



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2011



Town Board
Frank P. Petrone, Supervisor

Susan A. Berland, Councilwoman
Eugene Cook, Councilman
Mark A. Cuthbertson, Councilman
Mark Mayoka, Councilman



Town of Huntington, New York
Comprehensive Annual Financial Report
Year Ended December 31, 2011

Prepared by:
Department of Audit & Control

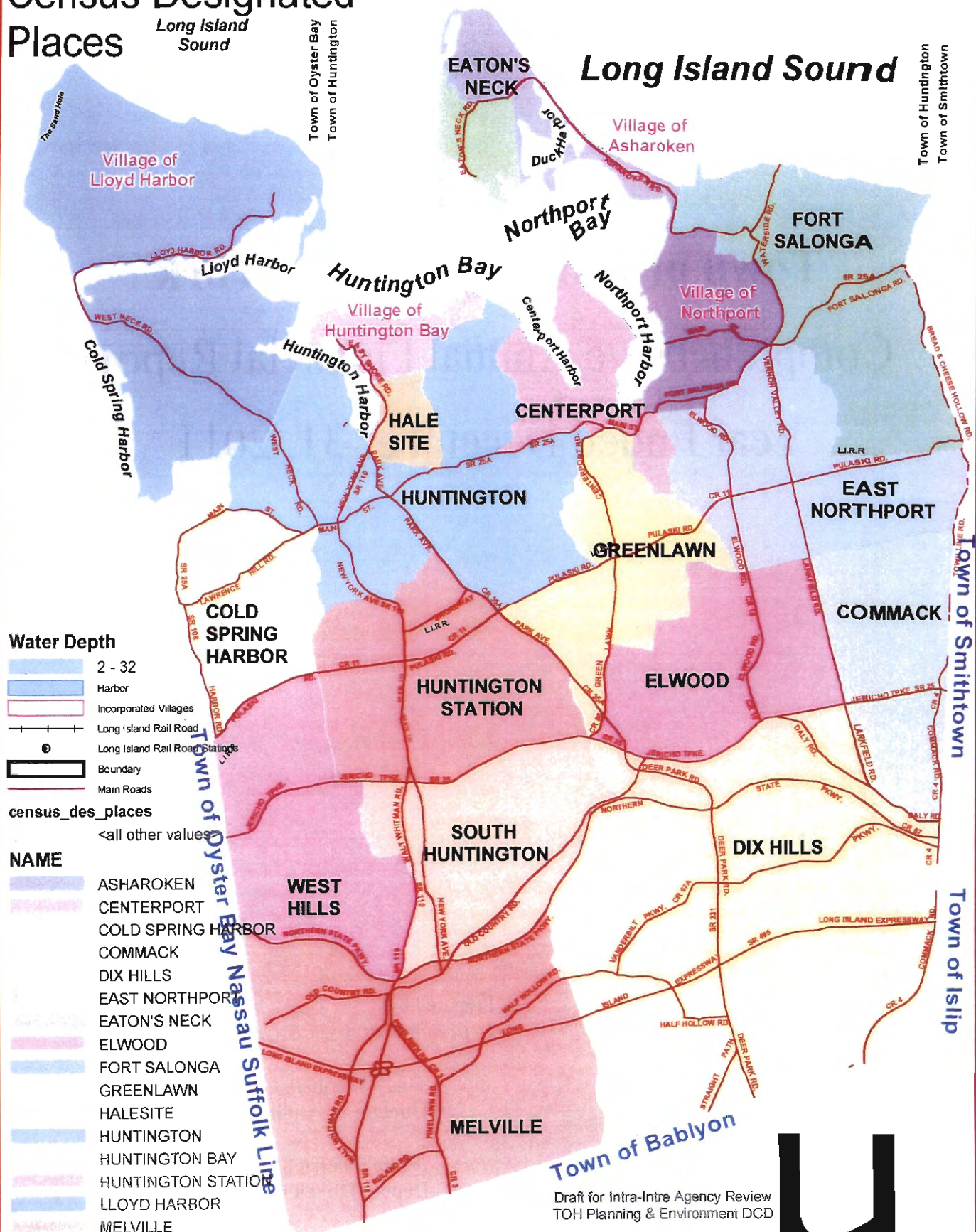
Tracy Yogman, CPA
Director of Audit & Control

Andrew Persich
Deputy Director of Audit & Control

Town of Huntington Census Designated Places

Long Island
Sound

Long Island Sound



Water Depth

- 2 - 32
- Harbor
- Incorporated Villages
- Long Island Rail Road
- Long Island Rail Road Stations
- Boundary
- Main Roads

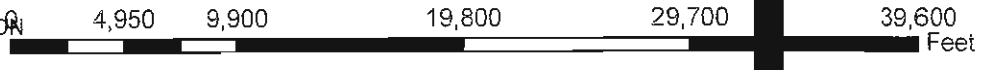
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NAME

- ASHAROKEN
- CENTERPORT
- COLD SPRING HARBOR
- COMMACK
- DIX HILLS
- EAST NORTHPORT
- EATON'S NECK
- ELWOOD
- FORT SALONGA
- GREENLAWN
- HALESITE
- HUNTINGTON
- HUNTINGTON BAY
- HUNTINGTON STATION
- LLOYD HARBOR
- MELVILLE
- NORTHPORT
- SOUTH HUNTINGTON
- WEST HILLS

Draft for Intra-Agency Review
TOH Planning & Environment DCD



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**INTRODUCTORY
SECTION**



Town of Huntington

Long Island, New York

FRANK P. PETRONE

Supervisor

June 22, 2012

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

I am pleased to present the Comprehensive Annual Financial Report of the Town of Huntington, New York for the year ended December 31, 2011. The financial statements have been audited by the accounting firm selected by the Town Board, Israeloff, Trattner & Co., P.C. The independent auditors' unqualified opinion is included in this report.

In each of the past thirteen years the Town of Huntington has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Certificates are awarded to those governments whose annual financial reports are judged to conform to the generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is my belief that the December 31, 2011 Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program.

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

Fiscal Year 2011 presented many challenges, however, through sound fiscal management, operating results were better than anticipated. We will continue to monitor the Town's 2012 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,

FRANK P. PETRONE
Supervisor



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Huntington, NY 11743-6991

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AUDIT & CONTROL

ANDREW PERSICH

Interim Director

June 22, 2012

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

The Office of the Comptroller is pleased to submit the Comprehensive Annual Financial Report ("CAFR") of the Town of Huntington, New York (the "Town") for the year ended December 31, 2011. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the Town.

The report is the primary means of presenting the Town's financial activities in a manner designed to set forth fairly, the financial position and results of operations of the Town as measured by the financial activity of its various funds with all disclosures necessary to enable the reader to gain a reasonable understanding of the Town's financial position.

The accounting firm of Israeloff, Trattner & Co. P.C. was selected by the Town Board to perform an independent audit of the Town's financial statements as of December 31, 2011, and for its year then ended to provide reasonable assurance that the financial statements are free from material misstatement. The auditors' unqualified opinion on the basic financial statements and combining and individual fund statement and schedules are included in the financial section of this report.

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

The Town is required to undergo an annual "single audit" in conformity with the provisions of the Federal Single Audit Act (as amended) and the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this "single audit", including the schedule of expenditures of federal awards, findings and recommendations and the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are not presented in this report, but rather are routinely presented as a separate report.

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



General and Historical Information

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

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

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

The Town provides the following services:

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

Town Government

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

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

Town Government (continued)

The Town Board is the principal policy-making body of the Town. Its four members, in addition to the Supervisor, are elected to four-year terms. The terms are staggered so that every two years two Council Members run for election. There is no limitation to the number of terms that may be served by members of the Town Board. Both Supervisor and Council Members are elected at large.

The Town Board appoints its Assessor, who serves a six-year term. The Town Board appoints the Comptroller and the Town Attorney, whose terms end upon the succeeding election of a new Town Board and appointment of a successor. The Town Clerk, the Receiver of Taxes and the Superintendent of Highways are elected for four-year terms.

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

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

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

Local Economy

The cornerstones of Huntington's desirability as an outstanding place to live, work, and raise a family have always been its people, quality of life, pristine waterfront and beaches, open spaces, historical charm and property tax stability. With the Town's finances on sound fiscal footing, the Town Board has undertaken numerous initiatives to further enhance the Town's quality of life. These include: sponsorship of a second bond act of \$30 million to purchase and preserve open space, fund neighborhood improvements and rehabilitate recreational facilities; sponsorship of a third bond act of \$15 million to purchase and preserve open space, improve park facilities, fund neighborhood improvements, and support green energy efficient projects. The Town has implemented clean energy initiatives by purchasing natural gas garbage trucks, hybrid buses and vehicles; began the installation of energy saving light fixtures, began the installation of solar energy at Town Hall and municipal parking lots, progressed Huntington Station revitalization by purchasing a condemned building for development, maintained programs to enhance care for children and seniors; completed construction of a new state-of-the-art ice skating rink adjacent to the existing rink in Dix Hill; continued the "American Dream" Program providing down payment assistance to first-time home buyers; continued the "Take Back the Blocks Program" to purchase and rehabilitate homes that are sold as affordable housing units with accessory apartments and renegotiated an extension for refuse disposal at the resource recovery plant at a significant savings to taxpayers.

Median family income (\$103,830) and housing values (\$481,000) exceed figures for other Suffolk County towns as well as New York City suburban averages. Income growth within the Town has remained stagnant but is significantly higher than the state and county averages and recent economic indicators demonstrate that the Town continues to be an economically vibrant community.

Long Island is still suffering from a long, protracted recovery. The private sector fortunately has started to show signs of improvement in 2011. The public sector is lagging. Job growth continued in 2011 mainly in professional, business services, education and health services. Housing demand continued to strengthen in 2011. Home value prices remained stable with a slight decline of 4 % with a decrease in home sales of approximately 4.6% with a continued tight lending market.

Local Economy (continued)

On the positive side, Huntington's unemployment rate has improved and remains low at 6.3% as of December of 2011, below the Suffolk County rate of 7.2%, New York State of 8.2% and the nation's rate of 8.5%.

The Town of Huntington is a mature suburban community. Although its capacity for new large-scale residential development is limited, there are a number of significant large-scale housing projects either recently approved or in the planning stage. In the future, new housing construction will largely occur predominantly as in-fill development within existing neighborhoods, however major developments will continue to occur on large underutilized properties. This trend has and will continue to contribute to population and tax base growth in the future. For example, the Town Planning Department is currently processing forty-four (44) residential subdivisions that will ultimately result in the development of approximately two-hundred and twenty-six (226) new single-family homes. In addition five (5) large-scale developments have either received zone change approvals or site plan approval within the past year.

The strength of the local housing market is also evidenced by the projects currently under Planning Department review and/or proposed residential zone changes. Several housing projects for residents over 55 years of age are currently under consideration, including the Seasons at Elwood totaling four-hundred and eighty-two (482) units, the Melville Housing Development with approximately two-hundred and fifty (250) units and the Schmitt Farms Housing Development with approximately three hundred (300) units. Two major projects have broken ground in the past year, Timber Ridge Residential Development and DML Properties projects; together they will yield fifty-six (56) housing units.

Commercial and industrial development expansion and improvement remains steady. Over the past six (6) years, over two (2) million square feet of Class A office space has been constructed or renovated, including projects by Rubies Corporation, OSI Pharmaceuticals, Air Techniques, Henry Schein, Honeywell Corporation, Sbarro's Headquarters, Leviton Corporation and the Northfork (Capital One) Bank Corporate Center.

The construction of the first phase of the 900,000 square foot Canon USA North American Headquarters approved in March 2010 is well underway. The first phase includes the construction of 700,000 square feet of office and research space with parking garages for approximately three-thousand (3000) cars. It is anticipated that the first phase will be completed in the Spring of 2013. Canon USA expects to employ approximately 1,300 people at this location by 2015 and 2,060 by 2020. A regional economic analysis estimates that Canon construction will inject approximately \$459.1 million into the local economy. Secondary economic impacts are expected to generate an additional \$350.0 million.

Vacant commercial and industrial land, like the Canon site, is limited. However, many sites zoned for such uses are under-utilized and excellent candidates for site redevelopment, an emerging trend that is fully supported and encouraged by Huntington officials, who have identified existing commercial corridors and industrial sites throughout the Town, and the Melville Employment Center in particular, as the Town's primary focus in its 2008 Comprehensive Plan Update "Horizons 2020". In fact, a new six-story 160,000 square foot corporate center has been proposed on a property that formerly housed a one-story aging commercial building. This office site is directly to the east of the Canon site and should begin construction in early 2013.

Many of the under-utilized industrial sites are on large parcels in prime locations with access to the Long Island Expressway (LIE). The Town adopted new zoning guidelines in 2006 to promote redevelopment to meet the demands of modern corporations. The strong market demand for quality corporate office space will continue to spur redevelopment and result in increasing market values and commercial property tax revenues.

