038	\$ 39,527,133

Sources: Audited Financial Reports of the Town (2016-2020)

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

HIGHWAY FUND

	Fiscal Years Ending December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Real Property Taxes	\$ 31,713,152	\$ 32,597,757	\$ 32,839,462	\$ 33,734,114	\$ 34,373,582
Other Property Tax Items	60,222	114,473	106,528	112,849	132,163
Departmental Income	560,438	205,709	364,220	445,482	405,978
Intergovernmental Charges	5,412	7,464	126,742	10,575	917
Use of Money and Property	146,765	133,709	311,753	559,123	203,583
Licenses and Permits	291,475	166,025	229,425	184,025	130,375
Sale of Property	149,318	140,413	186,681	164,568	184,282
Miscellaneous Local Sources	210,394	264,740	593,014	567,440	534,773
State and Other Local Government Aid	2,173,591	2,409,449	2,756,699	2,820,554	1,903,829
Federal Aid					5,035,547
Total Revenues	<u>35,310,767</u>	<u>36,039,739</u>	<u>37,514,524</u>	<u>38,598,730</u>	<u>42,905,029</u>
Expenditures:					
General Government Support	180,744	1,879,892	187,106	223,237	301,061
Transportation	19,388,887	20,137,929	19,454,126	22,047,448	24,197,547
Employee Benefits	7,770,777	8,245,262	8,653,816	8,544,981	8,453,317
Debt Service				0	0
Total Expenditures	<u>27,340,408</u>	<u>30,263,083</u>	<u>28,295,048</u>	<u>30,815,666</u>	<u>32,951,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,970,359	5,776,656	9,219,476	7,783,064	9,953,104
Other Financing Sources (Uses):					
Amortization of Retirement Systems					
Operating Transfers In		35,664	189,558	258	
Other Transfers Out	<u>(7,946,679)</u>	<u>(6,874,999)</u>	<u>(6,884,338)</u>	<u>(6,624,305)</u>	<u>(6,484,917)</u>
Total Other Financing Sources (Uses)	<u>(7,946,679)</u>	<u>(6,839,335)</u>	<u>(6,694,780)</u>	<u>(6,624,047)</u>	<u>(6,484,917)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	23,680	(1,062,679)	2,524,696	1,159,017	3,468,187
Fund Balance, Beginning of Year	5,708,115	5,731,795	4,669,116	7,193,812	8,352,829
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>5,708,115</u>	<u>5,731,795</u>	<u>4,669,116</u>	<u>7,193,812</u>	<u>8,352,829</u>
Fund Balance, End of Year	\$ <u><u>5,731,795</u></u>	\$ <u><u>4,669,116</u></u>	\$ <u><u>7,193,812</u></u>	\$ <u><u>8,352,829</u></u>	\$ <u><u>11,821,016</u></u>

Sources: Audited Financial Reports of the Town (2016-2020)

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

REFUSE AND GARBAGE FUND

	Fiscal Years Ending December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Real Property Taxes	\$ 24,160,829	\$ 24,570,261	\$ 24,548,321	\$ 25,128,313	\$ 26,255,794
Other Property Tax Items	210	245	806	2,130	1,541
Departmental Income	8,430	11,528	12,815	8,055	6,240
Intergovernmental Charges	10,900	13,072	11,474	12,794	12,680
Use of Money and Property	72,570	104,113	244,742	363,088	144,085
Sale of Property	77,374	225,846	153,319	121,899	154,525
Miscellaneous Local Sources	49,725	58,603	112,489	119,428	118,704
State and Other Local Government Aid				103,619	
Federal Aid					
Total Revenues	<u>24,380,038</u>	<u>24,983,668</u>	<u>25,083,966</u>	<u>25,859,326</u>	<u>26,693,569</u>
Expenditures:					
General Government Support	2,088,791	2,234,288	2,117,106	2,242,421	2,291,821
Home & Community Services	18,576,864	18,976,670	19,337,620	20,274,571	22,275,609
Employee Benefits	2,672,822	2,774,401	2,613,782	2,605,068	2,836,992
Debt Service				0	0
Total Expenditures	<u>23,338,477</u>	<u>23,985,359</u>	<u>24,068,508</u>	<u>25,122,060</u>	<u>27,404,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,041,561	998,309	1,015,458	737,266	-710,853
Other Financing Sources (Uses):					
Amortization of Retirement Systems					
Operating Transfers In					
Other Transfers Out	<u>(258,865)</u>	<u>(207,689)</u>	<u>(217,931)</u>	<u>(218,567)</u>	<u>(217,119)</u>
Total Other Financing Sources (Uses)	<u>(258,865)</u>	<u>(207,689)</u>	<u>(217,931)</u>	<u>(218,567)</u>	<u>(217,119)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	782,696	790,620	797,527	518,699	(927,972)
Fund Balance, Beginning of Year	3,243,261	4,025,957	4,816,577	5,614,104	6,132,803
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>3,243,261</u>	<u>4,025,957</u>	<u>4,816,577</u>	<u>5,614,104</u>	<u>6,132,803</u>
Fund Balance, End of Year	<u>\$ 4,025,957</u>	<u>\$ 4,816,577</u>	<u>\$ 5,614,104</u>	<u>\$ 6,132,803</u>	<u>\$ 5,204,831</u>

Sources: Audited Financial Reports of the Town (2016-2020)

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

	Fiscal Years Ending December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Real Property Taxes	\$ 19,034,565	\$ 18,374,208	19,439,002	19,373,768	11,390,692
Other Property Tax Items	12,861	37,100	31,462	47,449	16,155
Non-Property Tax Items	144,701	144,701	144,701	144,701	144,701
Departmental Income	9,163,554	9,690,827	9,356,833	10,310,556	1,957,598
Intergovernmental Charges					
Use of Money and Property	338,950	1,389,416	581,284	768,637	1,618,749
Licenses and Permits	815,757	841,153	851,461	1,001,687	
Sale of Property	142,788	2,741,401	2,677,588	2,734,759	2,168,042
Miscellaneous Local Sources	1,326,008	1,567,626	3,847,951	2,199,656	114,662
State Aid				23,233	26,547
Federal Aid	586,157	590,958	636,632		
Total Revenues	<u>31,565,341</u>	<u>35,377,390</u>	<u>37,566,914</u>	<u>36,604,446</u>	<u>17,437,146</u>
Expenditures:					
General Government Support	4,495,395	4,797,321	4,628,312	4,606,331	1,872,027
Public Safety	3,844,665	3,995,538	4,014,152	4,106,491	1,591,027
Health	2,061,881	2,500,369	3,147,439	3,323,506	3,248,498
Transportation	2,519,387	2,366,696	2,143,909	2,008,542	2,278,121
Economic Assistance and Opportunity	48,235	27,845	18,609	2,575	4,048
Home & Community Services	10,967,413	10,557,775	10,787,125	9,210,711	3,574,312
Employee Benefits	6,274,484	6,127,723	6,060,776	5,932,954	1,771,337
Debt Service					
Total Expenditures	<u>30,211,460</u>	<u>30,373,267</u>	<u>30,800,322</u>	<u>29,191,110</u>	<u>14,339,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,353,881	5,004,123	6,766,592	7,413,336	3,097,776
Other Financing Sources (Uses):					
Amortization of Retirement Systems					
Operating Transfers In	28,419	3,918	3,192		
Other Transfers Out	(2,011,633)	(2,010,125)	(2,309,805)	(3,133,109)	(1,263,638)
Total Other Financing Sources (Uses)	<u>(1,983,214)</u>	<u>(2,006,207)</u>	<u>(2,306,613)</u>	<u>(3,133,109)</u>	<u>(1,263,638)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(629,333)	2,997,916	4,459,979	4,280,227	1,834,138
Fund Balance, Beginning of Year	6,535,909	5,906,576	15,186,811	19,646,790	22,947,567
Adjustment to Fund Balance Due to Accounting Changes		6,282,319 ⁽¹⁾		(979,450)	(1,953,924)
Fund Balance, Beginning of Year, as Restated	<u>6,535,909</u>	<u>12,188,895</u>	<u>15,186,811</u>	<u>18,667,340</u>	<u>20,993,643</u>
Fund Balance, End of Year	\$ <u>5,906,576</u>	\$ <u>15,186,811</u>	<u>19,646,790</u>	<u>22,947,567</u>	<u>22,827,781</u>

(1). The Town implemented GASB 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and amendments to Certain Provision of GASB Statements 67 and 68, in the fiscal year ended December 31, 2017. The implementation of the statement requires, among other things, that the Town present the benefits to volunteer ambulance personnel in the ambulance districts' funds. In addition, the statement requires that the Town record its total length of service award liability in the government-wide financial statements. Accounting changes adopted to conform to the provisions of the statement are to be applied retroactively and reported as a restatement of beginning net position in the government-wide Statement of Net Position and the beginning fund balances of

Non-Major Governmental Funds include Town-Outside Village, Special Grant (HDCA), Local Development Corporation (LDC), Town Business Improvement Districts and Special Districts. The Special District Funds consist of a number of separate districts which are administered by the Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts, business improvement district and a water district

Sources: Audited Financial Reports of the Town (2016-2020)

NOTE: This Schedule NOT audited.

ADOPTED BUDGETS - GENERAL FUND

	Fiscal Years Ending December 31:	
	<u>2020</u>	<u>2021</u>
Revenues:		
Real Property Taxes	\$ 45,769,811	\$ 46,769,577
Other Property Tax Items	390,000	430,500
Non-Property Tax items	4,600,000	4,600,000
Departmental Income	34,064,300	34,789,300
Intergovernmental Charges	145,000	145,000
Use of Money and Property	1,544,125	1,129,425
Licenses and Permits	1,126,000	1,126,000
Fines and Forfeitures	1,555,000	1,555,000
Sale of Property	267,000	269,750
Miscellaneous Local Sources	1,320,000	1,320,000
Interfund Revenues	4,686,461	4,855,761
State and Other Local Government Aid	10,779,067	11,295,402
Federal Aid	931,583	390,000
Appropriated Fund Balance	100,000	100,000
	<hr/>	<hr/>
Total Revenues	107,278,347	108,775,715
	<hr/> <hr/>	<hr/> <hr/>
Expenditures:		
General Government Support	39,204,718	39,324,699
Public Safety	8,746,958	8,662,950
Health	872,249	872,249
Transportation	7,631,531	7,487,447
Economic Assistance & Opportunity	3,506,589	3,507,283
Culture and Recreation	17,489,423	17,695,714
Home & Community Services	25,221,879	25,825,373
Debt Service	4,605,000	5,400,000
Operating Transfers Out	<hr/>	<hr/>
Total Expenditures	107,278,347	108,775,715
	<hr/> <hr/>	<hr/> <hr/>

Source: Adopted Budgets of the Town of Huntington

TOWN OF HUNTINGTON

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.



***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

Year Ended December 31, 2020



Town Board

Chad A. Lupinacci, Supervisor

Joan Cergol, Councilwoman

Eugene Cook, Councilman

Mark A. Cuthbertson, Councilman

Edmund J. Smyth, Councilman



Town of Huntington, New York
Comprehensive Annual Financial Report
Year Ended December 31, 2020

Prepared by:
Department of Audit & Control

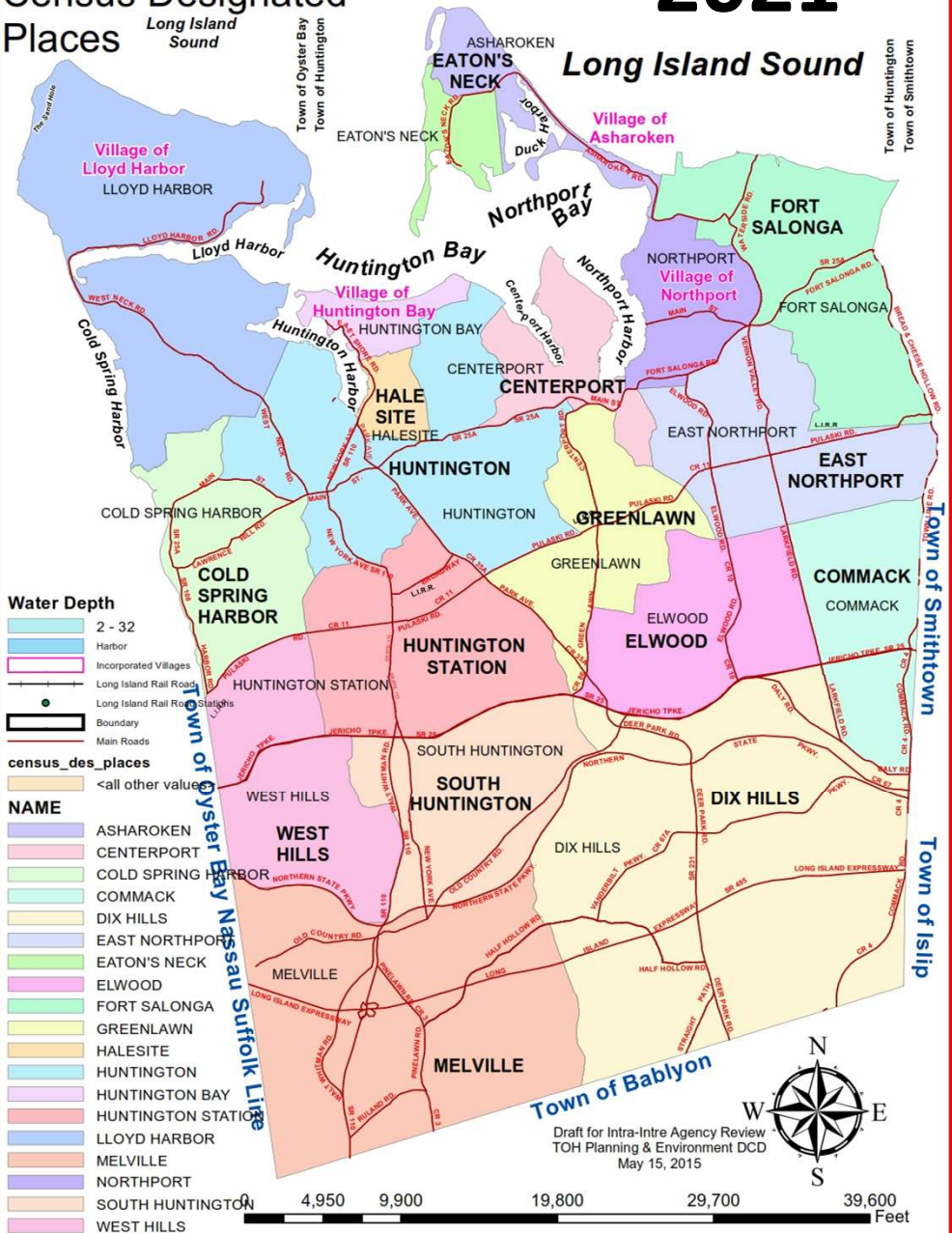
Peggy Karayianakis, CPA
Director of Audit & Control

Peter Leodis
Deputy Director of Audit & Control

Town of Huntington Census Designated Places

2021

Long Island Sound



TOWN OF HUNTINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020
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**INTRODUCTORY
SECTION**



Town Hall • 100 Main Street
Huntington, NY 11743-6991

Phone: (631) 351-3030
Fax: (631) 424-7856
CLupinacci@huntingtonny.gov

CHAD A. LUPINACCI
Supervisor

June 21, 2021

Members of the Town Board and Citizens of the Town of Huntington:

I am pleased to present the Comprehensive Annual Financial Report of the Town of Huntington, New York for the year ended December 31, 2020. The financial statements have been audited by the accounting firm selected by the Town Board, PKF O'Connor Davies, LLP. The independent auditors' unmodified opinion is included in this report.

Every year for more than two decades, the Town of Huntington has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Certificates are awarded to those governments whose annual financial reports are judged to conform to the generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is my belief that the December 31, 2020 Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program.

The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Comptroller's Office.

Fiscal Year 2020 presented many challenges, however, through sound fiscal management, operating results were generally better than anticipated. We will continue to monitor the Town's 2021 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,

Chad A. Lupinacci
Supervisor



Town Hall • 100 Main Street
Huntington, NY 11743-6991

Phone: (631) 351-3038
Fax: (631) 351-2898
Audit@HuntingtonNY.gov

AUDIT & CONTROL
Peggy Karayianakis, CPA
Director

June 21, 2021

Honorable Members of the Town Board
and Citizens of the Town of Huntington:

The Office of the Comptroller is pleased to submit the Comprehensive Annual Financial Report of the Town of Huntington, New York (the “Town”) for the year ended December 31, 2020. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

The report is designed to present the Town’s financial activities and the financial position and results of Town operations, as measured by the financial activity of its various funds. All required disclosures to enable the reader to gain a reasonable understanding of the Town’s financial position are included therein.

The accounting firm of PKF O’Connor Davies, LLP was selected by the Town Board to perform an independent audit of the Town’s financial statements as of December 31, 2020, and to provide reasonable assurance that the financial statements are free from material misstatement. The auditors’ unmodified opinion on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

This report includes government-wide statements, and fund financial statements of various departments, agencies and other organizational units, which are considered part of the Town of Huntington’s financial reporting entity. Criteria for determining the reporting entity and presentation of the related financial data are established by the Government Accounting Standards Board. The criteria include legal standing and financial accountability. Note A to the Financial Statements provides detail on the financial reporting entity with a brief summary of the nature of significant component units and their relationship to the Town of Huntington.

The Town is required to undergo an annual “single audit” in conformity with the provisions of the Federal Single Audit Act and the United States Office of Management and Budget’s issuance of Subpart F: *Audit Requirements, contained in 2 CFR Part 200, of the Uniform Administrative Requirement, Cost Principle and Audit Requirements for Federal Awards (“Uniform Guidance”)*. Information related to this “single audit”, including the schedule of expenditures of federal awards, findings and recommendations and the independent auditors’ reports on the internal control structure and compliance with applicable laws and regulations are not presented in this report, but rather are routinely presented as a separate report.

The Management’s Discussion and Analysis (MD&A), in the financial section, provides an introduction, overview and analysis of the Town’s basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

General and Historical Information

The Town is located at the western end of Suffolk County contiguous to the Nassau-Suffolk County border. It is approximately 40 miles from Manhattan and 40 miles from Riverhead, the Suffolk County seat. The history of Huntington is closely associated with the early development of the American colonies. The community was originally settled in 1653, well within the lifetime of the earliest New England colonist. In the beginning, water-borne transportation gave life to the community. The natural harbors offered ready access to the farmlands of the Long Island interior. The harbor was the setting for the early Huntington community, which became the focal point for the movement of agricultural products into the commerce of the colonies. Although agriculture was its mainstay and water-borne transportation its lifeline for two centuries, in later years the whaling industry and expanded manufacturing activity broadened the local economy and gave impetus to the expansion of the harbor communities of Cold Spring Harbor, Huntington and Northport.

Huntington enjoys five harbors bordering the north shore of the Town: Cold Spring Harbor, Lloyd Harbor, Huntington, Centerport and Northport Harbors. Within its coves and bays there are a total of eight beaches maintained by the Town. The Town has also put into operations three marinas for the use of residents. These facilities, along with boat ramps, municipal golf courses, ice skating rinks and park sites, provide active recreation for Town residents.

The Town is within easy commuting distance of New York City. The Long Island Rail Road, which has frequent schedules of trains, accommodates its commuters daily to New York City from four stations in the Town. The Town is connected with New York City and other nearby points by four main east-west highways: Route 25A (Northern Boulevard), Route 25 (Jericho Turnpike), the Northern State Parkway and the Long Island Expressway. In addition, Old Country Road provides a secondary east-west connecting highway to central and southern sections of the Town.

The Town provides the following services:

- Planning and Community Development: Environmental, land management, zoning, environmental open space and park fund (EOSPA), buildings review, housing services and economic development
- Citizen and Community Services: Neighborhood improvements, senior citizen services, handicapped services, women's services, veteran's and minority affairs
- Public Safety: Emergency management, code enforcement, fire prevention, animal control and special services
- Transportation and Parking: Street and drainage maintenance, roadway improvements, public transportation
- Support Services/Legislative/Administrative: Facilities, financial, fleet, human resources, technology, legal, tax collection, records management, historic preservation
- Culture and Recreation Services: Parks, beaches, recreational, youth programs
- Utilities: Water and Sewer
- Other Operations: Refuse disposal, recycling, resource recovery and environmental remediation

Town Government

The Town of Huntington is governed by Town Law, other general laws of the State of New York as well as various local laws and ordinances and is classified by New York State as a suburban town. Included in the Town are four incorporated villages: Northport, Asharoken, Lloyd Harbor and Huntington Bay. In addition, there are several prominent unincorporated areas in the Town. These include Cold Spring Harbor, Elwood, Huntington, Huntington Station, South Huntington, Melville, East Northport, Halesite, Dix Hills, Centerport, Greenlawn and Fort Salonga. The Town encompasses an area of approximately 94 square miles. There are eight public school districts in Huntington, five of which are entirely within the Town. The other three serve portions of the Towns of Smithtown, Babylon and Oyster Bay, in addition to parts of Huntington.

The chief executive officer of the Town is the Supervisor who is elected for a term of four years and is eligible for the right of succession. The Supervisor is also a member of the Town Board.

Town Government (continued)

The Town Board is the principal policy-making body of the Town. Its four members, in addition to the Supervisor, are elected to four-year terms. The terms are staggered so that every two years two Council Members run for election. There is a three term limitation to the number of terms that may be served by members of the Town Board. Both Supervisor and Council Members are elected at large.

The Town Board appoints its Assessor, who serves a six-year term. The Town Board appoints the Comptroller and the Town Attorney. The Town Clerk, the Receiver of Taxes and the Superintendent of Highways are elected for four-year terms and have a three term limitation.

The Comptroller, who is responsible to the Town Board, also acts as the accounting officer of the Town. Pursuant to Local Law No. 12, 1974, certain financial functions of the Town are the responsibility of the Comptroller. The duties of the Comptroller include administration and direction and control of the following divisions: Audit & Control, Payroll, Purchasing and Administrative Adjudication Bureau.

The Comptroller is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation costs and benefits require estimates and judgment by Town management.

In December 2009, the Town established an Audit Committee consisting of five members including the Town Supervisor, one Town Board member and three members of the public. This Committee supports the Town Board's oversight of management, reporting and controls of the Town of Huntington's finances. Their primary role is to advise the Town Board with an informed and objective opinion regarding the workplace culture, policies, systems and controls in place to adequately safeguard the assets of the Town and accurately and transparently report the Town's financial information.

Local Economy

The cornerstones of Huntington's desirability as an outstanding place to live, work, and raise a family have always been its people, quality of life, pristine waterfront and beaches, open spaces, historical charm and property tax stability. Despite the COVID-19 global pandemic that has affected Huntington over the past year, the Town's finances are still on sound fiscal footing. The Town Board has undertaken numerous initiatives to deal with recent challenges and further enhance the Town's quality of life. These include: the continued funding of open space in order to purchase and preserve open space, improving park facilities, funding neighborhood improvements, and supporting green energy efficient projects. Additional Covid-safe outdoor procedures for implementing outdoor dining, such as street closures for pedestrians and parklets, have been implemented. The Town has undertaken clean energy initiatives by purchasing natural gas garbage trucks, clean diesel fuel buses and hybrid vehicles; installing energy saving light fixtures, solar energy at Town Hall and municipal parking lots, progressed with the continued partnership with a private developer to assist the municipality with the next phase of Huntington Station's revitalization, worked with Suffolk County on implementation of a bike share program, and maintained programs to enhance care for children and seniors

Median family income (\$124,490) and housing values (\$560,400) exceed figures for other Suffolk County towns as well as New York City suburban averages. Income within the Town is significantly higher than the state and county averages. Recent economic indicators demonstrate that the Town continues to be an economically vibrant community.

Long Island has shown expected signs of the economic challenges faced across the country in 2020 due to COVID-19, yet there are indications of recovery in terms of current job growth in education and health services, construction, natural resources and mining. Housing demand continued to strengthen in 2020. Home prices have increased in 2020 with a continued tight lending market.

Local Economy (continued)

As of December, 2020, Huntington's unemployment rate has remained low at 5.2%, below the Suffolk County rate of 5.8%, New York State of 8.5% and the national rate of 6.7%. Earlier during the COVID-19 pandemic, Huntington's unemployment rate increased to 12.5%, as of May 31, 2020 but this was still well below the Suffolk County rate of 13.5%, New York State rate of 15.7% and national rate of 13.3%. Huntington's unemployment rate is expected to decrease significantly as the pandemic eases.

The Town of Huntington is a mature suburban community. Although its capacity for new large-scale residential development on vacant land is limited, there continues to be a significant number of large-scale housing projects predominately resulting from the redevelopment of underutilized properties throughout the Town. In the future, new housing construction will generally occur as in-fill development on smaller parcels within existing neighborhoods, as mixed-use residential projects in commercial districts, or as major developments on large underutilized properties. This trend has and will continue to contribute to population and tax base growth in the future.

Interest in redeveloping land with new uses is increasing in the Town. From mid-2015 through mid-2020 the Town received forty-one (47) zone change applications, with the total applications exceeding that of the previous five years combined. Assisted living facilities and senior housing condominium developments have been popular application types, representing one-quarter of the zone change applications in the last five years.

The strength of the local housing market is evidenced by projects either currently under Planning Department review, recently approved, under construction or completed. Since 2013, the Town has approved the construction of over 1,500 housing units of various building types and densities. Several major multi-family housing projects approved recently that are under construction or completed include Highland Green, a one hundred and nineteen (119) unit limited equity cooperative, the Seasons at Elwood, a two-hundred and sixty-three (263) unit retirement community; Seasons at East Northport, a planned one-hundred and ninety (190) (including 36 affordable) unit retirement community, the Club at Melville with two hundred and sixty-one (261) age-restricted units; Avalon Huntington Station/Country Pointe, a three hundred seventy nine (379) rental project with seventy-six (76) for-sale condos; Harborfields Estates, a forty-seven (47) lot subdivision with homes priced from \$799,000; Northridge, a 16-unit mixed-use project by the LIRR; Gateway Plaza, a 66-unit project also located within walking distance to the LIRR, Northridge Square, a 16-unit mixed use project near the completed Northridge project, the Landmark at 1090 New York Ave, a two-building, 16-unit mixed use and 9-unit historic residence project near the LIRR, and Sunrise Senior Living, an assisted-living facility with 90 units. Pricing starts at \$499,000 for condos at Avalon/Country Pointe and \$318,000 at Club at Melville for income-restricted units. With respect to single-family residential subdivisions, the Town Planning Department is currently processing over 50 subdivision applications that will ultimately result in the development of approximately 254 new tax lots. One recently filed subdivision is Tuscan Estates, a thirty (30) lot subdivision approved in 2010 located in Dix Hills. It is also important to note that there are a number of significant residential projects not included within the town wide housing unit total that have received zone changes and are in various stages of site plan review. Included within this category is the Oheka Castle condominium project, totaling one hundred ninety (90) luxury housing units, the Manors at Commack with eighty-eight (88) age-restricted units and Creekside Apartments II with fourteen (14) units. Downtown Huntington Village including the surrounding area by the LIRR also has over 200 potential apartments and condos in the pipeline or under construction.

Commercial and industrial development expansion and improvement remains steady. Over the past ten (10) years, over two (2) million square feet of Class A office space has been constructed or renovated in the Town's corporate center, the Melville Employment Center (MEC). The MEC is home to major corporations including Canon USA, Rubies Corporation, Air Techniques, Henry Schein, Honeywell Corporation, Leviton Corporation and the Capital One Bank Corporate Center. A second phase of the Canon project is projected in the near future, providing an additional 200,000 square feet of research and development space and 260 more employees, bringing the total employees to 2,060. Hartz Mountain has submitted applications for the Newsday site in Melville, which will be redeveloped into two warehouse buildings with over 900,000 square feet on the 48-acre site. Estee Lauder is also proposing to open a multi-million dollar engineering center in the MEC, next door to their current factory and research lab. A major hotel chain has also proposed to redevelop a vacant site just south of the LIE into a brand-new, 127-room hotel with an outdoor pool, and that zone change application is currently under review.

Vacant commercial and industrial land, like the Canon site, is limited. However, many sites zoned for such uses are under-utilized and excellent candidates for site redevelopment. This is an emerging trend that is fully supported and encouraged by Huntington officials, who have identified existing commercial corridors and industrial sites throughout the Town, and the Melville Employment Center (MEC) in particular, as the Town's primary focus in its

Local Economy (continued)

2008 Comprehensive Plan Update “Horizons 2020”. Many of the under-utilized industrial sites in Melville are on large parcels in prime locations with access to the Long Island Expressway (LIE). The Town adopted new zoning guidelines in 2006 to promote redevelopment to meet the demands of modern corporations. The strong market demand for quality corporate office space as well as distribution centers will continue to spur redevelopment and result in increasing market values and commercial property tax revenues. For example, a new six-story 160,000 square foot corporate center is nearing final approval on a property on the LIE South Service Road that formerly housed a one-story aging commercial building. This office site is directly to the east of the Canon site and is currently under review. Besides the Hartz Mountain application, an Amazon proposal for a distribution center off Walt Whitman Road in the MEC close to the newly-expanded Walt Whitman Bridge off of the LIE is also under review.

As noted, continuing the success of attracting new corporations to the MEC over the past thirty (30) years is a major goal of the Town. The Town recognizes the importance of the MEC to the Long Island region as a major economic generator and is taking the necessary steps to enable its continued growth. In 2015 the Town funded a \$200,000 plan and hired the consultant firm of Buckhurst, Fish & Jacquemart headquartered in Manhattan, to prepare an integrated land use, circulation and infrastructure plan which will ensure that the MEC has the necessary land use policies and infrastructure to meet the future needs of corporate development. Following an 18-month planning process which included several public workshops, a DRAFT MEC Plan was completed in 2016 and is under final review by the Town Board. It includes recommendations to add a mix of uses, including retail and housing, to this important area. Infrastructure improvements on the Walt Whitman Bridge as well as sewer studies currently underway also reflect the continued desire to keep the MEC flourishing within the region. In addition to Melville, significant projects continue to be proposed in other locations to take advantage of the income and employment levels in the Town. For example, currently under review is a proposal for cluster housing at the Indian Hills Country Club, a 100 acre site in Northport now home to a golf course. There is also an application under review at the former VA site in Northport called Freedoms Point, which would result in an 113,343 square foot assisted living facility on 10.09 acres.

Another important initiative happening within the Town is the Huntington Station revitalization. The Town has been working in partnership with the community and a master developer, Renaissance Downtowns. Since the adoption of the development strategy in 2013, Renaissance Downtowns has developed concept plans for four project sites on New York Avenue north of the Long Island Railroad (LIRR) tracks, which include the following uses: a boutique hotel, office space, retail space, apartments over storefronts, and potential artist residences. Two projects; Northridge (completed and fully occupied) and Gateway Plaza Development (under construction) will result in a total of 82 new housing units within a half-mile of the Huntington LIRR Station. Another mixed-use development known as Northridge Square was recently approved which will add mixed-use retail space and sixteen (16) apartments along New York Avenue, and just south of that the Landmark at 1090 New York Avenue is under review for a two-building, 16-unit mixed-use and 9-unit historic residence project near the LIRR. Suffolk County has recently approved funding for a sewer study to consider the connection of the portion of Huntington Station south of the railroad tracks to the County’s Southwest Sewer District. The Town also was recently awarded a grant from the New York State Department of State for an engineering study in preparation for additional sewer funding grant applications. This would be of great assistance to potential Renaissance projects south of the tracks, where the lack of sewer availability is the most significant obstacle to redevelopment. Renaissance is looking at underutilized parcels in the area, including the underutilized Town-owned railroad parking lot on the west side of New York Avenue, which is currently generating no property tax revenue. A bus company also occupies a large property within walking distance of the train station and is a prime candidate for redevelopment.

A similar redevelopment trend is occurring in other corridors as evidenced by the increasing number of applications to the Town’s Planning and Zoning Boards for expansion of existing business uses. Shopping centers are upgrading to compete with the “box” stores and outlet centers. Significant remodeling and upgrading projects underway throughout the Town include the “Big H” shopping center located between the Huntington Station LIRR and Huntington Village, which completed construction to remove large retaining walls to develop the lower level basement into retail and received approvals for the addition of a much-needed supermarket to the site, and Huntington Square Mall which is redeveloping the former Sears site in East Northport for a 54,000 square foot AMC movie theater, 39,000 square foot fitness club and 88,000 square foot retail space to include a Floor & Décor store. Melville Mall along Route 110 has new retail pad sites under construction, and Trader Joe’s in Commack recently invested in a move to a newly-renovated site nearby to increase square footage and parking availability. Consumer expenditures per capita by Huntington households are among the highest in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future. In addition, there has been an increasing trend with numerous projects underway for mixed use construction within downtown Huntington Village.

Local Economy (continued)

Healthcare and the medical industry has also been undergoing significant growth in the Town, as shown by Mt. Sinai Doctors Long Island recently completing a new state-of-the-art 80,000 square foot medical office complex located at 5 Cuba Hill Road in Greenlawn. There is also a proposal under review from Huntington Hospital for expansion to increase office space and provide for future medical use.

The Town of Huntington expects to receive benefits from two major capital projects underway by the LIRR. One is the East Side Access project, which will allow LIRR trains direct access to Grand Central Station in Manhattan for the first time. This will reduce the time and the hassle to reach many employment centers on the east side of Manhattan, such as the United Nations complex. The other project is the Third Track project, which will add a third railroad track between Floral Park and Hicksville, allowing for both additional trains to New York City for the conventional commute (which will also support the East Side Access project), and will make it easier for reverse commutes from the city to the Town of Huntington. Additional railroad capacity will be combined with two other local transit projects in the planning stages, the reopening of Republic Station on the LIRR's Ronkonkoma line and a bus rapid transit (BRT) system planned for the Route 110 corridor. Both of these projects are designed to serve the businesses and employees in the Melville Employment Center area, an area currently with limited transit options. The BRT service would also connect the LIRR Ronkonkoma line with the LIRR Babylon line at the Amityville station, providing the only express connection between the two railroad lines east of the Jamaica station, and allowing both railroad lines to provide a connection to Melville.

