

The Town of Huntington
Local Development Corporation (TOH LDC)

100 Main Street

Huntington, New York

Combined Board of Directors / Member Annual Meeting

Tuesday, May 7, 2013, Huntington Town Hall Room 114

MINUTES

The TOH LDC Audit Committee, comprised of Mark Cuthbertson, Mark Mayoka and Frank Petrone convened at 9:40 a.m. with THLDC General Counsel Thomas Glascock, Komaromi and THLDC Executive Director Joan Cergol. The Corporation's Draft 2012 Financial Statements and Independent Auditors' Report were reviewed for the purpose of recommending its acceptance by the Board of Directors at this meeting. The Financial Statements and Independent Auditor's Report were reviewed and deemed "clean" by the Audit Committee.

The TOH LDC Governance Committee, comprised of Mark Cuthbertson, Eugene Cook and Susan A. Berland discussed steps to summarize Board Evaluations as required annually pursuant to the Public Authorities Accountability Act of 2005, as amended. Joan Cergol noted that the Board Evaluations need to be completed as soon as possible. Any questions can be directed to Susan A. Berland or Joan Cergol.

1. **Annual meeting called to order at 9:44 a.m. by Supervisor Frank P. Petrone.**
 - a. Present: Supervisor Frank P. Petrone, Councilman Mark Cuthbertson, Councilwoman Susan A. Berland, Councilman Mark Mayoka, Councilman Eugene Cook, Joan Cergol, Executive Director and Thomas Glascock, General Counsel. Others present included: Andrew Persich, Jo-Anne Mendes, Diane Teets and Mackenzie Issler.
2. **Organizational Matters.**
 - a. Resolution 5-7-2013-1 ratifying and confirming the Corporation's Meeting minutes of April 17, 2012
 - b. Resolution 5-7-2013-2 to re-elect Frank P. Petrone as Chairperson of the Board of Directors for the Corporation
 - c. Resolution 5-7-2013-3 to re-elect Mark Cuthbertson as Vice Chairperson of the Board of Directors for the Corporation

- d. Resolution 5-7-2013-4 to re-elect Susan A. Berland as Secretary and Treasurer of the Board of Directors for the Corporation

3. Operational matters.

- a. Annual Review of Corporation's Mission Statement/Measurement Report, and if acceptable, Resolution 5-7-2013-5 to ratify its adoption
- b. Annual Review of Corporation's Investment Policy, and, if acceptable, Resolution 5-7-2013-6 to ratify their adoption
- c. Annual Review the Corporation's Statement of Procurement Policy & Procedures, and, if acceptable, Resolution 5-7-2013-7 to ratify their adoption
- d. Review of the Corporation's Property Disposition Policy, and, if acceptable, Resolution 5-7-2013-8 to ratify their adoption
- e. Review of Corporation's 2012 Operations & Accomplishments Report, and, if acceptable, Resolution 5-7-2013-9 to ratify its adoption
- f. Review Corporation's 2012 Draft Financial Statements and Independent Auditors' Report, and, if acceptable, Resolution 5-7-2013-10 to accept them
- g. Resolution 5-7-2013-11 that the Executive Director be authorized, until the next combined Board of Directors/Member meeting, to take such other reasonable actions as shall be necessary to reasonably prepare the Corporation for operations
- h. Resolution 5-7-2013-12 that, during the remainder of year 2013, the Corporation shall notice and conduct combined Board of Directors/Member meetings at 100 Main Street, Huntington, New York, as needed
- i. Collection of completed Acknowledgment of Fiduciary Duties and Responsibilities Statements from the Board of Directors
- j. Collection of completed Board Evaluations from the Board of Directors
- k. Collection of completed Annual Financial Disclosure statements from the Board of Directors
- l. Reminder that the Corporation's Policies, Reports, Budget, Agendas, Minutes, Application for Financial Assistance and Committees are posted at the Town's website

Other Matters.

Adjourn meeting.

Resolution 5-7-2013-1

BE IT RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RATIFIES AND CONFIRMS THE APRIL 17, 2012 MEETING MINUTES.

OFFERED BY: MARK MAYOKA

SECONDED BY: SUSAN A. BERLAND

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-2

WHEREAS, the Chairperson discussed the need to re-elect the Officers of the Board of Directors of The Town of Huntington Local Development Corporation, and stated that said re-election was now in order;

NOW, THEREFORE, BE IT RESOLVED

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RE-ELECTS FRANK P. PETRONE AS CHAIRPERSON OF THE BOARD OF DIRECTORS OF THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION.

OFFERED BY: MARK CUTHBERTSON

SECONDED BY: SUSAN A. BERLAND

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-3

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RE-ELECTS MARK CUTHBERTSON AS VICE-CHAIRPERSON OF THE BOARD OF DIRECTORS OF THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION.

OFFERED BY: MARK MAYOKA

SECONDED BY: EUGENE COOK

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-4

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RE-ELECTS SUSAN A. BERLAND AS SECRETARY AND TREASURER OF THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION.

OFFERED BY: EUGENE COOK

SECONDED BY: MARK MAYOKA

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-5

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY ADOPTS ITS 2013 MISSION STATEMENT/MEASUREMENT REPORT, PURSUANT TO THE REQUIREMENTS OF THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED.

OFFERED BY: MARK MAYOKA

SECONDED BY: SUSAN A. BERLAND

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-6

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RE-ADOPTS ITS INVESTMENT POLICY, PURSUANT TO THE REQUIREMENTS OF THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED.

OFFERED BY: SUSAN A. BERLAND

SECONDED BY: EUGENE COOK

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-7

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RE-ADOPTS ITS STATEMENT OF PROCUREMENT POLICY & PROCEDURES, PURSUANT TO THE REQUIREMENTS OF THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED.

OFFERED BY: SUSAN A. BERLAND

SECONDED BY: EUGENE COOK

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-8

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY RE-ADOPTS ITS PROPERTY DISPOSITION POLICY PURSUANT TO THE REQUIREMENTS OF THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED.

OFFERED BY: MARK MAYOKA

SECONDED BY: SUSAN A. BERLAND

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-9

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY ADOPTS ITS 2012 OPERATIONS AND ACCOMPLISHMENTS REPORT, PURSUANT TO THE REQUIREMENTS OF THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED.

OFFERED BY: SUSAN A. BERLAND

SECONDED BY: EUGENE COOK

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

Resolution 5-7-2013-10

BE IT FURTHER RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION HEREBY ACCEPTS ITS 2012 DRAFT FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT, PURSUANT TO THE REQUIREMENTS OF THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED.

OFFERED BY: MARK MAYOKA

SECONDED BY: SUSAN A. BERLAND

VOTED:

FRANK P. PETRONE AYE

SUSAN A. BERLAND AYE

MARK CUTHBERTSON AYE

MARK MAYOKA AYE

EUGENE COOK AYE

Resolution 5-7-2013-12

BE IT FURTHER RESOLVED:

THAT DURING THE REMAINDER OF YEAR 2013, THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION SHALL NOTICE AND CONDUCT COMBINED BOARD OF DIRECTORS/MEMBER MEETINGS AT 100 MAIN STREET, HUNTINGTON, NEW YORK, AS NEEDED.

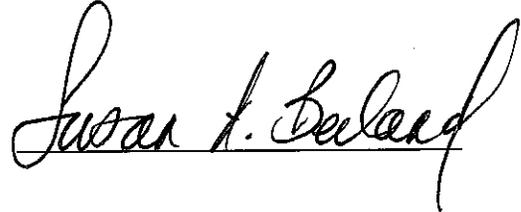
OFFERED BY: MARK MAYOKA

SECONDED BY: SUSAN A. BERLAND

VOTED:

FRANK P. PETRONE	AYE
SUSAN A. BERLAND	AYE
MARK CUTHBERTSON	AYE
MARK MAYOKA	AYE
EUGENE COOK	AYE

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE MEETING,
UPON MOTION DULY MADE BY FRANK P. PETRONE, SECONDED BY -
SUSAN A. BERLAND AND UNANIMOUSLY CARRIED, THE SAME WAS
ADJOURNED.

A handwritten signature in cursive script that reads "Susan A. Berland". The signature is written in black ink and is positioned above the printed name.