A similar trend is occurring in other corridors as evidenced by the increasing number of applications to the Town's Planning and Zoning boards for expansion of existing business uses. Shopping centers are upgrading to compete with the "box" stores and outlet centers. Simon Properties has begun construction of an 80,000 square foot expansion of its existing 1.1 million square foot Walt Whitman Mall on Route 110, and the Lowe's Corporation has recently broke ground on a new 150,000 square foot Home Center on Jericho Turnpike. Consumer expenditures per capita by Huntington households are among the highest in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future.

in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future.

Finally, Huntington is home to several thriving "downtown" business districts. Huntington village is one of Long Island's finest, boasting a performing arts theater, an Art Museum, a park with free concerts, an independent cinema arts theater, a commercial movie theater, about 50 restaurants and retail stores. The Paramount Theater, a performing Arts Center in the Village has opened its doors and has offered live performances attracting many to the downtown area. Another new important development in Huntington Village is the planned boutique hotel that will provide first class lodging to visitors to the region. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington village features a considerable stock of rental units and smaller, more affordable single-family homes. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington village features a considerable stock of rental units and smaller, more affordable single-family homes

Long-range Financial Planning

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

The Town, over the years, as part of its long-range financial planning, has prudently built up reserves during periods of good times so that these funds can be strategically used to offset potential tax increases when times become tough. This fiscal policy continues to be a major initiative for the Town as our residents feel the impact of an economic downturn.

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

Major Initiatives

Through sound fiscal management, the Town has been able to fund and complete various major projects in 2010 including \$12.2 million of road resurfacing, reconstruction, drainage and land improvements; \$16.3 million in recreational facility improvements; \$0.1 million in beach improvements and \$5.0 million in building improvements and equipment purchases.

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

- Huntington's three Business Improvement Districts, Huntington Village, Huntington Station and Cold Spring Harbor continue to work cooperatively with the Town to enhance the Town's downtown business districts. These efforts seek to stimulate economic activity, and more recently, to promote continued economic recovery in the aftermath of a struggling national economy. In order to attract interest to the districts, events such as Wednesday night classic car shows, a Halloween Parade and trick or treating event of downtown shops, sidewalk sales and jazz festivals have been planned. In 2011 Huntington Station launched held its second annual "Huntington Awareness Day" emphasizing the theme "unity in the community culminating in a day-long fair in the Town's commuter parking lot in Huntington Station. It attracted thousands and generated much attention and good will to the community. Plans are underway for Huntington Station's third annual event on September 22, 2012. All of the BIDs agree that more programming is needed to attract the patronage needed to sustain their various places of business. The Town continues to assist its BIDs in all ways possible.
- The Dix Hills Ice Rink expansion was completed in 2010. Renovations to the existing rink are anticipated to begin in 2011. The new facility added a total of 43,232 square feet to the existing structure of 36,554 square feet and includes a second ice surface. The new and expanded portion was constructed on the existing rink's parking lot. A new parking area containing 70 spaces was built just to the west of the new facility, in the vicinity of the former driveway circle. This new parking area has been designed to enhance traffic flow and to minimize clearing of vegetation. A

new and enhanced pedestrian walkway from the rink to the large pool parking area was completed to provide access to the recreation areas

Major Initiatives (continued)

- The Town of Huntington through the Huntington Community Development Agency (CDA) administers \$12.4 in program funding annually. This includes: a Home Improvement program designed to help elderly and limited-income residents remain in their homes; a Down Payment Assistance program that assists eligible first time buyers achieve the dream of homeownership; and "Take Back the Blocks" that purchases and renovates derelict properties and converts them to owner-occupied affordable housing. CDA spearheads development programs to stimulate economic development and job growth in low-income areas and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG).
- In accordance with Town policy and federal Energy Efficiency and Conservation (EEC) Block Grant program goals, Huntington has developed an EEC strategy to help the Town and its residents reduce fossil energy use, cut energy costs and improve the environment. An energy audit of the town's ten highest energy consuming facilities has begun in 2011 and recommendations will be implemented in 2012. On-going key elements include the replacement of high-pressure sodium street lighting fixtures with energy efficiency Induction lighting fixtures, and the implementation of Huntington EECO Homes, a residential energy efficiency assessment, education, retrofit program that is bringing energy saving practices and technology directly to homeowners. Huntington is also converting its public transit bus fleet to hybrid-electric diesel and constructing a charging station for Electric Vehicles (EVs) at the LIRR station in Huntington to accommodate next generation zero-emission short-trip vehicles.

Economic Development

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

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

- Huntington Station's \$3.3 million Phase II Streetscaping was completed in the summer of 2011. This public works project brought new brick sidewalks, decorative street lighting, new curbs, new retaining walls and new street trees to New York Avenue from Pulaski Road north to Lowndes Avenue. The project employed 25. This dramatic public infrastructure investment and beautification initiative was intended as a signal to the private sector that the Town is committed to Huntington Station's revitalization. When the Town's project commenced, private commercial property owners abutting the public improvements responded by improving their own storefronts. Many of these business owners were able to tap into grant funds made available through the Town of Huntington Economic Development Corporation and the Huntington Station Business Improvement District, who have partnered to offer a façade improvement grant program that provides matching dollars to encourage the look and quality of storefronts in Huntington Station.
- Engagement of Renaissance Downtowns, LLC as Master Developer for Huntington Station. In July of 2011, Renaissance Downtowns was selected as the most qualified respondent after the Town issued a Request for Proposals for a private developer to assist the municipality with the next phase of Huntington Station's revitalization. In April 2012, the Town of Huntington, the Town of Huntington Economic Development Corporation, and Renaissance Downtowns, LLC officially entered into contract for this engagement. The engagement calls for the Town, developer and community to co-create a next phase Huntington Station revitalization development strategy in the first 12 months. These strategies are to work toward a comprehensive approach to the ongoing revitalization effort. Accordingly, the Master Developer will look for avenues and other invest

that will open the door for widespread simultaneous improvements of both private properties and public properties within the project area.

- Transforming two acres of blighted properties:
 1. Station Sports Family Fun Center, unanimously supported by the community, represents a \$1.5 million private investment in Huntington Station that employs approximately 15 during the winter months and 30 during the spring, summer and fall. Station Sports, which opened in spring of 2012, offers a batting cage, a miniature golf course and indoor sports simulators. It is quickly growing in popularity.
 2. Huntington Station Food Plaza opened in April 2011 and earned a façade improvement grant from the Huntington Station BID and the Town of Huntington EDC. This project redeveloped a long vacant and important parcel in the business district. Its owner invested \$1.3 million in transforming an existing building into a state of the art full service supermarket that employs 35 local people.
- The Town of Huntington purchased and razed a decade old Huntington Station eyesore at 1000 New York Avenue to pave the way for its resale and redevelopment by the private sector. For this project, the Town secured a \$1.1 million grant from Empire State Development Corporation that will be passed to a selected private developer to offset demolition and construction costs. This property is within the focus area of the Master Developer.
- In September 2011 The Paramount Theater opened in Huntington Village with an Elvis Costello performance. The Paramount is a 26,000 sq. ft. live entertainment venue in the heart of Huntington Village's downtown at 370 New York Avenue. The three Paramount partners are Town of Huntington residents and successfully completed a five million dollar renovation at the site to expand a dilapidated former movie house/concert hall to a 1500 plus capacity state of the art concert venue. Paramount has partnered with Live Nation, a global leader in entertainment booking, to bring programming for all ages to Huntington. Paramount created 50 plus jobs and the economic benefits are being felt by downtown bars and restaurants who serve theatre patrons before and after shows.

Financial Information

Budgetary Control

The Supervisor prepares a tentative budget each year that becomes the preliminary budget upon the scheduling of a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is adopted by the Town Board as its final budget for the coming year. The Town's fiscal year 2012 final budget was adopted by default on November 7, 2011.

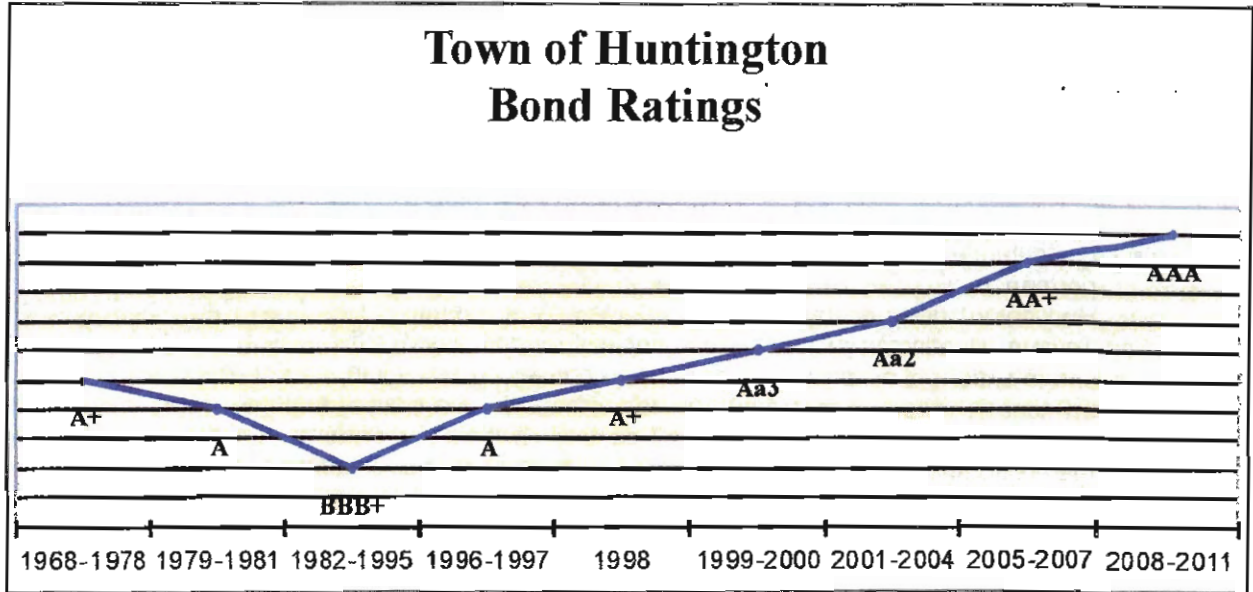
The Town establishes budgetary controls to ensure compliance with legal provisions in the annual appropriated budgets approved by the Town Board. The Supervisor submits a proposed operating budget for the General, Debt and Special Revenue Funds for the fiscal year commencing on January 1. The operating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

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

Debt Administration

The Town has achieved the highest bond rating of AAA from all three rating agencies, Standard & Poor's, Fitch Rating Agency and Moody's Investors Service on the 2011 bond issue, placing Huntington among the best fiscally managed Towns in New York State. These ratings have been upheld for all previously issued bonds as well. This achievement reflects the Town's consistently solid financial position and a low debt with manageable additional capital needs.