Finally, Huntington is home to several thriving downtown business districts, including Huntington Village, Cold Spring Harbor, Greenlawn and Northport Village. Huntington Village is one of Long Island's premier destinations, boasting a 1,573-capacity live entertainment theater, an art museum, a park with free concerts and events year-round, an active historical society, an independent cinema arts theater, a commercial movie theater and over 50 restaurants and 200 retail stores. The Paramount Theater opened its doors in 2011 and offers live performances, attracting many to the downtown area. Other important developments in Huntington Village are a recently approved and now under construction 80-room boutique hotel that will provide first class lodging to visitors to the region, as well as an increase in construction of mixed-use developments in the downtown area. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington Village also features a considerable stock of rental units and smaller single-family homes located within walking distance to the downtown. A Suffolk County initiative to bring bike share programs to the region is expected to add Huntington Village as one of the participating communities in 2021, with potential expansion to other areas of the Town in the future.

Major Initiatives

Through sound fiscal management, the Town has been able to fund and complete various major projects in 2020 including \$12.8 million of road resurfacing, reconstruction, drainage, equipment purchases, land purchases, land improvements, traffic signalization, recreational facility and building improvements.

Major initiatives that are currently underway within the Town include the following:

- Huntington's three Business Improvement Districts (BIDs): Huntington Village; Huntington Station; and Cold Spring Harbor, as well as its active and well-represented chambers of commerce, including Huntington Chamber, East Northport Chamber and Melville Chamber, continue to work cooperatively with the Town to enhance the Town's downtown business districts and corridors. These combined efforts are tied to stimulating economic activity through community events, business networking, ribbon cuttings of new businesses, recognition of the growth and enhancement of existing business and more. Events include street fairs, parades, sidewalk sales, tree and candle lightings, antique car shows and jazz festivals. The Huntington Community Development Agency (CDA) also submits the applications to Suffolk County for the Downtown Revitalization Grants on behalf of community organizations, as well as to state agencies and elected officials, and oversees the projects and required documentation. The Town and CDA are continuing to work with the Greenlawn Civic Association on a historic lighting and parks improvement program, and the Cold Spring Harbor Chamber on a lit street crossing.

Major Initiatives (continued)

- The Town of Huntington, through the Huntington Community Development Agency (CDA), administers over \$1.3 million in program funding annually. This includes a Home Rehabilitation program designed to assist elderly and limited-income residents to remain in their homes, an emergency grant program for heating, septic and appliance repair, and a deferred loan program for home improvements. Construction was recently completed on a 14-unit condominium project in Huntington Station known as Columbia Terrace. This development will offer preference to U.S. military veterans and serve to uplift the area currently under revitalization.
- CDA also spearheads development programs to stimulate economic development and job growth in low-income areas through the Huntington Opportunity Resource Center, and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG). Further, CDA administers the Town of Huntington's affordable housing program as provided under public policy. In April of 2020, the Town of Huntington was informed by the Department of Housing and Urban Development that it would receive \$510,000 under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through CDBG, in wake of the COVID-19 pandemic. The CDA solicited applications from nonprofit agencies in the community that have been providing assistance to families and individuals who have been impacted by the pandemic, and will be distributing funding to seven (7) service agencies; addressing food insecurity, health and safety issues, and providing shelter for those who are unable to shelter safely in place. In June of 2020, the Town was notified that it would receive an additional \$1.1 million in CARES funding. In this phase, funds have been dedicated to providing financial assistance to businesses that have struggled to retain employees during the pandemic, as well as for mortgage assistance, rapid COVID-19 testing, and service organizations.
- In the wake of the coronavirus pandemic, the Community Development Agency will be overseeing the Emergency Rental Assistance Program (ERAP) on behalf of the Town. This program, issued through the US Department of the Treasury, will provide rental assistance to many residents who have been impacted financially by the pandemic. The Town received \$5.9 million, and will be one of several municipalities partnering with the NYS Office of Temporary and Disability Assistance (OTDA) to disperse the funds, which will also help small landlords and homeowners.
- The Town of Huntington, the Town of Huntington Economic Development Corporation, and Renaissance Downtowns, LLC public-private partnership saw construction completed on the Northridge Project, a mixed used development in downtown Huntington Station that includes 6,200 square feet of commercial space and 16 one-bedroom apartments. The organizations are also working with the developer of this project to build another similar project which will include two affordable rental units and additional retail space.
- Construction has been completed on the Gateway Plaza Development project with 16,000 square feet of ground floor commercial and 66 rental apartments, comprised of studio and one-bedroom units. The CDA secured a \$1.4 million grant from Empire State Development Corporation (EDC), and has been responsible for the oversight and reporting on this project as well.
- The Town is currently constructing a playground and spray park at Manor Field in Huntington Station, which has been in the planning stages for several years. The project will also replace the turf, and provide recreation for many families in the area. Funding for this project has been made possible through CDBG funding, as it is in a low to moderate area and a grant from NYS that the CDA procured.
- The CDA has secured NYS grant funding on behalf of the Town for a new upgraded camera system in Huntington Station. By partnering with the HS BID, this will vastly improve coverage of the current antiquated system, and allow for a partnership between the businesses, Town and the Second Precinct.
- The Town of Huntington Local Development Corporation (LDC) secured the largest bond to date with Gurwin Housing Inc., for the purpose of constructing Fountaingate Gardens, a new senior community in Commack. This conduit financing bond, in the amount of over \$102 million, will bring in over \$200,000 in revenue to the Town during its term.
- The Town was awarded \$100,000 grant under NYSEDA's RFP 3044 NY Prize Stage 1, and having successfully completed the Feasibility Assessment, applied for and was awarded the \$1,000,000 Stage 2 grant for detailed engineering design and business plans for the Town of Huntington Community Microgrid. Stage 2 was completed September, 2020. The proposed microgrid will provide energy service to several critical facilities including: Town Hall, the Flanagan Senior Center, the Wastewater Treatment Plant, Huntington Hospital and the Huntington YMCA which serve a critical community need.

Major Initiatives (continued)

- In accordance with Town policy, the Town successfully completed the United States Department of Energy (USDOE) Energy Efficiency and Conservation Block Grant (EECBG) for energy-related projects including: 1) the installation of high-energy efficiency street lighting; 2) re-commissioning of Town Hall that included an energy audit and resulting implementation of energy conservation measures, such as, a building automation system upgrade and VFDs, 3) a 28kW solar PV demonstration project for Town Hall; 4) developed & implemented a residential energy efficiency retrofit program for Town homeowners that helped over 1,000 Huntington homeowners save energy and money; and 5) developed a comprehensive Town-wide long-range energy efficiency and capital investment plan. As a result of the Town's success with the EECBG, USDOE invited Huntington to join the Better Buildings Challenge (BBC), and as a BBC partner, the Town has committed to reduce energy intensity 20% by 2023. As a BBC partner, the Town has benchmarked the 40 largest energy consuming facilities, equivalent to 1,000,000 Sq.Ft. of facility building square footage, on EPA's Energy Star Portfolio Manager. The Town has adopted the NYSDEC Climate Smart Communities (CSC) Pledge for localities to improve energy efficiency and reduce greenhouse gas emissions, and developed a Climate Action Plan (CAP) that was adopted by the Town Board in June, 2015. In 2018, the Town applied for and was awarded a NYSDEC CSC grant in the amount of \$62,500 with the Town providing a \$62,500 match to complete Pledge Element 2 as a CSC Certification Project: to inventory Government Operations and Community-wide Greenhouse Gas (GHG) emissions, 100% Renewable Energy Feasibility Study, amend and update the CAP including a Capital Phase-In Plan to meet the NYS Climate Leadership and Community Protection Act (CLCPA) GHG reduction goals. The Town's Advisory Committee on Energy Efficiency, Renewables and Sustainability (ACEERS) established a CSC RFP sub-committee to prepare the scope of work to complete the CSC Pledge Element 2. Conducting a fleet assessment and building out the EV fleet and infrastructure will be included in the recommendations as part of the Climate Smart Communities RFP for our CSC Certification grant project. Huntington is in the process of converting its public transit bus fleet to hybrids.

- The Town constructed a 12 KW solar powered PV system and five Electric Vehicle (EV) charging station at Huntington's LIRR South Parking Garage partially funded by a NYSERDA grant. The Town helped develop the LI Unified Solar Permitting Initiative (LIUSPI) resulting in Huntington's invitation to join Sustainable CUNY as a participating partner in NYSERDA's NY Sun Initiative and NY Solar Smart under DOE's Solar Rooftop Challenge II grant. The Town assisted Sustainable CUNY in modifying LIUSPI to bring unified solar permitting to NYS as part of their grant deliverable. Together with Sustainable CUNY and the Town's ACEERS committee, Solarize Huntington, a group purchasing program, was developed and launched to provide education and outreach and lower the soft costs of solar PV installations for Town homeowners. The six month Solarize Huntington campaign succeeded in lowering the cost per watt of solar PV compared to the Suffolk County average for homeowners, had 516 program signups and 56 contracted installations totaling 496 kW, almost half a megawatt, of contracted solar PV installed in the Town. Working with Sustainable CUNY the Town was designated a USDOE SolSmart Community at the Bronze level. The Town is a collaborative partner, along with other Long Island Towns and community-based organizations, with Sustainability Institute at Molloy College under their NYSERDA CGC grant, to provide education and outreach for the Long Island Green Homes Initiative helping Long Island homeowners save money by undertaking energy efficient improvements.

- The Town submitted a sub-application to the NYS Division of Homeland Security and Emergency Services (DHSES) on December 2, 2020 to apply for funding opportunities under FEMA Building Resilient Infrastructure and Communities (BRIC) category, which will provide the Town with an opportunity to support Stage 3 development and implementation of the Huntington Community Microgrid project. The Town earned a Clean Energy Community (CEC) designation from NYSERDA by completing the following high-impact action items: 1) Establishing the Solarize Huntington program, a group purchasing and community education program that leveraged the collective buying power of Huntington homeowners to significantly reduce the cost of residential solar installations. 2) Amending the Town Code to fast-track approval of solar installation permits and to adopt the NYS Unified Solar Permit Initiative to reduce costs and delays for solar projects. 3) Energy Code Enforcement Training for Town code compliance officers and other Town officials. The Town also purchased a Level 2 Electric Charging Station Double Pedestal for charging electric vehicles at Town Hall which is available free to employees and the public, and applied for and received a \$5,000 grant for for the electric vehicle charging station from NYSDEC's Clean Vehicles & Infrastructure rebates. The Town participates in SuffolkShare and is part of the SuffolkShare Electric Vehicle Working Group which is working to build out EV infrastructure both for public use and for municipal operations, and is a member of the USGBCLI Drive Electric Long Island EV Infrastructure subcommittee. The Town is also planning to include "make ready" for EV charging stations + solar PV for any new Town projects so that it is ready if funding is not available in the present.

Major Initiatives (continued)

• With the CEC designation the Town was able to apply for and was awarded a \$250,000 grant toward implementing the energy efficiency measures recommended in NYPA's ASHRAE Level 2+ Investment Grade Audit Reports completed at the Town Microgrid facilities including LED lighting retrofits at Town Hall, Flanagan Senior Center, and steam trap repairs and replacement at Town Hall and Flanagan Senior Center, and retro-commissioning at Town Hall, and includes working with PSEG Long Island to obtain any available PSEG rebates by retrofitting the LED lights at Town Hall, Flanagan Senior Center, and the Wastewater Treatment Plant, and replacing HPS and metal halide lighting for outdoor lighting at various Town Facilities and Parks. A feasibility study for a geothermal system was conducted as part of the design that includes solar PV system for the building of the James Conte Community Center in Huntington Station. Working with NYPA, the 30% design for a geothermal system at the Dix Hills Ice Rink was completed, which is the Town's highest energy consuming Town facility. The Town teamed with top respected team partners Ecogy Energy, Brookhaven National Lab (BNL), Stony Brook University, and Pacific Northwest National Lab (PNNL) to apply for the DOE Connected Communities (CC) Funding Opportunity Announcement (FOA) due March 17, 2021 to commit the Huntington Community Microgrid facilities to be used as a CC Demonstration Project to demonstrate to DOE and NYSERDA how groups of buildings combined with other types of Distributed Energy Resources (DERs), such as Electric Vehicle (EV) charging and Photovoltaic (PV) generation, can reliably and cost effectively serve as grid assets by strategically deploying efficiency and demand flexibility, thereby increasing energy efficiency, reducing energy demand, and reducing environmental impact.

Economic Development

The Town of Huntington continues to advance its efforts Town-wide to improve and enhance economic development, facilitate the creation of jobs, cultivate retention and growth of business, and promote tourism. The Supervisor's Office and the Huntington Community Development Agency work closely with regional business associations, chambers of commerce and business improvement districts to streamline permitting, overcome regulatory obstacles, identify capital improvement projects and apply for and receive outside grant funding for public works projects.

Current projects the Town has implemented or is in the process of implementing to enhance the economic development of the Town are:

- Renaissance Downtowns, LLC as Master Developer for Huntington Station, continues to finalize its development programs for a series of new buildings on the west side of New York Avenue. These projects include a boutique hotel, office building, and artists' lofts. Because the aforementioned projects involve some state-owned land, Renaissance and The Town are in discussions with New York State DOT Region 10 to convey the land.
- Discussions continue regarding the possibility of developing 49 artist lofts on the west side of New York Avenue in Huntington Station's downtown and transportation hub.
- Town of Huntington Economic Development Corporation is continuing to interact and advise Renaissance Downtowns on the revitalization of Huntington Station and is seeking new areas, such as Melville and Halesite as hamlets ripe for economic opportunity.
- In the wake of the coronavirus pandemic, The Town established a Small Business Recovery Task Force, comprised of members of the BIDS or chambers from each hamlet, business owners, and two members of the Economic Development Corporation. The Task Force acted as a liaison between businesses, the Town and assisted in providing information on economic relief. The task Force sponsored a "Masks on Main" event which bolstered food traffic throughout Huntington Village while encouraging residents and visitors to shop safely; secured the most photographed Holiday Tree on Long Island during the holiday season on Wall Street; and helped to implement a parklet program, increasing the dining capacity for local restaurants still facing occupancy restraints.

Economic Development (continued)

- The Huntington Opportunity Resource Center (HORC) was opened in June 2014 at 1264-1268 New York Avenue to provide an array of services to assist the unemployed and underemployed in the Town. The Town partnered with Suffolk County to bring the County's Department of Social Services and Department of Labor to the Resource Center to assist residents in need. The Town/County partnership leverages shared resources that result in blanketing the community with a plethora of services, including resume writing, business software training, workshops, job search assistance and so much more. Due to the coronavirus pandemic, however, the HORC was forced to shut its doors to the public, creating a gap in services. However, the Town and the CDA are looking to partner with the Family Service League, which provides many similar services, to occupy the space and continue the programs offered. This would also bring revenue to the CDA and reduce the expenses incurred in running the HORC.
- The CDA has received a \$25,000 grant from NYS Empire State Development for the purpose of conducting a feasibility study for downtown Huntington Station, and has worked with the County to secure funding to conduct a new engineering study for sewers on the west side of New York Avenue, where new development has been halted due to the current lack of a sewer system.

Long-range Financial Planning

The Town's capital budget program is a long-range financial plan and is approved annually by the Town Board. Each capital project may be financed by the issuance of general obligation bonds or the commitment of operating funds or reserve funds in lieu of capital borrowings in order to be on the "pay as you go" program to reduce the debt service burden.

The Town, over the years and as part of its long-range financial planning, has prudently built up reserves during periods of good times so that these funds can be strategically used to offset potential tax increases when times become tough, such as the current COVID-19 pandemic. This fiscal policy continues to be a major initiative for the Town.

The Town's strategic financial planning encompasses conservative long-term forecasts of recurring revenue, future impact of long term agreements, careful reserve and fund balance analysis and a multi-year approach to capital project plans to anticipate future impacts of today's financial decisions and to reach long-term financial stability while achieving the Town's objectives.

Financial Information

Budgetary Control

The Supervisor prepares a tentative budget each year that becomes the preliminary budget upon the scheduling of a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is adopted by the Town Board as its final budget for the coming year. The Town's fiscal year 2021 final budget became the final budget by default on November 19, 2020.

The Town establishes budgetary controls to ensure compliance with legal provisions in the annual appropriated budgets approved by the Town Board. The Supervisor submits a proposed operating budget for the General, Debt and Special Revenue Funds for the fiscal year commencing on January 1st. The operating budgets include proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments on the proposed budgets. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. In the event that the budget is not adopted, the proposed operating budget becomes the final budget by default.

The level of budgetary control at which expenditures cannot exceed the appropriated budget amount is exercised at the object level within a department. The Town also maintains an encumbrance accounting system that accomplishes budgetary control. Appropriations which have not been expended or encumbered, lapse at the end of the year.

Financial Information (continued)

Debt Administration

The Town has achieved the highest bond rating of Aaa from Moody's Investor's Service from 2010 to 2020, placing Huntington among the best fiscally managed Towns in New York State. These ratings have been upheld for all previously issued bonds as well. This achievement reflects the Town's consistently solid financial position and a low debt with manageable additional capital needs.

The Town has received six bond rating upgrades since July 1995. Prior to 1995, it had been 28 years since the Town received an increase in bond rating. As a result of these upgrades, the Town's cost to borrow has decreased considerably. The Town is committed to maintaining its current bond rating in future years.

Financial Policies

The Town of Huntington is governed by financial policies pursuant to laws of the State of New York. In addition, the Town has adopted and adheres to a set of Financial Management Policies that includes the following policies: Debt Management Policy, Fund Balance Policy, Budget Policy, Investment Policy, Cash Collection Policy, Purchasing Policy, Credit Card/Debit Card Policy, Capital Asset Policy, Timekeeping Policy and a Cash, Payments & Deposits Policy. All policies are designed to strengthen internal controls.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Huntington for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the twenty second consecutive year that the Town of Huntington has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Distinguished Budget Presentation Award to the Town of Huntington for the fiscal year beginning January 1, 2020. This was the ninth consecutive year that the Town of Huntington has received this prestigious award.

A Certificate of Achievement and Distinguished Budget Presentation Award are valid for a period of one year only. We believe both our current comprehensive annual financial report and our adopted budget continue to conform to their respective program requirements. We are submitting the 2020 Comprehensive Annual Financial Report to the GFOA to determine their eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Comptroller's Office and the guidance of our independent auditors, PKF O'Connor Davies, LLP. I would like to extend my appreciation to all members of the department who assisted and contributed to its preparation.

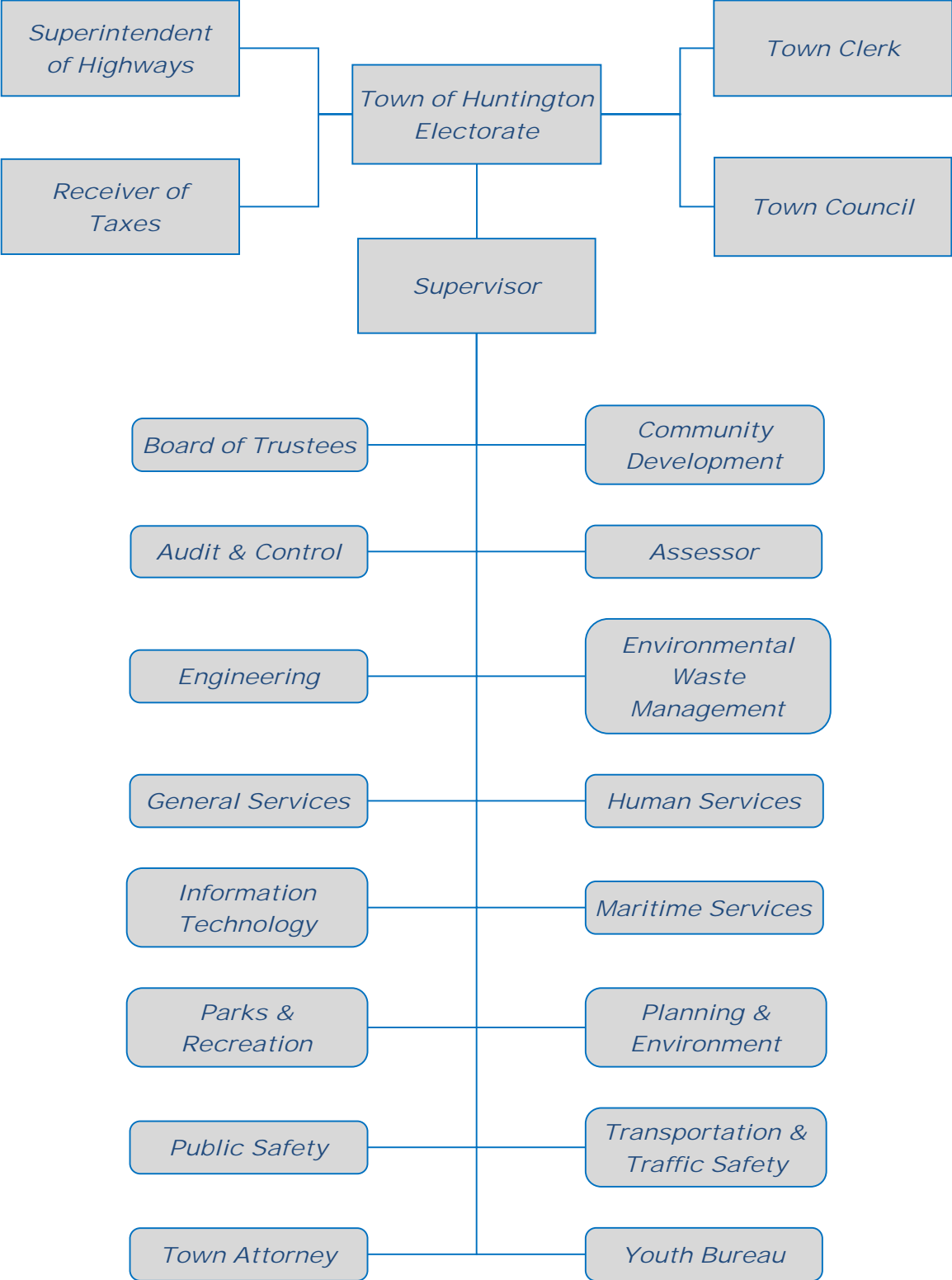
Finally, I would like to thank the Supervisor and the members of the Town Board for continued interest and support in planning and conducting the financial operations of the Town of Huntington in a responsible and progressive manner.

Respectfully submitted,



Peggy Karayianakis CPA
Town of Huntington
Comptroller

Town of Huntington Organizational Chart



Town of Huntington Town Officials

Town Board



Chad A. Lupinacci
Town Supervisor



Joan Cergol
Councilwoman



Eugene Cook
Councilman



Mark A. Cuthbertson
Councilman



Edmund J. Smyth
**Councilman/
Deputy Supervisor**

Town Clerk:

Andrew Raia

Receiver of Taxes:

Jillian Guthman

Superintendent of Highways:

Kevin S. Orelli

Assessor:

Lisa Leonick

Director of Audit and Control:

Peggy Karayianakis

Deputy Director of Engineering:

James Ahrens

Director of Environmental Control:

John Clark

Director of General Services:

Andre Sorrentino

Director of Human Services:

Carmen Kasper

Interim Director of Information Technology:

Patricia Morrison

Interim Director of Maritime:

Fred Uvena

Director of Parks & Recreation:

William Musto

Director of Planning:

Anthony J. Aloisio

Director of Public Safety:

Joseph Cirigliano

Director of Transportation & Traffic Safety:

Scott R. Spittal

Director of Youth Bureau:

Maria E. Georgiou

Town Attorney:

Nicholas Ciappetta

Town Historian:

Robert Hughes



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Huntington
New York**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**

Independent Auditors' Report

Honorable Supervisor and Town Board
of the Town of Huntington, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York (the "Town"), as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the two discretely presented component units, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units, are based solely on the reports of the other auditors. 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 basic financial statements are free from material misstatement. The financial statements of Greenlawn Water District and South Huntington Water District, the discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note A 9 and Note F in the notes to financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

As discussed in Note D 8 in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("CORONAVIRUS"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of revenues, expenditures and changes in fund balances – budget and actual, schedule of changes in the Town's total other postemployment benefits liability and related ratios, schedule of Town's contributions, schedule of Town's proportionate share of the net pension liability, schedule of changes in the Town's total length of service award program pension liability, schedule of Town's length of service award program pension liability, schedule of the District's contributions and schedule of the District's proportionate share of the net pension liability on pages 22-35 and 104-130 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 and the other auditors 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huntington, New York's basic financial statements. The introductory section, other supplementary information section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information on pages 132-149 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Honorable Supervisor and Town Board
Town of Huntington, New York

Other Matters (continued)

Other Information (continued)

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures as described above and the reports of other auditors', the other supplementary information on pages 132-149 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021 on our consideration of the Town of Huntington, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Town of Huntington, New York's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
Hauppauge, New York
June 21, 2021

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Huntington (the "Town"), we offer readers of the Town's financial statements this Management Discussion and Analysis ("MD&A") of the financial activities of the Town for the fiscal year ended December 31, 2020. The MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report presents the Town's financial activities and position in four parts—MD&A (this section), the basic financial statements, required supplementary information other than MD&A, and other supplementary information presenting combining statements for non-major governmental funds, and component units. The report also includes statistical and economic data.

The basic financial statements include government-wide financial statements, fund financial statements, and notes that provide more detailed information to supplement the basic financial statements.

Reporting on the Town as a Whole

The government-wide financial statements are designed to present an overall picture of the financial position of the Town. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included regardless of when cash is received or paid, producing a view of financial position similar to that presented by most private-sector companies.

The Statement of Net Position combines and consolidates the Town's current financial resources with capital assets and long-term obligations. This statement includes all of the Town's assets, liabilities, and deferred outflows and inflows of resources. Net position is the difference between the Town's assets and deferred outflows and liabilities and, deferred inflows and represents one measure of the Town's financial health. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities focuses on both the gross and net cost of various activities (governmental and component unit); these costs are paid by the Town's general tax and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services, and includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the Town's activities into two types.

Primary Government

The Town's basic services are reported here, including general government, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services. Taxes, fees for services, and federal and state aid finance most of these activities.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Discretely Presented Component Units

Discretely Presented Component units are legally separate organizations for which the Town is either financially accountable, or the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town includes two discretely presented component units in the notes to this report. These entities are reported in a separate column in the government-wide statements. See Note A.1 for information on separately issued financial statements.

Blended Component Units

Certain Component Units, being legally separated from the primary government, are reported as if they were part of the primary government because they provide services exclusively to the Town and thus are reported as if they were part of the primary government, The Blended Component Units, are Town of Huntington Community Development Agency (CDA) and Town of Huntington Local Development Corporation (LDC), CDA is a major fund while LDC is a non-major fund.

Reporting on the Town's Most Significant Funds

Fund financial statements present financial information in a form more familiar to experienced users of governmental financial statements. However, these statements now focus on the most significant funds. Use these statements to find more detailed information about the Town's most significant activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The Town uses funds to keep track of sources of funding and spending related to specific activities.

Governmental Funds

A majority of the Town's activities are reported in governmental funds. Reporting of these funds focuses on how money flows into and out of the funds, and amounts remaining at year-end for future spending.

Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general governmental operations and the basic services it provides. This information should help you determine whether there are more or less resources available for the Town's programs. The reconciliation following the fund financial statements explains the differences between the government's activities, reported in the government-wide Statement of Net Position and government-wide Statement of Activities, and the governmental funds. The General Fund, Highway Fund, Debt Service Fund, Refuse and Garbage Fund, Capital Projects Fund, Town Outside Village, Water District, and Community Development Fund are reported as major funds.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because those funds are not available to support the Town of Huntington's activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements this report contains required supplementary information other than management's discussion and analysis and other supplementary information immediately following the notes to the financial statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position

The December 31, 2020 net position has decreased by \$17.6 million. Total assets and deferred outflows of the Town on December 31, 2020, were \$581.7 million, an increase of \$51.1 million from the prior year, due primarily to an increase in cash of \$6.4 million and deferred outflows of \$36.7 million. Total liabilities and deferred inflows were \$560.0 million, an increase of \$68.8 million from the prior year. This results in a net position balance of \$21.7 million, a decrease of \$17.6 million from the prior year. Of the Town's net position, \$267.1 million was net investment in capital assets, while \$35.1 million was restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. The unrestricted net position (deficit) was (\$280.4) million, which is an increase in the deficit over the prior year as restated of \$23.6 million. The Town's bonded indebtedness was \$89.4 million, which included issuances in 2020 for \$19.5 million in Town bonds to finance road construction, improvements to Town facilities, parking and infrastructure and refunding of old outstanding bonds. See Note C.4 for more detail.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Net Position (continued)

Condensed Statement of Net Position Primary Government As of December 31st		
	<u>2020</u>	<u>As Restated 2019</u>
<u>Assets and Deferred outflows</u>		
Current and other assets	\$ 154,639,809	\$ 141,169,592 *
Capital assets	<u>330,371,733</u>	<u>329,451,235</u>
Total assets	485,011,542	470,620,827
Deferred outflow of resources	<u>96,714,714</u>	<u>60,004,318</u>
Total deferred outflows	96,714,714	60,004,318
Total assets and deferred outflows	<u>\$ 581,726,256</u>	<u>\$ 530,625,145</u>
<u>Liabilities and Deferred inflows</u>		
Current and other liabilities	\$ 46,804,236	\$ 43,840,308
Non-current liabilities	<u>490,364,708</u>	<u>403,601,996</u>
Total liabilities	537,168,944	447,442,304
Deferred inflow of resources	<u>22,816,700</u>	<u>43,805,533</u>
Total deferred inflows	22,816,700	43,805,533
Total liabilities and deferred inflows	<u>\$ 559,985,644</u>	<u>\$ 491,247,837</u>
<u>Net Position</u>		
Net investment in capital assets	\$ 267,102,385	\$ 260,143,628
Restricted	35,072,410	35,991,100 *
Unrestricted (deficit)	<u>(280,434,183)</u>	<u>(256,757,420)</u>
Total net position	<u>\$ 21,740,612</u>	<u>\$ 39,377,308</u>

*The December 31, 2019 presentation of Net Position was restated due to GASB Statement No. 84 "Fiduciary Activities". See Note F.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Changes in Net Position

The Town's program revenues for the year ended December 31, 2020 totaled \$47.6 million, an increase of \$1.6 million from the prior year. General revenues were \$154.5 million, an increase of \$1.8 million over the prior year, for total revenues of \$202.1 million, an increase of \$3.4 million. The general revenue increases were primarily from operating grants, property taxes and mortgage taxes which were offset by a decrease in charges for services as a result of the COVID-19 pandemic. The expenses for the year ended December 31, 2020 of the Town were \$219.7 million, an increase of \$19.7 million. Total net position for the year ended December 31, 2020 is a decrease of \$17.6 million over the opening net position.

Governmental Activities

During the current fiscal year, net position for governmental activities decreased by \$17.6 million from the prior fiscal year for an ending balance of \$21.7 million. The decrease in overall net position of governmental activities is due primarily to increases in general government support expenses of \$7.8 million, transportation expenses of \$5.6 million, home & community services expenses of \$5.4 million, reduction in charges for services revenue of \$4.8 million which were offset by increases in property tax revenue of \$2.7 million, mortgage tax revenue of \$3.0 million and operating grant revenue of \$6.3 million from the previous year.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Condensed Statement of Activities
Primary Government
For the Years Ended December 31st

	<u>2020</u>	<u>2019*</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 34,206,288	\$ 39,029,103
Operating grants & contributions	12,503,750	6,122,253
Capital grants & contributions	921,642	860,635
General Revenues:		
Property taxes	125,620,454	122,867,438
Mortgage tax	11,588,646	8,627,163
Other taxes	5,346,999	6,173,676
Interest and investment income	3,585,262	3,928,752
State aid - unrestricted	1,067,256	1,067,256
Miscellaneous	7,263,285	10,070,251
Total revenues	<u>202,103,582</u>	<u>198,746,527</u>
<u>Expenses</u>		
General government support	\$54,735,314	\$46,923,442
Public safety	18,223,276	16,655,321
Health	4,823,929	5,576,953
Transportation	53,260,082	47,651,589
Economic assistance & opportunity	4,304,635	3,761,996
Culture & recreation	20,980,927	21,419,526
Home & community services	61,223,017	55,793,549
Interest & debt	2,189,098	2,219,040
Total expenses	<u>219,740,278</u>	<u>200,001,416</u>
Increase (decrease) in net position	(17,636,696)	(1,254,889)
Net position, January 1st (as restated)*	<u>39,377,308</u>	<u>36,497,960</u>
Net position, December 31st	<u><u>\$ 21,740,612</u></u>	<u><u>\$ 35,243,071</u></u>

*The cumulative effect of applying a prior period adjustment is shown as an adjustment to the beginning net position of 2020. The condensed information for the year ended December 31, 2019 was not restated.