SUSAN A. BERLAND, SECRETARY

The following are appended to this Agenda:

1. Copy of Corporation's April 17, 2012 meeting minutes.
2. Copy of Corporation's 2013 Mission Statement / Measurement Report
3. Copy of Corporation's Investment Policy
4. Copy of Corporation's Statement of Procurement Policy & Procedures
5. Copy of Corporation's Property Disposition Policy
6. Copy of Corporation's 2012 Operations & Accomplishments Report
7. Copy of Corporation's 2012 Financial Statements & Auditor's Report

STATE OF NEW YORK)
COUNTY OF SUFFOLK) SS.:

The undersigned, being the Secretary of the Town of Huntington Local Development Corporation, DOES HEREBY CERTIFY THAT:

I have compared the foregoing extract of the minutes of the meeting of the Huntington Local Development (the "Corporation") including the resolutions contained therein, held on the 7th day of May, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject in matters therein referred to.

I FURTHER CERTIFY that all board members of said Corporation had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY that there was a quorum of the board members of the Corporation present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Corporation this 10th day of May, 2013.

LINDA LEVINE
Notary Public, State of New York
No. 01LE6096123
Qualified in Suffolk County
Commission Expires July 21, 2015



Susan A. Berland, Secretary

The Town of Huntington

Local Development Corporation

100 Main Street

Huntington, New York

Combined Board of Directors / Member Meeting

Tuesday, April 17, 2012

MINUTES

The Finance Committee, comprised of Frank Petrone, Susan A. Berland and Mark Mayoka convened at 12:45 p.m. with THLDC General Counsel Thomas Glascock, THLDC Bond Counsel Andrew Komaromi and THLDC Executive Director Joan Cergol. Some final technical questions in connection with the transaction were posed to counsel. All questions were answered to the satisfaction of the Finance Committee. Susan A. Berland offered a motion to recommend the THLDC go forward with the financing. Frank Petrone seconded the motion. All three voted aye. Motion to recommend that the THLDC move forward with the bond financing to Developmental Disabilities Institute was passed.

1. **Meeting called to order at 1:00 p.m. by Supervisor Frank P. Petrone.**
 - a. Present: Supervisor Frank P. Petrone, Councilman Mark A. Cuthbertson, Councilwoman Susan A. Berland, Councilman Mark Mayoka, Councilman Eugene Cook, Joan Cergol, Thomas Glascock, Andrew Komaromi and Todd Miles.
2. **Organizational Matters.**
 - a. Resolution 4-17-2012-1 ratifying and confirming the Corporation's Organization Meeting minutes of March 12, 2012.
3. **Operational matters.**
 - a. Resolution 4-17-2012-2 authorizing the Corporation's (i) issuance, execution, sale and delivery of the Corporation's (a) tax-exempt revenue bonds (Series 2012AA-AE) and (b) taxable revenue bonds (Series 2012AF) for a certain project for Developmental Disabilities Institute, Inc. in an aggregate principal amount not to exceed \$20,000,000 and (ii) execution and delivery of related documents.

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- b. Resolution 4-17-2012-3 that action to undertake a certain project for Developmental Disabilities Institute, Inc. will not have a significant adverse impact on the environment.

 - c. Resolution 4-17-2012-4 that the Chairperson be authorized, until the next combined Board of Directors / Member meeting, to take such other reasonable actions as shall be necessary to reasonably prepare the Corporation for operations.

Other Matters.

Adjourn meeting.

Resolution 4-17-2012-1

BE IT RESOLVED:

THAT THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION (THE "CORPORATION") HEREBY RATIFIES AND CONFIRMS THE MARCH 12, 2012 COMBINED BOARD OF DIRECTORS / MEMBER MEETING MINUTES, AS AMENDED.

OFFERED BY: MARK MAYOKA

SECONDED BY: MARK A. CUTHBERTSON

VOTED:

FRANK P. PETRONE -	AYE
SUSAN A. BERLAND-	AYE
MARK A. CUTHBERTSON -	AYE
MARK MAYOKA-	AYE
EUGENE COOK-	AYE

OFFERED BY: MARK MAYOKA

SECONDED BY: MARK A. CUTHBERTSON

RESOLUTION OF THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION (THE "ISSUER") AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION'S (i) TAX-EXEMPT REVENUE BONDS (DEVELOPMENTAL DISABILITIES INSTITUTE, INC. PROJECT), SERIES 2012AA-AE AND (ii) TAXABLE REVENUE BONDS (DEVELOPMENTAL DISABILITIES INSTITUTE, INC. PROJECT), SERIES 2012AF IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000; AND (iii) THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively called the "Act"), and pursuant to its duly filed certificate of incorporation (the "Certificate"), **THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION** (the "Issuer") was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the territory in which the Issuer's activities are principally to be conducted is the Town of Huntington and its surrounding communities; and

WHEREAS, **DEVELOPMENTAL DISABILITIES INSTITUTE, INC.** (the "Company"), a not-for-profit corporation duly formed, existing and in good standing under the laws of the State of New York, previously submitted an application to the Issuer requesting that the Issuer issue its Revenue Bonds (Developmental Disabilities Institute, Inc. Project) in one or more series in an aggregate principal amount not to exceed \$20,000,000, consisting of (i) The Town of Huntington Local Development Corporation Tax Exempt Revenue Bonds (Developmental Disabilities Institute, Inc. Project), Series 2012AA-AE (comprising of the following: Subseries 2012AA-1;

Subseries 2012AA-2; Subseries 2012AB-1; Subseries 2012AB-2; Subseries 2012AC-1; Subseries 2012AC-2; Subseries 2012AD-1; Subseries 2012AD-2; Subseries 2012AE-1; and Subseries 2012AE-2; collectively, the "Series 2012AA-AE Bonds") and, The Town of Huntington Local Development Corporation Taxable Revenue Bonds (Developmental Disabilities Institute, Inc. Project), Series 2012AFE (comprising of the following: Subseries 2012AF-1 and Subseries 2012AF-2 (collectively, the "Series 2012AF Bonds" and, together with the Series 2012AA-AE Bonds, the "Bonds" or the "Series 2012A Bonds") to finance a certain project (the "Project") for the benefit of the Company consisting of: (A) refunding all or portions of one or more series of bonds issued by the Suffolk County Industrial Development Agency (the "Agency"), the proceeds of which financed or refinanced certain facilities of the Company within The Town of Huntington or its surrounding communities, including (1) the Agency's \$10,925,000 original principal amount 1993 Civic Facility Revenue Bonds (Developmental Disabilities Institute, Inc. Civic Facility), (the "Series 1993 Bonds") and (2) the Agency's \$6,775,000 original principal amount Civic Facility Refunding Revenue Bonds, Series 1998 (Developmental Disabilities Institute, Inc. Civic Facility), (the "Series 1998 Bonds"); (B) the financing, refinancing and/or reimbursement of the costs of: (1) the construction, renovation and equipping of an approximately 15,800 square-foot residential facility consisting of intermediate care facilities for 24 children with developmental disabilities and related site improvements located on an approximately 15.9 acre parcel of land located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, (2) the construction, renovation, expansion and equipping of an existing approximately 5,512 square foot educational and program facility including four new classrooms for special education programs for children with developmental disabilities and related site improvements located on an approximately 15.9 acre parcel of land located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, (3) the construction, renovation, expansion and equipping of an existing approximately 34,749 square foot day program facility including a day habitation program for persons with developmental disabilities and related site improvements located on an approximately 10.74 acre parcel of land located at 75 Landing Meadow Road, Smithtown, Suffolk County, New York, and (4) the acquisition, construction, renovation, and equipping of an existing approximately 3,200 square foot residential facility for nine persons with developmental disabilities located on an approximately 0.97 acre parcel of land located at 3 Creek Road, Smithtown, Suffolk County, New York, all of the foregoing to be owned and operated by the Company; (C) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with items (A) through (C) above being hereinafter collectively referred to as the "Project Costs"); and

WHEREAS, the proceeds of the Series 1993 Bonds were used to (A) refinance and consolidate the Company's then existing indebtedness, (B) to finance the development of certain civic facilities consisting of the (i) partial renovation and equipping of a 6,872 square foot portion of an approximately 68,000 square foot building located on an approximately 13.4 acre parcel of land at Hollywood Drive, Town of Smithtown, Suffolk County, New York (the "Hollywood Drive Project"); (ii) refinancing, partial renovation and equipping of a 6,504 square foot portion of an approximately