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



Financial Policies

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Huntington for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. This was the thirteenth consecutive year that the Town of Huntington has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

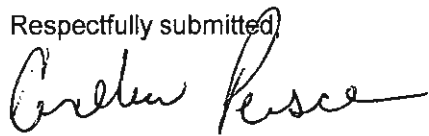
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

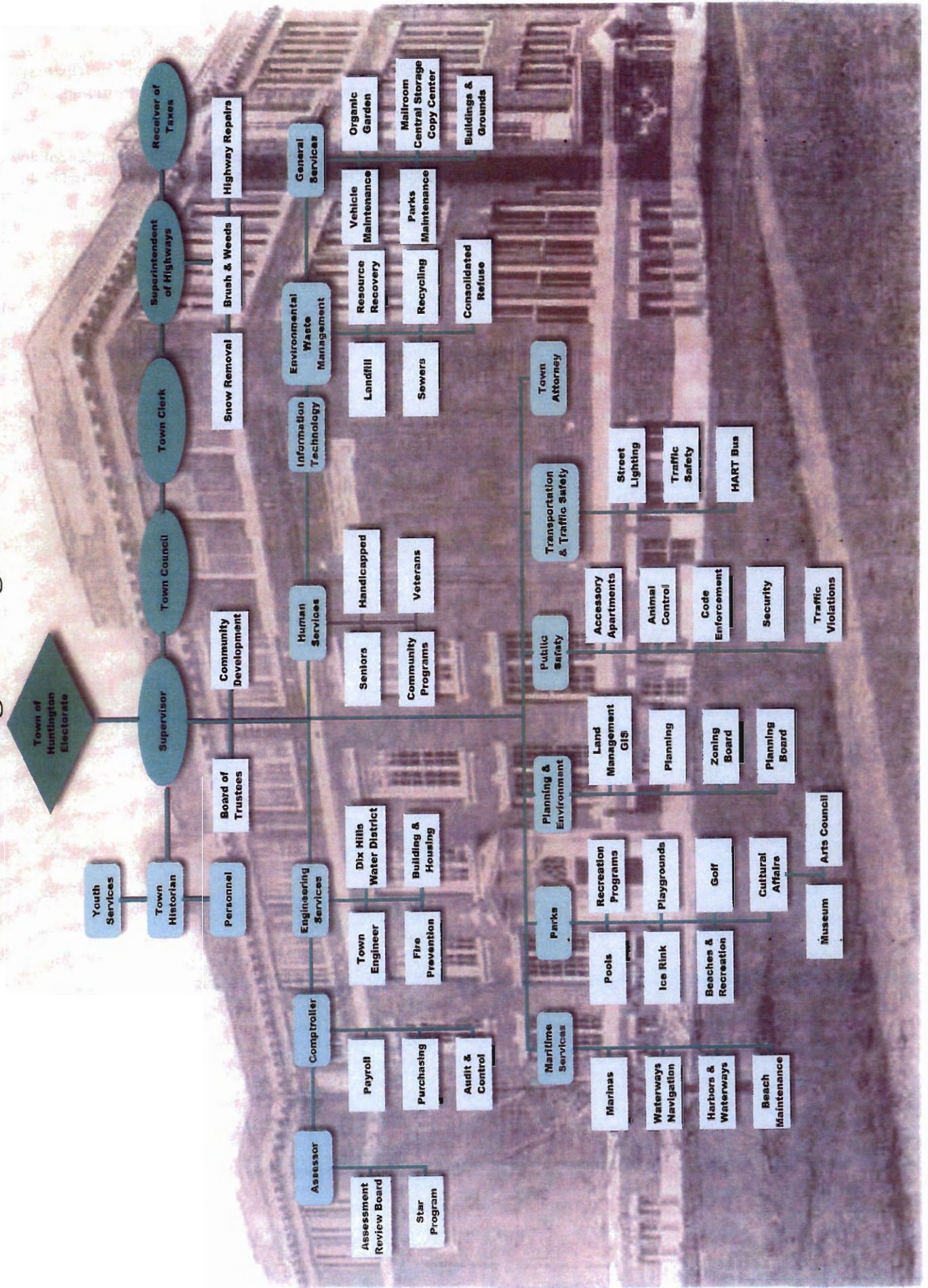
Finally, I would like to thank the Supervisor and the members of the Town Board for continued interest and support in planning and conducting the financial operations of the Town of Huntington in a responsible and progressive manner.

Respectfully submitted,



Andrew Persich
Town of Huntington
Interim Comptroller

Town of Huntington Organizational Chart



TOWN OF HUNTINGTON, NEW YORK
PRINCIPAL OFFICIALS
December 31, 2011

Town Board:

Supervisor	Frank P. Petrone
Councilman	Mark A. Cuthbertson
Councilwoman	Susan A. Berland
Councilman	Mark Mayoka
Councilman	Eugene Cook

Town Clerk:

Jo-Ann Raia

Receiver of Taxes:

Ester Bivona

Superintendent of Highways:

William Naughton

Town Attorney:

John Leo

Interim Comptroller:

Andrew Persich

Director of Youth Bureau:

Maria E. Georgiou

Director of General Services:

Thomas Boccard

Director of Human Services:

Jillian Guthman-Abadom

Director of Parks & Recreation:

Donald McKay

Director of Planning:

Anthony J. Aloisio

Director of Community Development:

Doug Aloise

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Huntington
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandson
President

Jeffrey L. Esser
Executive Director

**FINANCIAL
SECTION**



Israeloff, Trattner & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS · FINANCIAL CONSULTANTS

1225 Franklin Avenue, Garden City, NY 11530 (516) 240-3300 Fax (516) 240-3310 www.israeloff.com

Other Office
Empire State Building
350 Fifth Ave.
New York, NY

INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Town Board
Town of Huntington
Huntington, NY

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2011, and for the year then ended, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of the two discretely presented component units which represent 15.9%, 17.0% and 5.3%, respectively, as the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of one of the component units presented discretely in the basic financial statements were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 19 through 29 and 81 through 88 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huntington, New York basic financial statements. The combining and individual nonmajor fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huntington, New York's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Garden City, New York
June 22, 2012

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REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

Management's Discussion and Analysis

The following is a discussion and analysis of the Town of Huntington's financial performance, providing an overview of the Town's financial activities for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our letters of transmittal, which can be found on pages 1 through 11 of this report as well as in the Town's basic financial statements.

Overview of the Financial Statements

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

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

Reporting on the Town as a Whole

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

The Statement of Net Assets combines and consolidates the Town's current financial resources with capital assets and long-term obligations. This statement includes all of the Town's assets and liabilities. Net assets are the difference between the Town's assets and liabilities, and represent one measure of the Town's financial health.

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

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

Governmental Activities

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



Component Units

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

Reporting on the Town's Most Significant Funds

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

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

Governmental Funds

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

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

Fiduciary Funds

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

Financial Analysis of the Town as a Whole

Net Assets

Total assets of the Town on December 31, 2011, were \$419.3 million, a decrease of \$3.8 million over the prior year. Total liabilities were \$178.6 million, a decrease of \$3.5 million over the prior year. This results in a net asset balance of \$240.7 million, a decrease of \$.3 million over the prior year. Of the Town's net assets, \$245.7 million were invested in capital assets, net of related debt, while \$16.2 million were restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. Unrestricted net assets were (\$22.4) million a decrease of (\$3.4) million as a result of the recording of the Other Post Employment Benefits liability (OPEB).

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2011

Financial Analysis of the Town as a Whole (continued)

	2011	2010
Assets		
Current and Other Assets	\$ 95,029,557	\$ 108,133,970
Noncurrent Assets	394,347	504,170
Capital Assets	323,800,373	314,453,177
Total Assets	419,224,277	423,091,317
Liabilities		
Current and Other Liabilities	32,700,558	40,919,878
Non-Current Liabilities	145,841,804	141,197,651
Total Liabilities	178,542,362	182,117,529
Net Assets		
Investment in Capital Assets, Net of Related Debt	245,685,683	237,683,547
Restricted	17,385,877	22,238,564
Unrestricted	(22,389,644)	(18,948,323)
Total Net Assets	\$ 240,681,916	\$ 240,973,788

The Town's bonded indebtedness was \$94.3 million, which included issuances of \$6.4 million in Town bonds to finance road construction, new construction of curbs and sidewalks, improvements to Town facilities and infrastructure.

Changes in Net Assets

The Town's program revenues for the year ended December 31, 2011 were \$53.3 million, an increase of \$6.1 million and general revenues were \$122.5 million, a decrease of \$1.5 million over the prior year, for total revenues of \$175.8 million, an increase of \$4.5 million. The expenses for the year ended December 31, 2011 of the Town were \$176.2 million, an increase of \$1.9 million. As a result of expenses exceeding revenues, the change in net assets for the year ended December 31, 2011 was a decrease of \$.3 million. Revenues and expenses of the Town's governmental activities are detailed on the next page.

Governmental Activities

The governmental activities decreased the Town's net assets by \$.3 million for the year ended December 31, 2011 and the key elements of the variances are as follows:

- Charges for Services have increased by \$3.5 million as a result of the sale of parcels within the Town.
- Operating Grant funding has increased by \$2.7 million as a result of federal funding from the Federal Emergency Management Agency for the damage relating to the hurricane of August 2011.
- Mortgage Tax revenue declined by \$.3 million as a result of the instability of the housing market.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

Financial Analysis of the Town as a Whole (continued)

- Investment income decreased in 2011 as a result of declining interest rates to \$1.0 million, a decrease of \$.5 million to the prior year.
- Home and Community Services decreased by \$6.3 million in 2011 as a net result of a decrease of \$1.3 million for Community Development Housing projects, a savings of \$3.0 million for contractual expenses of the Town's resource recovery plant, a decrease in capital expenses of \$2.0 million.
- Transportation increased by \$8.7 million as result of the clean-up efforts from Hurricane Irene in August 2011. The Town will receive reimbursement of approximately 90% of these expenses from FEMA.

Changes in Net Assets Governmental Activities For the Years Ended December 31,		
	2011	2010
Revenues		
Program Revenues:		
Charges for Services	\$ 36,464,676	\$ 33,003,399
Operating Grants & Contributions	8,869,297	6,159,015
Capital Grants & Contributions	8,009,856	8,076,450
General Revenues:		
Property Taxes	107,674,455	108,462,698
Mortgage Tax	6,651,563	6,948,509
Other Taxes	484,626	442,311
Unrestricted Grants & Contributions	9,176	26,126
Interest & Investment Income	952,643	1,464,479
State Aid - Unrestricted	1,067,256	1,089,037
Miscellaneous	5,705,282	5,594,003
Total Revenues	175,888,830	171,266,027
Expenses		
General Government Support	38,574,450	39,790,531
Public Safety	11,979,597	11,478,518
Health	3,047,126	3,232,195
Transportation	50,570,381	41,901,282
Economic Assistance & Opportunity	3,292,539	3,262,356
Culture & Recreation	18,693,348	18,136,110
Home & Community Services	46,119,663	52,446,101
Interest on Debt	3,903,598	4,025,756
Total Expenses	176,180,702	174,272,849
(Decrease) Increase in Net Assets	(291,872)	(3,006,822)
Net Assets, January 1	240,973,788	243,980,610
Net Assets, December 31	\$ 240,681,916	\$ 240,973,788

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2011

Financial Analysis of the Town as a Whole (continued)

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Expenses				
General Government Support	38,574,450	39,790,531	27,232,269	34,093,222
Public Safety	11,979,597	11,478,518	10,748,766	10,329,813
Health	3,047,126	3,232,195	2,603,194	2,570,044
Transportation	50,570,381	41,901,282	41,079,434	31,837,906
Economic Assistance & Opportunity	3,292,539	3,262,356	2,767,044	2,771,135
Culture & Recreation	18,693,348	18,136,110	9,455,065	10,025,260
Home & Community Services	46,119,663	52,446,101	25,047,503	31,380,849
Interest on Debt	3,903,598	4,025,756	3,903,598	4,025,756
Total Expenses	176,180,702	174,272,849	122,836,873	127,033,985

Financial Analysis of the Town's Funds

Governmental Funds

Total assets in the Town's General fund were \$42.9 million. Receivables reported were \$2.9 million, consisting of \$1.7 million in waste management fees, and \$0.9 million in franchise fees and \$.3 million of various small revenue receivables. Due from federal, state and other governments were \$1.3 million of which \$.4 million for waste management fees, \$.2 million is due from FEMA and \$.7 million from other granting agencies.

Total liabilities in the Town's General fund were \$7.3 million. Accrued liabilities of \$2.9 million were the result of payroll accruals and waste management fees, accounts payable of \$2.3 million and the \$2.0 million for deferred revenues resulted from the 2011-2012 tax warrant.

In addition to the General fund, all Town Special Revenue funds exclusive of the Fire Protection District, Business Improvement Districts and the Ambulance District have deferred revenue balances. These balances are also derived from the 2011-2012 tax warrant.

As of December 31, 2011 governmental funds reported an overall fund balance of \$72.0 million. The undesignated fund balances in the General Fund is \$11.2 million. Fund balances in the Highway and Refuse and Garbage funds are recorded as restricted funds in accordance with the new Governmental Accounting Standards Board Statement No. 54.

In the General Fund, the fund balance has increased by \$2.4 million. Relative to 2010, expenditures and other financing uses decreased approximately \$5.9 million from the prior year and revenues increased by \$3.2 million. The General Fund was budgeted to use \$6.7 million of fund balance however fund balance increased as a result of successful cost controls, the sale of property, use of debt reserves and an increase in mortgage tax based on conservative budgeting practices.

Financial Analysis of the Town's Funds (continued)

In the Highway Fund, the fund balance has decreased by \$.7 million. Relative to 2010, revenues increased by \$2.3 million from the prior year and expenditures and other financing uses increased by \$2.9 million largely attributable to Hurricane Irene in August 2011.

In the Refuse and Garbage Fund, the fund balance has decreased \$.7 million. Relative to 2010, revenues increased by \$.6 million and total expenditures and other financing uses increased by \$.3 million.