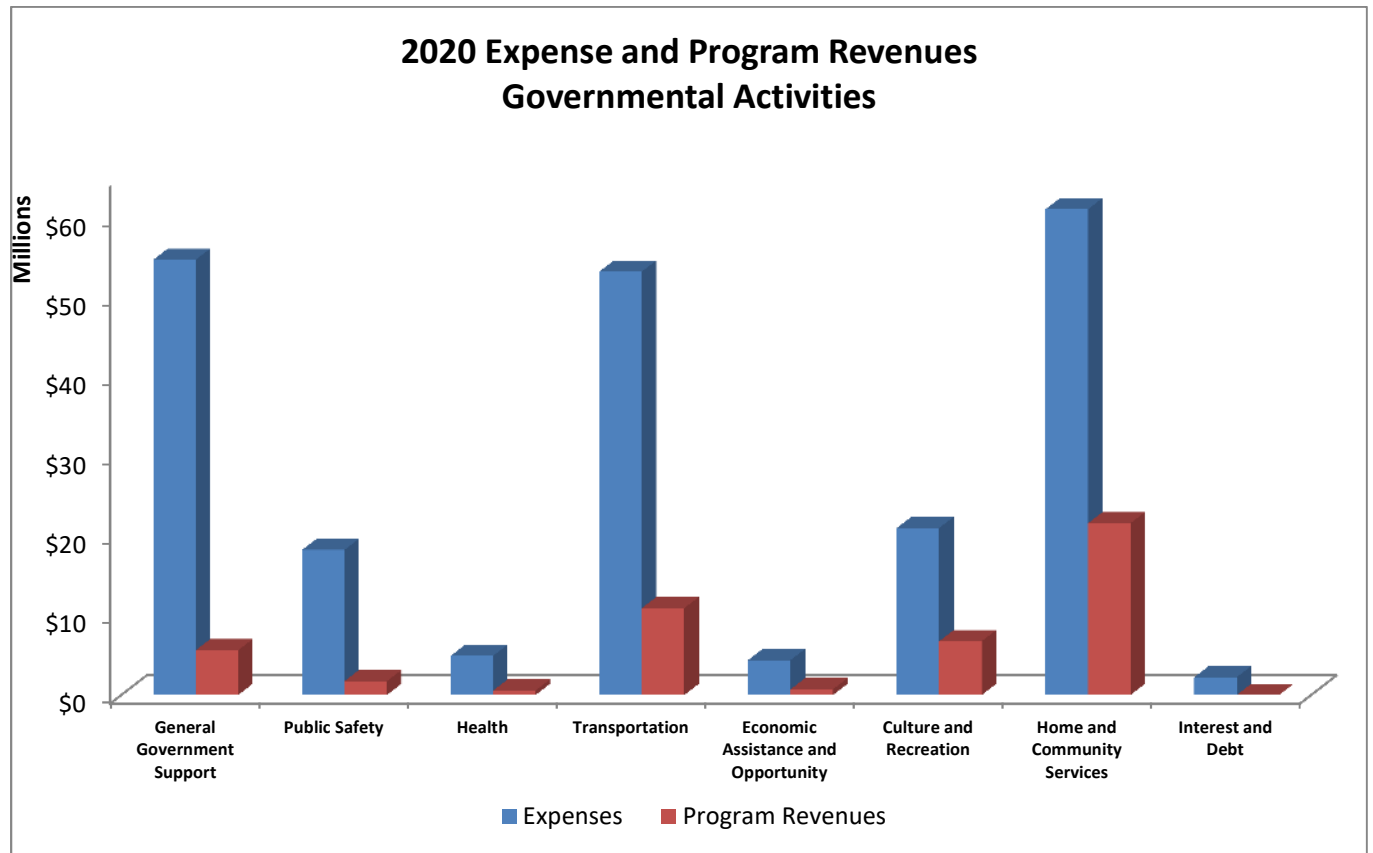
TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2020

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Activities (continued)

Net Cost of the Town's Governmental Activities
 For Years Ended December 31,

	Total Cost of Services		Net Costs of Services	
	2020	2019	2020	2019
General government support	\$ 54,735,314	\$ 46,923,442	\$ 49,214,219	\$ 40,414,653
Public safety	18,223,276	16,655,321	16,524,249	13,329,956
Health	4,823,929	5,576,953	4,283,381	5,013,093
Transportation	53,260,082	47,651,589	42,337,341	42,249,919
Economic assistance and opportunity	4,304,635	3,761,996	3,607,064	3,079,459
Culture and recreation	20,980,927	21,419,526	14,343,410	13,048,565
Home and community services	61,223,017	55,793,549	39,609,836	34,634,740
Interest on debt	2,189,098	2,219,040	2,189,098	2,219,040
Total	\$ 219,740,278	\$ 200,001,416	\$ 172,108,598	\$ 153,989,425



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Funds

Total assets in the Town's General Fund were \$50.3 million. Receivables reported were \$3.4 million, consisting of \$2.0 million in waste management fees, \$1.1 million in franchise fees and \$.3 million of various other miscellaneous receivables. Due from federal, state and other governments were \$8.7 million of which \$2.4 million is due from intermunicipal agreement for services provided by the resource recovery facility and \$6.3 million from federal and state granting agencies.

Total liabilities and deferred inflow of resources in the Town's General fund was \$10.8 million. Accrued liabilities of \$8.8 million were the result of payroll accruals and waste management fees. Accounts payable was \$1.6 million. Deferred inflows relates to the 2021 fiscal year property taxes collected in advance. In addition to the General Fund, the Water Fund and Community Development have deferred inflow of resources which are derived largely from tax monies collected in advance for the 2020-2021 tax warrant and water billings collected and accrued.

As of December 31, 2020 governmental funds reported an overall fund balance of \$119.4 million. The unassigned fund balances in the General Fund is \$22.7 million. Fund balances in the Highway, Refuse and Garbage, Capital Projects, Town Outside Village, Water District, Community Development Fund and other non-major funds are recorded as assigned funds, with the exception of those funds with deficit fund balances, in accordance with Governmental Accounting Standards Board Statement No. 54.

In the General Fund, the fund balance has increased by \$1.6 million. The increase in the General Fund was primarily due to increases in real property taxes of \$1.1 million, state aid \$1.7 million, federal aid of \$2.3 million, offset by a decreases in departmental income of \$1.7 million, use of money of \$1.0 million and sale of property of \$1.5 million.

In the Highway Fund, the 2020 fund balance increased by \$3.5 million. This increase was primarily due to increases in real property taxes of \$.6 million, and federal aid of \$5.0 million. The increase in revenue was partially offset by an increase in transportation expenditures of \$2.2 million, primarily due as a result of Tropical Storm Isaias storm debris removal costs.

In the Refuse and Garbage Fund, the fund balance decreased \$.9 million. This decrease was due to the increase in real property taxes of \$1.1 million, while expenditures in this fund had a net increase of \$2.3 million. The increase in refuse due to home isolation as a result of COVID-19 was the primary reason for the increase in expenditures.

The Capital Projects fund had a increase in fund balance of \$11.0 million. This is due primarily to the timing of when revenues are recorded from the issuance of long-term debt, and when the expenditures for the related projects are incurred.

In the Town Outside Village fund there was a slight decrease in fund balance of \$.1 million due to a decrease Building permit revenue.

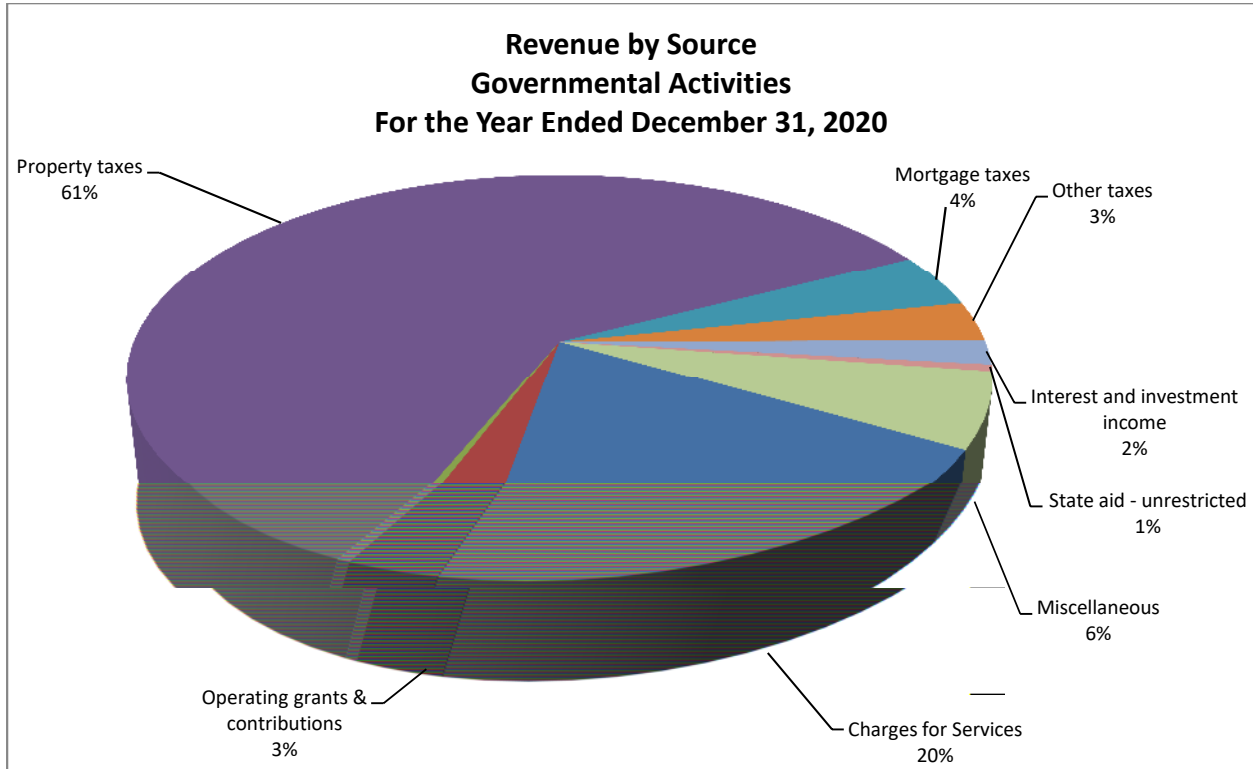
In the Water District fund, there was a slight increase in fund balance of \$.1 million due to a decrease in Employee benefit expenditures.

The Community Development Fund had a decrease in fund balance of \$.1 million. This is due primarily to the timing of grants and related expenditures.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Funds (continued)



BUDGETARY HIGHLIGHTS

Variances for the General Fund

In the current year, the General Fund's final revenue budget amounts compared to the original revenue budget amounts showed an increase of \$.2 million. This increase was due primarily to an increase in federal aid from what was originally budgeted. The actual revenue exceeded the final revenue budget by \$.6 million. This was due to actual federal aid revenues and state aid revenues exceeding the final revenue budget amount by \$1.9 million and \$2.7 million respectively, insurance recovery revenue exceeding budget by \$.2 million, and miscellaneous local source revenue exceeding budget by \$.3 million. These revenues were offset by a shortfall in departmental income of \$2.8 million, parking fines of \$.9 million, use of money of \$.3 million and license and permits of \$.5 million from the final budgeted amounts.

The final expenditure budget compared to the original expenditure budget showed an increase of \$1.5 million. These budget amendment increases were due primarily to increased building and grounds costs of \$1.0 million. This increase was due to \$.4 million storm debris removal, \$.3 million for a new telephone system, \$.2 million for COVID-19 related expenditures and \$.1 million for equipment repairs. The actual expenditures as compared to the final budget expenditures showed a favorable variance of \$5.9 million. This variance was due to the actual costs of government programs less than the final budgeted expenditure as a result cutbacks due to COVID-19 compliance requirements and to stringent monitoring of expenses.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

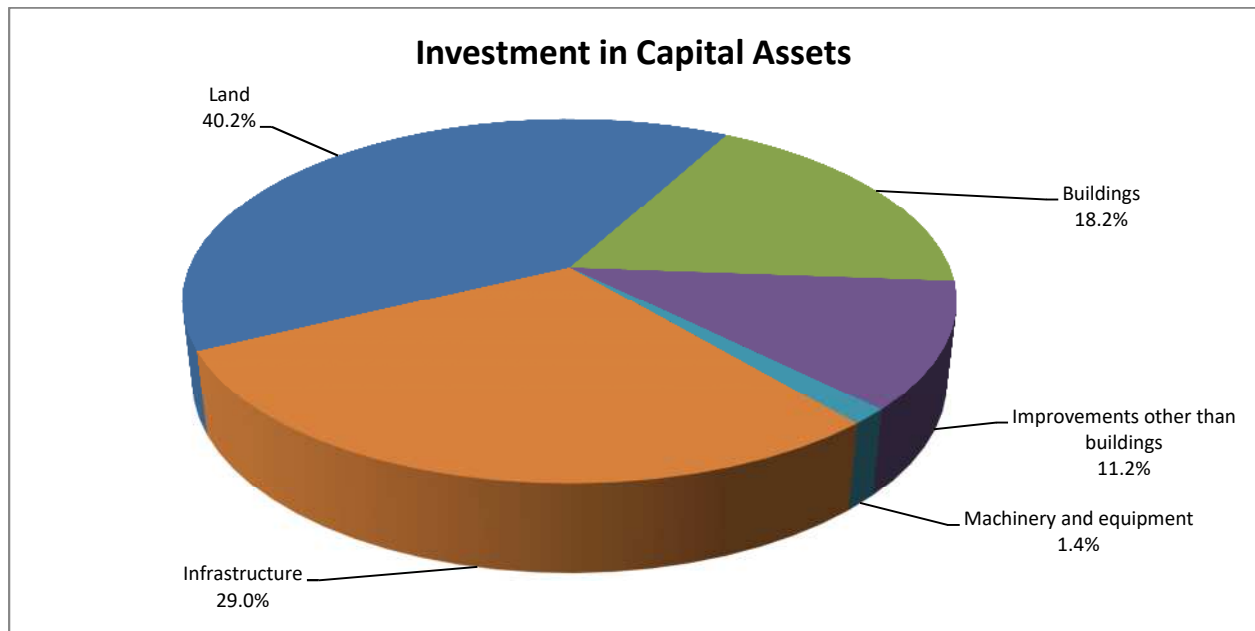
Capital Assets

As of December 31, 2020, the Town had \$330.4 million in net capital assets, of which \$96.1 million net was infrastructure. The Town's capital assets also include land, buildings, improvements other than buildings and machinery and equipment. The details of capital assets are shown in Note C.3 to the financial statements.

Capital Assets - Net of Depreciation
 Governmental Activities
 As of December 31st

	2020	2019
Land	\$ 132,891,610	\$ 130,807,122
Buildings	59,986,975	59,845,882
Improvements other than buildings	37,064,775	39,726,168
Machinery and equipment	4,294,873	5,191,861
Infrastructure	96,133,500	93,880,202
Total net capital assets	\$ 330,371,733	\$ 329,451,235

The Capital Budget Program is a long range financing guide and not a definitive plan. The Town Board must authorize each appropriation before any project is initiated. Each project may be financed by the issuance of general obligation bonds, which, at times, are preceded by the issuance of bond anticipation notes for various periods of time depending on the period's probable usefulness of the purpose of expenditure. The Town has made significant transfers of operating funds in lieu of capital borrowings in order to be on a "pay as you go" program to reduce the debt service burden, which has led to the reduction of debt service.



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration

The Town of Huntington may issue both general obligation bonds and bond anticipation notes. The Town may contract indebtedness only for a Town purpose and pledges its full faith and credit for the payment of principal and interest. On August 2020, Moody's Investors Service affirmed the Town's bond rating to Aaa, reflecting the Town's strong local economy, a diverse and continually expanding local employment base, consistently solid financial position with healthy unreserved fund balances and a low debt burden on a market value basis.

During fiscal year 2020, the Town of Huntington, including discretely presented component units, issued \$17.9 million in general obligation bonds to finance the following: road reconstruction; improvements to the Water District; acquisition of equipment, and other improvements to Town infrastructure and facilities. Note C.4 to the financial statements shows the details of the Town's long-term liabilities. In addition, the Town of Huntington, including discretely presented component units, issued \$4 million in general obligation bonds to refund \$4.6 million of outstanding serial bonds resulting in a present value savings on the transaction of \$.4 million.

The New York State Constitution limits the power of towns (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations, in summary form, as generally applicable to the Town, include the following:

Purpose and Pledge - Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to, or in aid of, any individual or private corporation or private undertaking or give or loan its credit to, or in aid of, any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its full faith and credit for the payment of principal and interest thereon.

Payment and Maturity - Except for certain short-term indebtedness contracted in anticipation of tax revenue or to be paid within three fiscal year periods, indebtedness shall be paid: (a) in annual installments commencing no later than two years after the date of such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object of purpose as determined by statute; and (b) no installment may be more than fifty percent (50%) in excess of the smallest prior installment unless the Town authorized the issuance of bonds with a substantial level of declining debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its general obligation bonds and such required annual installments on its notes.

Debt Limit - The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven percent (7%) of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

The constitutional method of determining full valuation is calculated by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Equalization and Assessment.

The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking a sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

At December 31, 2020 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$110 million. Of this amount \$84 million was subject to the constitutional debt limit and represented approximately 3.1% of the statutory debt limit.

FACTORS AND NEXT YEAR'S BUDGET AND RATES

Union Contracts

The Town employs approximately 666 full-time employees as of December 31, 2020. The Civil Service Employees Association covers approximately 190 employees. Local 342, Long Island Service Employees, United Marine Division, and International Longshoremen's Association, covers approximately 395 of the Town's employees and is divided into two units. The supervisory unit covers 73 employees and the labor unit covers 322 employees. The union contracts expire on December 31, 2022.

State Aid

The Town receives state aid from the State of New York. Operating revenues in the General Fund Budget include approximately 12.6% to be derived from State Aid. The largest allotment of State Aid is derived from Mortgage Tax Collections. Mortgage tax revenue exceeded expectations in 2020 by \$2.2 million and the real estate market remains steady. Revenues from mortgage tax collections are expected to meet the budget projection for 2021.

Utility and Fuel Costs

The Town has addressed the unstable energy market by implementing energy efficiency programs to reduce its consumption. The Town will continue to monitor utility and fuel expenses closely to limit its financial exposure.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

FACTORS AND NEXT YEAR'S BUDGET AND RATES (continued)

Property Tax

Chapter 97 of the Laws of 2011 ("Tax Cap Law") was enacted on June 24, 2011 and took effect for the 2012 budget year. The Tax Cap Law limits annual increases of the Town's overall real property tax to no more than the lesser of 2.00% or the rate of inflation. Certain increases to the tax levy are excluded from the limitations imposed by the Tax Cap Law including exclusions for certain expenditures for retirement system contributions and tort judgments payable by the Town. In addition, the Town Board may override the limitations if the Town Board enacts, by vote of at least sixty percent of the voting power of the Town Board, a local law to override such limit for the upcoming budget year. The Tax Cap Law does not provide exclusion for debt service on general obligations issued by the Town.

The Town has a final budget for 2021 which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive and negative fund balances. The 2021 budget includes an overall increase in real property tax revenue from the prior year of 1.94% for the Town's overall governmental activities.

Tax Collection

Property taxes for the Town, together with the County, Fire District and School District taxes are collected by the Town Tax Receiver on a single tax bill. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10th and May 31st respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable and 10% after May 31st.

Tax Collection

<u>As of May</u> <u>31st</u>	<u>Total Tax Levy</u>	<u>To Town</u> <u>Supervisor</u>	<u>To County</u> <u>Treasurer</u>	<u>Uncollected/</u> <u>Returned</u>
2020	\$ 1,108,453,781	\$ 953,576,579	\$ 154,877,202	\$ 40,645,630
2019	1,070,106,161	921,369,255	123,077,918	25,658,988
2018	1,042,572,431	895,604,546	120,729,803	23,879,194
2017	1,022,937,520	878,328,523	117,220,154	25,500,438
2016	1,005,781,356	863,060,764	115,987,057	24,555,382
2015	990,124,518	849,582,079	106,767,915	25,859,062

The Tax Receiver distributes collected tax money to the Town, Fire Districts and School Districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receiver and any deficiency in tax collection is the County's responsibility. The Town is thereby assured of full tax collection.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Town's citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact the Town of Huntington, Department of Audit & Control at 100 Main Street, Huntington, NY 11743.

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BASIC FINANCIAL STATEMENTS

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2020

	<u>Primary Governmental Activities</u>	<u>Component Units</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 63,507,287	\$ 16,183,635
Cash - Restricted	59,625,062	5,204,430
Accounts receivable	4,884,939	2,434,369
Due from federal, state and other governments	18,289,417	860,013
Inventory of material and supplies	-	334,870
Prepays	4,669,085	222,791
Property held for resale	3,664,019	-
Total Current Assets	154,639,809	25,240,108
Non-Current Assets		
Non-depreciable capital assets	132,891,610	3,670,848
Depreciable capital assets, net of depreciation	197,480,123	58,082,761
Total Non-Current Assets	330,371,733	61,753,609
Total Assets	485,011,542	86,993,717
DEFERRED OUTFLOW OF RESOURCES		
Pensions	39,254,158	1,756,852
Other Post Employment Benefits (OPEB)	55,289,072	3,070,390
Length of Service Award Program	2,171,484	-
Total Deferred Outflow of Resources	96,714,714	4,827,242
Total Assets and Deferred Outflows	\$ 581,726,256	\$ 91,820,959

See notes to the financial statements.

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2020

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable and other current liabilities	\$ 7,082,029	\$ 1,681,247
Accrued liabilities	11,632,291	236,374
Accrued interest payable	661,280	75,225
Deposits	5,336,429	300,428
Construction loan payable	1,600,000	-
Non-current liabilities due within one year	20,492,207	2,769,548
Total Current Liabilities	<u>46,804,236</u>	<u>5,062,822</u>

Non-Current Liabilities:

Due in more than one year	<u>490,364,708</u>	<u>39,344,432</u>
Total Non-Current Liabilities	<u>490,364,708</u>	<u>39,344,432</u>

Total Liabilities	<u>537,168,944</u>	<u>44,407,254</u>
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DEFERRED INFLOW OF RESOURCES

Deferred revenues	3,672,247	-
Pensions	1,317,688	89,695
Length of Service Award Program	1,676,372	-
Other Post Employment Benefits (OPEB)	<u>16,150,393</u>	<u>2,362,802</u>
Total Deferred Inflow of Resources	<u>22,816,700</u>	<u>2,452,497</u>

NET POSITION

Net investment in capital assets	267,102,385	46,677,471
Restricted for:		
Open space land preservation	10,446,620	-
Debt service	223,002	-
Snow and ice removal/road repair	1,450,822	-
Workers' compensation & Judgments and claims	1,114,138	-
Retirement	1,439,929	102,791
General Capital reserve	3,188,102	5,468,183
Length of service award program	10,617,653	-
Special Revenue Fund	4,134,237	-
Community Development	2,457,907	-
Unrestricted (deficit)	<u>(280,434,183)</u>	<u>(7,287,237)</u>
Total Net Position	<u>\$ 21,740,612</u>	<u>\$ 44,961,208</u>

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

Governmental Functions/Programs	Expenses	Program Revenues			Net Cost and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
General government support	\$ 54,735,314	\$ 4,443,461	\$ 262,048	\$ 815,586	\$ (49,214,219)	
Public safety	18,223,276	1,699,027	-	-	(16,524,249)	
Health	4,823,929	238,890	301,658	-	(4,283,381)	
Transportation	53,260,082	760,039	10,056,646	106,056	(42,337,341)	
Economic assistance and opportunity	4,304,635	190,049	507,522	-	(3,607,064)	
Culture and recreation	20,980,927	5,716,970	920,547	-	(14,343,410)	
Home and community services	61,223,017	21,157,852	455,329	-	(39,609,836)	
Interest on debt	2,189,098	-	-	-	(2,189,098)	
Total Primary Government	<u>\$219,740,278</u>	<u>\$ 34,206,288</u>	<u>\$ 12,503,750</u>	<u>\$ 921,642</u>	<u>\$(172,108,598)</u>	
Component Units:						
Home and community services	<u>\$ 15,814,806</u>	<u>\$ 8,279,691</u>	<u>\$ -</u>	<u>\$ 671,818</u>		<u>\$ (6,863,297)</u>
General Revenues						
Property taxes				\$ 125,620,454	\$ 6,722,733	
Mortgage tax				11,588,646	-	
Other taxes				5,346,999	-	
Interest and investment income				3,585,262	1,263,049	
State aid - unrestricted				1,067,256	-	
Miscellaneous				7,263,285	1,129,985	
Total General Revenues				<u>154,471,902</u>	<u>9,115,767</u>	
Change in net position				(17,636,696)	2,252,470	
Net position - Beginning of year (as restated)				<u>39,377,308</u>	<u>42,708,738</u>	
Net position - Ending of year				<u>\$ 21,740,612</u>	<u>\$ 44,961,208</u>	

See notes to the financial statements.

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TOWN OF HUNTINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

Major Governmental Funds				
	General	Highway	Debt Service	Refuse and Garbage
Assets				
Cash and cash equivalents	\$ 19,729,297	\$ 9,255,948	\$ -	\$ 8,016,748
Cash - Restricted	14,393,713	1,762,412	-	78,305
Accounts receivable, net	3,400,537	122,903	-	17,275
Due from federal, state and other governments	8,714,149	5,248,940	-	1,014
Due from other funds	2,601,848	-	-	25,509
Prepays	1,479,230	487,087	-	187,326
Property held for resale	-	-	-	-
Total Assets	<u>\$ 50,318,774</u>	<u>\$ 16,877,290</u>	<u>\$ -</u>	<u>\$ 8,326,177</u>
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts payable and other current liabilities	\$ 1,581,340	\$ 3,037,226	\$ -	\$ 828,231
Accrued liabilities	8,755,839	613,603	-	1,766,630
Deposits	421,731	-	-	-
Due to other funds	20,161	632,721	-	526,485
Construction loan payable	-	-	-	-
Total Liabilities	<u>10,779,071</u>	<u>4,283,550</u>	<u>-</u>	<u>3,121,346</u>
Deferred Inflows of Resources				
Deferred revenue	12,570	772,724	-	-
Total Deferred Inflows	<u>12,570</u>	<u>772,724</u>	<u>-</u>	<u>-</u>
Fund Balances				
Non-Spendable				
Prepays	1,479,230	487,087	-	187,326
Restricted for:				
Open space land preservation	10,446,620	-	-	-
Debt service	153,364	4,625	-	22,288
Unspent bond proceeds	-	-	-	-
Snow and ice removal/road repair	494,504	956,318	-	-
Workers' compensation	325,437	-	-	-
Judgments and claims	788,701	-	-	-
Retirement contribution	843	101,564	-	26,428
General Capital reserve	1,549,320	561,946	-	-
Employee Benefit Accrual Liability Reserve	634,924	137,959	-	29,589
Special Revenue Fund	-	-	-	-
Community Development	-	-	-	-
Length of service award program	-	-	-	-
Assigned:				
Highway	-	9,292,684	-	-
Refuse District	-	-	-	4,673,518
Capital projects fund balance	-	-	-	-
Town Outside Village	-	-	-	-
Local Development Corporation	-	-	-	-
Fire Protection	-	-	-	-
Streetlighting	-	-	-	-
Ambulance Services	-	-	-	-
Sewer Services	-	-	-	-
Water Services	-	-	-	-
Subsequent year's budget	100,000	100,000	-	250,000
Purchases on order	870,837	178,833	-	15,682
Unassigned:				
General fund	22,683,353	-	-	-
Community Development Agency	-	-	-	-
Total Fund Balances	<u>39,527,133</u>	<u>11,821,016</u>	<u>-</u>	<u>5,204,831</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 50,318,774</u>	<u>\$ 16,877,290</u>	<u>\$ -</u>	<u>\$ 8,326,177</u>

See notes to the financial statements.

Capital Projects	Town Outside Village	Water District	Community Development	Nonmajor Governmental Funds	Total
\$ 6,559,753	\$ 8,405,596	\$ 3,648,390	\$ 363,155	\$ 7,528,400	\$ 63,507,287
26,616,671	1,459,664	95,087	393,888	14,825,322	59,625,062
-	148,149	577,610	93,720	524,745	4,884,939
499,669	4,030	-	62,663	-	14,530,465
399,113	-	9,993	-	433,279	3,469,742
-	200,138	50,272	5,812	108,376	2,518,241
-	-	-	3,664,019	-	3,664,019
<u>\$ 34,075,206</u>	<u>\$ 10,217,577</u>	<u>\$ 4,381,352</u>	<u>\$ 4,583,257</u>	<u>\$ 23,420,122</u>	<u>\$ 152,199,755</u>
\$ 811,380	\$ 183,458	\$ 205,454	\$ 89,930	\$ 345,010	\$ 7,082,029
-	221,133	46,267	22,778	206,041	11,632,291
-	4,339,275	575,423	-	-	5,336,429
-	29,276	31,823	2,188,153	41,123	3,469,742
-	-	-	1,600,000	-	1,600,000
<u>811,380</u>	<u>4,773,142</u>	<u>858,967</u>	<u>3,900,861</u>	<u>592,174</u>	<u>29,120,491</u>
-	335	2,863,497	22,954	167	3,672,247
-	335	2,863,497	22,954	167	3,672,247
-	200,138	50,272	5,812	108,376	2,518,241
-	-	-	-	-	10,446,620
-	-	6,049	-	36,676	223,002
26,616,671	-	-	-	-	26,616,671
-	-	-	-	-	1,450,822
-	-	-	-	-	325,437
-	-	-	-	-	788,701
-	253	53,608	-	8,309	191,005
-	1,076,836	-	-	-	3,188,102
-	382,575	35,430	-	28,447	1,248,924
-	-	-	-	4,134,237	4,134,237
-	-	-	2,457,907	-	2,457,907
-	-	-	-	10,617,653	10,617,653
-	-	-	-	-	9,292,684
-	-	-	-	-	4,673,518
6,647,155	-	-	-	-	6,647,155
-	3,703,229	-	-	-	3,703,229
-	-	-	-	277,900	277,900
-	-	-	-	29,854	29,854
-	-	-	-	2,972,163	2,972,163
-	-	-	-	1,263,888	1,263,888
-	-	-	-	2,663,516	2,663,516
-	-	440,868	-	-	440,868
-	-	-	-	250,000	700,000
-	81,069	72,661	-	436,762	1,655,844
-	-	-	-	-	22,683,353
-	-	-	(1,804,277)	-	(1,804,277)
<u>33,263,826</u>	<u>5,444,100</u>	<u>658,888</u>	<u>659,442</u>	<u>22,827,781</u>	<u>119,407,017</u>
<u>\$ 34,075,206</u>	<u>\$ 10,217,577</u>	<u>\$ 4,381,352</u>	<u>\$ 4,583,257</u>	<u>\$ 23,420,122</u>	<u>\$ 152,199,755</u>

TOWN OF HUNTINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
As of December 31, 2020

Total Fund Balances - Governmental Funds \$ 119,407,017

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets less accumulated depreciation are included in the Statement of Net Position:

Capital Assets - Non-Depreciable	\$ 132,891,610	
Capital Assets - Depreciable	732,692,922	
Accumulated Depreciation	<u>(535,212,799)</u>	330,371,733

New York State Employees Retirement System annual contributions paid on an annual basis have been prepaid, creating a year-end asset. The asset is not a current available resource and is not reported in the funds.

2,150,844

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.

3,758,952

Deferred outflows and inflows associated with participation in the state retirement systems, OPEB, and LOSAP are not current financial resources or uses and are not reported in the funds:

Deferred outflows of resources - employee's retirement system	39,254,158	
Deferred outflows of resources - length of service award program	2,171,484	
Deferred outflows of resources - other postemployment benefits	55,289,072	
Deferred inflows of resources - employees' retirement system	(1,317,688)	
Deferred inflows of resources - length of service award program	(1,676,372)	
Deferred inflows of resources - other postemployment benefits	<u>(16,150,393)</u>	77,570,261

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement

General obligation bonds, net	(89,393,333)	
Premiums on refundings	(1,241,532)	
Net pension liability	(50,661,734)	
Due to Employee Retirement System	(876,354)	
Other post-employment benefits payable	(320,681,013)	
Net pension liability- LOSAP	(14,023,145)	
Compensated absences	(14,075,266)	
Claims and judgments	(19,219,261)	
Estimated liability for landfill closure and post-closure care costs	(192,591)	
Capital leases	<u>(492,686)</u>	(510,856,915)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position.

(661,280)

Net Position of Governmental Activities

\$ 21,740,612

See notes to the financial statements.

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TOWN OF HUNTINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended December 31, 2020

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
REVENUES				
Real property taxes	\$ 45,707,019	\$ 34,373,582	\$ -	\$ 26,255,794
Other real property tax items	431,775	132,163	-	1,541
Non-property tax items	4,601,052	-	-	-
Departmental income	31,250,872	405,978	-	6,240
Intergovernmental charges	132,516	917	-	12,680
Use of money and property	1,257,066	203,583	-	144,085
Licenses and permits	635,293	130,375	-	-
Fines and forfeitures	656,502	-	-	-
Sale of property and compensation for loss	485,625	184,282	-	154,525
Miscellaneous local sources	1,675,521	534,773	-	118,704
Interfund revenues	4,686,461	-	-	-
State aid	13,462,085	1,903,829	-	-
Federal aid	2,934,614	5,035,547	-	-
Total Revenues	<u>107,916,401</u>	<u>42,905,029</u>	<u>-</u>	<u>26,693,569</u>
EXPENDITURES				
Current:				
General government support	26,945,185	301,061	38,239	2,291,821
Public safety	5,388,128	-	-	-
Health	676,564	-	-	-
Transportation	4,873,894	24,197,547	-	-
Economic assistance and opportunity	2,306,867	-	-	-
Culture and recreation	12,196,141	-	-	-
Home and community services	24,165,407	-	-	22,275,609
Employee benefits	20,889,286	8,453,317	-	2,836,992
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	10,105,914	-
Interest	-	-	2,685,213	-
Total Expenditures	<u>97,441,472</u>	<u>32,951,925</u>	<u>12,829,366</u>	<u>27,404,422</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>10,474,929</u>	<u>9,953,104</u>	<u>(12,829,366)</u>	<u>(710,853)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Transfers in	-	-	12,791,127	-
Transfer out	(4,221,600)	(344,861)	-	-
Transfers out (Debt Service)	(4,612,234)	(6,140,056)	-	(217,119)
Issuance of refunding bonds	-	-	2,563,623	-
Premiums on obligations	-	-	412,774	-
Payment to refunded bonds escrow agent	-	-	(2,938,158)	-
Total Other Financing Sources (Uses)	<u>(8,833,834)</u>	<u>(6,484,917)</u>	<u>12,829,366</u>	<u>(217,119)</u>
Net Change in Fund Balances	1,641,095	3,468,187	-	(927,972)
Fund Balances at Beginning of Year as restated	<u>37,886,038</u>	<u>8,352,829</u>	<u>-</u>	<u>6,132,803</u>
Fund Balances at End of Year	<u>\$ 39,527,133</u>	<u>\$ 11,821,016</u>	<u>\$ -</u>	<u>\$ 5,204,831</u>

See notes to the financial statements.