38,000 square foot building located on an approximately 12 acre parcel of land at Landing Meadow Road, Town of Smithtown, Suffolk County, New York (the "Landing Meadow Road Project"); (iii) partial renovation and equipping of an approximately 10,700 square foot building located on an approximately 8.5 acre parcel of land at 877 East Main Street, Town of Riverhead, Suffolk County, New York (the "Riverhead Project"); (iv) partial renovation and equipping of a 482 square foot portion of an approximately 17,500 square foot building located on an approximately 3.47 acre parcel of land at 62 Pine Street, East Moriches, Town of Brookhaven, Suffolk County, New York (the "East Moriches Project; and (v) partial renovation and equipping of a 608 square foot portion of an approximately 15,000 square foot building located on an approximately 3.0 acre parcel of land at 244 Magee Street, Town of Southampton, Suffolk County, New York (the "Southampton Project"), all used for rehabilitative therapeutic, medical and dental services for developmentally disabled children and adults; (C) financing certain related development costs, funding a debt service reserve fund and certain costs of issuance; and

WHEREAS, the proceeds of the Series 1998 Bonds were issued for the purpose of (i) providing sufficient monies to effect the advance refunding of Agency's 1989 Variable Rate 7-Day Demand Civic Facility Revenue Bonds (The Suffolk Child Development Center, Inc. Civic Facility) (the "Prior Bonds" or the "1989 Bonds"), which Prior Bonds financed the acquisition, construction and equipping of an existing elementary school building on approximately 14 acres of land used to provide educational, therapeutic and habilitation services to developmentally disabled children and adults on a site located at 25 Little Plains Road, Huntington, Suffolk County, New York (the "Huntington Project") and for the renovation construction and expansion of the Company's administrative facilities at the Company's school building located at 99 Hollywood Drive, Smithtown, Suffolk County, New York (the "Smithtown Project"), (ii) financing of renovations and upgrades consisting of roof replacement, energy efficient windows and doors, HVAC and other related renovations and the purchase of equipment consisting of office and classroom furniture, computer software and other related equipment located at the Smithtown Project (the "Smithtown Renovations Project"), (iii) financing of renovations and upgrades consisting of renovations and upgrades including roof replacement, energy efficient windows and doors, HVAC and other related renovations and the purchase of equipment consisting of office and classroom furniture, computer equipment, computer software and other related equipment located at the Huntington Project (the "Huntington Renovations Project"), (iv) refinancing of a conventional mortgage held by KeyBank National Association in the approximate principal amount of \$1,100,000 incurred in connection with the acquisition of the Smithtown Project, (v) the acquisition and renovation of an approximately 15,000 square foot building located on an approximately 1.2 acre parcel of land located at 1 Horseblock Road, Medford, Town of Brookhaven, Suffolk County, New York (the "Medford Project") used for educational purposes, (vi) the acquisition and renovation of a single family residence located on an approximately 1 acre parcel of land located at 23 Browning Drive, Greenlawn, Town of Huntington, Suffolk County, New York (the "Greenlawn Project") used for a residential program for persons with developmental disabilities, (vii) the acquisition and renovation of a single family residence located on an

approximately 1 acre parcel of land located at 66 Quintuck Lane, East Islip, Town of Islip, Suffolk County, New York (the "East Islip Project"), for a residential program for persons with developmental disabilities, (viii) working capital in connection with the Smithtown Renovations Projects, Hunting Project, the Medford Project, the Greenlawn Project and the East Islip Project, and (ix) paying certain incidental expenses incurred in connection with the issuance of the 1998 Bonds and the funding of a Debt Service Reserve Fund in connection therewith; and

WHEREAS, the Issuer is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of the issuance of the Series 2012A Bonds and an exemption from the mortgage recording tax; and

WHEREAS, in accordance with Section 147(f) of the Internal Revenue Code (the "Code"), the Issuer conducted a public hearing with respect to the issuance of the Series 2012A Bonds on Monday, April 16, 2012, at 11AM, local time, at The Town of Huntington Town Hall, Room 304, 100 Main Street, Huntington, New York 11743, following the publication on April 2, 2012, in the *Suffolk Edition of Newsday* of a notice of said public hearing; and

WHEREAS, the Series 2012A Bonds are being issued pursuant to an Indenture of Trust (the "Indenture"), dated as of April 1, 2012, by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Issuer will loan the proceeds of the Series 2012A Bonds to the Company pursuant to a certain Loan Agreement, dated as of April 1, 2012 (the "Loan Agreement"), with the payments made by the Company thereunder being sufficient to pay the principal of premium, if any, purchase price and interest on the Series 2012A Bonds; and

WHEREAS, the Issuer has assigned its rights (except Unassigned Rights as such term is defined in the Indenture) under the Loan Agreement to the Trustee, pursuant to a certain Pledge and Assignment, dated as of April 1, 2012, from the Issuer to the Trustee with Acknowledgement thereof by the Company (the "Pledge and Assignment"); and

WHEREAS, the Series 2012A Bonds are being placed by Gates Capital Corporation, as placement agent (the "Placement Agent") pursuant to a certain Bond Placement Agreement, dated April 26, 2012 (or such other appropriate date), among the Issuer, the Placement Agent and the Company (the "Bond Placement Agreement"); and

WHEREAS, the Company has made certain representations, warranties and covenants for the benefit of TD Bank, N.A. ("TD"), as purchaser of the Subseries 2012AA-1 Bonds, Subseries 2012AB-1 Bonds, Subseries 2012AC-1 Bonds, Subseries 2012AD-1, Subseries 2012AE-1 Bonds and Subseries 2012AF-1 Bonds, pursuant to a certain Bond Purchase and Continuing Covenants Agreement, dated April 26, 2012 (or

such other appropriate date) (the "TD Bond Purchase Agreement"), by and between the Company and TD; and

WHEREAS, the Company has made certain representations, warranties and covenants for the benefit of RBS Citizens, National Association ("RBS" and, together with TD, the "Purchasers" or the "Purchaser"), as purchaser of the Subseries 2012AA-2 Bonds, Subseries 2012AB-2 Bonds, Subseries 2012AC-2 Bonds, Subseries 2012AD-2, Subseries 2012AE-2 Bonds and Subseries 2012AF-2 Bonds pursuant to a certain Bond Purchase and Continuing Covenants Agreement, dated April 26, 2012 (or such other appropriate date) (the "RBS Bond Purchase Agreement" and, together with the TD Bond Purchase Agreement, the "Bond Purchase Agreement" or "Bond Purchase Agreements"), by and between the Company and RBS; and

WHEREAS, as security for the Company's obligations under the Loan Agreement, (i) the Company has granted to the Issuer a first priority mortgage lien on and security interest in and to Mortgaged Premises (as defined in the hereinafter defined Mortgage) pursuant to one or more Mortgage, Assignment of Rents, Security Agreements and Fixture Filings, each, dated as of April 1, 2012, from the Company to the Trustee (the "Mortgage"); the Issuer has assigned its rights under the Mortgage to the Trustee pursuant to a certain Assignment of Mortgage, dated as of April 1, 2012, from the Issuer to the Trustee (the "Assignment of Mortgage"); (ii) the Company has granted to the Trustee and the Purchasers (as Swap Providers, as defined in the Mortgage) a security interest in certain of its revenues pursuant to a certain Pledge and Security Agreement, dated as of April 1, 2012, from the Company to the Trustee and the Purchasers (the "Pledge and Security Agreement") and; (iii) the Company and Developmental Disabilities Institute Foundation Inc. (collectively, the "Guarantors") have guaranteed the principal of and interest on the Series 2012A Bonds pursuant to a certain Guaranty, dated as of April 1, 2012, from the Guarantors to the Trustee (the "Guaranty"); and

WHEREAS, pursuant to Section 2824(8) of the Public Authorities Law of the State of New York, the Finance Committee of the Issuer has reviewed information relating to the proposed issuance of the Series 2012A Bonds and recommends that the Issuer proceed with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED by The Town of Huntington Local Development Corporation as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration.

Section 2. It is among the purposes of the Issuer to promote, develop, encourage and assist in the acquisition, construction, rehabilitation and improvement of facilities for not-for profit corporations and thereby relieve and reduce unemployment, better and maintain job opportunities and lessen the burdens of government.