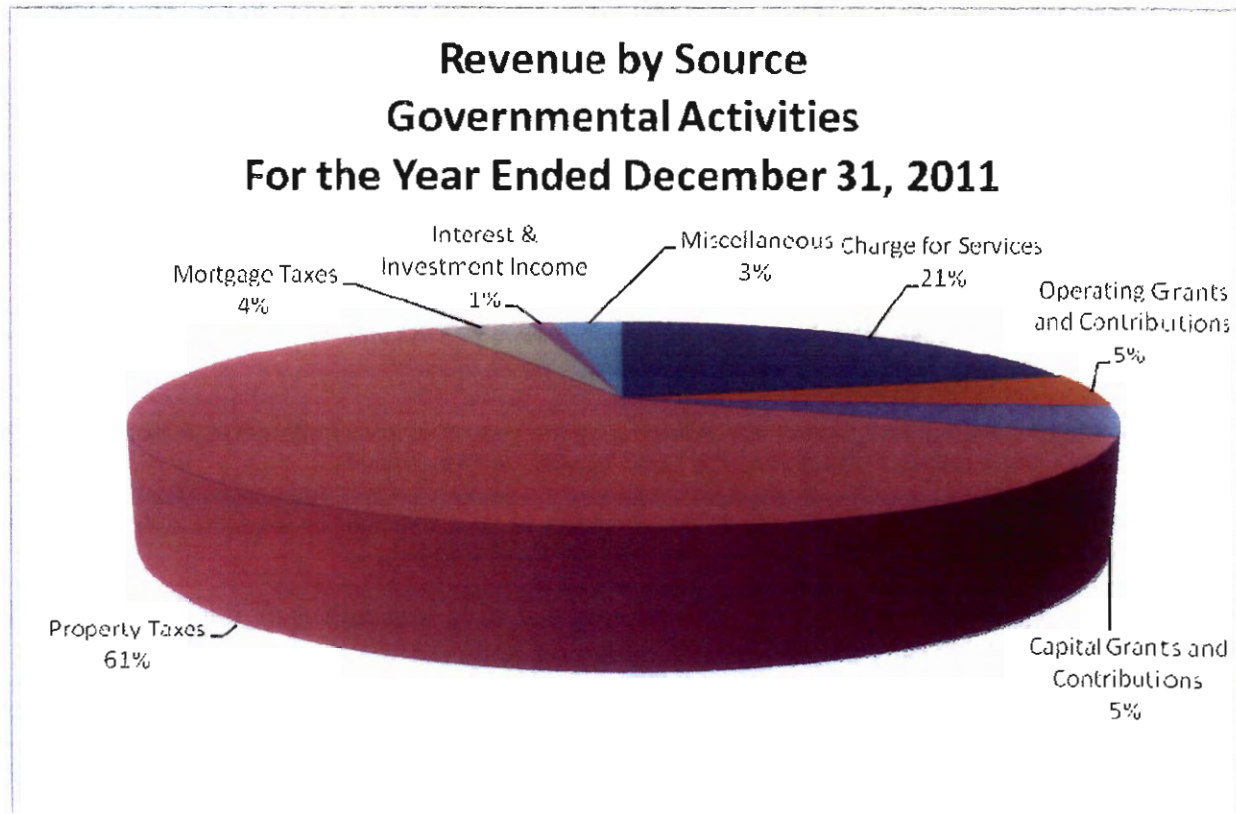
The fund balance in the Debt Service Fund was used for the payment of debt service on refinanced debt that was extinguished in 2011. The net decrease in fund balance of \$.3 million represents the amount that was used from the reserved fund balance to pay off the final year principal and interest.

The Capital Projects Fund had a decrease in fund balance of \$5.9 million. This was due to the timing of when revenues are recorded from the issuance of long-term debt, and when the expenditures for the related projects are incurred.

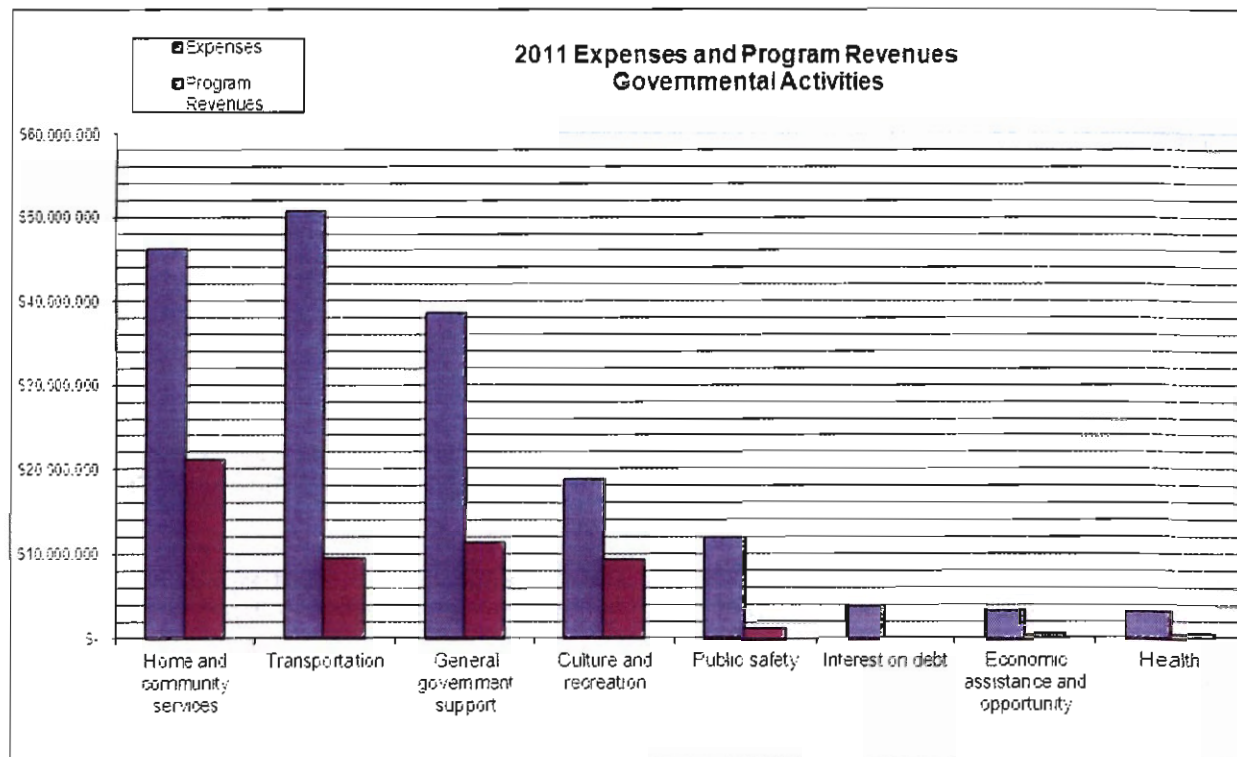
There was an overall decrease to the fund balance in the Town Outside Village Fund of \$.3 million. The decrease is primarily a result of a deficiency in revenue over expenses savings of \$.2 million. These results reduced the final budget deficiency by \$.7 million.

In the Street Lighting District Fund, there was an increase of \$.4 million in the fund balance. Relative to the original and final budgets the increase occurred due to a reduction in utility costs and employee benefits.

In the Water District Fund, there was an increase of \$.4 million in the fund balance. This increase was primarily a result of higher than expected water meter sales.



Financial Analysis of the Town's Funds (continued)



Budgetary Highlights

Variations for the General Fund

In the current year, the General Fund's final revenue budget amounts varied slightly from the Board's original anticipated amount for sales of real property and insurance recoveries offset by recreation fees, refuse and garbage charges, and interest earnings.

The final expenditure and other financing uses budget compared to original expenditure budget showed several significant changes. These changes are as follows:

- Town Attorney original budget was amended during the year by approximately \$0.9 million in order to negotiate a major contract and defend the Town against various lawsuits
- The \$1.1 million budgetary decrease in the purchase of land and right of way line was required to transfer funds to the Capital Projects fund and record the purchase.
- Various budgets were amended for encumbrances that have remained open in the prior year and require funding in the current year.
- The Refuse and Garbage original budget was decreased during the year by approximately \$1.6 million to reflect the savings realized from the use of the restricted resource recovery debt reserve. The Landfill Post Closure budget was increased by \$.3 million to reflect the restoration expense needed that was funded by the Town's insurance policy.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2011

Budgetary Highlights (continued)

- The Employee Benefits budget was amended by \$1.9 million. This was due to a significant increase in the New York State and Local Employee Retirement System costs of \$1.1 million and \$1.3 million for the workers compensation expenses due to the increase in medical and indemnity rates.
- The amendment of \$1.5 million in the other financing uses – transfers out is due to Capital Projects that were funded through General Fund appropriations.

In 2011, the economy showed signs of stabilizing as overall revenues exceeded the budget by \$1.7 million largely a result of the sale of property and conservative budgeting for FEMA reimbursements. Mortgage tax receipts exceeded budget by \$.8 million as a result of improving but slow home sales offset by a decline in departmental income of \$1.2 million..

Final expenditure budget compared to actual results showed a few significant variances. The variances are as follows:

- The Town realized savings in both payroll and employee benefits due to various positions that were vacant due to retirements and attrition throughout the year which was offset by significant increases for healthcare benefits and pension costs.
- Debt reserve funds held by a third party restricted to the exclusive use of funding the remaining debt on the resource recovery plant was utilized in 2011 and achieved a \$1.3 million savings to the budget.
- The .Environmental and Open Space Acquisition budget has not been fully spent in 2011 and remains in the reserve account restricted for this purpose.
- As a result of conservative spending initiatives, overall savings of \$6.6 million has been achieved throughout the general fund budget lines items.

Capital Assets and Debt Administration

Capital Assets

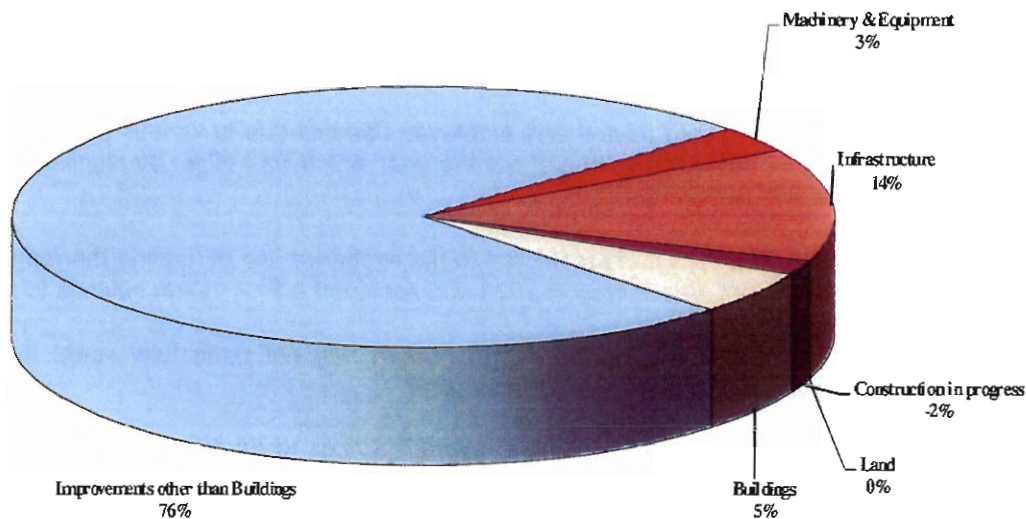
As of December 31, 2011, the Town had \$323.8 million in net capital assets, of which \$93.9 million was infrastructure. The Town's capital assets also include land, construction in progress, buildings, improvements other than buildings and machinery and equipment. The details of capital assets are shown in Note C.3 to the financial statements.

As of December 31, Governmental Activities		
	2011	2010
Land	\$ 113,595,367	\$ 113,595,367
Construction in progress	33,205,346	33,377,882
Buildings	32,122,191	31,606,225
Improvements other than buildings	44,349,067	37,009,923
Machinery & Equipment	6,600,478	6,289,918
Infrastructure	93,927,924	92,573,861
Total Net Capital Assets	\$ 323,800,373	\$ 314,453,176

Capital Assets and Debt Administration (continued)

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

Investment in Capital Assets



Debt Administration

The Town of Huntington issues both general obligation bonds and bond anticipation notes. The Town may contract indebtedness only for a Town purpose and pledges its full faith and credit for the payment of principal and interest. Standard & Poor's Fitch Rating Agency affirmed the Town's 'AAA' rating, reflecting the town's strong local economy, a diverse and continually expanding local employment base, consistently solid financial position with healthy unreserved fund balances and a low debt burden on a market value basis. Moody's Investors Service upgraded the Town's bond rating to Aaa, placing Huntington among the best fiscally managed Towns in New York State. During fiscal year 2011, the Town of Huntington issued \$6.4 million in general obligation bonds to finance road reconstruction, new construction of curbs and sidewalks, technology, and other improvements to the Town's infrastructure and facilities. Note-C.4 to the financial statements shows the details on the Town's long-term liabilities.

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

Capital Assets and Debt Administration (continued)

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

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

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

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

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

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

At December 31, 2011 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$119.3 million. Of this amount \$94.3 million was subject to the constitutional debt limit and represented approximately 3.21% of the statutory debt limit.