Capital Projects	Town Outside Village	Water District	Community Development	Nonmajor Governmental Funds	Total
\$ -	\$ 5,033,643	\$ 2,859,724	\$ -	\$ 11,390,692	\$125,620,454
-	19,435	177	-	16,155	601,246
-	-	-	-	144,701	4,745,753
-	4,242,541	2,347,700	-	1,957,598	40,210,929
89,984	-	-	-	-	236,097
-	55,295	306,328	156	1,618,749	3,585,262
-	904,447	-	-	-	1,670,115
-	-	-	-	-	656,502
-	3,920	21,751	-	2,168,042	3,018,145
920,894	261,709	47,725	591,152	114,662	4,265,140
-	-	-	-	-	4,686,461
864,773	6,461	-	-	26,547	16,263,695
56,868	-	-	404,789	-	8,431,818
<u>1,932,519</u>	<u>10,527,451</u>	<u>5,583,405</u>	<u>996,097</u>	<u>17,437,146</u>	<u>213,991,617</u>
-	2,048,434	766,681	-	1,872,027	34,263,448
-	2,569,541	-	-	1,591,027	9,548,696
-	144,633	-	-	3,248,498	4,069,695
-	-	-	-	2,278,121	31,349,562
-	-	-	-	4,048	2,310,915
-	-	-	-	-	12,196,141
-	2,138,522	3,272,731	1,116,925	3,574,312	56,543,506
-	3,431,129	751,275	-	1,771,337	38,133,336
12,848,379	-	-	-	-	12,848,379
-	-	-	-	-	10,105,914
-	-	-	-	-	2,685,213
<u>12,848,379</u>	<u>10,332,259</u>	<u>4,790,687</u>	<u>1,116,925</u>	<u>14,339,370</u>	<u>214,054,805</u>
<u>(10,915,860)</u>	<u>195,192</u>	<u>792,718</u>	<u>(120,828)</u>	<u>3,097,776</u>	<u>(63,188)</u>
16,969,974	-	-	-	-	16,969,974
4,981,461	-	-	-	-	17,772,588
-	-	-	-	(415,000)	(4,981,461)
-	(235,820)	(737,260)	-	(848,638)	(12,791,127)
-	-	-	-	-	2,563,623
-	-	-	-	-	412,774
-	-	-	-	-	(2,938,158)
<u>21,951,435</u>	<u>(235,820)</u>	<u>(737,260)</u>	<u>-</u>	<u>(1,263,638)</u>	<u>17,008,213</u>
11,035,575	(40,628)	55,458	(120,828)	1,834,138	16,945,025
<u>22,228,251</u>	<u>5,484,728</u>	<u>603,430</u>	<u>780,270</u>	<u>20,993,643</u>	<u>102,461,992</u>
<u>\$ 33,263,826</u>	<u>\$ 5,444,100</u>	<u>\$ 658,888</u>	<u>\$ 659,442</u>	<u>\$ 22,827,781</u>	<u>\$119,407,017</u>

TOWN OF HUNTINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Net Change in Fund Balance \$ 16,945,025

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:

Capital Outlay	\$ 16,157,687	
Depreciation Expense	<u>(15,217,189)</u>	940,498

Gains and losses on disposals of equipment are not reported by the governmental funds, but are included in the Statement of Activities. (20,000)

Prepaid charges 17,860

In the Statement of Activities, amortization of premiums related to refunding of bonds exceeded the amortization of deferred charges. 525,301

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,385,783

The issuance of long-term debt and increase in obligations under capital leases provides current financial resources to governmental funds, while the repayment of the principal of long term debt and capital leases consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Debt issued	(19,533,597)	
Capital lease issuance	(392,428)	
Repayment of bond principal	13,044,071	
Premium on bonds	(412,774)	
Pension Liability	(9,593,977)	
Due to Employee Retirement System	419,062	
Other post-employment benefits payable	(15,556,840)	
Other Agency Liabilities- LOSAP	(619,988)	
Compensated absences	(2,118,539)	
Claims and judgments	(2,856,550)	
Estimated liability for landfill closure and post-closure care costs	39,924	
Repayment of capital lease	179,659	
Accrued interest payable	<u>(29,186)</u>	<u>(37,431,163)</u>

Change in Net Position of Governmental Activities \$ (17,636,696)

See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

	<u>Custodial Fund</u>
ASSETS	
Cash	\$ 256,720,098
Total Assets	<u>\$ 256,720,098</u>
 LIABILITIES	
Liabilities:	
Due to other governments	256,720,098
Total Liabilities	<u>\$ 256,720,098</u>

TOWN OF HUNTINGTON
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December 31, 2020

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TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Huntington (the “Town”), which was established in 1653, is governed by Town Law and other general laws of the State of New York and various local laws and ordinances. The Town Board (the “Board”) is the legislative body responsible for overall operations. The Board consists of the Town Supervisor (the “Supervisor”) who is elected for a term of four years and four council members who are elected for terms of four years. The Superintendent of Highways, Town Clerk and Receiver of Taxes are elected and serve four year terms. The Town Board appoints Town Attorney and the following Directors: General Services, Community Services, Youth Services, Human Services, Engineering Services, Parks and Recreation, Planning and Environmental Services, Audit and Control, Maritime, Assessor, Information Technology, Traffic and Transportation and Public Safety. The Directors serve at the discretion of the Board except for the Assessor, whose term is six years. The Town provides a full range of municipal services including public safety, transportation, home and community services, youth services, public works and road maintenance, recreation and parks, and general and administrative services.

The financial statements of the Town of Huntington 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.

1. REPORTING ENTITY

The financial reporting entity consists of: (a) the primary government, which is the Town of Huntington; (b) organizations for which the primary government is financially accountable for; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in the applicable GASB statements.

The decision to include a potential component unit in the Town of Huntington reporting entity is based on several criteria set forth in various GASB statements including legal standing, fiscal dependency, fiscal accountability, or management’s professional judgement on the nature and significance of a potential component units’ relationship with the Town. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of Huntington’s reporting entity.

The Huntington Community Development Agency (“HCDA”) is a separate public benefit corporation created by state legislation to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The Board presides as the HCDA Board. HCDA’s management is designated by the Board. The Board is completely accountable for fiscal matters. The HCDA’s governing body is the same as the Town of Huntington’s therefore it is a blended unit of the Town and is reported in the special revenue fund.

The Town of Huntington Local Development Corporation (“HLDC”) is a separate public benefit corporation created by the Board to conduct activities that will relieve and reduce unemployment, promote and provide for maximum employment, improve and maintain job opportunities, lessen the burdens of governments and act in the public interest. The Board presides as the HLDC Board. HLDC’s management is designated by the Board. The Board is completely accountable for fiscal matters. The HLDC’s governing body is the same as the Town of Huntington’s therefore it is a blended unit of the Town and is reported in the special revenue fund.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

The South Huntington Water District and the Greenlawn Water District, special districts of the Town of Huntington, provide water services to residents and businesses within the districts. These special districts are organized under New York State Town law and have separately elected boards. Long-term debt backed by the full faith and credit of the Town, and other fiscal matters result in a fiscal interdependency with the Town. Accordingly, these special districts have been determined to be component units of the Town and are presented discretely in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government.

Complete financial statements of the individual component units can be obtained from their respective administrative offices:

South Huntington Water District 13 th Street & 5 th Avenue South Huntington Station, N.Y. 11746	Greenlawn Water District 45 Railroad Street Greenlawn, N.Y. 11740
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Condensed financial statements of these components are presented in Note E.

2. BASIS OF PRESENTATION

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Government-wide Financial Statements

The government-wide financial statements report information on the Town as a whole, except fiduciary activities with separate columns for the primary governmental activities as well as the discretely presented component units.

In the government-wide Statement of Net Position, the Town's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts — Net investment in capital assets, restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functional categories (general government support, public safety, health, transportation, home and community services, etc.), which are otherwise supported by general government revenues (property, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants and contributions and capital grants and contributions to produce the net cost of each program.

Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.).

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Government-wide Financial Statements (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Eliminations have been made to prevent distortion of the direct costs and program revenues reported. Sales and purchase of goods and services for a price approximating their external value are not eliminated between the funds and the government-wide statements.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Fund Financial Statements

The fund financial statements are similar to the financial statements presented in the previous model. The emphasis is on the major funds in the fund financial statements. Nonmajor funds are summarized into a single column.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements as follows:

Governmental Funds - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position.

The Town reports the following major governmental funds:

General Fund - is the principal operating fund of the Town. This fund is used to account for all financial resources except those required to be accounted for in other funds. The major sources of revenue are real property taxes and various departmental income.

Town Outside Village Fund – is used for revenues and expenditures for certain services provided to the area of the Town located outside of Incorporated Villages. The major sources of funding are real property taxes and building permits.

Highway Fund – is a Special Revenue Fund used to account for revenues and expenditures for highway purposes. The major source of revenue is real property taxes.

Debt Service Fund – is used to account for the accumulation of resources for the payment of principal, and interest on indebtedness. The major source of revenue is interfund transfers.

Refuse and Garbage Fund – is a Special Revenue Fund used to account for the pickup of garbage in the Town. The major source of income is real property taxes.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

Capital Projects Fund – is used to account for financial resources used for the acquisition or construction of major capital facilities. The major source of funding is bond proceeds.

Community Development Fund– is used to account for the Huntington Community Development Agency. This agency is used to account for Federal Aid from the Community Development Block Grant Program. The major source of revenue is federal funding.

Water District Fund – is a Special Revenue Fund used to provide water to the district. The major sources of income are real property taxes and metered water sales.

Additionally, the Town reports the following non-major funds:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds include the following:

- Local Development Corporation (LDC) – is used to account for sponsor conduit financing and earn a fee income to support its mission.
- Special District Funds – are used to account for taxes or other revenue sources which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts which are administered by the Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts and a special revenue fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The Town maintains only one type of fiduciary fund that is known as a Custodial Fund. The Town holds resources in this fund purely in a custodial capacity, primarily to account for real property taxes collected for other governments. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate government.

Because governmental funds statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' primary governmental activities column, reconciliations are presented that briefly explain the adjustments necessary to reconcile ending net position and the change in net position.

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Measurement focus refers to what is being measured, where as the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

In the government-wide statements, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows and inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the funds statements, governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (measurable and available to finance current operations). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues available if they are collected within 60 days after the year-end. Revenues susceptible to accrual include, franchise fees, mortgage taxes, charges for services, intergovernmental revenues and operating transfers. Permits, fees, and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred. In the Capital Projects Fund, long-term debt is recognized as revenue upon receipt of the proceeds. Expenditures are recorded on the accrual basis except that (a) expenditures for prepaid expenses for ERS are recognized when incurred; (b) principal and interest on indebtedness are recognized as expenditures when due; (c) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid.

Because governmental funds statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements’ primary governmental activities column, reconciliations are presented that briefly explain the adjustments necessary to reconcile ending net position and the change in net position.

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

LENGTH OF SERVICE AWARD PROGRAM PLAN ASSETS

The Town sponsors length of service award program (“LOSAP”) to provide retirement like benefits for those volunteering time and services pertaining to ambulance services, in accordance with the plan documents. LOSAP plans have been established for each ambulance company providing services by taxing district. The Town is the sole sponsor of the LOSAP plans. The assets set-aside to fund the retirement like benefits have been invested in an external investment pool for all New York State ambulance LOSAP plans and the investments are managed by the New York State Comptroller and an administrative agency. The assets in the external investment pool are reported at fair value. The underlying assets of the investment pool includes money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

RECEIVABLES

Receivables include amounts due from Federal, State, and other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

PREPAIDS

Prepays in the various funds represent insurance premiums paid for coverage that will benefit the subsequent period. Prepays in the government-wide statements represent retirement benefits that will benefit a future period.

PROPERTY HELD FOR RESALE

As of December 31, 2020, the Huntington Community Development Agency (HCDA) owned one property totaling \$3,664,019 purchased through construction loan proceeds, local sources from the primary government, state and federal aid, for the purpose of resale to individuals in accordance with the affordable housing program. This property, known as Columbia Terrace, will have preference for veterans, and will provide fourteen new condo units for first time homebuyers. The Agency expected to sell the property in 2021 and therefore has classified the property for resale as a current asset.

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. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category. The first item represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension system not included in pension expense and the Town's contributions to the pension system subsequent to the measurement date and changes of assumptions. The second item is other post-employment benefits (OPEB) which represents the changes of assumptions or other inputs. The third item is the recording of length of service award payments made subsequent to the measurement date.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four items that are reported as deferred inflow of resources. The first item relates to deferred revenue that represents collections of the 2020 tax warrant. The property taxes collected are applicable to the 2021 fiscal and thus are not available for use at year end. In the government-wide financial statements, the other items of deferred inflows of resources are associated with are pensions, length of service award programs and other postemployment benefits which consists of differences between the pension plan's expected and actual experience, changes in assumptions, net difference between projected and actual investment earnings and the changes in proportion and differences between the Town's contributions and proportionate share of contributions.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement shall be reported at acquisition value rather than fair value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage system, street lighting, water mains and sewer system are capitalized along with other capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25-40 years
Improvements other than buildings	15-30 years
Machinery and equipment	4-12 years
Infrastructure	
Roads	25 years
Curbs and sidewalks	15 years
Drainage system	25 years
Street lighting	20 years
Water mains	50 years
Sewer system	40 years

In the fund financial statements capital assets are recorded as capital outlay expenditures in the governmental fund upon acquisition.

PREMIUMS OF DEBT ISSUANCE

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of the general obligation bonds payable in the non-current liabilities.

LONG-TERM OBLIGATIONS

The liabilities for long-term obligations consisting of general obligation bonds, employees retirement, other post-employment benefits payable, compensated absences, claims and judgments, estimated liability for landfill closure and post closure costs, capitalized lease obligations, proportionate share of LOSAP and net pension liability are recognized in the government-wide financial statements.

In the fund financial statements long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources, and payment of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

NET POSITION AND EQUITY CLASSIFICATIONS

In Government-wide statements equity is classified as net position and displayed in three components:

- a) Net investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Net position-restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Net position-unrestricted – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, assigned and unassigned. Portions of fund equity are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaids, open space land preservation and bond retirement, represent portions of fund equity which are required to be segregated in accordance with state law or GAAP. Designations of fund balances in governmental funds indicate the utilization of these resources in the subsequent year’s budget or tentative plans for future use.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

Real property tax payments are due in two equal installments: the first half payable the December 1st preceding the year for which the tax is levied and the second half payable May 10th. The first half tax is payable without penalty until January 10th and the second half tax is payable without penalty to May 31st. Penalties are imposed thereafter at the rate of 1% per month from December 1st and May 10th until May 31st, after which taxes are payable to the County Treasurer and accrue a 10% penalty. The Town has its own Assessor's Office whose responsibilities are independent and distinct from those of the Receiver of Taxes ("Receiver"). The Town assessment rolls are used for the levy of real property taxes by the Town and the school districts, as well as by the County of Suffolk, New York, (the "County") and by special districts based upon a single tax bill. The Receiver collects all taxes based on this single bill and distributes the proceeds to the Town prior to distributing the remaining balance collected to the County.

Responsibility for the collection of unpaid taxes rests with the County and, accordingly, the Town is assured of 100% collection of real property taxes. The responsibility of transmitting school taxes to the school districts rests with the Supervisor. Property tax bills that relate to the ensuing fiscal year are recorded as deferred revenues.

INTERFUND TRANSACTIONS

Interfund transactions, exclusive of interfund services provided and used, have been eliminated from the government-wide financial statements. In the funds financial statements interfund transactions include:

- a) **Interfund Revenues**
Interfund revenues in the General Fund represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefit of the service or facilities, are reflected as an expenditure of that fund.
- b) **Transfers**
Transfers represent primarily payments to the Debt Service Fund and Capital Projects Fund from the other funds for their appropriate share of the debt service and capital projects.

COMPENSATED ABSENCES

The liability for vested or accumulated vacation and sick leave (compensated absences) is recorded as current and noncurrent obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. Compensated absences liability and expense are reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The amount that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the funds statement in the respective fund that will pay it.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town.

Health care benefits in accordance with New York State Health Insurance Rules and Regulations (administered by the New York State Department of Civil Service), are provided through the New York State Empire Plan (the "Empire Plan") whose premiums are based on the benefits paid)

The Town recognizes the cost of providing other post-employment benefits by recording its share of insurance premiums as an expenditure in the year incurred. The Town's union contracts and ordinances require that it provide its eligible enrollees with the Empire Plan benefit coverage, or if another provider is utilized, the equivalent coverage. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Town has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss.

6. LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITIES

The Town sponsors a length of service award program ("LOSAP"), a defined benefit service award program, for its volunteer ambulance workers of two different ambulance district companies. Both are single-employer plans and the Town reports the total LOSAP service award liability.

The LOSAP service award liability and proportionate share of the LOSAP service award liability have been measured as the actuarial present value of projected benefit payments. The contributions to the Plan are administered through a granter/rabbi trust and, as such, the assets are subject to the claims of the Town's creditors, the LOSAP pension liability/proportionate share has not been reduced by the LOSAP plan assets set-aside for benefit payments.

7. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded for budgetary control purposes in order to reflect the unexpended portion of the applicable appropriation, is employed in the governmental funds. Appropriations for all governmental funds except the Capital Projects Fund lapse at year-end. However, encumbrances are re-appropriated in the ensuing year. Encumbrances are reported as restricted, committed or assigned fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

All encumbrances are classified as assigned fund balance at December 31, 2020.

9. NEW ACCOUNTING PRINCIPLES

The Town has adopted all current Statements of the GASB that are applicable. As of December 31, 2020, the Town implemented the following new standard issued by GASB:

Governmental Accounting Standards Board (GASB) 84 issued authoritative guidance GASB Statement No. 84) *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are not reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the independent auditors' report, which is the date the financial statements were available to be issued

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

The Town follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before September 20th, each department, office or district submits to the Budget Officer and the Comptroller a detailed estimate of the budget known as “departmental estimates” for the amount of revenue to be received and expenditures to be made for the ensuing fiscal year.
- b) On or before September 30th, the Budget Officer files with the Town Clerk and the Comptroller and presents to the Board a tentative budget for the ensuing fiscal year.
- c) On or before October 5th, the Board reviews the tentative budget and files with the Town Clerk a preliminary budget.
- d) The Board conducts a public hearing on the preliminary budget and on or before November 20th the Board meets to adopt the budget now known as the “annual budget.”
- e) Formal budgetary integration is employed during the year as a management control device for the General and certain Special Revenue Funds. The Board adopts the budget and establishes a legal level of control over the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriations over \$5,000 require Board approval. Appropriations for all governmental funds, except the Capital Projects Fund, lapse at year-end.

In order to show the full legal level of budgetary compliance for the General and certain Special Revenue Funds, detailed individual schedule of revenues, expenditures and change in fund balance – budget and actual, are presented in a separate budget report.

- f) Budgets for the General and all Special Revenue Funds except for the Special Grant, LDC and Capital Projects Funds are legally adopted each year. The budgets are adopted on a basis of accounting consistent with GAAP. The Capital Projects and Special Grant Funds budgets are adopted on a project or grant basis.
- g) Budgetary controls for the Special Grant Funds are established in accordance with the applicable grant agreement, which covers a period other than the Town’s fiscal year. Consequently, the budgets for such funds have been excluded.
- h) In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2.00% property tax cap for municipalities, however there are permitted exceptions and adjustments that can increase the property tax cap percentage. Beginning in 2012, no local government is authorized to increase its property tax levy by more than the calculated property tax cap; however local governments can exceed the property tax cap limit by a 60% vote of the governing body and annually adopting a local law.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

1. BUDGETARY DATA (continued)

The 2021 budget reflects a 1.94% increase in real property tax revenue from the prior year for the Town's overall government activities, which is in compliance with the property tax cap imposed by New York State.

2. FUND BALANCES

FUND BALANCE CLASSIFICATION

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB-54") that defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB-54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable

Includes amounts that cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. This includes fund balance related to inventories, prepaids, long-term debt, notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

Restricted

Includes amounts that can be spent only for specific purposes stipulated by constitutional provisions, enabling legislation or external resource providers such as creditors, grantors, contributors or laws/regulations of other governments. All of the reserves of fund balance established by the Town allowed by law meet these criteria.

Committed

Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board, the Town's highest level of decision-making authority. These constraints can only be removed by the same formal action of the Board.

Assigned

Includes amounts that are constrained by the Town's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Town Board has the authority to assign amounts to be used for specific purposes. The Board is not required to impose or remove the constraint. Assignments cannot be made if it would result in a negative unassigned fund balance.

Unassigned

Includes the residual classification of the Town's General fund and includes all spendable amounts not contained in other classifications, including deficits in other funds.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

The Board is the highest level of authority for the Town and as such must adopt formal Board resolutions to establish, modify or rescind a Committed or Assigned fund balance for a specific purpose in accordance with all governing laws. General Municipal Law authorizes the governing board to establish most of the reserves of fund balance that are restricted for specific purposes.

The Town's policy is to apply expenditures against restricted fund balance, committed fund balance first, and then assigned fund balance and unassigned fund balance at the end of the fiscal year, in order as needed.

ASSIGNED FUND BALANCE

The Town's Assigned Fund Balance is a result of the Town Board's adoption of a resolution assigning funds for specific purposes.

The 2021 Preliminary Budget submitted by the Town Supervisor became the Final Budget on November 19, 2020. The 2021 final budget contained a projected use of \$700,000 of fund balance.

3. RECLASSIFICATION OF PRIOR YEAR PRESENTATION AND CHANGE IN ACCOUNTING PRINCIPLE

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84 *Fiduciary Activities*. These reclassifications have resulted in a cumulative effect of change in accounting principles. See Note F.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

Cash consists of funds deposited in demand accounts, time deposit accounts, and certificates of deposit with maturities of less than three months.

The Town's investments are governed by a formal investment policy that was adopted by a formal Board resolution. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies authorized to do business within the State of New York. The Town is authorized to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs. The policy authorizes the Town to invest in certificates of deposit, obligations of the U.S. Treasury, U.S. Agencies and investments made by the Cooperative Liquid Asset Security System ("CLASS").

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The Town does maintain cash and/or investments with CLASS.

The Town does not engage in the use of any derivative products or arbitrage investments.

All banks doing business with the Town must collateralize all amounts held by them in excess of the Federal Deposit Insurance Act ("FDIC") amount.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

It is the Town's policy to require collateral held in the name of the Town for demand deposits, money market deposits, and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Book balances of the primary government, including Agency Funds consists of the following:

Cash with the Town Supervisor	\$	111,482,753
Cash with the Town Receiver of Taxes		256,720,098
Cash with HCDA and HLDC		1,031,943
LOSAP Investments		10,617,653
		\$ 379,852,447

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exist when, in the event of the failure of the counterparty, a government will be unable to recover the value of its investments or collateral securities that are in possession of an outside party.

GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, requires deposits to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the Town’s name

At December 31, 2020 the Town’s bank deposit balances were \$247,588,836. Of these balances, \$2,474,283 was covered by the Federal Deposit Insurance Corporation; \$245,114,553 was covered by collateral held by the Town’s agent, a third-party financial institution, in the Town’s name. No funds were uncollateralized.

At December 31, 2020, the Town’s blended units’ bank balances were \$1,037,034. Of these balances, \$877,763 was covered by the Federal Deposit Insurance Corporation and \$159,271 was covered by collateral held by the Town’s component units’ agent, a third-party financial institution, in the Town’s component units’ name. No funds were uncollateralized.

At December 31, 2020, the Town’s discretely presented units’ bank balances were \$21,483,012. Of these balances, \$750,000 was covered by the Federal Deposit Insurance Corporation and \$20,733,012 was covered by collateral held by the Town’s component units’ agent, a third-party financial institution, in the Town’s component units’ name. No funds were uncollateralized.

Credit Risk – State law and Town law limit investments to those authorized by State statutes. The Town has a written investment policy.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

Interest-Rate Risk – The Town manages its interest rate risk by limiting the investments to demand deposits. Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk – Exists when investments in anyone type represents 5 percent or more of the total investments. Excluding from this requirement are investments issued or explicitly guarantee by the U.S. government.

LOSAP

Length of Service Award Program Plan Investments - External Investment Pool

The Town invests monies which are set-a-side for LOSAP retirement-like benefits in a multi-municipal cooperative investment pool consisting of money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds. Investments are stated at market value. The pool is not registered with the SEC and is overseen by the New York State Comptroller and an administrative agency hired by the New York State Comptroller.

Allocations of gains, losses and investment income are accounted for by the State Comptroller and third-party administrative agency. The Town’s fair value of its position in the pool is the same as the value of pool shares.

In accordance with FASB guidance, the LOSAP pooled assets utilizes ASC 820 “Fair Value Measurement and Disclosure” to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of LOSAP portfolio investments defined pursuant to this standard.

Securities are valued at the most recent market bid price as obtained from one or more market makers for such securities. There have been no significant changes in valuation techniques used in valuing any such positions held by LOSAP pool since the beginning of their fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The Town’s investment in the LOSAP pool of investments totals \$10,617,653 at December 31, 2020. The assets are subject to custodial risk in the event of the failure of the custodian holding the investments.

The Length of Service Award Program Plan assets are not required to be collateralized.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2020 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

<u>Major Funds</u>	<u>Amount Receivable</u>	<u>Amount Payable</u>
General Fund	\$ 2,601,848	\$ 20,161
Highway Fund	-	632,721
Refuse and Garbage Fund	25,509	526,485
Town Outside Village	-	29,276
Water Districts	9,993	31,823
Community Development	-	2,188,153
Capital Projects	399,113	-
<u>Nonmajor Funds:</u>		
Street Lighting District	-	14,682
Sewer Districts	-	26,441
Ambulance Districts	433,279	-
	<u>\$ 3,469,742</u>	<u>\$ 3,469,742</u>

Interfund transfer balances for the primary government at December 31, 2020 represent primarily the receipt and payment of general obligation bond principal and interest and funding of capital project expenditures and are stated as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Funds:</u>		
General Fund	\$ -	\$ 8,833,834
Highway Fund	-	6,484,917
Refuse and Garbage Fund	-	217,119
Town Outside Village	-	235,820
Water Districts	-	737,260
Capital Projects	4,981,461	-
Debt Service	12,791,127	-
<u>Nonmajor Funds:</u>		
Street Lighting District	-	10,564
Sewer Districts	-	1,253,074
	<u>\$ 17,772,588</u>	<u>\$ 17,772,588</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

<u>Primary government</u>	<u>Balance</u> <u>1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
Capital assets not being depreciated				
Land	\$ 130,807,122	\$ 2,084,488	\$ -	\$ 132,891,610
Total capital assets not being depreciated	<u>130,807,122</u>	<u>2,084,488</u>	<u>-</u>	<u>132,891,610</u>
Other capital assets:				
Buildings	113,287,187	2,857,705	-	116,144,892
Improvements other than buildings	99,790,077	544,931	-	100,335,008
Machinery and equipment	49,873,482	2,003,785	1,381,715	50,495,552
Infrastructure	457,050,692	8,666,778	-	465,717,470
Total depreciable capital assets	<u>720,001,438</u>	<u>14,073,199</u>	<u>1,381,715</u>	<u>732,692,922</u>
Total assets Primary Government	<u>850,808,560</u>	<u>16,157,687</u>	<u>1,381,715</u>	<u>865,584,532</u>
Less accumulated depreciation				
Buildings	53,441,305	2,716,612	-	56,157,917
Improvements other than buildings	60,063,909	3,206,324	-	63,270,233
Machinery and equipment	44,681,621	2,595,119	1,076,061	46,200,679
Infrastructure	363,170,490	6,699,134	285,654	369,583,970
Total accumulated depreciation	<u>\$ 521,357,325</u>	<u>\$ 15,217,189</u>	<u>\$ 1,361,715</u>	<u>535,212,799</u>
Total net depreciable capital assets				<u>197,480,123</u>
Total net capital assets				<u>\$ 330,371,733</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 1,545,516
Public safety	948,035
Transportation	6,540,891
Economic assistance and opportunity	47,810
Culture and recreation	3,128,277
Home and community services	3,006,660
Total governmental activities depreciation expense	<u>\$ 15,217,189</u>

The Town of Huntington evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2020, the Town has not recorded any such impairment losses.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

<u>Discretely presented component units</u>	Balance 1/1/20	Additions	Deletions	Balance 12/31/20
Capital assets not being depreciated				
Land	\$ 1,306,746	\$ -	\$ -	\$ 1,306,746
Construction in progress	548,858	2,165,999	350,755	2,364,102
Total capital assets not being depreciated	<u>1,855,604</u>	<u>2,165,999</u>	<u>350,755</u>	<u>3,670,848</u>
Depreciable capital assets				
Buildings and improvements	60,127,046	555,963	-	60,683,009
Machinery and equipment	18,676,807	73,991	-	18,750,798
Infrastructure	54,951,516	914,381	-	55,865,897
Total depreciable capital assets	<u>133,755,369</u>	<u>1,544,335</u>	<u>-</u>	<u>135,299,704</u>
Total Assets - Component Units	<u>135,610,973</u>	<u>3,710,334</u>	<u>350,755</u>	<u>138,970,552</u>
Less accumulated depreciation				
Buildings and improvements	20,951,555	1,625,490	-	22,577,045
Machinery and equipment	12,348,569	786,076	-	13,134,645
Infrastructure	40,443,399	1,061,854	-	41,505,253
Total accumulated depreciation	<u>\$ 73,743,523</u>	<u>\$ 3,473,420</u>	<u>\$ -</u>	<u>77,216,943</u>
Total net depreciable capital assets				<u>58,082,761</u>
Total net capital assets				<u>\$ 61,753,609</u>

C. DETAILED NOTES ON ALL FUNDS

4. INDEBTEDNESS

SHORT TERM DEBT

Construction Loan Payable – As of December 31, 2020, the Community Development Agency has a construction loan payable for the construction of Columbia Terrace totaling \$1,600,000 from a financial institution. Interest rate on the loan as of December 31, 2020 was 3.25%.

DEPOSITS LIABILITY

The deposits liability consists of deposits received from customers, potential vendors, or vendors, in an amount determined by the Town, to guarantee satisfactory performance with the terms of a contract. The deposits are held in escrow and will be returned to customer or vendor upon the Town's approval of performance with the terms of the contract. The deposit may be forfeited to the Town if the work is not completed satisfactorily.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT

Summary of changes in the Town's long term liabilities for the year ended December 31, 2020 is as follows:

	Balance 1/1/20	Increases	Reductions	Balance 12/31/20	Non-current liabilities due within one year
Primary Government:					
General obligation bonds	\$ 82,903,807	\$ 19,533,597	\$ 13,044,071	\$ 89,393,333	\$ 10,235,757
Premium on General Obligation Bonds	1,354,059	412,774	525,301	1,241,532	494,383
Net Pension Liability	13,827,107	36,834,627	-	50,661,734	-
Due to Employee Retirement System	1,295,416	-	419,062	876,354	431,679
Other Postemployment Benefits	284,279,558	45,909,091	9,507,636	320,681,013	-
Length of Service Award Program Liability	12,359,361	1,663,784	-	14,023,145	-
Compensated absences	11,956,727	6,072,197	3,953,658	14,075,266	6,072,197
Claims and judgments	16,362,711	7,239,343	4,382,793	19,219,261	3,070,000
Estimated liability for landfill closure and post-closure care costs	232,515	-	39,924	192,591	39,924
Capital Lease Payable	279,917	392,428	179,659	492,686	148,267
	<u>\$ 424,851,178</u>	<u>\$ 118,057,841</u>	<u>\$ 32,052,104</u>	<u>\$ 510,856,915</u>	<u>\$ 20,492,207</u>
Component Units:					
General obligation bonds	\$ 22,081,194	\$ 2,371,403	\$ 4,290,929	\$ 20,161,668	\$ 2,504,242
Premium on General Obligation Bonds	1,096,231	283,522	191,784	1,187,969	185,471
Other Postemployment Benefits	15,342,011	3,077,394	708,113	17,711,292	-
Net Pension Liability	660,087	2,290,936	636,231	2,314,792	-
Compensated absences	645,549	100,259	7,549	738,259	79,835
	<u>\$ 39,825,072</u>	<u>\$ 8,123,514</u>	<u>\$ 5,834,606</u>	<u>\$ 42,113,980</u>	<u>\$ 2,769,548</u>

General Obligation Bonds – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.00% to 5.00% and have maturity dates in 2021 through 2035. The outstanding debt, including component units, as of December 31, 2020 is \$109,555,001.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

	<u>Beg Bal 1/1/20</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance @ 12/31/20</u>
Primary Government				
General Fund	\$33,455,012	\$9,802,457	\$4,512,160	\$38,745,309
Town Outside Village	1,818,603	446,283	250,693	2,014,193
Highway Fund	36,898,863	7,807,822	6,378,553	38,328,132
Sewer Districts	4,479,336	221,002	960,332	3,740,006
Street Lighting District	19,627	-	9,583	10,044
Refuse and Garbage Fund	1,325,274	570,865	359,622	1,536,517
Water District	4,907,092	685,168	573,128	5,019,132
	<u>\$82,903,807</u>	<u>\$19,533,597</u>	<u>\$13,044,071</u>	<u>\$89,393,333</u>
Component Units				
Greenlawn Water District	7,034,873	965,026	523,296	7,476,603
South Huntington Water District	15,046,321	1,406,377	3,767,633	12,685,065
	<u>\$22,081,194</u>	<u>\$2,371,403</u>	<u>\$4,290,929</u>	<u>\$20,161,668</u>

The annual requirements to amortize all bonded debt outstanding as of December 31, 2020 including interest payments of \$14,621,792 are as follows:

Primary Government:

Year Ending

<u>December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2021	\$ 10,235,757	\$ 2,919,190	\$ 13,154,947
2022	9,520,262	2,367,982	11,888,244
2023	8,695,398	1,996,990	10,692,388
2024	8,087,648	1,669,318	9,756,966
2025	7,585,598	1,373,005	8,958,603
2026-2030	30,861,058	3,639,733	34,500,791
2031-2035	14,407,612	655,574	15,063,186
	<u>\$ 89,393,333</u>	<u>\$ 14,621,792</u>	<u>\$ 104,015,125</u>

Component Units:

Year Ending

<u>December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2021	\$ 2,504,242	\$ 738,647	\$ 3,242,889
2022	2,449,741	611,789	3,061,530
2023	2,509,602	509,704	3,019,306
2024	2,037,351	405,157	2,442,508
2025	1,854,404	322,601	2,177,005
2026-2030	6,323,941	768,377	7,092,318
2031-2035	2,482,387	127,814	2,610,201
	<u>\$ 20,161,668</u>	<u>\$ 3,484,089</u>	<u>\$ 23,645,757</u>

The above general obligation bonds are direct borrowing of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

Liabilities for claims and judgments payable and landfill closure and post-closure care costs are liquidated through future budgetary appropriations in the General Fund. The liabilities for due to Employee's Retirement System, compensated absences, other postemployment benefits payable, length of service award program liability – proportionate share and net pension liability – proportionate share are liquidated through future budgetary appropriations in the funds that gave rise to the liability.