Section 3. Based upon representations made by the Company to the Issuer, the Issuer makes the following findings and determinations:

- (a) the Project is in furtherance of the purposes of the Issuer; and
- (b) the issuance of the Series 2012A Bonds will be an inducement to the Company to continue to operate and maintain the Project in Suffolk County; and
- (c) it is desirable and in the public interest for the Issuer to issue the Series 2012A Bonds to finance the costs of the Project, together with certain related costs and amounts; and
- (d) the Company is not undertaking the Project in place of, on behalf of, for the benefit of, or at the request of the Issuer.

Section 4. In consequence of the foregoing, the Issuer hereby determines to:

- (a) execute the Indenture with such amendments or modifications as the Chief Executive Officer or other officer designated by the Chief Executive Officer (the "Authorized Officer") deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer; and
- (b) execute the Bond Placement Agreement with such amendments or modifications as the Authorized Officer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer; and
- (c) execute the Loan Agreement with such amendments or modifications as the Authorized Officer of the Issuer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer and loan the proceeds derived from the issuance of the Series 2012B Bonds to the Company pursuant to the terms thereto; and
- (d) issue and deliver the Series 2012A Bonds to the Trustee on or before April 26, 2012 (or such other mutually agreeable date), subject however to the approval of the final terms for the Series 2012A Bonds and the terms and conditions of the Indenture and the Bond Purchase Agreements consistent with this Resolution, and the prior written approval of all terms contained therein, and of the terms of the Series 2012A Bonds, by the Authorized Officer of the Issuer and by the Company and the Purchasers; and
- (e) assign certain of its rights (excluding Unassigned Rights as such term is defined in the Indenture) under the Loan Agreement pursuant to the Pledge and Assignment and under the Mortgage pursuant to the

Assignment of Mortgage; and

- (f) use the proceeds of the Series 2012A Bonds to finance a portion of the Project and to pay necessary incidental expenses in accordance with the Indenture, the Bond Purchase Agreements and the Loan Agreement; and
- (g) execute a Tax Compliance Agreement, to be dated as of April 26, 2012 (or such other appropriate date) (the "Tax Compliance Agreement"), between the Company and the Issuer and a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2012A Bonds (the "Information Return") and file the Information Return with the Internal Revenue Service in connection with the issuance of the Series 2012A Bonds; and
- (h) execute and deliver all other certificates and documents required in connection with issuance and sale of the Series 2012A Bonds including the documents identified on the draft Closing Memorandum and any other documents as may be required by the Trustee or the Purchasers or otherwise required to accomplish the Project, qualify a portion of the interest on the Series 2012AA-AF Bonds for tax-exempt status under Section 103 of the Code (such certificates and documents collectively, with the Series 2012A Bonds, the Indenture, the Bond Purchase Agreements, the Loan Agreement, the Assignment and the Tax Compliance Agreement, the "Financing Documents").

Section 5. The Issuer is hereby authorized to undertake the Project, to refund all or a portions of the Series 1993 Bonds, Series 1998 Bonds, Series 1999 Bonds and Series 2000 Bonds, finance or refinance the acquisition, construction, renovation and equipping of the Improvements, the funding of a debt service reserve fund, and costs of issuance, by the issuance of the Series 2012A Bonds and to grant the other Financial Assistance and all acts previously taken by the Issuer with respect to the Project, the undertaking of the Project, the grant of Financial Assistance with respect to the Project and the issuance of the Series 2012A Bonds are hereby approved, ratified and confirmed.

Section 6. Subject to receipt of the approval of the by the Town Supervisor of The Town of Huntington, New York, (the "Huntington Town Supervisor") and the Town Supervisor of The Town of Smithtown, New York (the "Smithtown Town Supervisor") of the issuance of the Series 2012AA-AE Bonds pursuant to, and solely for the purposes of, Section 147 of the Code, the Issuer is hereby authorized to issue, execute, sell and deliver the Series 2012A Bonds to the Trustee in accordance with the provisions of the Indenture and the terms authorized in this Resolution. Each of the Authorized Officers of the Issuer is hereby authorized, on behalf of the Issuer, to execute (by manual or facsimile signature) and deliver the Financing Documents, on such terms and conditions as shall be consistent with this Resolution and approved by an Authorized Officer, the execution thereof by such Authorized Officer constituting conclusive evidence of such approval.

Section 7. Subject to receipt of the approval of the Huntington Town Supervisor and the Smithtown Town Supervisor of the issuance of the Series 2012AA-AE Bonds pursuant to, and solely for the purposes of, Section 147 of the Code and the other limitations contained herein, the Issuer, through an Authorized Officer, is hereby authorized to issue, execute, sell and deliver to the Trustee the Series 2012A Bonds in the aggregate principal amount of up to \$20,000,000 in the form heretofore approved in Section 4 of this Resolution, pursuant to the Act and in accordance with the Indenture and the Bond Purchase Agreements; provided that:

- (a) the Series 2012A Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 7 (i) shall be issued, executed and delivered at such time as an Authorized Officer shall determine, (ii) shall be in such aggregate principal amount (not to exceed \$20,000,000) as is hereinafter approved by an Authorized Officer, (iii) shall bear interest at such rates as are set forth in the Series 2012A Bonds and the Indenture or as are hereinafter approved by an Authorized Officer, and (iv) shall be subject to prepayment prior to maturity, and have such other provisions and be issued in such manner and on such conditions as are set forth in the Series 2012A Bonds and the Indenture, all of which provisions are specifically incorporated herein with the same force and effect as if fully set forth in this Resolution; and
- (b) the Series 2012A Bonds shall be issued solely for the purpose of providing funds to assist the Company to finance the Project Costs, the administrative, legal, financial, and other expenses of the Issuer in connection with such assistance and incidental to the issuance of the Series 2012A Bonds, as such costs are more specifically set forth in the Financing Documents; and
- (c) the Series 2012A Bonds and the interest thereon are not and shall never be a debt of the State of New York, Suffolk County, New York, The Town of Huntington, New York or the Town of Smithtown, New York and neither the State of New York nor Suffolk County, New York, or The Town of Huntington, New York or the Town of Smithtown, New York shall be liable thereon; and
- (d) the Series 2012A Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the payments made by the Company pursuant to the Loan Agreement or from the enforcement of the security provided by the Financing Documents.

Section 8. Notwithstanding any other provision of this Resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2012AA-AE Bonds or of any other funds which, if such use had been reasonably expected on the date of issue of the Series 2012AA-AE Bonds, would cause the Series 2012AA-AE Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 9. The Authorized Officers of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, including the Financing Documents and the Information Return, and to do all such further acts and things as may be necessary or in the opinion of the Authorized Officer acting on behalf of the Issuer, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Issuer with all of the terms, covenants, and provisions of the Financing Documents binding upon the Issuer.

Section 10. It is hereby found and determined that all formal actions of the Issuer concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Issuer; and that all deliberations of the Issuer and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 11. Due to the complex nature of this transaction, the Issuer hereby authorizes its Authorized Officers to approve, execute and deliver such further agreements, documents and certificates as the Issuer may be advised by counsel to the Issuer and/or Bond Counsel to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Authorized Officer acting on behalf of the Issuer.

Section 12. This resolution shall take effect immediately and the Series 2012A Bonds are hereby ordered to be issued in accordance with this Resolution.

VOTED:

FRANK P. PETRONE -	AYE
SUSAN A. BERLAND-	AYE
MARK A. CUTHBERTSON -	AYE
MARK MAYOKA-	AYE
EUGENE COOK-	AYE

Resolution 4-17-2012-3

OFFERED BY: SUSAN A. BERLAND

SECONDED BY: EUGENE COOK

RESOLUTION THAT ACTION TO UNDERTAKE A CERTAIN PROJECT FOR DEVELOPMENTAL DISABILITIES INSTITUTE INC. WILL NOT HAVE A SIGNIFICANT ADVERSE IMPACT ON THE ENVIRONMENT

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively called the "Act"), and pursuant to its duly filed certificate of incorporation (the "Certificate"), **THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION** (the "Issuer") was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the territory in which the Issuer's activities are principally to be conducted is the Town of Huntington and its surrounding communities; and