Union Contracts

The Town employs approximately 688 full-time employees as of December 31, 2011. The Civil Service Employees Association covers approximately 197 employees. Local 342, Long Island Service Employees, United Marine Division, International Longshoremen's Association, covers approximately 406 of the Town's employees and is divided into two units. The supervisory unit covers 74 employees and the labor unit covers 332 employees. On May 7 2012, Local 342 and the supervisory unit agreed to the employment contract that expires December 31, 2015. The Civil Service Employees Association contracts expired on December 31, 2011. Negotiations with the Civil Service Employees Association are currently in progress.

Factors and Next Year's Budgets and Rates

State Aid

The Town receives financial assistance from the State of New York. In the 2012 Budget for the General Fund budget, approximately 6% of the operating revenues are to be received in the form of State aid. The largest

Factors and Next Year's Budgets and Rates (continued)

portion of State Aid is Mortgage Tax collections. The real estate market in the Town is still weak. However the 2012 mortgage tax collection is expected to meet the budget projection. The State is not constitutionally obligated to maintain or continue State aid to the Town.

Employee Benefits

Employee benefits have increased significantly placing pressure on the Town budget. New York State and Local Employee Retirement System costs increased approximately 39% in 2011 and are projected to increase by 10% in 2012. As a result of the significant increase, the Town will elect to amortize the 2012 bill.

Utility and Fuel Costs

In 2011, costs for heating and electricity required \$.8 million in additional funding. The Town is addressing the unstable energy market by implementing energy efficiency programs to reduce its consumption. The 2012 Budget includes certain increases for heating and electricity and the Town will continue to monitor these expenses closely to limit its financial exposure.

Tax Collection

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

(in thousands)				
<u>As of</u> May 31	<u>Total</u> Tax Levy	<u>To Town</u> Supervisor	<u>To</u> County Treasurer	Uncollected/Returned
2011	879,997	761,109	118,889	24,069
2010	862,061	747,421	114,640	24,964
2009	851,271	737,499	113,772	25,462
2008	812,198	707,768	104,451	21,146
2007	792,608	682,659	109,949	18,268

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

Contacting the Town's Financial Management

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

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

BASIC FINANCIAL STATEMENTS

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TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 79,359,649	\$ 19,872,040
Prepays	3,720,060	135,623
Accounts receivable, net of allowance	3,220,090	1,330,861
Due from federal, state and other governments	8,729,758	63,610
Inventory of material and supplies		286,872
Total Current Assets	95,029,557	21,689,006
Non-Current Assets		
Deferred charges, net of accumulated amortization	394,348	375,756
Non-depreciable capital assets	146,800,713	6,056,298
Depreciable capital assets, net of depreciation	176,999,660	51,199,966
Total Non-Current Assets	324,194,721	57,632,020
Total Assets	419,224,278	79,321,026
LIABILITIES		
Current Liabilities		
Accounts payable and other current liabilities	5,478,866	906,177
Accrued liabilities	4,784,787	879,298
Accrued interest payable	1,197,663	233,195
Retained percentages	1,003,516	
Due to other governments	614,033	
Unearned revenue	7,645,137	
Non-current liabilities:		
Due within one year	11,976,556	2,113,205
Total Current Liabilities	32,700,558	4,131,875
Non-Current Liabilities:		
Due in more than one year	145,841,804	25,957,939
Total Non-Current Liabilities	145,841,804	25,957,939
Total Liabilities	178,542,362	30,089,814
NET ASSETS		
Investment in capital assets, net of related debt	245,685,683	38,875,848
Restricted for:		
Debt Service	1,156,839	
Community Development	108,228	
Capital Projects	16,120,810	3,602,523
Unrestricted	(22,389,644)	6,752,841
Total net assets	\$ 419,224,278	\$ 79,321,026

See notes to the financial statements.

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

GOVERNMENTAL FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government support	\$ 38,574,450	\$ 8,177,246	\$ 305,355
Public safety	11,979,597	1,230,831	
Health	3,047,126	210,970	232,962
Transportation	50,570,381	736,177	5,539,416
Economic assistance and opportunity	3,292,539	276,643	248,852
Culture and recreation	18,693,348	7,620,757	1,036,447
Home and community services	46,119,663	18,212,052	1,506,265
Interest on debt	3,903,598		
Total Primary Government	\$ 176,180,702	\$ 36,464,676	\$ 8,869,297
Component Units:			
Home and community services	\$ 12,150,165	\$ 6,063,520	

General Revenues

Property taxes
Mortgage tax
Other taxes
Unrestricted grants and contributions
Interest and investment income
State aid - unrestricted
Miscellaneous
Total General Revenues
Change in net assets
Net assets - Beginning of year
Net assets - Ending of year

See notes to the financial statements.

Net (Expense) Revenue and and Changes in Net Assets		
Capital Grants and Contributions	Primary Governmental Activities	Component Units
\$ 2,859,580	\$ (27,232,269)	
	(10,748,766)	
	(2,603,194)	
3,215,354	(41,079,434)	
	(2,767,044)	
581,079	(9,455,065)	
1,353,843	(25,047,503)	
	(3,903,598)	
<u>\$ 8,009,856</u>	<u>\$ (122,836,873)</u>	

\$ (6,086,645)

\$ 107,674,455	\$ 5,930,682
6,651,563	
484,626	
9,176	
952,643	535,001
1,067,256	
5,705,282	401,838
<u>122,545,001</u>	<u>6,867,521</u>
(291,872)	780,876
240,973,788	48,450,336
<u>\$ 240,681,916</u>	<u>\$ 49,231,212</u>

TOWN OF HUNTINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
ASSETS				
Cash and cash equivalents	\$ 37,620,177	\$ 8,958,949	\$ 84	\$ 4,688,327
Investments				
Prepays	970,613	350,334		124,134
Accounts receivable, net	2,866,252			42,929
Due from federal, state and other governments	1,315,691	3,420,722		106,170
Due from component units				
Due from other funds	167,665	2,868		677
Total Assets	<u>\$ 42,940,398</u>	<u>\$ 12,732,873</u>	<u>\$ 84</u>	<u>\$ 4,962,237</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and other current liabilities	\$ 2,322,743	\$ 400,799		\$ 275,583
Accrued liabilities	2,893,969	562,812		788,607
Retained percentages				
Due to other governments	80,766			
Due to other funds	9,121	53,064	84	41,505
Deferred revenue	1,962,289	1,917,604		1,669,853
Total Liabilities	<u>7,268,888</u>	<u>2,934,279</u>	<u>84</u>	<u>2,775,548</u>
FUND BALANCES				
Investment in fixed assets,				
Non-Spendable				
Prepays	970,613	350,334		124,134
Restricted for:				
Encumbrances				
Open space land preservation	11,735,966			
Bond retirement				
Debt service	39,029	1,026,523		
Snow and ice removal/road repair	463,932	1,167,110		
Workers' compensation	303,997			
Judgments and claims	1,815,015			
Retirement contribution	267,919	793,709		69,774
General Capital reserve	2,874,670	563,915		
Post retirement benefits	2,960,584	577,070		254,291
Highway		4,561,933		
Refuse District				1,620,549
Town Outside Village				
Community Development				
Fire Protection				
Streetlighting				
Ambulance Services				
Sewer Services				
Water Services				
Committed to:				
Subsequent year's budget	3,018,000	758,000		117,941
Non-major special revenue funds				
Capital projects fund balance				
Undesignated:				
General fund	11,221,785			
Total Fund Balances	<u>35,671,510</u>	<u>9,798,594</u>	<u></u>	<u>2,186,689</u>
Total Liabilities and Fund Balances	<u>\$ 42,940,398</u>	<u>\$ 12,732,873</u>	<u>\$ 84</u>	<u>\$ 4,962,237</u>

See notes to the financial statements

Capital Projects	Nonmajor Governmental Funds	Total
\$ 16,856,682	\$ 11,235,430	\$ 79,359,649
	272,376	1,717,457
	310,909	3,220,090
2,043,202	294,748	7,180,533
	-	-
53,064	91,611	315,885
<u>\$ 18,952,948</u>	<u>\$ 12,205,074</u>	<u>\$ 91,793,614</u>

\$ 1,699,885	\$ 779,856	\$ 5,478,866
	539,399	4,784,787
1,003,516		1,003,516
	533,267	614,033
87,570	124,541	315,885
41,167	2,054,224	7,645,137
<u>2,832,138</u>	<u>4,031,287</u>	<u>19,842,224</u>

	272,376	1,717,457
		11,735,966
	91,287	1,156,839
		1,631,042
		303,997
		1,815,015
	258,062	1,389,464
	85,069	3,523,654
	954,999	4,746,944
		4,561,933
		1,620,549
	840,024	840,024
	108,228	108,228
	63,452	63,452
	2,315,776	2,315,776
	52,205	52,205
	220,199	220,199
	2,738,110	2,738,110
	174,000	4,067,941
16,120,810		16,120,810
		11,221,785
<u>16,120,810</u>	<u>8,173,787</u>	<u>71,951,390</u>
<u>\$ 18,952,948</u>	<u>\$ 12,205,074</u>	<u>\$ 91,793,614</u>

TOWN OF HUNTINGTON
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
 As of December 31, 2011

Total Fund Balances - Governmental Funds **\$ 71,951,390**

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

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

Capital Assets - Non-Depreciable	146,800,713	
Capital Assets - Depreciable	589,239,126	
Accumulated Depreciation	<u>(412,239,466)</u>	
		323,800,373

New York State Employees Retirement System annual contributions paid on an annual basis have been prepaid, creating a year-end asset. The asset is not a current available resource and is not reported in the funds. 2,002,603

Deferred charges included in the Statement of Activities, net of amortization 394,348

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds. 1,549,225

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

General obligation bonds	(94,334,169)	
Employees retirement incentive	(229,275)	
Other post-employment benefits payable	(41,572,389)	
Other Agency Liabilities- LOSAP	(631,073)	
Compensated absences	(12,394,222)	
Claims and judgments	(7,740,163)	
Estimated liability for landfill closure and post-closure care costs	(621,390)	
Installment purchase debt	<u>(295,679)</u>	
		(157,818,360)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However these liabilities are included in the Statement of Net Assets. (1,197,663)

Net Assets of Governmental Activities **\$ 240,681,916**

See notes to the financial statements.

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TOWN OF HUNTINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended December 31, 2011

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
REVENUES				
Real property taxes	\$ 33,243,518	\$ 30,819,524		\$ 23,099,153
Other real property tax items	307,129	23,664		593
Non-property tax items	3,740,350			
Departmental income	28,860,716			18,496
Intergovernmental charges	137,205	98,466		
Use of money and property	1,036,364	143,325	\$ 3,357	77,169
Licenses and permits	877,770	263,625		
Fines and forfeitures	646,834			
Sale of property and compensation for loss	3,930,283	41,139		711,097
Miscellaneous local sources	1,025,904	34,321		9,021
Interfund revenues	5,657,187			
State aid	9,815,458	1,310,590		
Federal aid	1,176,255	3,417,829		106,170
Total Revenues	<u>90,454,973</u>	<u>36,152,483</u>	<u>3,357</u>	<u>24,021,699</u>
EXPENDITURES				
Current:				
General government support	22,433,367	109,312		3,490,543
Public safety	4,199,212			
Health	692,523			
Transportation	4,373,241	21,765,290		
Economic assistance and opportunity	2,043,773			
Culture and recreation	13,644,237			
Home and community services	18,378,822			19,213,723
Employee benefits	16,965,129	6,107,541		1,895,068
Capital outlay				
Debt service:				
Principal			11,049,744	
Interest			3,666,929	
Total Expenditures	<u>82,730,304</u>	<u>27,982,143</u>	<u>14,716,673</u>	<u>24,599,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,724,669</u>	<u>8,170,340</u>	<u>(14,713,316)</u>	<u>(577,635)</u>
Other Financing Sources (Uses)				
Debt issued				
Capital leases				
Transfers in	484,113		14,449,591	
Transfers out	(5,848,407)	(8,916,306)		(139,443)
Total Other Financing Sources (Uses)	<u>(5,364,294)</u>	<u>(8,916,306)</u>	<u>14,449,591</u>	<u>(139,443)</u>
Net Change in Fund Balances	2,360,375	(745,966)	(263,725)	(717,078)
Fund Balances at Beginning of Year	<u>33,311,135</u>	<u>10,544,560</u>	<u>263,725</u>	<u>2,903,767</u>
Fund Balances at End of Year	<u>\$ 35,671,510</u>	<u>\$ 9,798,594</u>	<u>\$</u>	<u>\$ 2,186,689</u>

See notes to the financial statements.