CURRENT REFUNDING OF BONDS

On September 23, 2020 the Town issued \$3,970,000 in general obligation bonds with an net interest rate of 0.33% to refund \$4,550,000 of outstanding serial bonds with an average interest rate of 2.95%. The net proceeds of \$4,609,217 (including a premium of \$630,918 and after payment of \$58,299 in underwriting fees, insurance and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the Town's financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is calculated at \$369,135. The redemption date of the refunded bonds is October 23, 2020 and therefore, at December 31, 2020 such bonds are no longer outstanding. At December 31, 2020, the outstanding principal balance of the refunding bonds is \$3.97 million, of which approximately \$2.56 million is for general Town purposes and approximately \$1.41 million is for the component units and is expected to be fully redeemed in year 2026.

LEGAL DEBT MARGIN

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2020, that amount was \$2,761,572,477. At December 31, 2020, the total outstanding debt applicable to the limit was \$84,374,197, which is 3.06% of the total debt limit.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

CAPITAL LEASES

In 2015 the Town entered into a fleet management master equity lease agreement with Enterprise. As of December 31, 2020 the Town has 42 vehicles under this lease agreement with monthly lease payments of approximately \$18,600 for a 5-year period with various commencement dates in ranging from 2015 to 2020. At December 31, 2020, the principal amount outstanding was \$492,686. The interest rate on these vehicles varies based on the interest rate in effect of the time of acquisition.

Future minimum lease payments for the Town under these capital leases are as follows:

<u>Year Ending Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 148,267	\$ 35,749	\$ 184,016
2022	117,648	28,469	146,117
2023	91,140	21,110	112,250
2024	82,797	18,759	101,556
2025	52,834	11,688	64,522
	<u>\$ 492,686</u>	<u>\$ 115,775</u>	<u>\$ 608,461</u>

Equipment under these capital leases have been reported in the capital assets at December 31, 2020 as follows:

	<u>Asset</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Machinery and equipment	\$ 1,236,933	\$ 744,247	\$492,686

5. RETIREMENT SYSTEM

The Town of Huntington participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term.

The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee and the Audit Advisory Committee.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (“RSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Generally, members of the ERS are employees of the State and its municipalities, other than New York City. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. In the Fund statements, GLIP amounts are apportioned to and included in ERS. The ERS is included in the State’s financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Obligation of employers and employees to contribute and benefits to employees are governed by the RSSL. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of their funds.

Vesting

Members who joined the ERS prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested.

Benefits Provided

The ERS provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2, is 55 and 62, respectively.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year’s compensation used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4, and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 members is age 63 for System members.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Contributions

Generally, Tier 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller shall certify annually the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ended March 31st. The actual contribution was \$8,603,374.

Retirement Amortizations and Incentives

Pursuant to Chapter 57 of the Laws of 2010, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for 10 years. This law requires participating governments to make payments on a current basis, while amortizing existing unpaid amounts relating to the New York State and Local Employees' Retirement System's fiscal years when the local employer opts to participate in the program. Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, the Town will be required to pay additional moneys into a specific reserve fund which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. The Town's total deferred amount related to the 2013 fiscal year was \$3,905,184 and will be billed and paid over ten years beginning in 2014 and will include interest at 3.0%. During 2020, the Town paid \$419,062 toward this program and has a remaining liability at December 31, 2020 of \$876,354.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Future principal and interest payments to maturity for the Chapter 57 amortizations are as follows:

<u>Years Ending</u> <u>December 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Payment</u>
2021	\$ 431,679	\$ 27,823	\$ 459,502
2022	444,675	14,827	459,502
	<u>\$ 876,354</u>	<u>\$ 42,650</u>	<u>\$ 919,004</u>

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2020, the Town reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as March 31, 2020. The total pension liability used to calculate the net pension (liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS System in reports provided to the Town.

Actuarial valuation date	April 1, 2019
Net pension liability	\$ 50,661,734
Town's proportion of the Plan's total net pension liability	0.1913166%
Change in the allocation of the System's total net pension liability since the prior measurement date	-0.0038353%

There was no significant change in the Town's proportionate share from March 31, 2019 to March 31, 2020.

	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 2,981,648	\$ -
Net difference between projected and actual investment earnings on pension plan investments	25,971,667	-
Changes of assumptions	1,020,087	880,828
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,213,879	436,860
Town's contribution subsequent to measurement date	8,066,877	-
Total	<u>\$ 39,254,158</u>	<u>\$ 1,317,688</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date in the amount of \$8,066,877 will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts will be recognized in pension expense as follows:

December 31:			
2021		\$	5,155,918
2022			7,514,802
2023			9,578,328
2024			7,620,545
	Total	\$	<u>29,869,593</u>

ACTUARIAL ASSUMPTIONS

The total pension liability as of the measurement date of March 31, 2020 was determined using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS
Measurement Date	March 31, 2020
Actuarial Valuation Date	April 1, 2019
Interest Rate	6.8%
Salary Scale	4.2%
Decrement Tables	Developed from Plan's 2015 experience study for period April 1, 2010 through March 31, 2015
Cost of Living Adjustment	1.3%
Inflation Rate	2.5%

Annuitant mortality rates are based on System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

ACTUARIAL ASSUMPTIONS (continued)

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

	ERS	
Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	36.0%	4.05%
International equity	14.0%	6.15%
Private equity	10.0%	6.75%
Real estate	10.0%	4.95%
Absolute return strategies	2.0%	3.25%
Oppportunistic portfolio	3.0%	4.65%
Real assets	3.0%	5.95%
Bonds and mortgages	17.0%	0.75%
Cash	1.0%	0.00%
Inflation indexed bonds	4.0%	0.50%
	100.0%	

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 6.8% for the System. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) TO THE DISCOUNT RATE ASSUMPTION

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1% point lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's proportionate share of the net pension liability	\$92,978,585	\$50,661,734	\$11,687,734

PENSION PLAN FIDUCIARY NET POSITION

The components of the current-year pension liability of the employers in the System as of the March 31, 2020 were as follows:

	ERS (Dollars in thousands) March 31, 2020
Employer's total pension liability	\$ 194,596,261
Fiduciary net position	(168,115,682)
Employer's net pension liability	\$ 26,480,579
 Ratio of fiduciary net position to the employer's total pension liability	 86.39%

Detailed information about the pension plan's fiduciary net position is available in the ERS separately issued financial statements.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

New York State Voluntary Defined Contribution Plan

On March 16, 2012, Chapter 18 of the Laws of 2012 was signed into law, which amended portions of the Retirement and Social Security Law, Education Law and the Administrative Code of the City of New York. This legislation affected the contributions and benefits of employees who joined a New York State public retirement system on or after April 1, 2012. Beginning July 1, 2013, a Voluntary Defined Contribution (VDC) plan option was made available to all unrepresented employees of the NYS public employers hired on or after July 1, 2013, and earning at a full-time rate of \$75,000 or more on an annual basis.

The SUNY Optional Retirement Plan (ORP) was selected as the vehicle to offer eligible employees the alternative defined contribution option, and Education Law was modified accordingly to permit this newly eligible class of employees. Vesting, investment providers, and plan rules follow the SUNY ORP Plan Document and policies.

Employer Contribution

An employer contribution of 8% of salary is made for the duration of employment. An employee contribution is required for the duration of employment based upon estimated gross annual wages in a given calendar year, as follows:

Wages of \$45,000 or less	3.00%
Wages of \$45,000.01 to \$55,000	3.50%
Wages of \$55,000.01 to \$75,000	4.50%
Wages of \$75,000.01 to \$100,000	5.75%
Wages of more than \$100,000	6.00%

*Salary rates will be considered in reaching the \$75,000 threshold for part-time employees.

VDC employee contributions are made through payroll deduction on a pre-tax basis. Contributions are not subject to Federal income tax until withdrawn but are subject to state and local income taxes in the year in which they are made. All earnings on contributions are tax deferred until they are withdrawn. All contributions are made based upon IRS compensation and contribution limits, which are determined annually.

Vesting

Upon completion of 366 days of service (waived for employees who enter service with employer-funded retirement contracts from any of the VDC investment providers), the participant has full and immediate vesting in all retirement and death benefits provided by the retirement annuities purchased through employee and employer contributions. Contributions will begin upon plan entry, but are held by the employer until completion of the vesting period. Once vested, the employer will make a single lump sum contribution of applicable employer and employee contributions plus interest to the investment provider(s) selected by the participant. A participant who does not complete the vesting period is entitled to a refund of his or her own contributions plus interest.

Contributions made to the VDC program by the Town were \$32,672 for the year ended December 31, 2020.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

6. OTHER POST-EMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE)

Plan Description:

In the government-wide financial statements, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future years when it will be paid. The Town recognizes the costs of other postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. The Town established and administers a single-employer defined benefit OPEB plan for its employees. Amendments to the plan are authorized by the union contract. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Medical coverage, including prescription drugs as part of the medical plan, is offered to retirees on a fully insured basis through the New York State Health Insurance Program (NYSHIP and HIP). Retirement is available for exempt employees who separate from service, are at least 50 years old and have 15 consecutive years of full time service with the Town. Also, based on collective bargaining agreements, the Town provides continuation of medical insurance to employees who are at least 55 years old and have 20 consecutive years of service with the Town. The retiree and his/her beneficiaries receive this coverage for the life of the retiree and continued coverage for a non-married spouse and dependent children upon the death of the retiree. The Town will also reimburse the full premium costs for Medicare part B payments. These contracts will be renegotiated at various times in the future. Upon death of a retiree, the Town will continue the Medicare part B reimbursement for the non-married spouse. For all other employees who separate from service with the Town and have 10 consecutive years of full time service, the Town will pay 75% of premiums for employees and 35% of spouse's premium. The Town, as Administrator of the Plan, does not issue a separate report.

Employees Covered by Benefit Terms

The number of participants as of January 1, 2020, the effective date of the most recent actuarial valuation, are as follows:

	Total	Town	<u>Component</u> <u>Units</u>
Active Employees	612	579	33
Retirees	663	635	28
Spouses of Retired Employees	327	310	17
Total	1,602	1,524	78

There have been no significant changes in the number of participants or the type of coverage since that date.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

6. OTHER POST-EMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE) (continued)

Total OPEB Liability

The Town's total OPEB liability of \$320,681,013 was measured as of December 31, 2020 and was determined by an actuarial valuation of January 1, 2020, with updated procedures used to roll forward the OPEB liability to the measurement date. The component units' total OPEB liability of \$17,711,292 was measured as of December 31, 2020 and was determined by an actuarial valuation of January 1, 2020, with updated procedures used to roll forward the OPEB liability to the measurement date.

Funding Policy:

The Town contributes to the plan to satisfy obligations on a pay-as-you-go basis.

Actuarial Assumptions and other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as Understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

The total OPEB liability in the January 1, 2020 valuation was determined using the following actuarial assumptions and other input:

Salary increases	3.50%
Discount rate	2.12%
Healthcare cost trend rates	8.0% in 2019, grading down 1.0% per annum to an ultimate rate of 5.0% in years 2022 and later.

The discount rate was based on the December 31, 2020 Bond Buyers 20 Bond Index.

Mortality rates were based on the RPH-2014 using projection scale MP-2019.

The demographic assumptions used for this valuation are based on the New York State Employees' Retirement System ("ERS"). The actuarial assumptions used in the January 1, 2020 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

6. OTHER POST-EMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE) (continued)

The following table shows the components of the Town's other postemployment benefits liability:

Changes in Total OPEB Liability	Town of Huntington
Balance at December 31, 2019	<u>\$ 284,279,558</u>
Changes for the year	
Service Cost	7,692,777
Interest	7,870,668
Differences between expected and actual experience	-
Changes in assumptions and other inputs	30,345,646
Benefit Payments	<u>(9,507,636)</u>
Net Changes	<u>36,401,455</u>
Balance at December 31, 2020	<u><u>\$ 320,681,013</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.74% in 2019 to 2.12 % in 2020.

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current rate:

Sensitivity of the total OPEB liability to changes in the discount rate.

1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
<u>\$380,483,967</u>	<u>\$320,681,013</u>	<u>\$273,824,393</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.

1% Decrease (6.00%) decreasing to 4.00%)	Healthcare Cost Trend Rates (7.00% decreasing to 5.00%)	1% Increase (8.00%) decreasing to 6.00%)
<u>\$267,587,103</u>	<u>\$320,681,013</u>	<u>\$390,302,454</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

6. OTHER POST-EMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020 the Town recognized post-employment benefit expense of \$15,556,840 in the statement of activities. The Town reported deferred inflows and outflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,802,272
Changes of assumptions or other inputs	55,289,072	12,348,121
	\$ 55,289,072	\$ 16,150,393

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

December 31st:

2021	\$	9,501,031
2022		11,853,056
2023		14,533,274
2024		3,251,318
		\$ 39,138,679

The Town's discretely presented component units had an ending total other postemployment benefit liability of \$17,711,292 as of December 31, 2020.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP

Plan Description

The Town of Huntington participates in two Volunteer Ambulance First Aid Workers Service Award Programs (the Plans): Commack Volunteer Ambulance Corps. and Huntington Community First Aid Squad, Inc. Both plans are single-employer defined benefit pension plans covering the volunteer ambulance workers. The Plans are administered by Penflex, Inc. with all provisions and amendments subject to approval of the Board. None of the pension plans issue separate audited reports on the pension plans. The Plans are established under New York State Law Section 565-B, A7635-B, and Article 11AAA. The Plans are non-contributory. The Town is required to contribute the amount calculated by the actuary retained by the State Comptroller. The Town pays the contribution from the Town's respective Ambulance District Fund. This program is a single-employer defined benefit plan with contributions and program assets in a grantor/rabbi trust and, as such, the assets are subject to the claims of the Town's general creditors. The trustee of the Ambulance Program, which has been designated by the State Comptroller, is authorized to invest the funds in authorized investment vehicle. Administrative costs are paid from the Trust Fund and added to the required contribution calculated by the actuary and paid by the Town.

Benefits Provided

Any volunteer ambulance worker who completed five years of service and attains age 65 is eligible for normal retirement benefits. The amount of the monthly retirement income payable to a volunteer ambulance worker eligible for normal retirement benefits is equal to \$20 multiplied by the total years of service, which is not to exceed 40 years with no post-retirement benefit increases. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Ambulance Program also provides disability and death benefits.

Participants covered by the benefit terms, At the December 31, 2019 measurement date, the following participants were covered by the benefit terms.

Commack Volunteer Ambulance Corps

Inactive participants currently receiving benefit payments	16
Inactive participants entitled to but not yet receiving benefit payments	44
Active participants	<u>102</u>
Total	<u>162</u>

Huntington Community First Aid Squad

Inactive participants currently receiving benefit payments	74
Inactive participants entitled to but not yet receiving benefit payments	118
Active participants	<u>217</u>
Total	<u>409</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP(continued)

Contributions

New York State General Municipal Law §219-o (1) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town Board.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2019 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2020 with scale MP2017.

Discount Rate: The discount rate used to measure the total pension liability was 3.26%. This was the yield to maturity of the S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch , or AA by Standard & Poor's Rating Services

Trust Assets: Although assets have been accumulated in an irrevocable trust such that the assets dedicated to providing pensions to the plan members in accordance with benefit term, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Changes in the Total Pension Liability

Commack Volunteer Ambulance Corps

Balance as of 12/31/2018 measurement date	\$ 1,903,059
Changes for the year	
Service Cost	89,690
Interest	71,926
Changes in assumptions or other inputs	147,219
Difference between expected & actual experience	9,504
Benefit payments	<u>(33,512)</u>
Net changes	<u>284,827</u>
Balance as of 12/31/2019 measurement date	<u>\$ 2,187,886</u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Town as of December 31, 2019 measurement date, calculated using the discount rate of 3.26 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.26 percent) or one percentage point higher (4.26 percent) than the current rate:

	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
Total Pension Liability	<u>\$2,652,086</u>	<u>\$2,187,886</u>	<u>\$1,828,603</u>

Huntington Community First Aid Squad

Balance as of 12/31/2018 measurement date	\$ 10,456,303
Changes for the year	
Service Cost	409,950
Interest	390,114
Changes in benefit terms	-
Changes in assumptions or other inputs	640,608
Difference between expected & actual experience	235,973
Benefit payments	<u>(297,689)</u>
Net changes	<u>1,378,956</u>
Balance as of 12/31/2019 measurement date	<u>\$ 11,835,259</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Town as of December 31, 2019 measurement date, calculated using the discount rate of 3.26 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.26 percent) or one percentage point higher (4.26 percent) than the current rate:

	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
Total Pension Liability	\$13,789,952	\$11,835,259	\$10,251,308

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Commack Volunteer Ambulance Corps

Components of Pension Expense

Service cost	\$	89,691
Interest on total pension liability		71,926
Changes of assumptions or other inputs		3,421
Differences between expected and actual experience		(15,525)
Pension plan administrative expenses		5,795
Total pension expense		\$ 155,308

For the year ended December 31, 2020, the Town recognized pension expense of \$155,308 in the statement of activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,767	\$ 246,856
Changes of assumptions or other inputs	290,467	302,822
Benefit payments & administrative expenses subsequent to the measurement date	45,685	-
Total	\$ 344,919	\$ 549,678

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2021.

Year ended December 31:

2021	\$	(12,103)
2022		(12,103)
2023		(12,103)
2024		(12,103)
2025		(12,103)
Thereafter		<u>(189,929)</u>
Total	\$	<u><u>(250,444)</u></u>

Huntington Community First Aid Squad

Components of Pension Expense

Service cost	\$	409,950
Interest on total pension liability		390,114
Changes of benefit terms		-
Changes of assumptions or other inputs		1,442
Differences between expected and actual experience		38,149
Pension plan administrative expenses		<u>11,434</u>
Total pension expense	\$	<u><u>851,089</u></u>

For the year ended December 31, 2020, the Town recognized pension expense of \$851,089 in the statement of activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 366,971	\$ -
Changes of assumptions or other inputs	1,118,871	1,126,694
Benefit payments & administrative expenses subsequent to the measurement date	<u>340,723</u>	<u>-</u>
Total	<u><u>\$ 1,826,565</u></u>	<u><u>\$ 1,126,694</u></u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (continued)**

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2020.

Year ended December 31:

2021	\$39,591
2022	39,591
2023	39,591
2024	39,591
2025	39,591
Thereafter	<u>161,193</u>
Total	<u><u>\$359,148</u></u>

8. COMPENSATED ABSENCES

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the government-wide financial statements. Payment of vacation time and sick leave is dependent upon many factors, and therefore the timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2020, the value of the accumulated vacation time and sick leave was \$14,075,266 for the Town and \$738,259 for the Component Units.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

8. COMPENSATED ABSENCES

Primary Government	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
General Fund	\$ 7,130,448	\$ 3,448,457	\$ 2,316,179	\$ 8,262,726
Part Town Fund	983,306	516,229	296,784	1,202,751
Highway	2,197,116	1,322,584	901,283	2,618,417
Street Lighting	168,315	89,151	70,365	187,101
Refuse District	805,869	372,370	323,504	854,735
Sewer Districts	226,273	160,059	32,292	354,040
Water District	359,583	125,749	2,594	482,738
CDA	85,817	37,598	10,657	112,758
Total Primary Government	\$ 11,956,727	\$ 6,072,197	\$ 3,953,658	\$ 14,075,266

Component Units

Greenlawn Water District	\$ 276,630	\$ 47,062	\$ -	\$ 323,692
South Huntington Water District	368,919	53,197	7,549	414,567
Total Components	\$ 645,549	\$ 100,259	\$ 7,549	\$ 738,259

9. TAX ABATEMENTS

The Town of Huntington has two real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York (“PHFL”) for the purpose of creating or preserving affordable housing in the Town.

Generally, these agreements, which are eligible for tax exemption under Section 52 of Public Housing Laws, and Section 577 of PHFL, provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based either on a percentage of shelter rents or an agreed upon per unit basis, and shall continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. DETAILED NOTES ON ALL FUNDS (continued)

9. TAX ABATEMENTS (continued)

Information relevant to disclosure of these agreements for the year ended December 31, 2020 is as follows:

Start Date	Agreement	Taxable Assessed Valuation	Tax Rate	Tax Value	PILOT Received	Terms of the Agreement	Taxes Abated
3/1/1999	Huntington Housing Authority 40 Units	\$ 50,700	27.83	\$ 14,110	\$ 2,192	49 Years	\$ 11,918
12/1/2015	HG Housing Development Fund Company, Inc. & Highland Green Residence, LLC	\$ 82,600	28.36	\$ 23,425	\$ 11,099	30 Years	\$ 12,326
				\$ 37,535	\$ 13,291		\$ 24,244

In addition, the Suffolk County Industrial Development Agency (SCIDA) has entered into PILOT agreements on ten properties located within the Town of Huntington in lieu of Real Property Taxes. The PILOT agreements are eligible and authorized under Title I of Article 18-A of General Municipal Law Section 874 of the State of New York. The purpose of these agreements fall within the scope of the SCIDA mission statement which is to promote the economic welfare, employment opportunities and quality of life of the residents of Suffolk. The SCIDA accomplishes this mission by providing financial assistance to businesses in order to help them flourish and grow in Suffolk County. The Town's tax value and the PILOTs on these properties as of December 31, 2020 were \$453,347 and \$296,437 respectively. The abated taxes are comprised of General Fund, Highway Fund, Part-Town Fund, Street-Lighting and various non-major funds and totaled \$111,848.

D. COMMITMENTS AND CONTINGENCIES

1. RISK RETENTION

In common with other municipalities, the Town receives numerous notices of claims. The Town self-insures for bodily injury and property damage up to a maximum of \$1,000,000 per claim. Claims in excess of \$1,000,000 are covered by an excess liability policy providing for \$10,000,000 per occurrence and in the aggregate. The Town is also self-insured for automobile liability insurance with the same limits as above. Additionally, the Town is self-insured for workers' compensation insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against catastrophic workers' compensation losses up to a \$10,000,000 cap with a \$2,000,000 retention for each loss. Although the eventual outcome of these claims cannot presently be determined, the amount of unsettled claims and litigation is estimated to be \$19,219,261. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last three years.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK RETENTION (continued)

The Town estimates its workers' compensation and general liability by consulting with legal counsel and past experience with similar claims. The Town has not purchased any annuity contracts with regard to its workers' compensation or general liability claims.

The schedule below presents the changes in claims liabilities for the past two years for general liability and workers' compensation and includes an estimate of claims that have been incurred but not yet reported.

	Workers' Compensation		General Liability	
	2020	2019	2020	2019
Unpaid claims and claim adjustment expenditures at beginning of year	\$ 7,646,977	\$ 7,043,800	\$ 8,715,734	\$ 6,498,555
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in provision for insured events of prior years	5,049,898	3,701,811	2,189,445	3,291,973
Payments:				
Claims and claim adjustment expenditures attributable to insured events and of the current and prior years	3,795,886	3,098,634	586,907	1,074,794
Total unpaid claims and claim adjustment expenditures at the end of year	\$ 8,900,989	\$ 7,646,977	\$ 10,318,272	\$ 8,715,734

2. RESOURCE RECOVERY FACILITY

The waste-to-energy Resource Recovery Facility, which was constructed to service the Town, was financed through the issuance of \$176,550,000 in Industrial Development Bonds, by the New York State Environmental Facilities Corporation. The facility was constructed and is now being operated by Covanta Huntington Limited Partnership ("Covanta") (formerly known as Ogden Martin Systems, Inc.), an affiliate of Covanta Energy, Inc. The facility is currently operating at full capacity.

Industrial Development Bonds are not general obligations of the Town and do not constitute any indebtedness of or charge against the general credit of the Town. However, the Town has entered into a Service Agreement with Covanta pursuant to which the Town has certain obligations with respect to the delivery of waste tonnage to the facility and the payment of related service fees, that when combined with revenue from the sale of project-generated electricity will finance both the operating expenses and debt service relating to the facility. The original Service Agreement had a term of 25 years. In September 2018, the Town exercised their option to extend this Service Agreement until the year 2024 and amended the financial provisions in the extension.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

D. COMMITMENTS AND CONTINGENCIES (continued)

2. RESOURCE RECOVERY FACILITY (continued)

In September 1989, the Board closed its 60-year old landfill and thereafter, entered into an agreement with the neighboring Town of Smithtown. This agreement executed in December 1989 provided that until such time as Huntington's waste-to-energy facility was constructed, Huntington would share the use of two cells in Smithtown's State-approved landfill for the disposal of its solid waste. For the reserving of capacity and the transfer of a fee interest in the first cell, the Town has paid the Town of Smithtown a charge of approximately \$33.30 per ton of solid waste disposed of therein. For its use of the second cell, which was constructed to receive solid waste upon the first cell being filled to capacity, the Town must pay the Town of Smithtown a fee equal to a portion of the capital costs, costs of usage associated with such cell, and the costs incurred after the cell is no longer utilized. The Town has been paying approximately one-half of these costs. Included in the capital costs is a general obligation bond issued by the Town of Smithtown to finance the construction of the second cell.

As further consideration for allowing the Town to use its landfill, the agreement grants the Town of Smithtown the right to deliver its processable solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement with Covanta. The total costs paid by the Town under this service agreement during 2020 amounted to \$22,032,210 of which \$8,306,143 was reimbursed by the Town of Smithtown.

3. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Town of Huntington to place a final cover on its landfill site, which stopped accepting waste in 1989, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Accordingly, as of December 31, 2020, the Town has recorded a liability of \$192,591 which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may be higher or lower due to inflation or deflation, changes in technology or changes in regulations or applicable laws.

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$6,647,155 has been recorded as encumbrances in the Capital Projects Fund.

5. LITIGATION

The Town is involved in various litigation arising in the normal conduct of its affairs. Some of the law suits seek damages which could be in excess of the Town's insurance coverage. However, it is not possible to determine the Town's potential exposure, if any, at this time.

6. GRANTS

The Town has received grants that are subject to review and approval, and subject to audit by agencies of the State and Federal government. Such reviews or audits may result in disallowances or a request for a return of funds. Based on prior years, the Town does not believe that any disallowance would be material.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

D. COMMITMENTS AND CONTINGENCIES (continued)

7. LEASE COMMITMENTS

The Town leases office equipment under an operating lease. The total rental expenditures on such lease for the year ended December 31, 2020 was \$200,491. The maximum future operating lease payments are as follows:

Year ended December 31:	<u>Amount</u>
2021	<u>\$ 203,984</u>

8. CORONAVIRUS

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020. Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic.

The Town has recently applied for Coronavirus State and Local Fiscal Recovery funds made available by the US Treasury for state and local governments. The amount and details of this funding is not yet determinable.

The degree of impact of the Coronavirus on the Town's future operations and finances is extremely is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Town. The Town is continuously monitoring the situation and will take proactive measure as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonable estimate the actual impact on the Town's future financial position at this time.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed financial statements for the discretely presented component units as of and for the year ended December 31, 2020:

Condensed Statement of Net Position:

	South Huntington Water District	Greenlawn Water District	Totals
Assets			
Current assets and other assets	\$ 13,826,054	\$ 11,414,054	\$ 25,240,108
Capital assets net of depreciation	43,480,484	18,273,125	61,753,609
Deferred outflow of resources	2,353,482	2,473,760	4,827,242
Total Assets and Deferred Outflows	<u>59,660,020</u>	<u>32,160,939</u>	<u>91,820,959</u>
Liabilities and Net Position			
Current liabilities	4,091,603	971,219	5,062,822
Other long term liabilities	22,446,884	16,897,548	39,344,432
Deferred inflow of resources	1,220,594	1,231,903	2,452,497
Investment in capital assets	32,726,423	13,951,048	46,677,471
Restricted	4,040,831	1,530,143	5,570,974
Unrestricted	(4,866,315)	(2,420,922)	(7,287,237)
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 59,660,020</u>	<u>\$ 32,160,939</u>	<u>\$ 91,820,959</u>

Condensed Statement of Activities:

	South Huntington Water District	Greenlawn Water District	Totals
Program			
Expenses	\$ (9,286,454)	\$ (6,528,352)	\$ (15,814,806)
Charges for Services	5,386,695	2,892,996	8,279,691
Capital Grants & Contributions	671,818	-	671,818
Net (Expense)/Revenue	<u>(3,227,941)</u>	<u>(3,635,356)</u>	<u>(6,863,297)</u>
General Revenue			
Property Tax	4,239,265	2,483,468	6,722,733
Other	714,613	1,678,421	2,393,034
Total General Revenues	<u>4,953,878</u>	<u>4,161,889</u>	<u>9,115,767</u>
Change in Net position	1,725,937	526,533	2,252,470
Net position-1/1/20	<u>30,175,002</u>	<u>12,533,736</u>	<u>42,708,738</u>
Net position-12/31/20	<u>\$ 31,900,939</u>	<u>\$ 13,060,269</u>	<u>\$ 44,961,208</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

F. CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT

For the year ended December 31, 2020, The Town implemented GASB 84 “*Fiduciary Activities*”. The implementation of the Statement resulted in the restatement of the Special Revenue fund net position and fund balance as of December 31, 2019 in the amount of \$4,134,237.

	Net Position
Beginning of year as reported	\$ -
GASB Statement 84 Implementation	4,134,237
Beginning of year, as restated	\$ 4,134,237

G. NEW PRONOUNCEMENTS

The following statements have been issued by the GASB and are to be implemented in future years, as applicable:

Statement No. 87, “*Leases*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”, establishes accounting and financial reporting of leases. It requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. For leases with terms in-excess of 12 months, the Statement requires the leases to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”, requires that interest costs incurred before the end of a construction period be recognized as an expense. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset recorded in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 91, “*Conduit Debt Obligations*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” - This statement to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, “*Omnibus 2020*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” - The requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

G. NEW PRONOUNCEMENTS (continued)

Statement No. 93, *“Replacement of Interbank Offered Rates”*, as amended by Statement No. 95, *“Postponement of the Effective Dates of Certain Authoritative Guidance”*, amends certain provisions of GASB Statement No. 53, *“Accounting and Financial Reporting for Derivative Instruments”* as amended and No. 87, *“Leases”*. It has been issued to address the various accounting and reporting implications that will result from the replacement of LIBOR, as LIBOR will cease to exist in 2021. The requirements of this Statement, except for paragraphs 11b, 13 and 14, are effective for reporting periods beginning after June 15, 2020. The requirement of paragraph 11b is effective for reporting periods ending after December 31, 2021 and paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

Statement No. 94, *“Public-Private and Public-Public Partnerships and Availability Payment Arrangements”* - This statement has been issued to improve financial reporting related to public-private and public-public partnership arrangements, in which one a government (transferor) contracts with an operator (governmental or nongovernmental entity) to provide public services by conveying the right to operate or use a nonfinancial assets. The requirements of this Statement are effective for years beginning after June 15, 2022.

Statement No. 96, *“Subscription-Based Information Technology Arrangements”*, this Statement has been issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *“Leases”*, as amended. The requirements of this Statement are effective for years beginning after June 15, 2022.

Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84 and a suppression of GASB Statement No. 32”* - This statement has been issued to (1) increase consistency in reporting of fiduciary component units in instances where the potential component unit does not have a governing board and the primary government performs the duties of a governing board (effective upon issuance); (2) mitigate costs associated with the reporting of certain defined contribution plans and employee benefits plans other than pension plans or OPEB plans as fiduciary component units (effective upon issuance), and (3) enhances relevance and consistency of accounting and financial reporting for Internal Revenue Service Section 457 deferred compensation plans that meet the definition of a pension plan for benefits provided through those plans (effective for years beginning after June 15, 2021).

The Organization is currently evaluating the impact of the above pronouncements.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Notes to Required Supplementary Information

In order to show the full legal level of budgetary compliance for the General and certain Special Revenue Funds, detailed individual statements of revenues, expenditures and changes in fund balance – budget and actual, are presented in a separate budget report.