WHEREAS, **DEVELOPMENTAL DISABILITIES INSTITUTE, INC.** (the "Company"), a not-for-profit corporation duly formed, existing and in good standing under the laws of the State of New York, previously submitted an application to the Issuer requesting that the Issuer issue its Revenue Bonds (Developmental Disabilities Institute, Inc. Project) in one or more series in an aggregate principal amount not to exceed \$20,000,000, consisting of (i) The Town of Huntington Local Development Corporation Tax Exempt Revenue Bonds (Developmental Disabilities Institute, Inc. Project), Series 2012AA-AE (comprising of the following: Subseries 2012AA-1; Subseries 2012AA-2; Subseries 2012AB-1; Subseries 2012AB-2; Subseries 2012AC-1; Subseries 2012AC-2; Subseries 2012AD-1; Subseries 2012AD-2; Subseries 2012AE-1; and Subseries 2012AE-2; collectively, the "Series 2012AA-AE Bonds") and, The Town of Huntington Local Development Corporation Taxable Revenue Bonds (Developmental Disabilities Institute, Inc. Project), Series 2012AFE (comprising of the following: Subseries 2012AF-1 and Subseries 2012AF-2 (collectively, the "Series 2012AF Bonds"

and, together with the Series 2012AA-AE Bonds, the "Bonds" or the "Series 2012A Bonds") to finance a certain project (the "Project") for the benefit of the Company consisting of: (A) refunding all or portions of one or more series of bonds issued by the Suffolk County Industrial Development Agency (the "Agency"), the proceeds of which financed or refinanced certain facilities of the Company within The Town of Huntington or its surrounding communities, including (1) the Agency's \$10,925,000 original principal amount 1993 Civic Facility Revenue Bonds (Developmental Disabilities Institute, Inc. Civic Facility), (the "Series 1993 Bonds") and (2) the Agency's \$6,775,000 original principal amount Civic Facility Refunding Revenue Bonds, Series 1998 (Developmental Disabilities Institute, Inc. Civic Facility), (the "Series 1998 Bonds"); (B) the financing, refinancing and/or reimbursement of the costs of: (1) the construction, renovation and equipping of an approximately 15,800 square-foot residential facility consisting of intermediate care facilities for 24 children with developmental disabilities and related site improvements located on an approximately 15.9 acre parcel of land located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, (2) the construction, renovation, expansion and equipping of an existing approximately 5,512 square foot educational and program facility including four new classrooms for special education programs for children with developmental disabilities and related site improvements located on an approximately 15.9 acre parcel of land located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, (3) the construction, renovation, expansion and equipping of an existing approximately 34,749 square foot day program facility including a day habitation program for persons with developmental disabilities and related site improvements located on an approximately 10.74 acre parcel of land located at 75 Landing Meadow Road, Smithtown, Suffolk County, New York, and (4) the acquisition, construction, renovation, and equipping of an existing approximately 3,200 square foot residential facility for nine persons with developmental disabilities located on an approximately 0.97 acre parcel of land located at 3 Creek Road, Smithtown, Suffolk County, New York, all of the foregoing to be owned and operated by the Company; (C) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with items (A) through (C) above being hereinafter collectively referred to as the "Project Costs"); and

WHEREAS, pursuant to Article 8 of the New York Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York being 6 NYCRR Part 617, *et. seq.*, as amended (the "Regulations" and collectively with the SEQR Act "SEQRA"), the Issuer must satisfy the requirements contained in SEQRA prior to making a final determination whether to undertake the Project; and

WHEREAS, pursuant to SEQRA, to aid the Issuer in determining whether the Project may have a significant adverse impact upon the environment, the Applicants submitted to the Issuer four short Environmental Assessment Forms (collectively the "EAF"), each dated March 9, 2012, and with respect to the Project components located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, the Negative Declaration of the Zoning Board of Appeals of The Town of Huntington, dated

December 7, 2009 together with a corresponding long Environmental Assessment Form (collectively, the "Project Environmental Documents"), a copy of which were presented to and reviewed by the Issuer, and which is on file at the office of the Issuer for public inspection; and

WHEREAS, pursuant to SEQRA, the Issuer now desires to determine whether the Project may have a significant adverse impact on the environment and whether an Environmental Impact Statement (an "EIS") must be prepared with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. Based upon a thorough review and examination of the Project Environmental Documents and upon the Issuer's knowledge of the area surrounding the Land and such further investigation of the Project and the environmental effects as the Issuer has deemed appropriate, the Issuer makes the following findings with respect to the Project:

(A) The Issuer is undertaking an uncoordinated review of the proposed action pursuant to SEQRA;

(B) Prior to making a recommendation about the potential environmental significance of the Project, the Issuer has consulted several information sources, and has considered the list of activities which are Type I Actions outlined in Section 617.4 of the Regulations, the list of activities that are Type II Actions outlined in Section 617.5 of the Regulations, and the criteria for determining significance outlined in Section 617.7 of the Regulations; and

(C) The Project is an Unlisted Action pursuant to SEQRA.

Section 2. No potentially significant impacts on the environment are noted in the EAF and none are known to the Issuer.

Section 3. Based upon the foregoing investigations of the potential environmental impacts of the Project, and considering both the magnitude and importance of the environmental impact indicated, the Issuer makes the following determinations with respect to the Project:

The Project will not have a significant adverse impact upon the environment. The reasons supporting this determination are as follows:

1. The Project consist of financial assistance for (1) the construction, renovation and equipping of an approximately 15,800 square-foot residential facility consisting of intermediate care facilities for 24 children with developmental disabilities and related site improvements located on an approximately 15.9 acre parcel of land located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, (2) the construction, renovation, expansion and equipping of an existing approximately

5,512 square foot educational and program facility including four new classrooms for special education programs for children with developmental disabilities and related site improvements located on an approximately 15.9 acre parcel of land located at 25 Little Plains Road, in the Town of Huntington, Suffolk County, New York, (3) the construction, renovation, expansion and equipping of an existing approximately 34,749 square foot day program facility including a day habitation program for persons with developmental disabilities and related site improvements located on an approximately 10.74 acre parcel of land located at 75 Landing Meadow Road, Smithtown, Suffolk County, New York, and (4) the acquisition, construction, renovation, and equipping of an existing approximately 3,200 square foot residential facility for nine persons with developmental disabilities located on an approximately 0.97 acre parcel of land located at 3 Creek Road, Smithtown, Suffolk County, New York, all of the foregoing to be owned and operated by the Company.

2. The Project is a permitted use in the district.
3. The Project does not involve the use of any agricultural land.
4. The Land is not substantially contiguous to, nor does it contain, buildings, sites or districts listed on the National Registers of Historic Places.
5. There are no unique or unusual land forms at the Land.
6. Energy demands for the Project are not significant.
7. The Project will not result in a material increase in solid waste generation and any solid waste generated by the Project will be properly disposed of pursuant to Federal, State and local laws and regulations.
8. The Land has never been used for the disposal of solid or hazardous waste.
9. There are no sensitive animals, plants or natural communities and/or significant wildlife habitat that will be impacted by the Project.
10. The Land is not presently used by the community as open space or a recreation area.
11. The Land does not contain, nor will the Project adversely affect, any scenic views known to be important to the community.
12. The Project will not require any extensive changes in levels of service from community resources or facilities or adversely impact local public safety services, such as police and fire protection, either collectively or individually.
13. The Project will not involve the removal of a substantial amount of natural materials or vegetation from the Land and any disturbed topsoil will be stockpiled on-site and replaced.

14. The Project will not result in the discharge of surface or subsurface wastewater to any existing water body.

15. Environmental impacts associated with the renovation and construction activities at the Land will be minimal and temporary.

16. There will be no significant adverse environmental impacts as a result of the Project.

Section 4. The Chair, Vice Chair and Executive Director of the Issuer are hereby authorized and directed to distribute copies of this Resolution to the Applicants and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution, including without limitation, the execution of a negative declaration for purposes of SEQRA.

Section 5. This Resolution shall take effect immediately.

VOTED:

FRANK P. PETRONE -	AYE
SUSAN A. BERLAND-	AYE
MARK A. CUTHBERTSON -	AYE
MARK MAYOKA-	AYE
EUGENE COOK-	AYE

Resolution 4-17-2012-4

BE IT FURTHER RESOLVED:

THAT THE CHAIRPERSON BE AUTHORIZED, UNTIL THE NEXT COMBINED BOARD OF DIRECTORS/MEMBER MEETING, TO TAKE SUCH OTHER ACTIONS AS SHALL BE NECESSARY TO REASONABLY PREPARE THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION FOR OPERATION, ALL ON THE CORPORATION'S BEHALF.