Capital Projects	Nonmajor Governmental Funds	Total
	\$ 20,390,713	\$ 107,552,908
	3,010	334,396
	144,701	3,885,051
	7,023,610	35,902,822
		235,671
\$ 1,115	596,501	1,857,831
	613,512	1,754,907
		646,834
	26,128	4,708,647
665,929	153,417	1,888,592
		5,657,187
3,038,807	340,740	14,505,595
4,307,286	1,009,660	10,017,200
<u>8,013,137</u>	<u>30,301,992</u>	<u>188,947,641</u>
	4,344,852	30,378,074
	3,185,794	7,385,006
	2,393,519	3,086,042
	2,598,849	28,737,380
		2,043,773
		13,644,237
	9,674,634	47,267,179
22,550,436	5,334,648	30,302,386
		22,550,436
		11,049,744
		3,666,929
<u>22,550,436</u>	<u>27,532,296</u>	<u>200,111,186</u>
<u>(14,537,299)</u>	<u>2,769,696</u>	<u>(11,163,545)</u>
6,380,000		6,380,000
139,431		139,431
2,665,504	57,780	17,656,988
(541,893)	(2,210,939)	(17,656,988)
<u>8,643,042</u>	<u>(2,153,159)</u>	<u>6,519,431</u>
(5,894,257)	616,537	(4,644,114)
<u>22,015,067</u>	<u>7,557,250</u>	<u>76,595,504</u>
<u>\$ 16,120,810</u>	<u>\$ 8,173,787</u>	<u>\$ 71,951,390</u>

TOWN OF HUNTINGTON
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
 in Fund Balances to the Statement of Activities
 For the Year Ended December 31, 2011

Net Change in Fund Balance **\$ (4,644,114)**

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

Capital Outlay	\$ 22,067,071	
Depreciation Expense	<u>(12,389,953)</u>	9,677,118

Gains and losses on disposals of equipment are not reported by the governmental funds, but are included in the Statement of Activities. (201,222)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Prepaid charges		558,245
Deferred charges		<u>(109,820)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (590,750)

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

Debt issued	(6,380,000)	
Repayment of bond principal	11,049,744	
Employees retirement incentive	239,961	
Other post-employment benefits payable	(7,415,969)	
Other Agency Liabilities- LOSAP	150,784	
Compensated absences	(476,384)	
Claims and judgments	(1,783,961)	
Estimated liability for landfill closure and post-closure care costs	10,596	
Installment purchase debt	(139,431)	
Accrued interest payable	<u>(236,669)</u>	<u>(4,981,329)</u>

Change in Net Assets of Governmental Activities **\$ (291,872)**

See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2011

	<u>Total Agency Funds</u>
ASSETS	
Cash	\$ 110,927,851
Other assets	<u>277,772</u>
Total Assets	<u>\$ 111,205,623</u>
LIABILITIES	
Liabilities:	
Due to school districts	\$ 50,311,621
Due to other governments	50,311,621
Agency fund liabilities	<u>10,582,381</u>
Total Liabilities	<u>\$ 111,205,623</u>

See notes to the financial statements.

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TOWN OF HUNTINGTON
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December 31, 2011

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TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Town of Huntington have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

1. REPORTING ENTITY

The financial reporting entity consists of: (a) the primary government, which is the Town of Huntington; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14.

The decision to include a potential component unit in the Town of Huntington reporting entity is based on several criteria set forth in GASB Statement No. 14 including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of Huntington's reporting entity.

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

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

South Huntington Water District
13th Street & 5th Avenue South
Huntington Station, N.Y. 11746

Greenlawn Water District
45 Railroad Street
Greenlawn, N.Y. 11740

Condensed financial statements of these components are presented in Note E.

2. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Government-wide Financial Statements (continued)

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

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

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

General Fund - is the principal operating fund of the Town. This fund is used to account for all financial resources except those required to be accounted for in other funds.

Highway Fund - is a Special Revenue Fund used to account for revenues and expenditures for highway purposes.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Governmental Funds (continued)

Debt Service Fund – is used to account for the accumulation of resources for the payment of debt principal, interest, and related costs.

Refuse and Garbage Fund – is a Special Revenue Fund used to account for the pickup of garbage in the Town.

Capital Projects Fund – is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following nonmajor funds:

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

Town Outside Village – is used for revenues and expenditures for certain services provided to the area of the Town located outside of Incorporated Villages.

Special Grant Fund – is used to account for the Huntington Community Development Agency. This agency is used to account for Federal Aid for the Community Development Block Grant Program.

Town Board of Trustees – is used to account for the Town's Business Improvement Districts.

Special District Funds – are used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts which are administered by the Town Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts and a water district.

Fiduciary Funds – Fiduciary funds are used to account for assets held by the Town in a trustee or custodial capacity.

Trust and Agency Funds – include agency funds which are used for money (and/or property) received and held in the capacity of trustee, custodian or agent.

Town Agency Funds – accounts for consolidated payroll, amounts due to component units and other agency liabilities.

Town Receiver of Taxes Agency Funds – accounts for amounts due to other governments for general and school taxes collected.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY

RECEIVABLES

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

PREPAIDS

Prepays in the General and Special Revenue Funds represent insurance premiums paid for coverage that will benefit the subsequent period. Prepays in the government-wide statements represent retirement benefits that will benefit a future period.

DEFERRED CHARGES

Discounts and expenses related to the issuance of long-term debt and the loss on the retirement of refunded debt are amortized on a straight-line basis over the life of the issue and are presented net of accumulated amortization.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage system, street lighting, water mains and sewer system are capitalized along with other capital assets.

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

DEFERRED REVENUE/UNEARNED REVENUE

Deferred revenues/unearned revenues are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met. Such amounts have been deemed to be "measurable" but not "available" pursuant to GAAP. The deferred revenue/unearned revenue at December 31, 2011 represents 2012 property taxes collected in advance. Accordingly, the amount has been recorded as deferred revenue in the funds statement and unearned revenue in the government-wide statements.

LONG-TERM OBLIGATIONS

The liabilities for long-term obligations consisting of general obligation bonds, employees retirement incentives, other post-employment benefits payable, compensated absences, claims and judgments, estimated liability for landfill closure and post closure costs, and installment purchase debt are recognized in the government-wide financial statements.

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

EQUITY CLASSIFICATIONS

In Government-wide Statements equity is classified as net assets and displayed in three components:

- 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."

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

EQUITY CLASSIFICATIONS (continued)

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

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

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

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

INTERFUND TRANSACTIONS

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

INTERFUND TRANSACTIONS (continued)

a) Interfund Revenues

Interfund revenues in the General Fund represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefit of the service or facilities, are reflected as an expenditure of that fund.

b) Transfers

Transfers represent primarily payments to the Debt Service Fund and Capital Projects Fund from the other funds for their appropriate share of the debt service and capital projects.

COMPENSATED ABSENCES

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

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

OTHER POST-EMPLOYMENT BENEFITS

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

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

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. The Town's union contracts and ordinances require that it provide its eligible enrollees with Empire Plan benefit coverage, or if another provider is utilized, the equivalent coverage. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

OTHER POST-EMPLOYMENT BENEFITS (continued)

losses experienced by the Empire Plan. The Town has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss.

6. NEW ACCOUNTING PRINCIPLES

Effective with the financial report for the year ended December 31, 2011, the Town has adopted Governmental Accounting Standards Board (GASB) authoritative guidance on *Accounting and Financial Reporting for Service Concession Arrangements* which improves financial reporting by addressing issues related to service concession arrangements (SCA) which are a type of public-private or public-public partnership. This statement applies to only those arrangements in which specific criteria are met.

Effective with the financial report for the year ended December 31, 2011, the Town has adopted Governmental Accounting Standards Board (GASB) authoritative guidance (GASB Statement No.61) on *The Financial Reporting Entity- an amendment to GASB Statements No. 14 and No. 34* modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

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

- a) On or before September 20th, each department, office or district submits to the Budget Officer and to the Comptroller a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing fiscal year.
- b) On or before September 30th, the Budget Officer files with the Town Clerk and the Comptroller and presents to the Town Board a tentative budget for the ensuing fiscal year.
- c) On or before October 5th, the Town Board reviews the tentative budget and files with the Town Clerk a preliminary budget.
- d) The Town Board conducts a public hearing on the preliminary budget and on or before November 20th the Town Board meets to adopt the budget now known as the "annual budget".

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES

- e) Formal budgetary integration is employed during the year as a management control device for the General and certain Special Revenue Funds. The Town Board adopts the budget and establishes legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriations over \$5,000 require Town Board approval. Appropriations for all governmental funds, except the Capital Projects Fund, lapse at year-end.

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

- f) Budgets for the General and all Special Revenue Funds except for the Special Grant and Capital Projects Funds are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP. The Capital Projects and Special Grant Funds are budgeted on a project or grant basis.
- g) Budgetary controls for the Special Grant Funds are established in accordance with the applicable grant agreement, which covers a period other than the Town's fiscal year. Consequently, the budgets for such funds have been excluded.

FUND BALANCE CLASSIFICATION

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

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

Nonspendable

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

Restricted

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

Committed

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

Assigned

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

Unassigned

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

FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

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

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

COMMITTED FUND BALANCE

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

The 2012 Preliminary Budget submitted by the Town Supervisor became the Adopted Budget by default on November 7, 2011. The 2012 adopted budget contained a projected use of \$4,067,941 of fund balance. Consequently, \$4,067,941 of next year's is reported as Committed Fund Balance.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

Town Board resolutions are required to fund any Capital Project. These resolutions are adopted as funds are needed for projects. Funding is appropriated specifically for each project and cannot be used for alternate projects. As a result, the Capital Project Fund Balance of \$16,120,810 is reported as Committed Fund Balance.

ENCUMBRANCES

All encumbrances are reported as Restricted or Assigned Fund Balances:

	<u>2011</u>
	<u>Encumbrances</u>
General Fund	\$ 744,006
Part Town Fund	189,234
Highway	73,280
Capital Projects Fund	7,521,915
Street Lighting	159,872
Refuse District	2,340
Sewer District	10,579
Water District	<u>128,172</u>
Total	<u>\$8,829,398</u>
Encumbrances	

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

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

The Town's investments are governed by a formal investment policy. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include certificates of deposit, obligations of the U.S. Treasury, U.S. Agencies and investments made by the Cooperative Liquid Asset Security System (CLASS).

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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

Cash with the Town Supervisor	\$ 79,359,649
Cash with the Town Receiver of Taxes	<u>110,927,851</u>
	<u>\$190,287,500</u>

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exist when, in the event of the failure of the counterparty, a government will not be unable to recover the value of its investments or collateral securities that are in possession of an outside party.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At December 31, 2011 the Town's bank deposit balances were \$191,999,931. Of these balances, \$8,241,218 was covered by the Federal Deposit Insurance Corporation; \$183,758,713 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name; \$14,231,841 was collateralized with securities held by the pledging financial institution, or its trust, in the name of the Town and no funds were uncollateralized.

At December 31, 2011, the Town's component units' bank balances were \$27,180,678. Deposits at year-end were entirely covered by the Federal Deposit Insurance Corporation or by collateral held by the Town's component units' agent, a third-party financial institution, in the Town's component units' name and no funds were uncollateralized.

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2011 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
Primary Government		
<u>Major Funds:</u>		
General Fund	\$ 167,665	\$ 9,121
Highway Fund	2,868	53,064
Refuse and Garbage Fund	677	41,505
Capital Projects Fund	53,064	87,570
Debt Service		84
<u>Nonmajor Funds:</u>		
Town Outside Village	1,706	571
Street Lighting District	204	4,253
Sewer Districts	86,565	119,717
Water Districts	3,136	
	<u>\$ 315,885</u>	<u>\$ 315,885</u>

Interfund transfer balances for the primary government at December 31, 2011 represent primarily the receipt and payment of general obligation bond principal and interest and funding of capital project expenditures and are stated as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Primary Government		
<u>Major Funds:</u>		
General Fund	\$ 484,113	\$ 5,848,407
Highway Fund		8,916,306
Debt Service Fund	14,449,591	
Capital Projects Fund	2,665,504	541,893
Refuse and Garbage Fund		139,443
<u>Nonmajor Funds:</u>		
Town Outside Village		105,299
Street Lighting District	57,780	79,367
Sewer Districts		922,526
Water Districts		1,103,747
	<u>\$ 17,656,988</u>	<u>\$ 17,656,988</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Balance</u> <u>1/1/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>
<u>Primary government</u>				
Capital assets not being depreciated:				
Land	\$ 113,595,367			\$ 113,595,367
Construction in progress	<u>3,377,882</u>	\$ <u>405,857</u>	\$ <u>578,393</u>	<u>33,205,346</u>
Total non-depreciable capital assets	<u>146,973,249</u>	<u>405,857</u>	<u>578,393</u>	<u>146,800,713</u>
Depreciable capital assets:				
Buildings	60,730,653	2,248,538		62,979,191
Improvements other than buildings	71,254,206	9,905,421		81,159,627
Machinery and equipment	39,796,109	2,550,034	752,991	41,593,152
Infrastructure	<u>395,971,546</u>	<u>7,535,611</u>	<u> </u>	<u>403,507,157</u>
Total depreciable capital assets	<u>567,752,514</u>	<u>22,239,604</u>	<u>752,991</u>	<u>589,239,126</u>
Less accumulated depreciation				
Buildings	29,124,428	1,732,572		30,857,000
Improvements other than buildings	34,244,283	2,566,277		36,810,560
Machinery and equipment	33,506,191	2,038,252	551,769	34,992,674
Infrastructure	<u>303,397,684</u>	<u>6,181,548</u>	<u> </u>	<u>309,579,232</u>
Total accumulated depreciation	<u>400,272,586</u>	<u>12,518,649</u>	<u>551,769</u>	<u>412,239,466</u>
Total net depreciable assets				<u>176,999,660</u>
Total net capital assets				\$ <u>323,800,373</u>

Depreciation expense was charged to government functions as follows, including the loss of disposition of assets of \$201,222:

General government support	\$ 1,342,660
Public safety	724,576
Transportation	6,217,312
Economic assistance and opportunity	48,151
Culture and recreation	2,158,194
Home and community services	<u>2,228,978</u>

Total government activities depreciation expense \$ 12,719,871

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

The Town of Huntington evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2011, the Town has not recorded any such impairment losses.