Budgets for the General and certain Special Revenue Funds are legally adopted for each fiscal year. The budgets are adopted on a basis of accounting consistent with GAAP, except that appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 45,769,811	\$ 45,769,811	\$ 45,707,019	\$ (62,792)
Total Real Property Taxes	<u>45,769,811</u>	<u>45,769,811</u>	<u>45,707,019</u>	<u>(62,792)</u>
OTHER REAL PROPERTY TAXES				
Payment In lieu of taxes	110,000	110,000	155,948	45,948
Interest and penalty on taxes	280,000	280,000	275,827	(4,173)
Total Other Real Property Taxes	<u>390,000</u>	<u>390,000</u>	<u>431,775</u>	<u>41,775</u>
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	4,600,000	4,600,000	4,601,052	1,052
Total Non-Property Tax Items	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,601,052</u>	<u>1,052</u>
DEPARTMENTAL INCOME				
Audit & Control	7,000	10,000	10,710	710
Court Fees	100,000	100,000	5,715	(94,285)
Environmental-refuse and garbage charges	23,800,000	23,800,000	24,148,013	348,013
General Services Fees	7,000	7,000	5,745	(1,255)
Human Services-programs for the aging	391,800	391,800	200,994	(190,806)
Maritime recreational charges	782,000	782,000	700,154	(81,846)
Park and recreational charges	7,033,500	7,033,500	5,005,870	(2,027,630)
Public Safety-parking meters & other fees	1,110,000	1,110,000	502,318	(607,682)
Town Attorney Fees	50,000	50,000	33,500	(16,500)
Town Clerk Fees	278,000	278,000	415,079	137,079
Transportation-bus operations	505,000	505,000	222,774	(282,226)
Total Departmental Income	<u>34,064,300</u>	<u>34,067,300</u>	<u>31,250,872</u>	<u>(2,816,428)</u>
INTERGOVERNMENTAL CHARGES				
Miscellaneous Revenue	40,000	65,000	36,144	(28,856)
Refuse and Garbage Service	105,000	105,000	96,372	(8,628)
Total Intergovernmental Charges	<u>145,000</u>	<u>170,000</u>	<u>132,516</u>	<u>(37,484)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	672,500	672,500	501,940	(170,560)
Rental of real property	871,625	871,625	755,126	(116,499)
Total Use of Money and Property	<u>1,544,125</u>	<u>1,544,125</u>	<u>1,257,066</u>	<u>(287,059)</u>
LICENSES AND PERMITS				
Bingo licenses	20,000	20,000	9,828	(10,172)
Dog licenses	31,000	31,000	19,853	(11,147)
Mooring Permits	110,000	110,000	60,212	(49,788)
Parking Permits	960,000	960,000	533,850	(426,150)
Town Attorney-miscellaneous permits	5,000	5,000	11,550	6,550
Total Licenses and Permits	<u>1,126,000</u>	<u>1,126,000</u>	<u>635,293</u>	<u>(490,707)</u>
FINES AND FORFEITURES				
Fines	1,555,000	1,555,000	656,502	(898,498)
Total Fines and Forfeitures	<u>1,555,000</u>	<u>1,555,000</u>	<u>656,502</u>	<u>(898,498)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES (continued)				
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of property	47,000	47,000	92,237	45,237
Insurance recoveries	220,000	221,458	393,388	171,930
Total Sale of Property & Compensation for Loss	<u>267,000</u>	<u>268,458</u>	<u>485,625</u>	<u>217,167</u>
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures	-	-	4,707	4,707
Gifts and donations	-	15,350	11,611	(3,739)
Miscellaneous revenue	1,320,000	1,337,894	1,659,203	321,309
Total Miscellaneous Local Sources	<u>1,320,000</u>	<u>1,353,244</u>	<u>1,675,521</u>	<u>322,277</u>
INTERFUND REVENUES	<u>4,686,461</u>	<u>4,686,461</u>	<u>4,686,461</u>	<u>-</u>
STATE AID				
State Aid - mortgage tax	8,000,000	8,000,000	10,202,864	2,202,864
State Aid - revenue sharing	1,067,256	1,067,256	1,067,256	-
State Aid - bus and other mass transit	855,000	855,000	813,908	(41,092)
State Aid - programs for aging	288,000	288,000	445,769	157,769
State Aid - youth program	473,811	473,811	881,747	407,936
State Aid - other culture and recreation	75,000	75,000	29,364	(45,636)
State Aid - other home and community services	20,000	20,000	21,177	1,177
Total State Aid	<u>10,779,067</u>	<u>10,779,067</u>	<u>13,462,085</u>	<u>2,683,018</u>
FEDERAL AID				
Federal Aid - programs for the aging	142,000	142,000	155,241	13,241
Federal Aid - bus and other mass transit	-	-	2,479,097	2,479,097
Federal Aid - youth program	789,583	829,583	248,430	(581,153)
Federal Aid - federal emergency management assistance	-	51,846	51,846	-
Total Federal Aid	<u>931,583</u>	<u>1,023,429</u>	<u>2,934,614</u>	<u>1,911,185</u>
Total Revenues	<u>\$ 107,178,347</u>	<u>\$ 107,332,895</u>	<u>\$ 107,916,401</u>	<u>\$ 583,506</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year ended December 31, 2020

Function	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Town board	\$ 671,084	\$ 695,505	\$ 621,374	\$ -	\$ 74,131
Administrative Adjudication	100,000	103,905	72,153	-	31,752
Traffic violations bureau	115,000	115,000	71,150	-	43,850
Supervisor	691,599	629,782	511,841	-	117,941
Constituent services	263,337	299,096	299,096	-	-
Comptroller	1,096,935	1,150,629	1,139,808	7,480	3,341
Payroll	275,555	335,189	235,694	10,093	89,402
Receiver of taxes	735,142	715,450	709,935	-	5,515
Purchasing	297,865	297,941	296,787	-	1,154
Assessor	1,117,477	1,157,650	1,031,612	79,695	46,343
Assessment review board	62,655	62,655	56,659	-	5,996
Star exemption	76,476	76,476	70,635	-	5,841
Fiscal agent fees	35,000	35,000	34,329	-	671
Town clerk	783,673	815,067	799,652	4,239	11,176
Town clerk record center	177,598	173,038	169,837	8	3,193
Town board meetings & admin	85,500	98,981	77,005	-	21,976
Commuter parking	203,834	206,539	206,074	-	465
Town attorney	2,919,621	3,118,853	2,824,226	153,679	140,948
Personnel	533,056	562,613	538,322	-	24,291
Union representatives	292,345	291,452	288,509	-	2,943
Town engineer	1,278,196	1,289,207	1,226,602	20,166	42,439
Elections	-	407	407	-	-
General services administration	525,035	523,734	519,535	-	4,199
Buildings and grounds	9,375,608	10,381,342	9,947,369	18,814	415,159
Heckscher amphitheater	12,000	12,000	11,054	395	551
Vehicle maintenance	1,306,926	1,396,981	1,372,125	1,403	23,453
Central supply	411,294	405,110	396,176	-	8,934
Copy Center	314,897	314,897	306,710	-	8,187
Information technology	2,339,560	2,630,327	2,242,617	261,127	126,583
Unallocated insurance	451,000	468,056	467,538	-	518
Municipal association dues	9,000	7,750	7,153	-	597
Judgments and claims	300,000	425,000	328,147	74,881	21,972
Purchase of land and right of way	1,500,000	1,500,000	-	-	1,500,000
Taxes and assessment on municipal property	52,500	60,418	53,554	6,863	1
Other general government support	20,000	901,222	11,500	-	889,722
Total General Government Support	28,429,768	31,257,272	26,945,185	638,843	3,673,244
PUBLIC SAFETY					
Administration	3,507,223	3,278,018	3,125,534	41,717	110,767
Harbors and waterways	812,109	884,473	864,645	11,460	8,368
Control of animals	1,078,041	1,092,182	1,055,956	-	36,226
Code enforcement - safety inspection	339,895	335,832	290,859	-	44,973
Civil defense	60,593	62,943	51,134	5,843	5,966
Total Public Safety	5,797,861	5,653,448	5,388,128	59,020	206,300

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year ended December 31, 2020

Function	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES (continued)					
HEALTH					
Drug & Alcohol	872,249	697,249	676,564	20,367	318
Total Health	872,249	697,249	676,564	20,367	318
TRANSPORTATION					
Superintendent of highways	822,766	771,412	735,858	-	35,554
Bus operations	4,236,871	4,155,854	4,007,821	20,539	127,494
Waterways Navigation	116,898	132,777	130,215	-	2,562
Total Transportation	5,176,535	5,060,043	4,873,894	20,539	165,610
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Literacy volunteers of America	9,500	9,500	7,702	-	1,798
Public information	143,824	143,824	141,347	-	2,477
Veterans service	9,000	9,000	8,500	-	500
Family assistance program	163,270	163,270	147,381	-	15,889
Programs for the aging	894,647	873,766	783,827	-	89,939
Senior citizens day care center	395,183	388,111	326,011	-	62,100
Senior nutrition program	874,159	1,024,786	892,099	18,656	114,031
Total Economic Assistance And Opportunity	2,489,583	2,612,257	2,306,867	18,656	286,734
CULTURE AND RECREATION					
Arts council administration	147,500	147,500	147,500	-	-
Recreation administration	989,937	991,445	953,011	-	38,434
Dix Hills Park administration	1,132,252	852,420	747,610	-	104,810
Dix Hills Park maintenance	1,918,251	1,935,969	1,802,820	-	133,149
Playgrounds and recreation centers	955,728	699,740	519,407	-	180,333
Recreation fee classes	299,807	254,111	117,215	580	136,316
Beach maintenance	284,750	378,572	344,586	2,924	31,062
Marinas & docks	428,745	425,413	392,399	2,817	30,197
Golf course maintenance	1,363,536	1,414,634	1,329,672	424	84,538
Camp Bright Star	160,319	160,319	52,286	-	108,033
Beaches	553,704	803,168	779,752	-	23,416
Golf course administration	69,995	76,446	46,828	-	29,618
Band concerts	143,811	142,252	54,517	-	87,735
Youth program administration	652,070	655,173	654,528	-	645
Joint youth programs	2,921,030	3,096,030	2,773,480	-	322,550
Museum	485,134	485,134	485,134	-	-
Cultural affairs	147,050	147,050	131,325	-	15,725
Town historian	56,471	65,106	52,542	11,194	1,370
Celebrations	10,000	10,000	3,925	-	6,075
Human Services	446,232	443,843	429,818	-	14,025
Senior Citizen CHORE	239,331	305,069	298,453	-	6,616
Board of trustees maintenance	80,000	115,464	79,333	35,680	451
Total Culture and Recreation	13,485,653	13,604,858	12,196,141	53,619	1,355,098

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year ended December 31, 2020

Function	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES (continued)					
HOME AND COMMUNITY SERVICES					
Landfill	358,250	388,035	380,502	-	7,533
Resource Recovery	22,390,453	22,414,018	22,401,146	-	12,872
Organic Garden	7,200	7,200	5,586	-	1,614
Solid waste recycling	661,651	636,269	621,255	-	15,014
Plan & manage development	35,000	35,000	9,947	25,053	-
Maritime Services administration	348,479	350,588	291,877	1,239	57,472
Waste Management administration	452,865	459,115	455,094	2,252	1,769
Services to the handicapped	10,800	10,800	-	-	10,800
Total Home and Community Services	24,264,698	24,301,025	24,165,407	28,544	107,074
EMPLOYEE BENEFITS					
State employee retirement system	5,400,000	4,844,450	4,838,504	-	5,946
Social security	56,000	74,998	74,997	-	1
Workers' compensation	1,400,000	1,729,495	1,698,244	31,249	2
Life insurance	50,000	45,000	35,208	-	9,792
Unemployment insurance	120,000	230,120	230,120	-	-
Disability benefits	90,000	85,000	57,982	-	27,018
Hospital, medical and dental	14,173,000	12,759,615	12,701,418	-	58,197
Other employee benefits	868,000	1,253,594	1,252,813	-	781
Total Employee Benefits	22,157,000	21,022,272	20,889,286	31,249	101,737
Total Expenditures	102,673,347	104,208,424	97,441,472	870,837	5,896,115
Excess (Deficiency) of Revenues Over Expenditures	4,505,000	3,124,471	10,474,929	(870,837)	6,479,621
Other Financing Sources (Uses)					
Transfers out	-	(4,221,600)	(4,221,600)	-	-
Transfers out (Debt Service)	(4,605,000)	(4,612,234)	(4,612,234)	-	-
Total Other Financing Sources (Uses)	(4,605,000)	(8,833,834)	(8,833,834)		
Net Change in Fund Balance	\$ (100,000)	\$ (5,709,363)	1,641,095	\$ (870,837)	\$ 6,479,621
Fund Balance at Beginning of Year			37,886,038		
Fund Balance at End of Year			\$ 39,527,133		

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 34,373,582	\$ 34,373,582	\$ 34,373,582	\$ -
Total Real Property Taxes	34,373,582	34,373,582	34,373,582	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	90,000	90,000	130,146	40,146
Interest and penalties on taxes	-	-	2,017	2,017
Total Other Real Property Taxes	90,000	90,000	132,163	42,163
DEPARTMENTAL INCOME				
Other general departmental income	-	344,861	405,978	61,117
Total Departmental Income	-	344,861	405,978	61,117
INTERGOVERNMENT CHARGE				
Transportation Services, Other Government	-	-	917	917
Total Departmental Income	-	-	917	917
USE OF MONEY AND PROPERTY				
Interest and earnings	300,000	300,000	203,583	(96,417)
Total Use of Money and Property	300,000	300,000	203,583	(96,417)
LICENSES AND PERMITS				
Licenses and permits	200,000	200,000	130,375	(69,625)
Total Licenses and Permits	200,000	200,000	130,375	(69,625)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap materials/equipment	8,000	8,000	5,831	(2,169)
Insurance recoveries	5,000	5,000	178,451	173,451
Total Sale of Property and Compensation for Loss	13,000	13,000	184,282	171,282
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	400,100	400,100	534,773	134,673
Total Miscellaneous Local Sources	400,100	400,100	534,773	134,673
STATE AID				
State aid - Consolidated highway aid	1,706,000	1,706,000	1,665,754	(40,246)
State Aid - Other	-	-	238,075	238,075
Total State Aid	1,706,000	1,706,000	1,903,829	197,829
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance	-	5,035,547	5,035,547	
Total Federal Aid	-	5,035,547	5,035,547	
Total Revenues	\$ 37,082,682	\$ 42,463,090	\$ 42,905,029	\$ 441,939

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 150,000	\$ 157,604	\$ 157,604	\$ -	\$ -
Bond and note issue expense	45,000	36,000	24,282	-	11,718
Other Government Support	87,000	804,462	119,175	-	685,287
Total General Government Support	<u>282,000</u>	<u>998,066</u>	<u>301,061</u>	<u>-</u>	<u>697,005</u>
TRANSPORTATION					
Highway repairs	13,710,146	14,285,315	13,440,292	60,243	784,780
Capital highway improvements	1,706,000	1,744,242	1,665,754	77,322	1,166
Highway and machinery	2,089,669	2,245,458	2,152,222	13,174	80,062
Brush and weeds	450,000	5,910,771	5,860,328	27,219	23,224
Snow removal	2,548,908	2,038,908	1,078,951	875	959,082
Total Transportation	<u>20,504,723</u>	<u>26,224,694</u>	<u>24,197,547</u>	<u>178,833</u>	<u>1,848,314</u>
EMPLOYEE BENEFITS					
State employee retirement system	2,322,659	1,822,659	1,780,812	-	41,847
Social security	48,000	48,000	19,296	-	28,704
Workers Compensation	1,300,000	1,300,000	1,245,842	-	54,158
Life insurance	1,000	1,000	603	-	397
Unemployment insurance	75,000	75,000	27,989	-	47,011
Disability benefits	1,300	1,300	1,112	-	188
Hospital, medical and dental	6,084,000	5,113,897	4,939,086	-	174,811
Union welfare benefits	200,000	200,000	186,340	-	13,660
Other employee benefits	164,000	289,669	252,237	-	37,432
Total Employee Benefits	<u>10,195,959</u>	<u>8,851,525</u>	<u>8,453,317</u>	<u>-</u>	<u>398,208</u>
Total Expenditures	<u>30,982,682</u>	<u>36,074,285</u>	<u>32,951,925</u>	<u>178,833</u>	<u>2,943,527</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,100,000</u>	<u>6,388,805</u>	<u>9,953,104</u>	<u>(178,833)</u>	<u>3,385,466</u>
Other Financing Sources (Uses)					
Transfer Out		(344,861)	(344,861)	-	-
Transfers out (Debt Service)	(6,200,000)	(6,200,000)	(6,140,056)	-	59,944
Total Other Financing Sources (Uses)	<u>(6,200,000)</u>	<u>(6,544,861)</u>	<u>(6,484,917)</u>	<u>-</u>	<u>59,944</u>
Net Change in Fund Balance	<u>\$ (100,000)</u>	<u>\$ (156,056)</u>	<u>\$ 3,468,187</u>	<u>\$ (178,833)</u>	<u>\$ 3,445,410</u>
Fund Balance at Beginning of Year			<u>8,352,829</u>		
Fund Balance at End of Year			<u>\$ 11,821,016</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 26,255,794	\$ 26,255,794	\$ 26,255,794	\$ -
Total Real Property Taxes	<u>26,255,794</u>	<u>26,255,794</u>	<u>26,255,794</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	1,000	1,000	1,541	541
Total Other Real Property Tax Items	<u>1,000</u>	<u>1,000</u>	<u>1,541</u>	<u>541</u>
DEPARTMENTAL INCOME				
Refuse and garbage charges	4,500	4,500	6,240	1,740
Total Departmental Income	<u>4,500</u>	<u>4,500</u>	<u>6,240</u>	<u>1,740</u>
INTERGOVERNMENT CHARGE				
Refuse & Garbage Service, Other Government	9,658	9,658	12,680	3,022
Total Intergovernment Charge	<u>9,658</u>	<u>9,658</u>	<u>12,680</u>	<u>3,022</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	225,000	225,000	144,085	(80,915)
Total Use of Money and Property	<u>225,000</u>	<u>225,000</u>	<u>144,085</u>	<u>(80,915)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of recycled materials	120,000	120,000	124,867	4,867
Insurance recoveries	-	-	29,658	29,658
Total Sale of Property and Compensation for Loss	<u>120,000</u>	<u>120,000</u>	<u>154,525</u>	<u>34,525</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	110,000	110,000	118,704	8,704
Total Miscellaneous Local Sources	<u>110,000</u>	<u>110,000</u>	<u>118,704</u>	<u>8,704</u>
Total Revenues	<u>\$ 26,725,952</u>	<u>\$ 26,725,952</u>	<u>\$ 26,693,569</u>	<u>\$ (32,383)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 108,000	\$ 113,018	\$ 113,017	\$ -	\$ 1
Other government support	2,177,133	2,208,115	2,178,804	-	29,311
Total General Government Support	<u>2,285,133</u>	<u>2,321,133</u>	<u>2,291,821</u>	<u>-</u>	<u>29,312</u>
HOME AND COMMUNITY SERVICES					
Refuse and garbage	21,516,119	22,336,148	22,275,609	15,682	44,857
Total Home and Community Services	<u>21,516,119</u>	<u>22,336,148</u>	<u>22,275,609</u>	<u>15,682</u>	<u>44,857</u>
EMPLOYEE BENEFITS					
State employee retirement system	700,000	557,000	556,380	-	620
Social security	23,000	10,289	5,633	-	4,656
Workers Compensation	300,000	554,475	554,475	-	-
Life insurance	500	500	66	-	434
Unemployment insurance	20,000	22,897	22,897	-	-
Disability insurance	500	500	28	-	472
Hospital, medical and dental	1,763,000	1,489,197	1,483,149	-	6,048
Union welfare benefits	68,000	68,000	62,370	-	5,630
Other employee benefits	77,000	151,994	151,994	-	-
Total Employee Benefits	<u>2,952,000</u>	<u>2,854,852</u>	<u>2,836,992</u>	<u>-</u>	<u>17,860</u>
Total Expenditures	<u>26,753,252</u>	<u>27,512,133</u>	<u>27,404,422</u>	<u>15,682</u>	<u>92,029</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,300)</u>	<u>(786,181)</u>	<u>(710,853)</u>	<u>(15,682)</u>	<u>59,646</u>
Other Financing Sources (Uses)					
Transfers out (Debt Service)	(222,700)	(222,700)	(217,119)	-	5,581
Total Other Financing Sources (Uses)	<u>(222,700)</u>	<u>(222,700)</u>	<u>(217,119)</u>	<u>-</u>	<u>5,581</u>
Net Change in Fund Balance	<u>\$ (250,000)</u>	<u>\$ (1,008,881)</u>	<u>(927,972)</u>	<u>\$ (15,682)</u>	<u>\$ 65,227</u>
Fund Balance at Beginning of Year			<u>6,132,803</u>		
Fund Balance at End of Year			<u>\$ 5,204,831</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 5,033,643	\$ 5,033,643	\$ 5,033,643	\$ -
Total Real Property Taxes	<u>5,033,643</u>	<u>5,033,643</u>	<u>5,033,643</u>	<u>-</u>
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	13,000	13,000	19,140	6,140
Interest and penalties on taxes	1,000	1,000	295	(705)
Total Other Real Property Taxes	<u>14,000</u>	<u>14,000</u>	<u>19,435</u>	<u>5,435</u>
DEPARTMENTAL INCOME				
Building fees	4,100,000	4,100,000	2,800,106	(1,299,894)
Fire Inspection Fees	600,000	600,000	499,865	(100,135)
Registrar Fees	230,000	230,000	238,890	8,890
Zoning board fees	138,000	138,000	70,926	(67,074)
Planning fees	300,000	300,000	330,426	30,426
Rental Registration	375,000	375,000	273,350	(101,650)
Other fees	12,500	17,500	28,978	11,478
Total Departmental Income	<u>5,755,500</u>	<u>5,760,500</u>	<u>4,242,541</u>	<u>(1,517,959)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	75,000	75,000	55,295	(19,705)
Total Use of Money and Property	<u>75,000</u>	<u>75,000</u>	<u>55,295</u>	<u>(19,705)</u>
LICENSES AND PERMITS				
Permits	965,000	965,000	904,447	(60,553)
Total Licenses and Permits	<u>965,000</u>	<u>965,000</u>	<u>904,447</u>	<u>(60,553)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	3,920	3,920
Total Sale of Property and Compensation for Loss	<u>-</u>	<u>-</u>	<u>3,920</u>	<u>3,920</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	240,000	240,000	261,709	21,709
Total Miscellaneous Local Sources	<u>240,000</u>	<u>240,000</u>	<u>261,709</u>	<u>21,709</u>
STATE AID				
State Aid - Other	-	76,000	6,461	(69,539)
Total State Aid	<u>-</u>	<u>76,000</u>	<u>6,461</u>	<u>(69,539)</u>
Total Revenues	<u>\$ 12,083,143</u>	<u>\$ 12,164,143</u>	<u>\$ 10,527,451</u>	<u>\$ (1,636,692)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Government Support Administration	\$ 147,595	\$ 298,979	\$ 131,557	\$ -	\$ 167,422
Building Department	2,092,067	2,081,646	1,865,588	-	216,058
Insurance	50,000	51,289	51,289	-	-
Total General Government Support	<u>2,289,662</u>	<u>2,431,914</u>	<u>2,048,434</u>	<u>-</u>	<u>383,480</u>
PUBLIC SAFETY					
Traffic control	765,572	778,181	718,809	-	59,372
Safety inspection	2,028,723	1,904,446	1,850,732	-	53,714
Total Public Safety	<u>2,794,295</u>	<u>2,682,627</u>	<u>2,569,541</u>	<u>-</u>	<u>113,086</u>
HEALTH					
Registrar of vital statistics	164,195	162,434	144,633	-	17,801
Total Health	<u>164,195</u>	<u>162,434</u>	<u>144,633</u>	<u>-</u>	<u>17,801</u>
HOME AND COMMUNITY SERVICES					
Zoning	168,453	165,363	164,158	-	1,205
Planning	1,608,980	1,712,303	1,621,200	81,069	10,034
Joint planning board	129,449	125,563	119,889	-	5,674
Accessory Apartment	248,406	260,950	231,862	-	29,088
Conservation	16,203	16,203	1,413	-	14,790
Total Home and Community Services	<u>2,171,491</u>	<u>2,280,382</u>	<u>2,138,522</u>	<u>81,069</u>	<u>60,791</u>
EMPLOYEE BENEFITS					
State employee retirement system	950,000	950,000	812,760	-	137,240
Social security	26,500	26,500	571	-	25,929
Workers Compensation	120,000	236,062	236,061	-	1
Life insurance	12,000	12,000	8,045	-	3,955
Unemployment insurance	8,000	13,086	13,085	-	1
Disability benefits	20,000	20,000	8,306	-	11,694
Hospital, medical and dental	3,136,000	2,989,786	2,344,831	-	644,955
Other employee benefits	146,000	146,000	7,470	-	138,530
Total Employee Benefits	<u>4,418,500</u>	<u>4,393,434</u>	<u>3,431,129</u>	<u>-</u>	<u>962,305</u>
Total Expenditures	<u>11,838,143</u>	<u>11,950,791</u>	<u>10,332,259</u>	<u>81,069</u>	<u>1,537,463</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>245,000</u>	<u>213,352</u>	<u>195,192</u>	<u>(81,069)</u>	<u>(99,229)</u>
Other Financing Uses					
Transfers out (Debt Service)	(245,000)	(245,000)	(235,820)	-	9,180
Total Other Financing Uses	<u>(245,000)</u>	<u>(245,000)</u>	<u>(235,820)</u>	<u>-</u>	<u>9,180</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (31,648)</u>	<u>(40,628)</u>	<u>\$ (81,069)</u>	<u>\$ (90,049)</u>
Fund Balance at Beginning of Year			<u>5,484,728</u>		
Fund Balance at End of Year			<u>\$ 5,444,100</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,859,724	\$ 2,859,724	\$ 2,859,724	\$ -
Total Real Property Taxes	<u>2,859,724</u>	<u>2,859,724</u>	<u>2,859,724</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	177	177
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
DEPARTMENTAL INCOME				
Metered water sales	2,350,250	2,350,250	2,189,836	(160,414)
Water rental arrears	100,000	100,000	157,864	57,864
Total Departmental Income	<u>2,450,250</u>	<u>2,450,250</u>	<u>2,347,700</u>	<u>(102,550)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	25,000	25,000	28,507	3,507
Tower rental	265,000	265,000	277,821	12,821
Total Use of Money and Property	<u>290,000</u>	<u>290,000</u>	<u>306,328</u>	<u>16,328</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	21,751	21,751
Total Sale of Property and Compensation for Loss	<u>-</u>	<u>-</u>	<u>21,751</u>	<u>21,751</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	27,000	27,000	47,725	20,725
Total Miscellaneous Local Sources	<u>27,000</u>	<u>27,000</u>	<u>47,725</u>	<u>20,725</u>
Total Revenues	<u>\$ 5,626,974</u>	<u>\$ 5,626,974</u>	<u>\$ 5,583,405</u>	<u>\$ (43,569)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 24,000	\$ 24,100	\$ 24,100	\$ -	\$ -
Other government support	745,039	759,495	742,581	2,304	14,610
Total General Government Support	<u>769,039</u>	<u>783,595</u>	<u>766,681</u>	<u>2,304</u>	<u>14,610</u>
HOME AND COMMUNITY SERVICES					
Water	3,157,294	3,460,482	3,272,731	70,357	117,394
Total Home and Community Services	<u>3,157,294</u>	<u>3,460,482</u>	<u>3,272,731</u>	<u>70,357</u>	<u>117,394</u>
EMPLOYEE BENEFITS					
State employee retirement system	212,791	212,791	180,499	-	32,292
Social security	12,000	12,000	-	-	12,000
Workers' Compensation	60,000	80,297	80,296	-	1
Life insurance	350	350	197	-	153
Unemployment benefits	5,000	3,000	-	-	3,000
Disability benefits	500	500	168	-	332
Hospital, medical and dental	567,000	474,894	474,165	-	729
Union welfare benefits	17,000	17,000	15,950	-	1,050
Other employee benefits	76,000	11,000	-	-	11,000
Total Employee Benefits	<u>950,641</u>	<u>811,832</u>	<u>751,275</u>	<u>-</u>	<u>60,557</u>
Total Expenditures	<u>4,876,974</u>	<u>5,055,909</u>	<u>4,790,687</u>	<u>72,661</u>	<u>192,561</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>750,000</u>	<u>571,065</u>	<u>792,718</u>	<u>(72,661)</u>	<u>148,992</u>
Other Financing Sources (Uses)					
Transfers out (Debt Service)	(750,000)	(750,000)	(737,260)	-	12,740
Total Other Financing Sources (Uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(737,260)</u>	<u>-</u>	<u>12,740</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (178,935)</u>	55,458	<u>\$ (72,661)</u>	<u>\$ 161,732</u>
Fund Balance at Beginning of Year			<u>603,430</u>		
Fund Balance at End of Year			<u>\$ 658,888</u>		

TOWN OF HUNTINGTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB)
LIABILITY AND RELATED RATIOS
December 31, 2020

Period	Total OPEB Liability - Beginning of the Period	Service cost	Interest on Total OPEB Liability	Differences between expected and actual experience
January 1, 2020 - December 31, 2020	\$ 284,279,558	\$ 7,692,777	\$ 7,870,668	\$ -
January 1, 2019 - December 31, 2019	229,879,541	5,370,925	9,480,232	(6,547,596)
January 1, 2018 - December 31, 2018	257,416,298	6,880,370	8,273,814	-

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

The Town currently contributes enough money to the plan to satisfy current obligations on a pay-

Changes of assumptions.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each
The following are the discount rates used in each period:

2020	2.12%
2019	2.74%
2018	4.10%
2017	3.18%

Change in actuarial cost method.

The Town adopted GASB Statement No. 75 in the year-ended December 31, 2018 and continues to use the entry age normal as a percentage of payroll, the prescribed method under GASB 75.

The OPEB schedules are intended to show information for ten years and additional year's information will be displayed as it becomes available.

Changes in benefit terms	Changes of assumptions or other inputs	Benefit payments	Total OPEB Liability - End of the Period	Covered-employee payroll	Liability as a Percentage of Covered-employee Payroll
\$ -	\$ 30,345,646	\$ (9,507,636)	\$ 320,681,013	\$ 50,986,737	628.95%
-	54,617,376	(8,520,920)	284,279,558	50,258,787	565.63%
-	(34,398,340)	(8,292,601)	229,879,541	49,148,186	467.73%

TOWN OF HUNTINGTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS TO EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 8,603,374	\$ 8,531,934	\$ 8,771,865
Contributions in relation to the contractually required contribution	<u>8,603,374</u>	<u>8,531,934</u>	<u>8,771,865</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered payroll	56,576,064	55,969,007	56,617,483
Contributions as a percentage of covered employee payroll	15%	15%	15%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 8,764,939	\$ 9,045,917	\$ 11,317,997	\$ 10,790,971	\$ 12,736,105	\$ 10,760,219	\$ 8,010,413
<u>8,764,939</u>	<u>9,045,917</u>	<u>11,317,997</u>	<u>10,790,971</u>	<u>12,736,105</u>	<u>6,855,035</u>	<u>8,010,413</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,905,184	\$ -
54,953,769	54,676,490	55,099,418	53,285,268	51,630,809	52,095,461	49,396,373
16%	17%	21%	20%	25%	13%	16%

TOWN OF HUNTINGTON
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2020
Last Six Fiscal Years

Employees' Retirement System

	As of March 31st					
	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.1913166%	0.1951519%	0.1954509%	0.2048107%	0.2085953%	0.2062962%
Town's proportionate share of the net pension liability	\$ 50,661,734	\$ 13,827,107	\$ 6,308,071	\$ 19,244,466	\$ 33,480,134	\$ 6,969,189
Town's covered payroll	\$ 56,576,064	\$ 55,969,007	\$ 56,617,483	\$ 52,103,438	\$ 53,342,327	\$ 55,263,873
Town's proportionate share of the net pension liability as a percentage of its covered payroll	89.55 %	24.70 %	11.14 %	36.94 %	62.76 %	12.61 %
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Notes to Schedule:

1. Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting of Pensions".
2. The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.
3. The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.
4. The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.
5. Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

TOWN OF HUNTINGTON

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITY

December 31, 2020

Last Four Fiscal Years

Length of Service Award Program

Commack Volunteer Ambulance Corps

Measurement date as of December 31,	2019	2018	2017	2016
Service cost	\$ 89,690	\$ 129,885	\$ 112,498	\$ 139,147
Interest	71,926	67,872	69,239	63,742
Changes of assumptions or other inputs	147,219	(178,075)	188,282	(181,073)
Differences between expected and actual experience	9,504	(119,522)	(77,588)	(96,437)
Benefit payments	(33,512)	(30,062)	(26,484)	(22,284)
Net change in total pension liability	284,827	(129,902)	265,947	(96,905)
Total pension liability - beginning	1,903,059	2,032,961	1,767,014	1,863,919
Total pension liability - ending	2,187,886	1,903,059	2,032,961	1,767,014
Covered payroll	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Huntington Community First Aid Squad, Inc.

Measurement date as of December 31,	2019	2018	2017	2016
Service cost	\$ 409,950	\$ 407,152	\$ 367,462	\$ 423,133
Interest	390,114	321,114	329,911	291,125
Changes of assumptions or other inputs	640,608	37,333	716,772	(687,163)
Differences between expected and actual experience	235,973	73,533	74,269	51,593
Benefit payments	(297,689)	(275,035)	(242,470)	(213,905)
Net change in total pension liability	1,378,956	564,097	1,245,944	(135,217)
Total pension liability - beginning	10,456,303	9,892,206	8,646,262	8,781,479
Total pension liability - ending	11,835,259	10,456,303	9,892,206	8,646,262
Covered payroll	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information:

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016	3.71%
December 31, 2017	3.16%
December 31, 2018	3.64%
December 31, 2019	3.26%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 73 to pay related benefits.

TOWN OF HUNTINGTON
SCHEDULE OF TOWN'S LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITY
 December 31, 2020
 Last Five Fiscal Years

Commack Volunteer Ambulance Corps

	2020	2019	2018	2017	2016
Total Length of Service Award Program Pension Liability	\$ 2,187,886	\$ 1,903,059	\$ 2,032,961	\$ 1,767,014	1,863,919
Town's covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Contributions as a percentage of covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Huntington Community First Aid Squad, Inc.