OFFERED BY: SUSAN A. BERLAND

SECONDED BY: MARK MAYOKA

VOTED:

FRANK P. PETRONE -	AYE
SUSAN A. BERLAND-	AYE
MARK A. CUTHBERTSON -	AYE
MARK MAYOKA-	AYE
EUGENE COOK-	AYE

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE MEETING,
UPON MOTION DULY MADE BY FRANK P. PETRONE, SECONDED BY –
MARK A. CUTHBERTSON AND UNANIMOUSLY CARRIED, THE SAME WAS
ADJOURNED.



SUSAN A. BERLAND

SECRETARY

STATE OF NEW YORK)

: SS.

COUNTY OF SUFFOLK)

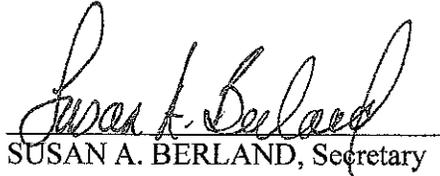
I, the undersigned Secretary of The Town of Huntington Local Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of The Town of Huntington Local Development Corporation (the "Corporation"), including the resolutions contained therein, held on the 17th day of April, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Corporation and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, as amended, that all members of said Corporation had due notice of said meeting and that said meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 20th day of April, 2012.

By:


SUSAN A. BERLAND, Secretary

LINDA LEVINE
Notary Public, State of New York
No. 01LE6096123
Qualified in Suffolk County
Commission Expires July 21, 2015

Authorities Budget Office Policy Guidance



Authority Mission Statement and Performance Measurements

Name of Public Authority:

The Town of Huntington Local Development Corporation

Public Authority's Mission Statement:

The Mission of the Town of Huntington Local Development Corporation (the "TOH LDC") is to promote community and economic development and the creation of jobs in the not-for-profit and for-profit sectors for the residents of the Town of Huntington by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities and to provide access to low-interest tax-exempt and non-tax-exempt financing for eligible projects.

Additionally, the TOH LDC will seek to facilitate resident training and development designed to improve or develop the employment skills and capabilities of the residents of the Town of Huntington, and to provide and/or help make available residential housing, through, including, without limitation, construction, rehabilitation and leasing.

Date Adopted: May 7, 2013

List of Performance Goals (If additional space is needed, please attach):

- In furtherance of its mission, the TOH LDC will endeavor to facilitate a minimum of at least one bond-financing transaction per year (either taxable and/or non-taxable) in support of a qualified business expansion.
- The TOH LDC will continue to market its capabilities to qualified entities in the Town of Huntington.
- The TOH LDC will take the necessary steps towards full compliance with the requirements of the Public Authorities Accountability Act of 2005 (PAAA) and the Public Authorities Reform Act of 2009 (PARA), including by submission of TOH LDC's information into the Authority Budget Office's Public Authorities Reporting Information System (PARIS).

- The TOH LDC will establish a website on which will be posted its policies, documents and other information as required by PARA.
- The TOH LDC will support, as needed, other Town of Huntington community and economic development entities, and their initiatives, so as to further its own mission and purposes as enumerated above.

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Yes.

2. Who has the power to appoint the management of the public authority?

The Town of Huntington Local Development Corporation Board of Directors.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

Yes.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The Board of Directors is responsible for the visioning and overall setting of the agenda/mission of the TOH LDC. Staff and management of the TOH LDC is responsible for the daily activities and implementation of the tasks required to achieve the mission, as determined and as adopted by the Board.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes.

The Town of Huntington Local Development Corporation

Investment Policy

This Investment Policy of The Town of Huntington Local Development Corporation (the "Corporation") shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Corporation. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy. This Investment Policy is intended to comply with the New York Not-for-Profit Corporation Law, the Public Authorities Law, and any other applicable laws of New York State.

Delegation of Authority

The responsibility for conducting investment transactions involving the Corporation resides with the Chief Financial Officer of the Corporation under the direction and oversight of the Treasurer of the Corporation. Only the Chief Financial Officer and those persons authorized by resolution or the Corporation's By-laws may invest public funds.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit of public funds or acting in a fiduciary capacity for the Corporation, shall require the outside person to notify the Corporation in writing, within thirty (30) days of receipt of all communication from its auditor of the outside person or any regulatory authority, of the existence of material weakness in the internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the Corporation by the outside person.

The records of investment transactions made by or on behalf of the Corporation are public records and are the property of the Corporation whether in the custody of the Corporation or in the custody of a fiduciary or other third party.

The Chief Financial Officer of the Corporation under the direction and oversight of the Treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of the Corporation responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statements and related reports on internal control structure of all outside persons performing any of the following for the Corporation:

- (i) investing public funds of the Corporation;
- (ii) advising on the investment of public funds of the Corporation;
- (iii) directing the deposit or investment of public funds of the Corporation; or
- (iv) acting in a fiduciary capacity for the Corporation.

A bank, savings and loan association or credit union providing only depository services shall not be required to provide an audited financial statement and related report on its internal control structure.

Objectives

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Corporation shall be the following:

- (i) Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective;
- (ii) Liquidity: Maintaining the necessary liquidity to match expected liabilities and expenses is the second investment objective;
- (iii) Return: Obtaining a reasonable return is a third investment objective

Operative Policy

The Corporation shall conduct its investment activities involving all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Corporation in a manner that complies with the New York Not-for-Profit Corporation Law and the Public Authorities Law of New York State.

Prior to making an investment of any operating funds, bond proceeds and other funds of the Corporation, other than those associated with a bank, savings and loan association or credit union involving a depository relationship only, the Corporation shall obtain at least three (3) bids and award the contract to the most responsible bidder whose bid most closely meets the objectives of this Investment Policy.

The Chief Financial Officer, the Treasurer and all other officers, directors and employees of the Corporation involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Nothing contained within this Policy however, shall prohibit the Chief Financial Officer, the Treasurer or any other officer or director of the Board, or employee of the Corporation from obtaining interests in mutual funds which may include within its investment portfolio, bonds, debentures, notes or other evidence of indebtedness of the Corporation; provided however, that the Corporation's bonds, debentures, notes or other evidence of indebtedness may not make up more than ten percent (10%) of the mutual fund's total portfolio and the Chief Financial Officer, the Treasurer, other officers or Board of Directors, or employees may not exercise any discretion with respect to the investments made by the mutual fund company.

The Chief Financial Officer shall submit to the Board of Directors an investment report that summarizes recent market conditions and investment strategies employed since the last investment report. The report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with budgetary expectations, if any.

This Investment Policy shall be reviewed and approved annually.

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION

Statement of Procurement Policy and Procedures

Policy: It is the policy of The Town of Huntington Local Development Corporation (the "LDC") to assure the prudent and economical use of LDC moneys, to facilitate the acquisition of goods and services of maximum quality at a competitive cost, and to guard against favoritism, improvidence, extravagance, fraud and corruption. While the LDC is not obligated pursuant to New York State law to require competitive bidding on its contracts, the LDC finds that its policy is advanced by requiring public bidding in certain instances.

Conflict of Interests: While the LDC is not obligated to comply with the provisions of Section 883 of the GML, the LDC hereby states its desire to adhere to the letter and spirit of such provisions by requiring all directors/members, officers and employees of the LDC to be subject to the same Conflicts of Interest provisions contained in Article 18 of the GML.

Procedures: The LDC shall, unless it otherwise finds by Resolution to the contrary, pursue its procurement policy by adhering to the following procedures:

I. Goods

- A. Contracts for Goods Valued at \$500 and Under. All contracts for goods valued at \$500 and under shall be awarded by the LDC's Chairman using his/her judgment as to the most appropriate vendor, without further documentation.
- B. Contracts for Goods Valued at over \$500 but less than \$5,000. The LDC shall use its reasonable efforts to obtain, either orally or in writing, at least three (3) bids or price quotations for such procurement. The Chairman shall document, in reasonable detail, such attempt and its result. If the vendor selected by the Chairman is not the lowest price vendor, or if fewer than three (3) bids were sought or received, the Chairman shall document justification as to the same.
- C. Contracts for Goods Valued at \$5,000 and Over. The LDC shall use its best efforts to award contracts for goods valued at \$5,000 and over through a competitive process. The competitive process to be utilized shall, absent approval of the LDC to the contrary, be overseen by the Chairman and entail the following:
 - (i) All solicitations and requests for proposals should be in writing and should incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description should not contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, should set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient

requirements of such a procurement. The specific features of the named brand which must be met by offerors should be clearly stated and should identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

- (ii) Requests for proposals should be publicly advertised by placing them on the LDC or the Town of Huntington website and by placing notice in either one paper of general circulation or one trade journal if appropriate.
 - (iii) Proposals should be solicited from an adequate number of qualified sources.
 - (iv) The Chairman should establish a method for conducting evaluations of the proposals received and for selecting awardees.
 - (v) Awards will be made by the Chairman to the responsible respondent whose proposal is most advantageous to the LDC, with price and other factors considered.
- D. Notwithstanding paragraphs A, B and C above, the Chairman shall be authorized to award contracts for the purchase of Goods pursuant to any New York State or Town of Huntington approved vendor list, for the particular Goods referenced therein. Further, office supplies (excluding computer hardware) may be procured by the LDC's Chairman from any national retail vendor (such as Staples or Office Depot). In such case, engaging in a competitive process would not be in the best interests of the LDC or its above stated policy.