	Balance 1/1/11	Additions	Deletions	Balance 12/31/11
<u>Discretely presented component units</u>				
Capital assets not being depreciated:				
Land	\$ 1,306,746			\$ 1,306,746
Construction in progress	<u>5,895,568</u>	\$ 4,757,469	\$ 5,903,485	<u>4,749,552</u>
Total non-depreciable capital assets	<u>7,202,314</u>	<u>4,757,469</u>	<u>5,903,485</u>	<u>6,056,298</u>
Depreciable capital assets:				
Buildings and improvements	21,767,340	763,646		22,530,986
Machinery and equipment	14,182,184	903,004	72,928	15,012,260
Infrastructure	<u>60,675,339</u>	<u>3,628,581</u>	<u>277,500</u>	<u>64,026,420</u>
Total depreciable capital assets	<u>96,624,863</u>	<u>5,295,231</u>	<u>350,428</u>	<u>101,569,666</u>
Less accumulated depreciation				
Buildings and improvements	6,530,918	1,238,503		7,769,421
Machinery and equipment	10,619,869	522,635	350,428	10,792,076
Infrastructure	<u>31,168,277</u>	<u>639,926</u>		<u>31,808,203</u>
Total accumulated depreciation	<u>48,319,064</u>	<u>2,401,064</u>	<u>350,428</u>	<u>50,369,700</u>
Total net depreciable assets				<u>51,199,966</u>
Total net capital assets				\$ <u>57,256,264</u>

4. INDEBTEDNESS

SHORT TERM DEBT

Bond Anticipation Notes (BANs) – Liabilities for BANs are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. The town did not issue a BAN in 2011.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT

Summary of changes in long term debt transactions for the year ended December 31, 2011 is as follows:

	Balance <u>1/1/11</u>	<u>Increases</u>	<u>Reductions</u>	Balance <u>12/31/11</u>	Non-current Liabilities within <u>one year</u>	Non-current <u>Liabilities</u>
Primary Government:						
General obligation bonds	\$ 99,003,913	\$ 6,380,000	\$ 11,049,744	\$ 94,334,169	\$ 10,654,327	\$ 83,679,842
Employees retirement incentive	469,236	38,628	278,589	229,275	209,961	19,314
Other post-employment benefits payable	34,156,420	13,574,872	6,158,903	41,572,389		41,572,389
New pension obligation-LOSAP	781,857	241,444	392,228	631,073	396,654	234,419
Compensated absences	11,917,838	4,942,466	4,466,082	12,394,222	476,385	11,917,837
Claims and judgments	5,956,201	5,759,762	3,975,800	7,740,163	62,500	7,677,663
Estimated liability for landfill closure and post-closure care costs	631,983		10,593	621,390	40,350	581,040
Installment purchase debt	<u>284,950</u>	<u>139,431</u>	<u>128,702</u>	<u>295,679</u>	<u>136,379</u>	<u>159,300</u>
	<u>\$ 153,202,398</u>	<u>\$ 31,076,603</u>	<u>\$ 26,460,641</u>	<u>\$ 157,818,360</u>	<u>\$ 11,976,556</u>	<u>\$ 145,841,804</u>
Component Units:						
General obligation bonds	\$ 23,286,091	\$ 3,500,000	\$ 1,870,254	\$ 24,915,837	\$ 2,050,678	\$ 22,865,159
Other post-employment benefits payable	1,915,367	837,509	313,531	2,439,345		2,439,345
Compensated absences	<u>685,429</u>	<u>99,464</u>	<u>68,931</u>	<u>715,962</u>	<u>62,527</u>	<u>653,435</u>
	<u>\$ 25,886,887</u>	<u>\$ 4,436,973</u>	<u>\$ 2,252,716</u>	<u>\$ 28,071,144</u>	<u>\$ 2,113,205</u>	<u>\$ 25,957,939</u>

General Obligation Bonds – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.00% to 7.2% and have maturity dates in 2012 through 2026. The original amount of borrowed debt currently outstanding is \$244,749,727. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

	<u>Balance</u> <u>1/1/11</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>12/31/11</u>
Primary Government:				
General Fund	\$ 30,112,202	\$ 2,180,000	\$ 3,525,500	\$ 28,766,702
Town Outside Village	1,030,720	150,000	75,559	1,105,161
Highway Fund	54,139,065	3,100,000	5,886,945	51,352,120
Sewer Districts	6,285,238	550,000	676,129	6,159,109
Street Lighting District	114,106		14,995	99,111
Refuse and Garbage Fund	1,369,997	400,000	93,639	1,676,358
Water Districts	<u>5,952,585</u>		<u>776,977</u>	<u>5,175,608</u>
Total Primary Government	<u>99,003,913</u>	<u>6,380,000</u>	<u>11,049,744</u>	<u>94,334,169</u>
Component Units:				
Greenlawn Water District	2,794,054		314,177	2,479,877
South Huntington Water District	<u>20,492,037</u>	<u>3,500,000</u>	<u>1,556,077</u>	<u>20,435,960</u>
Total Component Units	<u>23,286,091</u>	<u>3,500,000</u>	<u>1,870,254</u>	<u>24,915,837</u>
Total General Obligation Bonds	<u>\$ 122,290,004</u>	<u>\$ 9,880,000</u>	<u>\$ 12,919,998</u>	<u>\$ 119,250,006</u>

Future principal and interest payments on general obligation bonds to maturity for the primary government and the component units are as follows:

Primary Government:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2012	\$ 10,654,327	\$ 3,523,681	\$ 14,178,008
2013	10,359,166	3,058,930	13,418,096
2014	10,329,982	2,681,588	13,011,570
2015	9,786,424	2,304,078	12,090,502
2016	8,979,769	1,938,607	10,918,376
2017-2021	32,786,166	5,487,791	38,273,957
2022-2026	<u>11,438,335</u>	<u>850,776</u>	<u>12,289,111</u>
Primary Government Totals	<u>\$ 94,334,169</u>	<u>\$19,845,451</u>	<u>\$114,179,620</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

Component Units:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2012	\$ 2,050,678	\$ 910,036	\$ 2,960,714
2013	2,165,833	799,618	2,965,451
2014	2,065,017	732,929	2,797,946
2015	2,113,577	666,136	2,779,713
2016	2,140,233	592,829	2,733,062
2017-2021	9,768,833	1,815,113	11,583,946
2022-2026	<u>4,611,666</u>	<u>357,259</u>	<u>4,968,925</u>
Component Unit Totals	<u>\$ 24,915,837</u>	<u>\$ 5,873,920</u>	<u>\$ 30,789,757</u>

Other Long-Term Debt – The governmental activities of employee’s retirement incentive, other post-employment benefits payable, compensated absences, claims and judgments, and estimated liability for landfill closure and post-closure care costs, and installment purchase debt are generally liquidated by the General Fund.

Installment Purchase Debt - The Town has purchased equipment that is being financed over 36 to 60 months at various interest rates. The assets and related obligations are accounted for in the government-wide financial statements.

Equipment and related accumulated depreciation under capital leases are as follows:

Machinery and equipment	\$ 671,410
Less: accumulated depreciation	<u>(375,731)</u>
Net Value	<u>\$ 295,679</u>

The following is a schedule of future minimum payments as of December 31, 2011:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Year ending December 31, 2012	\$ 136,379	\$ 7,539	\$ 143,918
2013	103,503	4,373	107,876
2014	54,274	1,152	55,426
2015	<u>1,523</u>	<u>26</u>	<u>1,549</u>
Totals	<u>\$ 295,679</u>	<u>\$ 13,090</u>	<u>\$ 308,769</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

Prior-Year Defeasance of Debt

In prior years, the Town of Huntington defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2011, the amount of defeased bonds outstanding was approximately \$10.4 million, of which approximately \$9.9 million was for general Town purposes and approximately \$.5 million was for the component units.

5. RETIREMENT SYSTEM

Plan Description

The Town of Huntington participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The ERS provides retirement benefits as well as death and disability benefits.

Obligation of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSSRSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of their funds.

A publicly available annual report containing financial statements and required supplemental information for the Employees' Retirement System may be obtained by writing to the New York State Retirement System, Governor Smith State Building, Albany, NY 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and who have less than ten years of membership and less than ten years of credited service with a retirement system under provisions of article fourteen or fifteen of the NYSSRSL, who contribute 3% of their salary. Prior to October 1, 2000, all employees who joined the system after July 27, 1976 were required to contribute 3% of their salary. Under the authority of the NYSSRSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

The Town is required to contribute at an actuarially determined rate. The actual contributions were equal to the actuarially required amounts and also include additional contributions to fund various early retirement incentives made available to the Town employees. The credits and miscellaneous adjustments represent modification made by the ERS for prior years' contributions.

In 2010, the Town adopted the New York State and Local Government Early Retirement Incentive offered by the New York State and Local Employee Retirement System in August 2010 to achieve cost savings. The retirement incentive offered two options. Part A offered up to an additional month of service credit for each year of service, up to an additional three (3) years of service credit to those who elected to retire under the program. Part B allowed any employee who reached the age of 55 with at least 25 years of service to retire without any penalties. Fifty-one Town employees elected to retire under this incentive in 2010.

The required contributions, for the Primary government, for the current year and two preceding years were:

	<u>Annual Required Contribution</u>
For the year ending December 31, 2011	\$ 8,010,413
2010	5,777,432
2009	3,675,479

The Town of Huntington's contribution to the System was 100 percent of the contributions required each year.

6. EMPLOYEE RETIREMENT INCENTIVES

From 2004 to 2011, the Town made available retirement incentive programs to eligible employees. The incentive offered to pay health insurance benefits for the retirees and their spouses. It also included a three-year payout of accrued sick and vacation time. The cost of these retirement incentive programs was charged to expenditures in the year when the payment is due. During 2011 \$326,811 was charged to expenditures for these programs. The total unpaid liability at the end of the year was \$556,086, of which \$326,811, is reported in the various governmental funds as an accrued liability and the remaining \$229,275 is recorded as a non-current liability and is payable as follows:

Year ending December 31, 2012	\$ 209,962
2013	19,313
Total	<u>\$ 229,275</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM

Plan Description

The Town of Huntington participates in two Volunteer Ambulance First Aid Workers Service Award Programs (the Plans): Commack Volunteer Ambulance Corps. and Huntington Community First Aid Squad, Inc. Both plans are single-employer defined benefit pension plans covering the volunteer ambulance workers. The Plan is administered by Penflex, Inc. with all provisions and amendments subject to approval of the Town Board. None of the pension plans issue separate audited reports on the pension plans.

Funding Policy

The Plan is established under New York State Law Section 565-B, A7635-B, Article 11AAA. The Plan is non-contributory. The Town is required to contribute the total amount sufficient to cover the normal cost of the plan.

Any volunteer ambulance worker who completed five years of service and attains age 65 is eligible for normal retirement benefits. The amount of the monthly retirement income payable to a volunteer ambulance worker eligible for normal retirement benefits is equal to \$20 multiplied by the total years of service, which is not to exceed 40 years with no post-retirement benefit increases.