	2020	2019	2018	2017	2016
Total Length of Service Award Program Pension Liability	\$ 11,835,259	\$ 10,456,303	\$ 9,892,206	\$ 8,646,262	8,781,479
Town's covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Contributions as a percentage of covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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COMPONENT UNITS
SCHEDULE OF DISTRICTS' CONTRIBUTIONS TO EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS

Greenlawn Water District

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 192,766	\$ 186,586	\$ 187,488
Contributions in relation to the contractually required contribution	<u>192,766</u>	<u>186,586</u>	<u>187,488</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	1,407,059	1,269,192	1,213,360
Contributions as a percentage of covered payroll	14%	15%	15%

South Huntington Water District

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 203,980	\$ 195,746	\$ 202,948
Contributions in relation to the contractually required contribution	<u>203,980</u>	<u>195,746</u>	<u>202,948</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	1,446,165	1,354,420	1,291,865
Contributions as a percentage of covered payroll	14%	14%	16%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 185,667	\$ 204,112	\$ 241,020	\$ 253,554	\$ 286,409	\$ 181,359	\$ 215,544
<u>185,667</u>	<u>204,112</u>	<u>241,020</u>	<u>253,554</u>	<u>286,409</u>	<u>181,359</u>	<u>215,544</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,212,152	1,160,988	1,232,499	1,315,312	1,271,843	1,198,977	1,117,345
15%	18%	20%	19%	23%	15%	19%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 189,105	\$ 193,255	\$ 205,756	\$ 326,700	\$ 215,311	\$ 255,066	\$ 166,737
<u>189,105</u>	<u>193,255</u>	<u>205,756</u>	<u>326,700</u>	<u>215,311</u>	<u>255,066</u>	<u>166,737</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,329,652	1,228,683	1,316,312	1,373,704	1,352,331	1,204,400	1,265,077
14%	16%	16%	24%	16%	21%	13%

COMPONENT UNITS
SCHEDULE OF THE DISTRICTS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2020
Last Six Years

Employees' Retirement System

	2020	2019	2018	2017	2016	2015
	Greenlawn	Greenlawn	Greenlawn	Greenlawn	Greenlawn	Greenlawn
	Water	Water	Water	Water	Water	Water
	District	District	District	District	District	District
District's proportion of the net pension liability	0.0049274%	0.0047719%	0.0047076%	0.0048558%	0.0050102%	0.0052609%
District's proportionate share of the net pension liability	\$ 1,304,798	\$ 338,104	\$ 151,934	\$ 456,262	\$ 804,147	\$ 237,283
District's covered payroll	\$ 1,290,838	\$ 1,219,595	\$ 1,221,669	\$ 1,162,078	\$ 1,243,616	\$ 1,245,786
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.08 %	27.72 %	12.44 %	39.26 %	64.66 %	19.05 %
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
	2020	2019	2018	2017	2016	2015
	South	South	South	South	South	South
	Huntington	Huntington	Huntington	Huntington	Huntington	Huntington
	Water	Water	Water	Water	Water	Water
	District	District	District	District	District	District
District's proportion of the net pension liability	0.0038141%	0.0045444%	0.0043350%	0.0042256%	0.0043830%	0.0044837%
District's proportionate share of the net pension liability	\$ 1,009,994	\$ 321,983	\$ 139,909	\$ 397,046	\$ 703,477	\$ 151,472
District's covered payroll	\$ 1,345,966	\$ 1,262,071	\$ 1,371,833	\$ 1,256,412	\$ 1,184,360	\$ 1,358,006
District's proportionate share of the net pension liability as a percentage of its covered payroll	75.04 %	25.51 %	10.20 %	31.60 %	59.40 %	11.15 %
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue Funds			
	Local			Total
	Development Corp (LDC)	Special Revenue Fund	Special Districts	
Assets				
Cash and cash equivalents	\$ 274,900	\$ -	\$ 7,253,500	\$ 7,528,400
Cash-Restricted	-	4,134,237	10,691,085	14,825,322
Prepays	-	-	108,376	108,376
Accounts receivable, net	3,000	-	521,745	524,745
Due from other funds	-	-	433,279	433,279
Total Assets	<u>\$ 277,900</u>	<u>\$ 4,134,237</u>	<u>\$ 19,007,985</u>	<u>\$ 23,420,122</u>
Liabilities				
Accounts payable & other current liabilities	\$ -	\$ -	\$ 345,010	\$ 345,010
Accrued liabilities	-	-	206,041	206,041
Due to other funds	-	-	41,123	41,123
Total Liabilities	<u>-</u>	<u>-</u>	<u>592,174</u>	<u>592,174</u>
Deferred Inflows				
Deferred revenue	-	-	167	167
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Fund Balance				
Non-Spendable				
Prepays	-	-	108,376	108,376
Restricted for:				
Debt service	-	-	36,676	36,676
Retirement contribution	-	-	8,309	8,309
Employee Benefit Accrual Liability	-	-	28,447	28,447
Special Revenue Fund	-	4,134,237	-	4,134,237
Length of service award program	-	-	10,617,653	10,617,653
Assigned to:				
Local Development Corporation	277,900	-	-	277,900
Fire Protection	-	-	29,854	29,854
Street Lighting	-	-	2,972,163	2,972,163
Ambulance Services	-	-	1,263,888	1,263,888
Sewer Services	-	-	2,663,516	2,663,516
Subsequent year's budget	-	-	250,000	250,000
Purchases on order	-	-	436,762	436,762
Total Fund Balance	<u>277,900</u>	<u>4,134,237</u>	<u>18,415,644</u>	<u>22,827,781</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u>\$ 277,900</u>	<u>\$ 4,134,237</u>	<u>\$ 19,007,985</u>	<u>\$ 23,420,122</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Special Revenue Funds			
	Local			Total
	Development Corp (LDC)	Special Revenue Fund	Special Districts	
REVENUES				
Real property taxes	\$ -	\$ 186,500	\$ 11,204,192	\$ 11,390,692
Other real property tax items	-	11	16,144	16,155
Non-property tax items	-	-	144,701	144,701
Departmental income	3,000	-	1,954,598	1,957,598
Use of money and property	152	-	1,618,597	1,618,749
Sale of property and Compensation for loss	-	-	2,168,042	2,168,042
Miscellaneous local sources	-	-	114,662	114,662
State aid	-	-	26,547	26,547
Total Revenues	<u>3,152</u>	<u>186,511</u>	<u>17,247,483</u>	<u>17,437,146</u>
EXPENDITURES				
Current:				
General government support	-	-	1,872,027	1,872,027
Public safety	-	-	1,591,027	1,591,027
Health	-	-	3,248,498	3,248,498
Transportation	-	-	2,278,121	2,278,121
Economic assistance and opportunity	4,048	-	-	4,048
Home and community services	-	186,511	3,387,801	3,574,312
Employee benefits	-	-	1,771,337	1,771,337
Total Expenditures	<u>4,048</u>	<u>186,511</u>	<u>14,148,811</u>	<u>14,339,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(896)</u>	<u>-</u>	<u>3,098,672</u>	<u>3,097,776</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(415,000)	(415,000)
Transfers out (Debt Service)	-	-	(848,638)	(848,638)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,263,638)</u>	<u>(1,263,638)</u>
Net Change in Fund Balance	(896)	-	1,835,034	1,834,138
Fund Balances at Beginning of Year (as restated)	<u>278,796</u>	<u>4,134,237</u>	<u>16,580,610</u>	<u>20,993,643</u>
Fund Balances at End of Year	<u>\$ 277,900</u>	<u>\$ 4,134,237</u>	<u>\$ 18,415,644</u>	<u>\$ 22,827,781</u>

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
December 31, 2020

Special Revenue Funds					
	Fire Protection District	Street Lighting District	Ambulance Districts	Sewer Districts	Total
ASSETS					
Cash and cash equivalents	\$ 45,309	\$ 3,842,559	\$ 326,208	\$ 3,039,424	\$ 7,253,500
Cash-Restricted	-	26,332	10,617,653	47,100	10,691,085
Prepays	-	32,599	-	75,777	108,376
Accounts receivable, net	-	12,321	504,401	5,023	521,745
Due from other funds	-	-	433,279	-	433,279
Total Assets	<u>\$ 45,309</u>	<u>\$ 3,913,811</u>	<u>\$ 11,881,541</u>	<u>\$ 3,167,324</u>	<u>\$ 19,007,985</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 15,455	\$ 141,373	\$ -	\$ 188,182	\$ 345,010
Accrued liabilities	-	72,657	-	133,384	206,041
Due to other funds	-	14,682	-	26,441	41,123
Total Liabilities	<u>\$ 15,455</u>	<u>\$ 228,712</u>	<u>\$ -</u>	<u>\$ 348,007</u>	<u>\$ 592,174</u>
DEFERRED INFLOWS					
Deferred revenues	-	167	-	-	167
Total Deferred Inflows	<u>-</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>167</u>
FUND BALANCE					
Non-Spendable					
Prepays	-	32,599	-	75,777	108,376
Restricted for:					
Debt service	-	-	-	36,676	36,676
Retirement contribution	-	4,769	-	3,540	8,309
Employee Benefit Accrual Liability	-	21,563	-	6,884	28,447
Length of service award program	-	-	10,617,653	-	10,617,653
Assigned to:					
Fire Protection	29,854	-	-	-	29,854
Street Lighting	-	2,972,163	-	-	2,972,163
Ambulance Services	-	-	1,263,888	-	1,263,888
Sewer Services	-	-	-	2,663,516	2,663,516
Subsequent year's budget	-	250,000	-	-	250,000
Purchases on order	-	403,838	-	32,924	436,762
Total Fund Balance	<u>29,854</u>	<u>3,684,932</u>	<u>11,881,541</u>	<u>2,819,317</u>	<u>18,415,644</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 45,309</u>	<u>\$ 3,913,811</u>	<u>\$ 11,881,541</u>	<u>\$ 3,167,324</u>	<u>\$ 19,007,985</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
Year Ended December 31, 2020

	Special Revenue Funds				Total
	Fire Protection District	Street Lighting District	Ambulance Districts	Sewer Districts	
REVENUES					
Real property taxes	\$ 1,655,115	\$ 3,580,370	\$ 656,773	\$ 5,311,934	\$ 11,204,192
Other real property tax items	97	13,460	391	2,196	16,144
Non-property tax items	-	-	-	144,701	144,701
Departmental income	-	-	-	1,954,598	1,954,598
Use of money and property	5,324	36,535	1,523,954	52,784	1,618,597
Sales of property and Sale of Property and Compensation for loss	-	-	2,161,854	6,188	2,168,042
Miscellaneous local sources	-	23,497	36,433	54,732	114,662
State Aid	26,547	-	-	-	26,547
Total Revenues	<u>1,687,083</u>	<u>3,653,862</u>	<u>4,379,405</u>	<u>7,527,133</u>	<u>17,247,483</u>
EXPENDITURES					
Current:					
General government support	107,544	472,240	217,442	1,074,801	1,872,027
Public safety	1,591,027	-	-	-	1,591,027
Health	-	-	3,248,498	-	3,248,498
Transportation	-	2,278,121	-	-	2,278,121
Home and community services	-	-	-	3,387,801	3,387,801
Employee benefits	-	557,130	-	1,214,207	1,771,337
Total Expenditures	<u>1,698,571</u>	<u>3,307,491</u>	<u>3,465,940</u>	<u>5,676,809</u>	<u>14,148,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,488)</u>	<u>346,371</u>	<u>913,465</u>	<u>1,850,324</u>	<u>3,098,672</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	(415,000)	(415,000)
Transfers out (Debt Service)	-	(10,564)	-	(838,074)	(848,638)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,564)</u>	<u>-</u>	<u>(1,253,074)</u>	<u>(1,263,638)</u>
Net Change in Fund Balance	(11,488)	335,807	913,465	597,250	1,835,034
Fund Balances at Beginning of Year	<u>41,342</u>	<u>3,349,125</u>	<u>10,968,076</u>	<u>2,222,067</u>	<u>16,580,610</u>
Fund Balances at End of Year	<u>\$ 29,854</u>	<u>\$ 3,684,932</u>	<u>\$ 11,881,541</u>	<u>\$ 2,819,317</u>	<u>\$ 18,415,644</u>

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**Schedules of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Nonmajor Special Revenue Funds**

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 186,500	\$ 186,500	\$ 186,500	\$ -
Total Real Property Taxes	<u>186,500</u>	<u>186,500</u>	<u>186,500</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	5	5	11	6
Total Other Real Property Tax Items	<u>5</u>	<u>5</u>	<u>11</u>	<u>6</u>
Total Revenues	<u>186,505</u>	<u>186,505</u>	<u>186,511</u>	<u>6</u>
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Contractual expenditures	186,505	186,505	186,511	(6)
Total Home and Community Services	<u>186,505</u>	<u>186,505</u>	<u>186,511</u>	<u>(6)</u>
Total Expenditures	<u>186,505</u>	<u>186,505</u>	<u>186,511</u>	<u>(6)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at Beginning of Year (as restated)			<u>4,134,237</u>	
Fund Balance at End of Year			<u>\$ 4,134,237</u>	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PROTECTION DISTRICT FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,655,115	\$ 1,655,115	\$ 1,655,115	\$ -
Total Real Property Taxes	<u>1,655,115</u>	<u>1,655,115</u>	<u>1,655,115</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	97	97
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>97</u>	<u>97</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	10,000	10,000	5,324	(4,676)
Total Use of Money and Property	<u>10,000</u>	<u>10,000</u>	<u>5,324</u>	<u>(4,676)</u>
STATE AID				
State Aid - State emergency management Assistance	10,000	36,547	26,547	(10,000)
Total State Aid	<u>10,000</u>	<u>36,547</u>	<u>26,547</u>	<u>(10,000)</u>
Total Revenues	<u>1,675,115</u>	<u>1,701,662</u>	<u>1,687,083</u>	<u>-14,579</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	107,544	107,544	107,544	-
Total General Government Support	<u>107,544</u>	<u>107,544</u>	<u>107,544</u>	<u>-</u>
PUBLIC SAFETY				
Fire protection	1,567,571	1,594,118	1,591,027	3,091
Total Public Safety	<u>1,567,571</u>	<u>1,594,118</u>	<u>1,591,027</u>	<u>3,091</u>
Total Expenditures	<u>1,675,115</u>	<u>1,701,662</u>	<u>1,698,571</u>	<u>3,091</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(11,488)	<u>\$ (11,488)</u>
Fund Balance at Beginning of Year			<u>41,342</u>	
Fund Balance at End of Year			<u>\$ 29,854</u>	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,580,370	\$ 3,580,370	\$ 3,580,370	\$ -
Total Real Property Taxes	<u>3,580,370</u>	<u>3,580,370</u>	<u>3,580,370</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	10,000	10,000	13,250	3,250
Interest and penalties on taxes	-	-	210	210
Total Other Real Property Tax Items	<u>10,000</u>	<u>10,000</u>	<u>13,460</u>	<u>3,460</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	50,000	50,000	36,535	(13,465)
Total Use of Money and Property	<u>50,000</u>	<u>50,000</u>	<u>36,535</u>	<u>(13,465)</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	21,000	21,000	23,497	2,497
Total Miscellaneous Local Sources	<u>21,000</u>	<u>21,000</u>	<u>23,497</u>	<u>2,497</u>
Total Revenues	<u>\$ 3,661,370</u>	<u>\$ 3,661,370</u>	<u>\$ 3,653,862</u>	<u>\$ (7,508)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 16,000	\$ 16,729	\$ 16,729	\$ -	\$ -
Other government support	454,386	459,421	455,511	-	3,910
Total General Government Support	<u>470,386</u>	<u>476,150</u>	<u>472,240</u>	-	<u>3,910</u>
TRANSPORTATION					
Lighting	2,798,033	3,062,621	2,278,121	403,838	380,662
Total Transportation	<u>2,798,033</u>	<u>3,062,621</u>	<u>2,278,121</u>	<u>403,838</u>	<u>380,662</u>
EMPLOYEE BENEFITS					
State employee retirement system	148,301	148,301	109,005	-	39,296
Social security	7,250	7,250	3,240	-	4,010
Workers Compensation	40,000	107,172	107,172	-	-
Life insurance	300	300	49	-	251
Unemployment insurance	5,000	5,377	5,377	-	-
Disability insurance	1,000	1,000	83	-	917
Hospital, medical and dental	357,000	354,000	281,276	-	72,724
Union welfare benefits	11,000	11,000	8,580	-	2,420
Other employee benefits	62,000	62,000	42,348	-	19,652
Total Employee Benefits	<u>631,851</u>	<u>696,400</u>	<u>557,130</u>	-	<u>139,270</u>
Total Expenditures	<u>3,900,270</u>	<u>4,235,171</u>	<u>3,307,491</u>	<u>403,838</u>	<u>523,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(238,900)</u>	<u>(573,801)</u>	<u>346,371</u>	<u>(403,838)</u>	<u>516,334</u>
Other Financing Uses					
Transfers out (Debt Service)	(11,100)	(11,100)	(10,564)	-	536
Total Other Financing (Uses)	<u>(11,100)</u>	<u>(11,100)</u>	<u>(10,564)</u>	-	<u>536</u>
Net Change in Fund Balance	<u>\$ (250,000)</u>	<u>\$ (584,901)</u>	<u>335,807</u>	<u>\$ (403,838)</u>	<u>\$ 516,870</u>
Fund Balance at Beginning of Year			<u>3,349,125</u>		
Fund Balance at End of Year			<u>\$ 3,684,932</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE DISTRICTS FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 656,773	\$ 656,773	\$ 656,773	\$ -
Total Real Property Taxes	<u>656,773</u>	<u>656,773</u>	<u>656,773</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	150	150	353	203
Interest and penalties on taxes	20	20	38	18
Total Other Real Property Tax Items	<u>170</u>	<u>170</u>	<u>391</u>	<u>221</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	13,000	13,000	1,523,954	1,510,954
Total Use of Money and Property	<u>13,000</u>	<u>13,000</u>	<u>1,523,954</u>	<u>1,510,954</u>
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Insurance Recoveries	2,533,000	2,533,000	2,161,854	(371,146)
Total Sale of Property/Compensation for Loss	<u>2,533,000</u>	<u>2,533,000</u>	<u>2,161,854</u>	<u>(371,146)</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	61,085	61,085	36,433	(24,652)
Total Miscellaneous Local Sources	<u>61,085</u>	<u>61,085</u>	<u>36,433</u>	<u>(24,652)</u>
Total Revenues	<u>3,264,028</u>	<u>3,264,028</u>	<u>4,379,405</u>	<u>1,115,377</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Insurance				
Other government support	217,442	217,442	217,442	-
Total General Government Support	<u>217,442</u>	<u>217,442</u>	<u>217,442</u>	<u>-</u>
HEALTH				
Ambulance	3,271,586	3,293,886	3,248,498	45,388
Total Health	<u>3,271,586</u>	<u>3,293,886</u>	<u>3,248,498</u>	<u>45,388</u>
Total Expenditures	<u>3,489,028</u>	<u>3,511,328</u>	<u>3,465,940</u>	<u>45,388</u>
Excess (Deficiency) of Revenues Over Expenditures				
		(247,300)	913,465	1,160,765
Net Change in Fund Balance	<u>\$ (225,000.00)</u>	<u>\$ (247,300)</u>	913,465	<u>\$ 1,160,765</u>
Fund Balance at Beginning of Year			<u>10,968,076</u>	
Fund Balance at End of Year			<u>\$ 11,881,541</u>	

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 5,311,934	\$ 5,311,934	\$ 5,311,934	\$ -
Total Real Property Taxes	<u>5,311,934</u>	<u>5,311,934</u>	<u>5,311,934</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,700	1,700	1,885	185
Interest and penalties on taxes	500	500	311	(189)
Total Other Real Property Tax Items	<u>2,200</u>	<u>2,200</u>	<u>2,196</u>	<u>(4)</u>
NON-PROPERTY TAX ITEMS				
Local government assistance	144,701	144,701	144,701	-
Total Non-Property Tax Items	<u>144,701</u>	<u>144,701</u>	<u>144,701</u>	<u>-</u>
DEPARTMENTAL INCOME				
Sewer charges	1,700,000	1,700,000	1,954,598	254,598
Total Departmental Income	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,954,598</u>	<u>254,598</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	83,500	83,500	52,784	(30,716)
Total Use of Money and Property	<u>83,500</u>	<u>83,500</u>	<u>52,784</u>	<u>(30,716)</u>
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Insurance Recoveries	-	-	6,188	6,188
Total Sale of Property/Compensation for Loss	<u>-</u>	<u>-</u>	<u>6,188</u>	<u>6,188</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	50,500	50,500	54,732	4,232
Total Miscellaneous Local Sources	<u>50,500</u>	<u>50,500</u>	<u>54,732</u>	<u>4,232</u>
STATE AID				
State Aid - Other	-	12,500	-	(12,500)
Total State Aid	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
Total Revenues	<u>\$ 7,292,835</u>	<u>\$ 7,305,335</u>	<u>\$ 7,527,133</u>	<u>\$ 221,798</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2020

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 30,750	\$ 31,378	\$ 31,020	\$ -	\$ 358
Other government support	1,040,467	1,108,104	1,043,781	-	64,323
Total General Government Support	1,071,217	1,139,482	1,074,801	-	64,681
HOME AND COMMUNITY SERVICES					
Sewer	3,875,974	3,914,075	3,387,801	32,924	493,350
Total Home and Community Services	3,875,974	3,914,075	3,387,801	32,924	493,350
EMPLOYEE BENEFITS					
State employee retirement system	344,000	344,049	284,513	-	59,536
Social security	10,445	10,445	-	-	10,445
Workers Compensation	105,000	167,009	165,760	-	1,249
Life insurance	1,000	1,000	-	-	1,000
Unemployment insurance	8,000	8,000	-	-	8,000
Disability benefits	750	750	-	-	750
Hospital, medical and dental	935,449	849,920	737,754	-	112,166
Other employee benefits	92,000	92,000	26,180	-	65,820
Total Employee Benefits	1,496,644	1,473,173	1,214,207	-	258,966
Total Expenditures	6,443,835	6,526,730	5,676,809	32,924	816,997
Excess (Deficiency) of Revenues					
Over Expenditures	849,000	778,605	1,850,324	(32,924)	1,038,795
Other Financing Sources (Uses)					
Transfers out		(415,000)	(415,000)	-	-
Transfers out (Debt Service)	(849,000)	(849,000)	(838,074)	-	10,926
Total Other Financing Sources (Uses)	(849,000)	(1,264,000)	(1,253,074)	-	10,926
Net Change in Fund Balance	\$ -	\$ (485,395)	597,250	\$ (32,924)	\$ 1,049,721
Fund Balance at Beginning of Year			2,222,067		
Fund Balance at End of Year			\$ 2,819,317		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year ended December 31, 2020

	Budgetary Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Issuance cost	\$ -	\$ -	\$ 38,239	\$ (38,239)
Total General Government Support	-	-	38,239	(38,239)
DEBT SERVICE				
Principal	-	10,105,914	10,105,914	-
Interest	-	2,685,213	2,685,213	-
Total Debt Service	-	12,791,127	12,791,127	-
Total Expenditures	-	12,791,127	12,829,366	(38,239)
Deficiency of Revenues				
Over Expenditures	-	(12,791,127)	(12,829,366)	(38,239)
Other Financing Sources				
Transfers In	-	12,791,127	12,791,127	-
Premiums on obligations	-	-	412,774	412,774
Issuance of refunding bonds	-	-	2,563,623	2,563,623
Payments to refunded bond escrow agent	-	-	(2,938,158)	(2,938,158)
Total Other Financing Sources	-	12,791,127	12,829,366	38,239
Net Change in Fund Balance				
	\$ -	\$ -	-	\$ -
Fund Balance at Beginning of Year				
			-	
Fund Balance at End of Year			\$ -	

**DISCRETELY PRESENTED
COMPONENT UNITS**

These component units of the Town provide water services to residents and businesses within the districts. These districts are organized under New York State Town Law and have separately elected boards. Long-term debt, backed by the full faith and credit of the Town, and other matters result in an interdependency with the Town.

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2020

	South Huntington Water District	Greenlawn Water District	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 11,294,479	\$ 4,889,156	\$ 16,183,635
Cash Restricted	-	5,204,430	5,204,430
Accounts receivable, net	1,314,907	1,119,462	2,434,369
Due from federal, state and other governments	860,013	-	860,013
Inventory of materials and supplies	261,777	73,093	334,870
Prepays	94,878	127,913	222,791
Total Current Assets	<u>13,826,054</u>	<u>11,414,054</u>	<u>25,240,108</u>
Non-Current Assets			
Non-depreciable capital assets	3,167,515	503,333	3,670,848
Depreciable capital assets, net of depreciation	40,312,969	17,769,792	58,082,761
Total Non-Current Assets	<u>43,480,484</u>	<u>18,273,125</u>	<u>61,753,609</u>
Total Assets	<u>57,306,538</u>	<u>29,687,179</u>	<u>86,993,717</u>
Deferred Outflow of Resources			
Pensions	825,893	930,959	1,756,852
Other postemployment benefits	1,527,589	1,542,801	3,070,390
Total Deferred Outflow of Resources	<u>2,353,482</u>	<u>2,473,760</u>	<u>4,827,242</u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable and other current liabilities	1,576,158	105,089	1,681,247
Accrued liabilities	-	236,374	236,374
Accrued interest payable	-	75,225	75,225
Deposits	300,428	-	300,428
Non-current liabilities due within one year	2,215,017	554,531	2,769,548
Total Current Liabilities	<u>4,091,603</u>	<u>971,219</u>	<u>5,062,822</u>
Non-Current Liabilities			
Due in more than one year	22,446,884	16,897,548	39,344,432
Total Non-Current Liabilities	<u>22,446,884</u>	<u>16,897,548</u>	<u>39,344,432</u>
Total Liabilities	<u>26,538,487</u>	<u>17,868,767</u>	<u>44,407,254</u>
Deferred Inflow of Resources			
Pensions	55,082	34,613	89,695
Other postemployment benefits	1,165,512	1,197,290	2,362,802
Total Deferred inflow of Resources	<u>1,220,594</u>	<u>1,231,903</u>	<u>2,452,497</u>
NET POSITION			
Investment in capital assets, net of related debt	32,726,423	13,951,048	46,677,471
Restricted for:			
Capital Projects	4,040,831	1,427,352	5,468,183
Employee benefit accrued liability	-	102,791	102,791
Unrestricted	(4,866,315)	(2,420,922)	(7,287,237)
Total Net Position	<u>\$ 31,900,939</u>	<u>\$ 13,060,269</u>	<u>\$ 44,961,208</u>

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year ended December 31, 2020

	South Huntington Water District	Greenlawn Water District	Totals
REVENUES			
Charges for services	\$ 5,386,695	\$ 2,892,996	\$ 8,279,691
Capital grants and contributions	671,818	-	671,818
Real property taxes	4,239,265	2,483,468	6,722,733
Interest and investment income	619,745	643,304	1,263,049
Miscellaneous	94,868	1,035,117	1,129,985
Total Revenues	<u>11,012,391</u>	<u>7,054,885</u>	<u>18,067,276</u>
EXPENSES			
Current:			
Home and community services	9,286,454	6,528,352	15,814,806
Total Expenditures	<u>9,286,454</u>	<u>6,528,352</u>	<u>15,814,806</u>
Changes in Net Position	1,725,937	526,533	2,252,470
Net Position at Beginning of Year	30,175,002	12,533,736	42,708,738
Net Position at End of Year	<u>\$ 31,900,939</u>	<u>\$ 13,060,269</u>	<u>\$ 44,961,208</u>

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STATISTICAL SECTION

The comprehensive statistical data for the Town includes, in some cases, statistical information for the villages, school districts, and special districts which are not part of the Town reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the Town and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and may present data from outside of the Town's accounting records. This part of the Town of Huntington's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.	150-157
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	158-163
Debt Capacity These schedules present information to help the reader assess the Affordability of the government's current level s of outstanding debt and the government's ability to issue additional debt in the future.	164-167
Demographic and Economic Information These schedules offer demographic and economic indicators to help the Reader understand the environment within which the government's Financial activities take place.	168-169
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	170-175

TOWN OF HUNTINGTON
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

<u>Year Ended December 31,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Primary government				
Governmental activities				
Net investment in capital assets	\$ 267,102,385	\$ 260,143,628	\$ 262,758,314	\$ 258,943,999
Restricted	35,072,410	31,856,863	30,455,610	24,837,509
Unrestricted	<u>(280,434,183)</u>	<u>(256,757,420)</u>	<u>(257,003,824)</u>	<u>(97,250,612)</u>
Total primary governmental net position	<u>\$ 21,740,612</u>	<u>\$ 35,243,071</u> ²	<u>\$ 36,210,100</u>	<u>\$ 186,530,896</u>

1. Excludes restatement of net pension liability of \$2.3 million.

2. Excludes restatement of GASB Statement NO. 84 "Fiduciary activities" of \$4.1 million.

Source: Office of the Comptroller and the audited financial statements of the Town of Huntington

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 260,114,664	\$ 259,128,388	\$ 254,011,721	\$ 259,663,495	\$ 245,737,404	\$ 245,685,682
16,587,022	18,576,649	20,407,556	22,649,980	15,237,323	16,229,038
<u>(80,941,563)</u>	<u>(71,915,560)</u>	<u>(64,637,706)</u>	<u>(51,961,730)</u>	<u>(26,378,032)</u>	<u>(22,650,385)</u>
<u>\$ 195,760,123</u>	<u>\$ 205,789,477</u>	<u>\$ 209,781,571</u> ¹	<u>\$ 230,351,745</u>	<u>\$ 234,596,695</u>	<u>\$ 239,264,335</u>

TOWN OF HUNTINGTON
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

<u>Year Ended December 31,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses				
Governmental activities:				
General government support	\$54,735,314	\$46,923,442	\$45,651,907	\$46,687,794
Public safety	18,223,276	16,655,321	14,921,644	15,770,788
Health	4,823,929	5,576,953	4,539,907	3,234,732
Transportation	53,260,082	47,651,589	41,765,421	47,394,507
Economic assistance and opportunity	4,304,635	3,761,996	3,565,391	3,791,487
Culture and recreation	20,980,927	21,419,526	18,082,148	20,324,215
Home and community service	61,223,017	55,793,549	53,525,765	53,692,809
Interest on long-term debt	2,189,098	2,219,040	2,277,418	1,956,904
Total governmental activities expenses	<u>219,740,278</u>	<u>200,001,416</u>	<u>184,329,601</u>	<u>192,853,236</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$4,443,461	\$6,246,015	\$6,180,100	\$6,400,496
Public safety	1,699,027	3,325,365	2,782,341	2,719,690
Health	238,890	250,950	237,070	229,310
Transportation	760,039	1,131,934	1,202,052	893,228
Economic assistance and opportunity	190,049	338,701	376,781	376,293
Culture and recreation	5,716,970	7,379,161	7,103,584	7,381,399
Home and community service	21,157,852	20,356,977	19,787,598	19,440,455
Operating grants and contributions	12,503,749	6,122,253	6,107,210	5,732,689
Capital grants and contributions	921,642	860,635	222,510	704,291
Total governmental activities program revenues	<u>47,631,679</u>	<u>46,011,991</u>	<u>43,999,246</u>	<u>43,877,851</u>
Total primary government program revenues	<u>\$ 47,631,679</u>	<u>\$ 46,011,991</u>	<u>\$ 43,999,246</u>	<u>\$ 43,877,851</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (172,108,599)</u>	<u>\$ (153,989,425)</u>	<u>\$ (140,330,355)</u>	<u>\$ (148,975,385)</u>
Total primary government net expense	<u>\$ (172,108,599)</u>	<u>\$ (153,989,425)</u>	<u>\$ (140,330,355)</u>	<u>\$ (148,975,385)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Real property taxes	\$125,620,454	\$122,867,438	\$119,860,004	\$117,761,111
Mortgage tax	11,588,646	8,627,163	8,758,732	9,269,448
Other taxes	5,346,999	6,173,676	5,501,430	5,602,118
Unrestricted grants and contributions	-	-	-	-
Interest earnings	3,585,262	3,928,752	2,872,950	2,767,823
State aid-unrestricted	1,067,256	1,067,256	1,067,256	1,067,256
Special Item	-	-	-	-
Miscellaneous	7,263,285	10,070,251	10,055,290	6,904,063
Total governmental activities	<u>154,471,902</u>	<u>152,734,536</u>	<u>148,115,662</u>	<u>143,371,819</u>
Total primary government	<u>\$ 154,471,902</u>	<u>\$ 152,734,536</u>	<u>\$ 148,115,662</u>	<u>\$ 143,371,819</u>
Change in Net Position				
Governmental Activities	<u>\$ (17,636,697)</u>	<u>\$ (1,254,889)</u>	<u>\$ 7,785,307</u>	<u>\$ (5,603,566)</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Huntington

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$44,950,816	\$40,273,049	\$41,719,964	\$ 38,235,587	\$ 41,391,051	\$ 39,036,309
15,420,172	13,902,197	14,465,259	13,568,077	13,800,053	12,123,722
2,958,022	3,366,426	3,526,646	3,440,004	3,302,681	3,052,675
45,629,853	47,669,222	52,657,107	50,671,798	59,810,512	50,963,397
3,565,307	3,188,292	3,395,864	3,288,214	3,394,231	3,335,597
19,208,972	18,496,883	21,483,238	23,333,531	20,374,655	18,824,298
54,307,903	50,030,197	50,666,829	52,238,856	40,672,616	46,382,915
2,700,334	2,833,326	2,983,178	2,683,833	3,193,082	3,903,598
<u>188,741,379</u>	<u>179,759,592</u>	<u>190,898,085</u>	<u>187,459,900</u>	<u>185,938,881</u>	<u>177,622,511</u>
\$5,948,409	\$ 5,692,858	\$ 4,926,059	\$ 4,815,610	\$ 4,428,836	\$ 8,177,246
2,563,607	2,324,327	2,012,936	1,803,881	1,317,625	1,230,831
232,950	227,660	219,720	219,180	208,700	210,970
1,337,183	1,098,912	738,867	601,018	462,488	736,177
383,472	312,380	335,082	304,172	309,956	276,643
7,472,694	7,167,157	8,064,953	8,124,066	8,205,323	7,620,757
19,081,789	19,292,953	17,963,084	18,085,563	14,700,673	18,212,053
5,298,821	6,682,848	5,923,624	16,123,065	21,469,143	8,869,297
457,168	2,994,958	1,680,112	3,102,784	1,407,987	8,009,856
<u>42,776,093</u>	<u>45,794,053</u>	<u>41,864,437</u>	<u>53,179,339</u>	<u>52,510,731</u>	<u>53,343,830</u>
<u>\$ 42,776,093</u>	<u>\$ 45,794,053</u>	<u>\$ 41,864,437</u>	<u>\$ 53,179,339</u>	<u>\$ 52,510,731</u>	<u>\$ 53,343,830</u>
<u>\$ (145,965,286)</u>	<u>\$ (133,965,539)</u>	<u>\$ (149,033,648)</u>	<u>\$ (134,280,561)</u>	<u>\$ (133,428,150)</u>	<u>\$ (124,278,681)</u>
<u>\$ (145,965,286)</u>	<u>\$ (133,965,539)</u>	<u>\$ (149,033,648)</u>	<u>\$ (134,280,561)</u>	<u>\$ (133,428,150)</u>	<u>\$ (124,278,681)</u>
\$114,486,165	\$112,993,330	\$ 109,929,165	\$ 109,889,320	\$ 113,181,079	\$ 107,674,455
8,695,368	7,896,508	6,423,492	7,988,336	6,742,019	6,678,915
5,298,960	5,032,462	4,822,112	4,513,225	390,204	484,626
-	(72,710)	-	-	-	9,176
1,738,647	1,557,627	1,351,384	1,390,584	2,014,266	949,519
1,067,256	1,067,256	1,067,256	1,067,256	1,067,256	1,067,256
-	-	(19,781)	-	3,948,106	-
4,649,536	3,814,070	3,628,523	6,163,186	-	5,705,282
<u>135,935,932</u>	<u>132,288,543</u>	<u>127,202,151</u>	<u>131,011,907</u>	<u>127,342,930</u>	<u>122,569,229</u>
<u>\$ 135,935,932</u>	<u>\$ 132,288,543</u>	<u>\$ 127,202,151</u>	<u>\$ 131,011,907</u>	<u>\$ 127,342,930</u>	<u>\$ 122,569,229</u>
<u>\$ (10,029,354)</u>	<u>\$ (1,676,996)</u>	<u>\$ (21,831,497)</u>	<u>\$ (3,268,654)</u>	<u>\$ (6,085,220)</u>	<u>\$ (1,709,452)</u>