II. Services

- A. Professional Services. Contracts for all services primarily or predominately of a professional nature, or requiring specialized skill or judgment, shall not be awarded by competitive process, but shall be awarded upon a Resolution of the LDC confirming the professional nature or specialized skill or judgment involved in such service.
- B. Marketing Services. The award of contracts, of up to \$2,500 each, for marketing, promotional advertising, sponsorship and similar services shall be awarded by the LDC's Chairman using his/her judgment, in keeping with the best interests of the LDC. Reasonably adequate documentation supporting such award must be made by the LDC's Chairman. It is intended that the type of service so excluded from competitive process include, without limitation, sponsorships of charitable and civic events.
- C. All Others. The award of service contracts not described in Sections II A or B above, shall be made through the competitive process described in Sections I A, B and C above.

THE FOREGOING PROCEDURES ARE IN ADDITION TO AND NOT IN LIEU OF THE SAFEGUARDS AND PROCEDURES ADOPTED BY THE LDC FROM TIME TO TIME REGARDING CHECK WRITING AUTHORITY AND THE LDC'S BUDGET PROCESS.

In the absence or unavailability of the LDC's Chairman to act as aforesaid, the Vice Chairman or Treasurer may, orally or in writing, authorize the award of any contracts with the same authority of the Chairman as aforesaid.

These Procurement Policies and Procedures shall remain in effect until such time as the LDC's Board of Directors resolves to modify and amend the same.

The LDC may, from time to time, adopt different procedures, or deviate from any of the above procedures, on a case-by-case basis.

The unintentional failure to fully comply with the provisions of this statement of policy and procedures shall not be grounds to void action taken or give rise to a cause of action against the LDC or any director/member, officer or employee thereof.

-- end --

The Town of Huntington Local Development Corporation

Property Disposition Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics and to operate in the most accountable and open manner, The Town of Huntington Local Development Corporation (the "Corporation") will maintain adequate inventory controls and accountability systems for all Property (as such term is defined below) under its control. Furthermore, the Corporation will Dispose (as such term is defined below) of Property in compliance with any applicable Law, Rule or Regulation (as such term is defined below). Failure to follow the provisions of this Property Disposition Policy will result in disciplinary action including possible termination of employment, dismissal from one's board or agent duties and possible civil or criminal prosecution if warranted.

Definitions

Contracting Officer shall mean the Executive Director/Chief Executive Officer of the Corporation.

Dispose, Disposed or Disposal shall mean the transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York Public Authorities Law.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Property shall mean (a) personal property in excess of five thousand dollars (\$5,000.00) in value, (b) real property, and (c) any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Operative Policy

Inventory Controls and Accountability Systems

The Contracting Officer of the Corporation shall be responsible for the Corporation's compliance with this Property Disposition Policy and the supervision and control of all Property Disposed of by the Corporation. In addition, the Contracting Officer shall have the responsibility to insure the Corporation operates in compliance with Article 9 Title 5-A of the New York Public Authorities Law, including creating and maintaining adequate inventory controls and accountability systems for all Property under the control of the Corporation and periodically inventorying such property to determine which, if any, property should be Disposed by the Corporation. The Contracting Officer shall recommend to the Board any Property he or she deems suitable for Disposal.

Disposition of Property

Unless otherwise authorized by this Policy, the Corporation shall Dispose of Property for not less than fair market value ("FMV") by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such terms and conditions as the Contracting Officer deems proper. Provided, however, that no disposition of real property, any interest in real property, or any other Property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction.

Unless otherwise authorized by this Policy, prior to disposing of Property or entering into a contract for the Disposal of Property, the Corporation shall publicly advertise for bids for such Disposal or contract for Disposal. The advertisement for bids shall be made at such a time prior to the Disposal or contract for Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. Such advertisement shall include the date, time and place the bids will be publicly disclosed by the Corporation. The Corporation shall award the contract with reasonable promptness to the most responsible bidder whose bid, conforming to the invitation for bids, is most advantageous to New York State (the "State"), price and other factors considered; provided, however, that Agency reserves the right to reject all such bids when it is in the public interest to do so.

The Corporation may Dispose of Property or enter into contracts for the disposal of Property via negotiation or public auction without regard to the two (2) paragraphs immediately above, but subject to obtaining such competition as is feasible under the circumstances, if:

- (i) the personal property involved is of a nature and quantity which, if Disposed of under the first two (2) paragraphs of this section, would adversely affect the state or local market for such Property, and the estimated FMV of such Property and other satisfactory terms of the Disposal can be obtained by negotiation;
- (ii) the FMV of the Property does not exceed fifteen thousand dollars (\$15,000.00);
- (iii) bid prices after advertising therefore are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition;
- (iv) the Disposal is to the State or any political subdivision of the State, and the estimated FMV of the Property and other satisfactory terms of the Disposal are obtained by negotiation;
- (v) the Disposal is for an amount less than the estimated FMV of the Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the State or a political subdivision of the State, including but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, and

the purpose and terms of the Disposal are documented in writing and approved by resolution of the Board; or

- (vi) such Disposal or related action is otherwise authorized by law.

The Corporation shall file an explanatory statement with the comptroller, the director of the division of budget, the commissioner of general services and the legislature not less than ninety (90) days before the Corporation Disposes the Property if the Property is personal property in excess of \$15,000, or real property that has a fair market value in excess of \$100,000. When the Property is Disposed by lease (or exchange), then the Corporation shall file an explanatory statement when the Property is real property leased for a term of five (5) years or less with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) in any given year, real property leased for a term greater than five (5) years with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) for the entire lease term; or any real property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

Reporting Requirements

Annual Report

The Corporation shall publish, at least annually, an Annual Report (the "Annual Report") listing all Property consisting of real property of the Corporation. In addition, the Annual Report shall include a list and full description of all Property consisting of real and personal property Disposed of during such period covered by the Annual Report. The Annual Report shall include the price received by the Corporation for the Property, in addition to the name of the purchaser for all such Property sold by the Corporation during such period covered by the Annual Report.

The Corporation shall deliver copies of the Annual Report with the comptroller, the director of the division of budget, the commissioner of general services and the legislature, and to the extent practicable, post such Annual Report on its website.

Property Disposition Policy

The Corporation shall review and approve this Property Disposition Policy annually by resolution of the Board. On or before March 31 of each year, the Corporation shall file with the Comptroller a copy of its Property Disposition Policy, including the name of the Contracting Officer appointed by the Corporation. Upon such filing with the comptroller, the Corporation shall post its Property Disposition Policy on its website.

Authorities Budget Office Policy Guidance



2012 Operations & Accomplishments Report

Date Adopted: May 7, 2013

Name of Public Authority:

The Town of Huntington Local Development Corporation

Public Authority's Mission Statement:

The Mission of the Town of Huntington Local Development Corporation (the "TOH LDC") is to promote community and economic development and the creation of jobs in the not-for-profit and for-profit sectors for the residents of the Town of Huntington by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities and to provide access to low-interest tax-exempt and non-tax-exempt financing for eligible projects.

Additionally, the TOH LDC will seek to facilitate resident training and development designed to improve or develop the employment skills and capabilities of the residents of the Town of Huntington, and to provide and/or help make available residential housing, through, including, without limitation, construction, rehabilitation and leasing.

2012 Activities:

2012 marks the Town of Huntington Economic Development Corporation's first year of activity with a substantial bond financing transaction, the fees of which enabled the public authority to finally open a bank account and begin a financial history.

As such, and in furtherance of the Corporation's mission and stated performance goal, on August 29, 2012, the Town of Huntington Local Development Corporation facilitated the issuance of \$19,220,000 in Tax-Exempt and \$434,000 in Taxable Revenue bonds on behalf of the Huntington/Smithtown-based not-for-profit, Developmental Disabilities Institute, Inc. (DDI).