TOWN OF HUNTINGTON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

<u>Year Ended December 31,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 1,479,230	\$ 1,470,676	\$ 1,456,969	\$ 1,393,075
Restricted	14,393,713	16,514,841	17,402,400	14,891,362
Assigned	970,837	719,777	710,955	507,041
Unassigned	22,683,353	19,180,744	13,930,579	13,398,796
Total General Fund	<u>\$ 39,527,133</u>	<u>\$ 37,886,038</u>	<u>\$ 33,500,903</u>	<u>\$ 30,190,274</u>
All other governmental funds				
Nonspendable	\$ 1,039,011	\$ 1,035,075	\$ 1,010,361	\$ 1,006,813
Restricted	47,295,368	32,418,139	31,979,589	9,946,147
Assigned	33,349,782	28,911,466	22,978,416	36,498,027
Unassigned, reported in:				
Community Development	(1,804,277)	(1,922,963)	(1,119,634)	(1,009,628)
Total all other governmental funds	<u>\$ 79,879,884</u>	<u>\$ 60,441,717</u>	<u>\$ 54,848,732</u>	<u>\$ 46,441,359</u>

Source: Office of the Comptroller and audited financial statements of the Town of Huntington

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,298,983	\$ 1,145,091	\$ 1,065,926	\$ 1,037,161	\$ 1,038,259	\$ 970,613
14,146,148	15,941,518	16,722,415	18,464,541	23,756,924	20,461,112
1,108,339	1,107,420	1,389,557	1,696,483	2,640,211	3,018,000
8,773,094	5,572,413	4,756,176	7,148,985	11,435,795	11,221,787
<u>\$ 25,326,564</u>	<u>\$ 23,766,442</u>	<u>\$ 23,934,074</u>	<u>\$ 28,347,170</u>	<u>\$ 38,871,189</u>	<u>\$ 35,671,512</u>
\$ 944,370	\$ 836,989	\$ 826,253	\$ 805,303	\$ 464,581	\$ 746,844
2,440,874	2,635,131	3,685,141	4,990,742	12,617,074	18,362,285
31,535,017	26,857,735	30,411,502	35,977,907	16,913,749	17,170,751
(1,083,201)	(922,289)	(947,800)	-	-	-
<u>\$ 33,837,060</u>	<u>\$ 29,407,566</u>	<u>\$ 33,975,096</u>	<u>\$ 41,773,952</u>	<u>\$ 29,995,404</u>	<u>\$ 36,279,880</u>

TOWN OF HUNTINGTON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

Year Ended December 31,	2020	2019	2018	2017
Revenues				
Real property taxes	\$ 125,620,454	\$ 122,867,438	\$ 119,860,004	\$ 117,761,111
Other real property tax items	601,246	576,186	504,314	569,652
Non-property taxes	4,745,753	5,597,490	4,997,116	5,032,466
Departmental income	40,210,929	43,742,517	42,030,128	41,306,556
Intergovernmental charges	236,097	186,417	280,631	237,318
Use of money and property	3,585,262	3,928,752	2,872,950	2,767,823
License and permits	1,670,115	2,335,043	2,131,874	2,030,194
Fines and forfeitures	656,502	1,609,378	1,163,599	1,204,294
Sale of property & compensation for loss	3,018,145	5,009,334	3,487,765	3,412,729
Miscellaneous and local sources	4,265,140	6,039,620	6,565,578	3,500,143
Interfund revenues	4,686,461	4,488,953	4,482,286	4,763,246
State aid	16,263,695	14,945,330	14,724,998	14,604,907
Federal aid	8,431,818	1,924,692	1,516,609	1,933,929
Total Revenues	213,991,617	213,321,150	204,617,852	199,124,368
Expenditures				
Current:				
General government support	34,263,448	34,129,897	33,063,132	34,391,892
Public safety	9,548,696	9,670,658	9,307,105	9,276,598
Health	4,069,695	4,109,240	3,885,707	3,142,219
Transportation	31,349,562	29,057,915	26,565,863	27,458,278
Economic assistance and opportunity	2,310,915	2,306,492	2,297,365	2,265,452
Culture and recreation	12,196,141	13,146,479	12,392,839	12,790,979
Home and community service	56,543,506	54,773,865	52,688,818	50,155,058
Employee benefits	38,133,336	37,420,262	38,595,778	36,519,512
Capital outlay	12,848,379	14,711,690	11,552,152	12,416,379
Debt Service:				
Principal	10,105,914	10,099,472	10,047,853	10,123,109
Interest	2,685,213	2,654,110	2,618,852	2,375,430
Total Expenditures	214,054,805	212,080,080	203,015,464	200,914,906
Excess of revenues over (under) expenditures	(63,188)	1,241,070	1,602,388	(1,790,538)
Other financing sources (uses)				
Amortization of retirement system contribution	-	-	-	-
Bonds issued	16,969,974	8,381,618	10,000,000	12,840,000
Capital leases	-	-	-	-
Transfers in	17,772,588	17,426,438	14,705,836	14,486,862
Transfers out	(17,772,588)	(17,426,438)	(14,705,836)	(14,486,862)
Issuance of refunding bonds	2,563,623	4,500,471	4,086,165	17,430,000
Premiums on obligations	412,774	636,511	422,170	1,855,536
Payments to refund bond escrow agent	(2,938,158)	(5,069,410)	(4,392,721)	(19,149,308)
Total other financing sources (uses)	17,008,213	8,449,190	10,115,614	12,976,228
Net change in fund balances	\$ 16,945,025	\$ 9,690,260	\$ 11,718,002	\$ 11,185,690
Debt service as a percentage of noncapital expenditures	6.46%	6.53%	6.62%	6.64%

Source: Office of the Comptroller and the audited financial statements of the Town of Huntington

Note: Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

	2016	2015	2014	2013	2012	2011
\$	114,486,165	\$ 112,993,330	\$ 109,929,165	\$ 109,889,320	\$ 109,054,601	\$ 107,552,908
	438,480	479,802	451,627	412,497	360,204	334,396
	4,860,480	4,552,660	4,370,485	4,100,728	3,962,886	3,885,051
	41,421,297	40,601,800	38,859,896	38,686,154	34,801,298	35,902,822
	154,677	168,872	205,545	143,594	232,158	235,671
	1,738,647	1,557,627	1,351,384	1,390,584	2,014,267	1,854,711
	2,155,291	2,132,672	1,910,407	1,918,531	1,594,776	1,754,907
	1,160,476	1,136,862	1,101,734	1,135,462	760,548	646,834
	1,418,185	1,006,267	1,065,514	1,364,545	840,836	4,708,647
	3,250,372	2,807,805	2,563,009	4,774,920	2,291,436	1,888,592
	4,469,548	4,150,647	4,138,963	4,051,494	4,279,359	5,657,187
	13,728,025	13,472,502	11,452,087	12,423,562	13,441,235	14,505,595
	1,808,501	4,649,441	3,674,689	14,933,074	17,246,580	10,017,200
	<u>191,090,144</u>	<u>189,710,287</u>	<u>181,074,505</u>	<u>195,224,465</u>	<u>190,880,184</u>	<u>188,944,521</u>
	31,215,315	30,883,557	30,649,115	29,590,411	30,090,454	30,374,952
	8,881,996	8,802,980	8,614,910	8,080,611	8,034,402	7,385,006
	2,860,544	3,246,213	3,363,719	3,281,771	3,136,480	3,086,042
	26,333,036	30,872,783	29,286,713	32,264,244	38,949,298	28,737,380
	2,206,822	2,132,736	2,101,653	2,071,285	2,112,812	2,043,773
	12,436,746	12,795,662	14,057,894	14,048,065	13,850,124	13,644,237
	50,998,414	50,679,893	50,325,062	49,571,193	41,707,028	47,267,179
	35,274,274	36,572,602	33,842,793	36,012,603	34,421,468	30,302,386
	14,030,043	13,983,820	16,534,234	21,583,565	10,814,930	22,550,436
	11,110,913	10,881,634	11,007,429	10,704,821	10,654,320	11,049,744
	2,677,425	3,178,569	3,049,258	3,171,256	3,264,926	3,666,929
	<u>198,025,528</u>	<u>204,030,449</u>	<u>202,832,780</u>	<u>210,379,825</u>	<u>197,036,242</u>	<u>200,108,064</u>
	<u>(6,935,384)</u>	<u>(14,320,162)</u>	<u>(21,758,275)</u>	<u>(15,155,360)</u>	<u>(6,156,058)</u>	<u>(11,163,543)</u>
	-	-	-	-	3,905,184	-
	12,925,000	9,585,000	8,285,000	7,430,000	7,600,000	6,380,000
	-	-	-	-	18,987	139,431
	17,367,855	18,213,138	17,877,295	26,283,066	14,841,544	17,660,108
	(17,367,855)	(18,213,138)	(17,877,295)	(26,283,066)	(14,841,544)	(17,660,108)
	-	-	-	-	15,481,635	-
	-	-	-	-	(15,481,635)	-
	-	-	-	-	-	-
	<u>12,925,000</u>	<u>9,585,000</u>	<u>8,285,000</u>	<u>7,430,000</u>	<u>11,524,171</u>	<u>6,519,431</u>
\$	<u>5,989,616</u>	<u>\$ (4,735,162)</u>	<u>\$ (13,473,275)</u>	<u>\$ (7,725,360)</u>	<u>\$ 5,368,113</u>	<u>\$ (4,644,112)</u>
	7.47%	7.52%	7.30%	7.35%	7.47%	8.29%

TOWN OF HUNTINGTON
ASSESSED VALUE, STATE EQUALIZATION RATE, AND ESTIMATED FULL VALUE OF REAL PROPERTY
LAST TEN YEARS

Year Ended December 31,	Residential Property	Commercial Property	Vacant Property	Other	Less: Tax Exempt Real Property
2020	251,753,409	40,285,279	2,221,243	70,284,988	41,715,743
2019	249,953,490	40,448,723	2,199,760	72,182,906	42,158,361
2018	251,229,345	40,878,678	2,262,725	71,818,431	42,673,696
2017	251,731,395	41,331,708	2,348,216	71,327,163	42,712,594
2016	253,364,853	41,435,946	2,345,781	71,452,714	43,391,168
2015	253,773,579	41,962,696	2,373,696	71,265,542	43,618,401
2014	255,652,884	42,396,208	2,340,531	71,359,816	44,543,941
2013	257,584,341	42,433,561	2,517,806	71,492,560	45,303,795
2012	259,638,035	43,874,382	2,211,427	71,437,375	45,495,271
2011	261,810,983	45,198,563	2,204,842	71,544,679	46,445,869

Source: Town of Huntington Assessors Office, Town of Huntington IT Department

(a) - Town of Huntington's Refuse District Tax Rate is based on a flat fee, not assessed valuation.

Total Net Assessed Value	Total Direct Tax Rate (a)	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
322,829,176	31.12	0.76%	\$ 42,477,523,158	0.86%
322,626,518	30.65	0.80%	40,328,314,750	0.90%
323,515,483	29.50	0.84%	38,513,747,976	0.95%
324,025,888	28.82	0.85%	38,120,692,706	0.96%
325,208,126	27.82	0.86%	37,814,898,372	0.97%
325,757,112	27.35	0.89%	36,601,922,697	1.01%
327,205,498	26.34	0.90%	36,356,166,444	1.02%
328,724,473	26.34	0.90%	36,524,941,444	1.02%
331,665,948	25.92	0.88%	37,689,312,273	1.00%
334,313,198	25.92	0.88%	37,990,136,136	1.00%

TOWN OF HUNTINGTON
PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

Town Direct Rates

Years Ended December 31,	Full Valuation	State Equalization Rate	Total Taxable Assessed Value	Tax Levy For Town ²	Total Town Direct Tax Rate ¹
2020	\$ 42,477,523,158	0.76%	\$ 322,829,176	\$ 125,603,246	31.12
2019	40,328,314,750	0.80%	322,626,518	122,804,053	30.65
2018	38,513,747,976	0.84%	323,515,483	119,772,942	29.50
2017	38,120,692,706	0.85%	324,025,888	117,652,051	28.82
2016	37,814,898,372	0.86%	325,208,126	114,391,393	27.82
2015	36,601,922,697	0.89%	325,757,112	112,860,928	27.35
2014	36,356,166,444	0.90%	327,205,498	109,686,705	26.34
2013	36,524,941,444	0.90%	328,724,473	109,686,705	26.34
2012	37,689,312,273	0.88%	331,665,948	109,413,864	25.92
2011	37,990,136,136	0.88%	334,313,198	#REF!	25.18

Source: Town of Huntington Tax Warrant & IT Department

¹ Per \$100 of assessed value

² Does not include unpaid property cleanup .

Overlapping Rates

County Tax Levy For Town	Total County Direct Rate ¹	School Levy	Total School Direct Rate ¹	Total Direct & Overlapping Rates
\$ 154,877,202	47.97	\$ 779,410,089	241.43	320.53
148,758,244	46.11	751,330,496	232.88	309.64
146,967,884	45.43	730,226,559	225.72	300.64
144,608,997	44.63	716,219,155	221.04	294.49
142,720,593	43.89	704,944,597	216.77	288.47
140,542,439	43.14	694,180,118	213.10	283.59
132,626,977	40.53	677,469,063	207.05	273.92
131,965,873	40.14	659,657,285	200.67	267.16
127,337,090	38.39	643,809,830	194.11	258.43
118,888,782	35.56	579,387,049	173.31	234.05

TOWN OF HUNTINGTON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2020				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 36,045,765	11.17%
2	The Retail Property Trust	Real Estate	2,000,000	0.62%
3	58/68 S. Service Road SPE LLC	Commercial	801,465	0.25%
4	Avalon Bay Communities	Real Estate	764,975	0.24%
5	Huntington Quadrangle	Real Estate	675,000	0.21%
6	Estee Lauder	Cosmetics	469,700	0.15%
7	Verizon	Utility	442,590	0.14%
8	Avalon Huntington Former S Corp	Real Estate	455,000	0.14%
9	Grandview Hotel Limited	Hotel	425,000	0.13%
10	3 HQ Owner LLC	Real Estate	425,000	0.13%
	Total		<u>\$ 42,504,495</u>	<u>13.18%</u>

2011				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (b)
1	LIPA/Keyspan Energy Corp.	Utility	\$36,818,330	11.01%
2	The Retail Property Trust	Real Estate	2,050,000	0.61%
3	Verizon	Utility	\$984,302	0.29%
4	Melville Industrial Associates	Office Building	\$922,000	0.28%
5	Huntington Quadrangle #1 Co.	Real Estate	\$850,000	0.25%
6	Reckson FS Limited Partnership	Commercial	\$801,465	0.24%
7	Tribune, LLC(Newspaper)	Newspaper	\$551,000	0.16%
8	Grandview Hotel Limited	Hotel	\$550,000	0.16%
9	Avalon Bay Communities	Real Estate	\$532,400	0.16%
10	Hines Reit Three Huntington Quadrangle	Real Estate	\$500,000	0.15%
	Total		<u>\$ 44,559,497</u>	<u>13.31%</u>

Source: Town of Huntington Department of Information Technology

(a) Total taxable assessed valuations per the Town's 2019 assessment roll for taxes levied in fiscal 2020 are \$322,829,176

(b) Total taxable assessed valuations per the Town's 2010 assessment roll for taxes levied in fiscal 2011 are \$336,722,881

TOWN OF HUNTINGTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ended December 31,	Tax Levy For Town ^(a)	Total Tax Levy ^(b)	Amount Collected ^(c)	Percent Collected for Town ^(d)	Amount Uncollected ^(e)	Percent Uncollected ^(d)
2020	\$ 125,603,246	\$ 1,107,647,519	\$ 125,603,246	100.00%	\$ -	0.00%
2019	122,804,053	1,069,274,903	122,804,053	100.00%	-	0.00%
2018	119,772,942	1,041,646,475	119,772,942	100.00%	-	0.00%
2017	117,652,051	1,021,958,583	117,652,051	100.00%	-	0.00%
2016	114,391,393	1,004,921,256	114,391,393	100.00%	-	0.00%
2015	112,860,928	989,241,767	112,860,928	100.00%	-	0.00%
2014	109,686,705	960,153,294	109,686,705	100.00%	-	0.00%
2013	109,686,705	941,140,645	109,686,705	100.00%	-	0.00%
2012	109,413,864	918,665,388	109,413,864	100.00%	-	0.00%
2011	107,692,484	879,997,364	107,692,484	100.00%	-	0.00%
	<u>\$ 1,149,564,371</u>	<u>\$ 9,934,647,194</u>	<u>\$ 1,149,564,371</u>		<u>\$ -</u>	

Source: The most recent official statement of the Town of Huntington and Town of Huntington 2020 Adopted Budget

- (a) Gross levy for Town purposes. (Includes all Town controlled funds and does not include unpaid property clean up, unpaid water rents, blight abatement & board up)
- (b) Includes all Town and County taxes. (Does not include unpaid property clean up, unpaid water rents, blight abatement & board up)
- (c) At end of the levy year. (Does not include unpaid property cleanup, unpaid water rents, blight abatement, & board up)
- (d) Uncollected taxes are returned to the County for collection.
 The Town retains 100% of its levy. See "Tax Collection Procedures".
 All subsequent year tax collections are collected by the County.

TOWN OF HUNTINGTON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year Ended	Governmental Activities			Percentage of Personal Income¹	Per Capita¹
	General Obligation Bonds (Net)	Capital Leases	Total Primary Government		
2020	\$ 90,634,865	\$ 492,686	\$ 91,127,551	0.78%	454
2019	84,257,866	279,917	84,537,783	0.76%	419
2018	86,360,756	421,490	86,782,246	0.81%	425
2017	85,545,010	-	85,545,010	0.82%	419
2016	84,253,119	-	84,253,119	0.84%	412
2015	82,439,032	-	82,439,032	0.82%	404
2014	84,020,659	2,634	84,023,293	0.84%	412
2013	86,743,093	63,435	86,806,528	0.88%	427
2012	90,017,918	214,296	90,232,214	0.93%	444
2011	94,334,163	295,678	94,629,841	0.97%	467

Source: Details regarding the outstanding debt can be found in the notes to the financial statements

1. See the schedule of Demographic and Economic Statistics for personal income and population.

*Beginning in 2019, General Obligation Bonds (Net) includes premium on obligations.

TOWN OF HUNTINGTON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value¹ of Property	Per Capita²
2020	\$ 89,393,333	\$ (223,002)	\$ 89,170,331	0.21%	445
2019	82,903,807	(419,995)	82,483,812	0.20%	409
2018	85,190,600	(608,268)	84,582,332	0.22%	415
2017	85,545,010	(484,685)	85,060,325	0.22%	417
2016	84,253,119	(536,854)	83,716,265	0.22%	410
2015	82,439,035	(873,067)	81,565,968	0.22%	400
2014	84,020,659	(1,106,604)	82,914,055	0.23%	406
2013	86,743,093	(772,229)	85,970,864	0.24%	423
2012	90,017,918	(663,624)	89,354,294	0.24%	440
2011	94,334,163	(1,156,839)	93,177,324	0.25%	460

Note: Details regarding outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Assessed Value, Equalization Rate and Estimated Full Value of Real Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics

TOWN OF HUNTINGTON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2020

<u>Governmental Unit</u>	<u>Net Long-Term Debt</u>	<u>Percentage Applicable to the Town of Huntington</u>	<u>Town of Huntington Share of Debt</u>
Direct:			
Town of Huntington	\$ 89,393,333	100.00%	\$ 89,393,333
Component Units	20,161,668	100.00%	20,161,668
Total direct Debt			<u>\$ 109,555,001</u>
Overlapping:			
County	\$ 1,841,983,260	15.63%	\$ 287,901,984
Villages	4,605,752	100.00%	4,605,752
School Districts	261,439,493	70.51%	184,348,121
Library Districts	15,456,473	95.19%	14,712,826
Fire Districts	11,466,856	100.00%	11,466,856
Total overlapping debt			<u>503,035,538</u>
Total direct and overlapping debt			<u>\$ 612,590,539</u>

Source: Munistat Services, Inc.

Note: The taxpayers share of overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate unit's total values.

TOWN OF HUNTINGTON
DEBT LIMIT MARGIN INFORMATION
December 31, 2020

<u>Year Ended December 31,</u>	<u>Net Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2020	322,829,176	0.76%	\$ 42,477,523,158
2019	322,626,518	0.80%	40,328,314,750
2018	323,515,483	0.84%	38,513,747,976
2017	324,025,888	0.85%	38,120,692,706
2016	325,208,126	0.86%	37,814,898,372
Total Five Year Full Valuation			<u>\$ 197,255,176,962</u>
Five Year Average Full Valuation of Taxable Real Property			<u>39,451,035,392</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>2,761,572,477</u>
Outstanding Indebtedness at December 31st			109,555,001
Less: Water Bonds			<u>25,180,803</u>
Net Indebtedness Subject to Debt Limit			<u>84,374,198</u>
Net Debt Contracting Margin			<u>\$ 2,677,198,279</u>
Percentage of Net Debt Contracting Margin Available			96.94%
Percentage of Net Debt Contracting Power Exhausted			3.06%

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Appropriations for Debt Principal	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percentage of Net Debt Contracting Margin Available
2020	\$ 2,761,572,477	\$ 109,555,000	\$ 25,180,802	\$ 84,374,198	\$ 2,677,198,279	96.94%
2019	2,709,029,671	104,985,001	26,988,289	77,996,711	2,631,032,960	97.12%
2018	2,623,703,995	104,450,000	24,142,844	80,307,156	2,543,396,839	96.94%
2017	2,595,860,703	107,300,000	25,688,284	81,611,716	2,514,248,987	96.86%
2016	2,589,821,377	108,460,000	24,206,877	84,253,123	2,505,568,254	96.75%
2015	2,079,847,788	107,770,000	25,330,965	82,439,035	1,997,408,753	96.04%
2014	2,654,740,512	108,044,993	24,024,334	84,020,659	2,570,719,853	96.84%
2013	2,768,164,599	113,114,998	26,371,905	86,743,093	2,681,421,506	96.87%
2012	2,873,113,983	112,540,000	22,522,082	90,017,918	2,783,096,065	96.87%
2011	2,937,891,163	119,250,000	24,915,837	94,334,163	2,843,557,000	96.79%

TOWN OF HUNTINGTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year Ended December 31,	Population¹	Personal Income (millions of dollars)	Per Capita Income³	Unemployment Rate²	Year-Round Households Estimate⁴	Average Household Size Estimates⁴	Population Density Per Square Mile⁴
2020	200,503	11,751	58,606	7.9%	68,753	2.90	2,133
2019	201,546	11,107	55,107	3.3%	68,354	2.93	2,144
2018	204,011	10,715	52,523	2.9%	68,694	2.93	2,170
2017	203,974	10,470	51,332	3.8%	68,521	2.94	2,170
2016	204,398	10,029	49,067	3.5%	69,000	2.92	2,174
2015	204,088	10,072	49,349	3.5%	69,026	2.96	2,171
2014	204,088	9,989	48,943	4.4%	69,026	2.91	2,171
2013	203,447	9,830	48,315	4.5%	69,311	2.89	2,164
2012	203,138	9,653	47,519	6.2%	69,311	2.89	2,161
2011	202,633	9,725	47,994	6.3%	69,311	2.89	2,156

Sources:

- ¹ Bureau of the Census (factfinder.census.gov) American Community Survey estimates
- ² Bureau of Economic Analysis/State Department of Labor
- ³ Factfinder.census.gov and Suffolk County Planner (Peter Lambert)
- ⁴ Factfinder.census.gov

TOWN OF HUNTINGTON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2020					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,734	2.8%
2	Canon	Melville	Imaging Products	2,497	2.6%
3	Northport Veterans Affairs Medical Center	Northport	Healthcare	2,000	2.1%
4	Henry Schein, Inc.	Melville	Medical & Dental Supplies	1,400	1.5%
5	Half Hollow Hills School District	Dix Hills	Education	1,398	1.5%
6	Western Suffolk BOCES	Huntington	Education	1,185	1.2%
7	Northport-East Northport School District	Northport	Education	1,023	1.1%
8	South Huntington School District	Huntington	Education	933	1.0%
9	Huntington School District	Huntington	Education	819	0.9%
10	Town of Huntington	Huntington	Government	815	0.8%

2011					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,068	2.0%
2	Northport Veterans Affairs Medical Center	Northport	Healthcare	2,000	1.9%
3	Newsday	Melville	Newspaper	1,800	1.7%
4	Estee Lauder	Melville	Cosmetics	1,629	1.6%
5	Western Suffolk BOCES	Huntington	Education	1,276	1.2%
6	Marchon Eyewear, Inc.	Melville	Healthcare	994	1.0%
7	Town of Huntington	Huntington	Government	916	0.9%
8	BAE	Greenlawn	Technology	750	0.7%
9	Henry Schein	Melville	Medical Supplies	700	0.7%
10	Marcum LLP	Melville	Consulting	600	0.6%

Source: Audit & Control

TOWN OF HUNTINGTON
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTIONS
LAST TEN YEARS

Full-time Equivalent Employees as of December 31,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Function										
General government support	243	250	272	258	251	264	249	248	253	270
Public safety	89	92	89	86	90	99	82	81	78	82
Health	2	3	2	2	3	5	4	4	5	5
Transportation	204	217	233	219	222	228	224	215	218	230
Economic assistance and opportunity	24	29	27	28	26	25	27	27	27	28
Culture and recreation	120	140	141	143	142	151	148	151	149	167
Home and community services	<u>132</u>	<u>134</u>	<u>146</u>	<u>143</u>	<u>148</u>	<u>152</u>	<u>145</u>	<u>146</u>	<u>142</u>	<u>150</u>
Total	<u>815</u>	<u>865</u>	<u>910</u>	<u>879</u>	<u>882</u>	<u>924</u>	<u>879</u>	<u>872</u>	<u>872</u>	<u>932</u>

Source: Department of Information Technology

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TOWN OF HUNTINGTON
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2020	2019	2018	2017
Function				
Public Safety				
Building				
Residential building permits issued	2,011	2,533	2,439	2,767
Commercial building permits issued	222	471	619	642
Building inspections	7,205	11,822	12,609	13,035
Fire Prevention				
Fire inspections*	2,383	2,273	2,219	2,143
Transportation				
Public Transportation				
Average daily ridership	251	561	567	663
Streetlighting				
Energy Efficient Streetlights	20,296	21,740	20,800	20,840
Public Safety				
Parking violations	4,729	18,499	14,664	15,615
Accessory apartment permits	1,926	1,916	1,783	1,781
Highways and streets				
Street resurfacing (miles)	25	21	38	34
Number of trees planted	270	33	90	125
Number of trees removed	1,001	205	688	700
Culture and Recreation				
Beach permits issued	11,342	9,501	10,898	11,411
Rounds of golf	89,965	62,455	58,058	62,661
Recreation program registrations	3,283	8,482	9,521	10,193
Home and Community Services				
Sanitation				
Refuse collected (tons/day)	320.8	281.5	270.0	268.4
Recyclables collected (tons/yr)	36,013	31,736	38,308	36,174
Water				
Water main breaks	13	14	19	10
Average daily consumption (thousands of gallons)	5,205	5,220	5,175	5,183
Sewer Usage				
Average daily sewage treatment (millions of gallons)	1.9	2.1	1.9	1.7
Wastewater				
Average daily sewage treatment (thousands of gallons)	49	54	60	61

Source: Various government departments of the Town of Huntington

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
2,533	2,881	2,615	2,325	1,756	2,170
604	497	352	330	767	353
13,394	9,773	7,967	11,871	11,405	11,388
1,593	1,631	1,086	1139	1,225	1,203
725	716	698	966	870	869
20,840	15,211				
16,975	12,913	12,913	10,886	9,000	
17,762	14,256	12,876	24,879	14,000	9,104
1,749	1,661	2,205	1,689	1,667	1,555
30	20	19	30	35	28
90	158	158	160	450	340
789	646	729	858	2,400	1,900
12,754	13,297	11,429	10,708	10,529	10,453
72,136	73,163	67,147	71,120	73,299	66,242
10,441	11,678	9,898	10,892	11,109	10,906
268.4	261.2	266.5	271.3	302.0	273.0
39,521	37,730	36,983	39,360	35,520	39,528
17	12	15	13	13	8
6,011	6,089	5,529	5,940	5,496	5,512
1.6	1.8	1.9	1.9	2.5	2.5
59	47	48	50	53	44

TOWN OF HUNTINGTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2020	2019	2018	2017
Function				
General Government				
Municipal Building	1	1	1	1
Maintenance Buildings	5	5	5	5
Vehicles	501	510	470	463
Public safety				
Animal Shelter	1	1	1	1
Vehicles	41	41	41	39
Transportation				
Public Transportation				
Buses	26	29	29	27
Highways and streets				
Streets (miles)	784	784	829	816
Streetlighting				
Traffic signals	287	279	279	271
Culture and recreation				
Parks	44	44	44	44
Beaches	9	9	9	9
Boat launch ramps	5	5	5	5
Golf Courses	2	2	2	2
Ice Rinks	2	2	2	2
Marinas	3	3	3	3
Rifle Ranges	0	0	0	0
Rollerblading Parks	2	2	2	2
Skateboarding Parks	2	2	2	2
Swimming pools	1	1	1	1
Home and Community Services				
Building	1	1	1	1
Sanitation				
Collection trucks	17	18	24	26
Resource Recovery Plants	1	1	1	1
Maximum daily capacity (tons burned per day)	750	750	750	750
Water				
Fire hydrants	1357	1357	1290	1290
Water mains (miles)	170	170	170	170
Maximum daily capacity (millions of gallons)	33	33	33	33
Sewer				
Sewer Treatment Plant	1	1	1	1
Sanitary sewers (miles)	35	35	26	26
Maximum daily treatment capacity (millions of gallons)	3	3	3	3

Source: Various government departments of the Town of Huntington

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1	1	1	1	1	1
5	5	5	5	5	5
444	460	470	470	470	470
1	1	1	1	1	1
38	36	38	37	37	37
26	24	24	24	24	24
816	789	789	789	789	789
266	257	253	239	239	239
43	43	42	40	40	40
9	9	9	9	9	9
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	1	1	1
3	3	3	3	3	3
0	0	0	0	0	0
2	1	4	3	3	3
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
25	26	26	26	26	26
1	1	1	1	1	1
750	750	750	750	750	750
1290	1288	1284	1285	1285	1284
170	170	170	169	169	169
33	33	33	33	33	33
1	1	1	1	1	1
26	26	26	26	26	26
3	3	3	3	3	3

APPENDIX C

FORM OF BOND COUNEL OPINION

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July 29, 2021

The Town Board of the
Town of Huntington, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Huntington (the “Town”), in the County of Suffolk, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$23,900,000 Public Improvement Serial Bonds-2021 Series A (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Town expects to issue its \$3,075,000 Public Improvement Refunding Serial Bonds–2020 Series B (the “Refunding Bonds”) on July 29, 2021. The Refunding Bonds are treated, together with the Bonds, as a single issue for federal tax purposes. We serve as Bond Counsel with respect to the issuance of the Refunding Bonds and, on the closing date of the Refunding Bonds, we expect to render our opinion with respect to the exclusion of interest on the Refunding Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Refunding Bonds to become subject to federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Town will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Town with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July 29, 2021

The Town Board of the
Town of Huntington, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Huntington (the "Town"), in the County of Suffolk, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$3,075,000 Public Improvement Refunding Serial Bonds-2021 Series B (the "Bonds"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Town expects to issue its \$23,900,000 Public Improvement Serial Bonds-2021 Series A (the "Series A Bonds") on July 29, 2021. The Series A Bonds are treated, together with the Bonds, as a single issue for federal tax purposes. We serve as Bond Counsel with respect to the issuance of the Series A Bonds and, on the closing date of the Series A Bonds, we expect to render our opinion with respect to the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Series A Bonds to become subject to federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Town will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Town with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Town of Huntington**, in the County of Suffolk, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of July 14, 2021.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$23,900,000 Public Improvement Serial Bonds-2021 Series A**, dated July 29, 2021, maturing in various principal amounts on June 15 in each of the years 2022 to 2036, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial

statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of

the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE TOWN," "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE TOWN," "FINANCES OF THE TOWN," "REAL PROPERTY TAX INFORMATION" AND "LITIGATION" AND APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 29, 2021.

TOWN OF HUNTINGTON

By _____
Supervisor and Chief Fiscal Officer

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Town of Huntington**, in the County of Suffolk, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of July 14, 2021.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$3,075,000 Public Improvement Refunding Serial Bonds-2021 Series B**, dated July 29, 2021, maturing in various principal amounts on July 15 in each of the years 2022 to 2027, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System

within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE TOWN," "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE TOWN," "FINANCES OF THE TOWN," "REAL PROPERTY TAX INFORMATION" AND "LITIGATION" AND APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 29, 2021.

TOWN OF HUNTINGTON

By _____
Supervisor and Chief Fiscal Officer