The projects in connection with the bond issuance involved the renovation of existing, and construction of new, residential, day, diagnostic, treatment and

educational facilities that deliver services for individuals with developmental disabilities, including Autism.

DDI has reported that 75 new jobs in various programs within the organization were created in connection with the TOH LDC's August 29, 2012 bond issuance.

The TOH LDC has worked to market its capabilities to qualified entities in the Town of Huntington by the broad distribution of a press release announcing the August 2012 bond issue to DDI. Newsday, Long Island Business News, local Huntington and Smithtown newspapers and multiple online news blogs picked up the story. In response to this press, the TOH LDC received numerous inquiries with regard to its capabilities.

Additionally, TOH LDC Executive Director, General and Bond Counsel continue to work together to network with appropriate entities to maintain the Corporation's visibility and reiterate its services that are available in Huntington and its surrounding communities.

The TOH LDC further established an Internet presence at the Town of Huntington's website: <http://huntingtonny.gov> that discusses its services and makes available its Application for Financial Assistance, Policies, Reports, Budgets and other corporate documentation as required by PARA.

At 2012's year-end, the TOH LDC began to explore ways it could support other Town of Huntington community and economic development entities, and their separate but similarly-aligned initiatives, so as to further its own mission and purposes. The TOH LDC's 2013 collaborations remain in the planning stages at the time of this report but are expected to come to fruition and will appear in the 2013 Operations & Accomplishments Report.

THE TOWN OF HUNTINGTON
LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 2012

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Israeloff, Trattner & Co. P.C.

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New York, NY

INDEPENDENT AUDITORS' REPORT

To the Town Board Members of the
The Town of Huntington Local Development Corporation
Huntington, New York

Report on Financial Statements

We have audited the accompanying financial statements of the Town of Huntington Local Development Corporation (the "Organization"), a component unit of the Town of Huntington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Organization'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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Huntington Local Development Corporation, as of December 31, 2012, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2013, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Israeloff, Trattner & Co. P.C.

Garden City, New York
April 1, 2013

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

This management's discussion and analysis of The Town of Huntington Local Development Corporation's (the "Organization") financial performance provides an overview of the Organization's financial activities for the year ended December 31, 2012. Please read this in conjunction with the basic financial statements and the accompanying notes to those statements.

Financial Highlights

The Organization's total assets increased by \$199,914 during 2012. The increase in assets is due to an administrative fee on bond financing earned in 2012 less certain expenses.

The Organization's total revenues are due to an administrative fee on bond financing. The Organization did not incur any mission related expenses in 2012 as this was the initial year of operation.

As of December 31, 2012, the Organization reported net assets of \$199,914.

Basic Financial Statements

The financial statements presented herein include all of the activities of the Organization.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes can be found immediately following the financial statements.

The financial statements of the Organization have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to proprietary funds on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Analysis of Financial Position and Results of Operations

The Organization's net assets at December 31, 2012 were \$199,914.

Analysis of Balances and Transactions

The Organization reported net assets of \$199,914 for the year ended December 31, 2012.

THE TOWN OF HUNTINGTON
LOCAL DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
DECEMBER 31, 2012

ASSETS

Cash	\$ 199,914
Total Assets	<u>\$ 199,914</u>

NET ASSETS

NET ASSETS	
Unrestricted	<u>199,914</u>
Total Net Assets	<u>\$ 199,914</u>

See accompanying notes and independent auditors' report.

THE TOWN OF HUNTINGTON
LOCAL DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES

Fee Income	<u>\$ 201,480</u>
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OPERATING EXPENSES

Advertising	1,440
Printing	<u>126</u>

Total Program Expenses	<u>1,566</u>
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Increase in net assets	199,914
------------------------	---------

Net assets - beginning	<u>-</u>
------------------------	----------

Net assets - end	<u>\$ 199,914</u>
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See accompanying notes and independent auditors' report.

THE TOWN OF HUNTINGTON
 LOCAL DEVELOPMENT CORPORATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Bond issuance fee received	\$ 200,980
Application fee received	500
Payments for operating expenses	<u>(1,566)</u>
Net cash provided by operating activities	199,914
CASH AND CASH EQUIVALENTS - beginning	<u>-</u>
CASH AND CASH EQUIVALENTS - end	<u>\$ 199,914</u>

RECONCILIATION OF NET OPERATING REVENUES
 (EXPENSES) TO NET CASH PROVIDED BY
 OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 199,914
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Net cash provided (used) by operating activities	<u>\$ 199,914</u>

See accompanying notes and independent auditors' report.

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Town of Huntington Local Development Corporation (the "Organization"), a component unit of the Town of Huntington, was incorporated on April 7, 2010 under Section 1411 of the Not-For-Profit Corporation Law of the State of New York by the Town Board of the Town of Huntington. The mission of the Organization is 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 Organization will from time to time sponsor conduit financing and earn a fee income to support its mission. The Town of Huntington Board members constitute The Organization's directors, and, accordingly, the Organization's management is designated by the Town Board sitting as directors of the Organization. The Town Board is completely accountable for fiscal matters. The Town of Huntington is not liable for the Organization's bonds or notes. There were no financial activities for the years ended December 31, 2011 and 2010.

The financial statements present only the Organization, and do not purport to, and do not, present fairly the financial position of the Town of Huntington, New York, as of December 31, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to proprietary funds on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The government-wide financial statements are the same as the fund financial statements for proprietary funds, so no additional adjustments or schedules were necessary. The first of these government-wide statements is the Statement of Net Assets. This is the Organization-wide statement of position presenting information that includes all of the Organization's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Organization as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities which reports how the Organization's net assets changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid.

RELATED PARTY

The Organization is related through common management with the Town of Huntington. The Town Board serves as Directors of the Organization. Town of Huntington provides certain administrative and management services to the Organization. The costs of these services are not reflected in the accompanying financial statements.

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

INCOME TAXES

The Organization is a not-for-profit public benefit corporation and is exempt from income taxes under the Internal Revenue Code.

NET ASSETS CLASSIFICATION

Net assets are categorized as follows:

- a) Invested in capital assets, net of related debt – 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) Restricted net assets – Consists of net assets 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) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

CASH AND CASH EQUIVALENTS

For purposes of the financial statements, the Organization considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CONDUIT FINANCING

Conduit Financing is a financing arrangement involving a government or other qualified agency using its name in an issuance of fixed-income securities for a non-profit organization's large capital project. The Organization may sponsor conduit financing for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the Organization's overall service and policy objectives as determined by the Organization's Directors.

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

NEW ACCOUNTING STANDARD ADOPTED

During 2012, the Organization adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"). GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance included in FASB pronouncements, which does not conflict with or contradict GASB pronouncements, and eliminates the criteria to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

RECENT ACCOUNTING GUIDANCE

During 2012, the Governmental Accounting Standards Board (GASB) issued various updates application of hedge accounting termination provisions, deferred outflows and inflows of resources, financial reporting on pensions plans, and government combinations and disposals of government operations. These, and other updates, are either not yet effective for the Organization's financial statements or, when effective, will not or did not have a material impact on the Organization's financial statements upon adoption.

SUBSEQUENT EVENTS

The Organization has evaluated all events through April 1, 2013, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.

2. REVENUE BONDS

Bonds authorized by the Organization and issued through various lending institutions are designated as special obligations of the Organization and payable solely from the revenues and other assets pledged as collateral against the bonds. The Organization's right, title and interest to the property are assigned to a trustee until such point in time as the construction of property or improvements has been completed or satisfaction of the obligation has been effected in full, the Organization does not act as a guarantor in the event collateralized properties and revenues as specified in the applicable financing agreement are insufficient to meet debt service requirements. Additionally, in each of these financings, the Organization has assigned all rights to receive certain revenues derived with respect to the facilities it has financed to the holders of the revenue bonds. As a result, the Organization does not reflect such bonds or related properties on its financial statements. At December 31, 2012, local development revenue bonds authorized and outstanding were \$19,654,000.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Town Board Members
The Town of Huntington Local Development Corporation
Huntington, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Huntington Local Development Corporation (the "Organization"), a component unit of the Town of Huntington, New York, as of and for the year ended December 31, 2012, the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated April 1, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Isueloff, Trattner & Co. P.C.

Garden City, New York
April 1, 2013