Pension expense is determined based on an annual actuarial calculation. The required contribution for the Plans consists of two components. The first component, the annual prior service cost which equals the level annual payment required to fund over the prior service funding period, the portion of the current participants' projected benefits at entitlement age which is based on the service credit ambulance workers earned before the effective date of the Service Award Program. The second component, the "normal cost," which is equal to the level annual payment required to fund the portion of the current participants' projected benefits based on their service credit earned after the effective date of the Service Award Program. Based upon accepted actuarial methods and the assumptions used, it has been determined that the contributions for the Commack Volunteer Ambulance Corps of \$68,524 and the Huntington Community First Aid Squad of \$328,130 for the year ended December 31, 2010 was sufficient to satisfy current and future service award obligations upon eligibility for retirement. The Fiscal Year 2010 contribution was made in Fiscal Year 2011. Actuarial results for Fiscal Year 2011 will not available in time to report in this financial statement. The Annual Required Contribution and the Annual Contribution do not vary significantly from year to year and are not material to the financial statements as a whole.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Three Year Trend Information

Commack Volunteer Ambulance Corps

Fiscal Year Ended	Annual Required Contribution (ARC)	Annual Contribution	Percentage of Annual Pension Cost Contributed	Net Service Award Cost Obligation (Benefit)
12/31/11	Not Available	\$ 68,527	100%	Not Available
12/31/10	\$ 68,524	\$ 71,970	100%	\$ (91,704)
12/31/09	\$ 71,970	\$ 78,127	100%	\$ (32,100)
12/31/08	\$ 78,127	\$ 66,612	100%	\$ 50,909

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual required contribution (ARC)	\$ 68,524	\$ 71,970	\$ 78,127
Adjustment to ARC	<u>(51,942)</u>	<u>(78,852)</u>	<u>147,360</u>
Annual OPEB cost (expense)	14,366	(6,882)	225,487
Less: Contribution for year ended December 31	<u>71,970</u>	<u>78,127</u>	<u>66,612</u>
Increase in net OPEB obligation	(57,604)	(85,009)	158,875
Net OPEB obligation – beginning of year	<u>(34,100)</u>	<u>50,909</u>	<u>(107,966)</u>
Net OPEB obligation – end of year	\$ <u>(91,704)</u>	\$ <u>(34,100)</u>	\$ <u>50,909</u>

The funded status of the plan as of December 31, 2010 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Actuarial Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/10	\$ 687,326	\$ 595,622	(91,704)	115.4%	N/A	N/A
12/31/09	565,236	531,136	(34,100)	106.4%	N/A	N/A
12/31/08	418,899	469,808	50,909	89.2%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Huntington Community First Aid Squad

Fiscal Year Ended	Annual Required Contribution (ARC)	Annual Contribution	Percentage of Annual Pension Cost Contributed	Net Service Award Obligation (Benefit)
12/31/11	Not available	\$ 328,130	100%	Not available
12/31/10	\$ 328,130	320,258	100%	\$ 722,777
12/31/09	320,258	330,474	100%	815,957
12/31/08	330,474	252,863	100%	978,408

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual required contribution (ARC)	\$ 328,130	\$ 320,258	\$ 330,474
Interest on net other post-employment benefits obligation	53,037	63,597	18,572
Adjustment to ARD	<u>(154,089)</u>	<u>(215,832)</u>	<u>596,488</u>
Annual OPEB cost (expense)	227,078	168,023	945,534
Less: Contribution for year ended December 31	<u>320,258</u>	<u>330,474</u>	<u>252,863</u>
Increase in net OPEB obligation	(93,180)	(162,451)	692,671
Net OPEB obligation – beginning of year	<u>815,957</u>	<u>978,408</u>	<u>285,737</u>
Net OPEB obligation – end of year	<u>\$ 722,777</u>	<u>\$ 815,957</u>	<u>\$ 978,408</u>

The funded status of the plan as of December 31, 2010 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Actuarial Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/10	\$ 2,488,933	\$ 3,211,710	\$722,777	77.5%	N/A	N/A
12/31/09	2,095,658	2,911,615	815,957	72.0%	N/A	N/A
12/31/08	1,627,733	2,606,181	978,408	62.5%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Funding Policy (continued)

Actuarial Methods and Assumptions

Commack Volunteer Ambulance Corps

Valuation Date	December 31, 2010
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability Cost
Method	
Amortization Method	Level Dollar, open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	5 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return, including an inflation factor	6.5%

Huntington Community First Aid Squad

Valuation Date	December 31, 2010
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability Cost
Method	
Amortization Method	Level Dollar, open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	3 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return including an inflation factor	6.5%

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

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

In the government-wide financial statements, the cost of post employment healthcare benefits, like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB 45, during the year ended December 31, 2010, the Town

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

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

recognizes the cost of post employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan Description:

The Town provides continuation of medical insurance to employees who are at least 55 years old and have 10 consecutive years of service with the Town. Based on collective bargaining agreements, the retiree and his/her beneficiaries receive this coverage for the life of the retiree and continued coverage for a non-married spouse and dependent children upon the death of the retiree. The same benefits are available to non-union employees.

The Town retiree's share of premium cost is paid in full by the Town for those employees who retired prior to January 1, 2004. The Town will pay 75% of premiums for employees and 35% of spouse's premium for those employees who retire after January 1, 2004. A retirement incentive is offered to employees whereby the Town will pay the full premium cost for those who retire within the first year that they are eligible during the period of May 7, 2007 through December 31, 2011.

Funding Policy:

The number participants as of January 1, 2011, the effective date of the biannual other post-employment benefits (OPEB) valuation, are as follows. There have been no significant changes in the number or type of coverage since that date.

	Total	Town	Component Units
Active employees	660	624	36
Retirees	638	616	22
Spouses of retired employees	313	307	6
Total	1,611	1,547	64

The Town currently pays for post employment health care benefits on a pay-as-you-go basis. GASB 45 does not require the unfunded liability to be amortized nor that it be funded only that the unfunded accrued liability is accounted for and in compliance in meeting its Annual Required Contribution (ARC). However, if the liability is funded, assets must be transferred to a qualifying irrevocable trust or equivalent arrangement for the exclusive benefit of plan members and must be protected from creditors.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

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

At this time, there is no New York State statute providing local governments with the requisite authority for establishing another post-employment benefits trust. Therefore, these financial statements are presented on a pay-as-you-go basis until a funding mechanism is authorized for municipalities by New York State statute.

Annual Other Post-Employment Benefits Cost and Net Obligation:

For the year ended December 31, 2011, the Town's annual other post-employment benefits, including component units, cost (expenses) were \$14,412,381. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$6,472,434 for retirees and their beneficiaries, the result was an increase in the other post-employment benefits liability of \$7,939,947 for the year ended December 31, 2011.

The Town's annual other post-employment benefits cost, the amount actually paid and changes to the Town's net other post-employment benefits obligation to the Plan for the year ended December 31, 2011 are as follows:

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Annual required contribution (ARC)	\$ 14,663,226	\$ 13,811,231	\$ 851,995
Interest on net other post-employment benefits obligation	1,417,470	1,340,854	76,616
Adjustment to ARC	<u>(1,668,315)</u>	<u>(1,577,213)</u>	<u>(91,102)</u>
Annual POEB cost (expense)	<u>14,412,381</u>	<u>13,574,872</u>	<u>837,509</u>
Less: Contribution for year ended December 31	<u>6,472,434</u>	<u>6,158,903</u>	<u>313,531</u>
Increase in net OPEB obligation	7,939,947	7,415,969	5,23,978
Net OPEB obligation – beginning of year	<u>36,071,787</u>	<u>34,156,420</u>	<u>1,915,367</u>
Net OPEB obligation – end of year	<u>\$ 44,011,734</u>	<u>\$ 41,572,389</u>	<u>\$ 2,439,345</u>

The Town's annual other post-employment benefits cost, the percentage of annual other post-employment benefits cost contributed to the Plan and the net other post-employment benefits obligation for the year ended December 31, 2011:

	<u>Annual OPEB Cost Paid</u>	<u>Percentage of Annual OPEB Cost</u>	<u>Net OPEB Obligation</u>
Town	\$ 13,811,231	45.4%	\$ 41,572,389
Component Units	<u>851,995</u>	<u>37.4%</u>	<u>2,439,345</u>
Total	<u>\$ 14,663,226</u>	<u>44.9%</u>	<u>\$ 44,011,734</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Funded Status and Funding Progress:

The funded status of the plan as of January 1, 2011 is as follows:

	Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AALO)	Actuarial Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Town	1/1/11	\$ -0-	\$ 190,444,054	\$ 190,444,054	0%	\$ 53,595,400	355.3%
Component Units	1/1/11	-0-	11,160,862	11,160,862	0%	2,191,280	479.6%
Total		\$	<u>210,604,916</u>	<u>\$ 201,604,916</u>			

Actuarial Methods and Assumptions:

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term liability in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Based on the Town's actuarial valuation as of January 1, 2011, the annual other post-employment benefits cost (expense) was calculated based on the annual required contribution (ARC) to the Town, an amount that was actuarially determined by using the entry age method (one of the actuarial cost methods in accordance with parameters of GASB 45) and level percentage of projected payroll of active plan members on a closed basis. Included coverage is "community-rated" and annual premiums for community-rated coverage was used with future trend increases without age adjustments.

The actuarial assumptions utilized a 4.0% funding interest rate and a 3.5% participant salary increase. The valuation assumes an 8-10% healthcare cost trend increase for the year, reduced by decrements down to 5% in fiscal year 2016. The amortization period at December 31, 2011 was thirty years.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

C. DETAILED NOTES ON ALL FUNDS (continued)

9. COMPENSATED ABSENCES

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the government-wide financial statements. Payment of vacation time and sick leave is dependent upon many factors, and therefore the timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2011, the value of the accumulated vacation time and sick leave was \$12,394,222 for the primary government. The liability for compensated absences for the component units amounted to \$715,962.

	Balance <u>1/1/11</u>	<u>Issued</u>	<u>Redeemed</u>	Balance <u>12/31/11</u>
Primary Government:				
General Fund	\$ 6,522,172	\$ 2,706,453	\$ 2,372,821	\$ 6,855,803
Town outside village	1,109,616	416,703	426,584	1,099,735
Highway fund	2,381,138	1,075,381	1,000,348	2,456,171
Sewer districts	304,227	137,568	130,306	311,490
Street lighting district	78,133	60,422	54,640	83,915
Refuse and garbage fund	1,114,441	428,493	400,484	1,142,450
Water districts	<u>408,111</u>	<u>117,446</u>	<u>80,898</u>	<u>444,659</u>
 Total Primary Government	 <u>11,917,838</u>	 <u>4,942,466</u>	 <u>4,466,082</u>	 <u>12,394,222</u>
Component Units:				
Greenlawn Water District	230,107	15,029	57,835	187,301
South Huntington Water district	<u>455,322</u>	<u>84,435</u>	<u>11,096</u>	<u>528,661</u>
 Total component units	 <u>685,429</u>	 <u>99,464</u>	 <u>68,931</u>	 <u>715,962</u>
 Total General Obligation Bond	 \$ <u>12,603,267</u>	 \$ <u>5,041,930</u>	 \$ <u>4,535,011</u>	 \$ <u>13,110,184</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

D. COMMITMENTS AND CONTINGENCIES

1. RISK RETENTION

In common with other municipalities, the Town receives numerous notices of claims. The Town self-insures for bodily injury and property damage up to a maximum of \$2,000,000 per claim. Claims in excess of \$2,000,000 are covered by an excess liability policy providing for \$10,000,000 per occurrence and in the aggregate. The Town is also self-insured for automobile liability insurance with the same limits as above. Although the eventual outcome of these claims cannot presently be determined, the amount of unsettled claims and litigation is estimated to be \$7,740,163. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

The Town is self-insured for workers' compensation insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against catastrophic workers' compensation losses up to \$10,000,000 cap with a \$2,000,000 retention for each loss.

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

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

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

	Workers' Compensation		General Liability	
	2011	2010	2011	2010
Unpaid claims and claim adjustment expenditures at beginning of the year	\$ 3,363,501	\$ 2,990,570	\$ 2,592,700	\$ 2,503,500
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in provision for insured events of prior years	5,143,165	7,635,959	616,597	960,117
Total incurred claims and claim adjustment expenditures	5,143,165	7,635,959	616,597	960,117

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK RETENTION (continued)

	Workers' Compensation		General Liability	
	2011	2010	2011	2010
Payments:				
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>3,632,003</u>	<u>7,263,028</u>	<u>343,797</u>	<u>870,917</u>
Total payments	<u>3,632,003</u>	<u>7,263,028</u>	<u>343,797</u>	<u>870,917</u>
Total unpaid claims and claim adjustment expenditures at the end of the year	<u>\$ 4,874,663</u>	<u>\$ 3,363,501</u>	<u>\$ 2,865,500</u>	<u>\$ 2,592,700</u>

2. RESOURCE RECOVERY FACILITY

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

Industrial Development Bonds are not general obligations of the Town and do not constitute any indebtedness of or charge against the general credit of the Town. However, the Town has entered into a Service Agreement with Covanta Huntington Limited Partnership pursuant to which the Town has certain obligations with respect to the delivery of waste tonnage to the facility and the payment of related service fees, which when combined with revenue from the sale of project-generated electricity will finance both the operating expenses and debt service relating to the facility. The Service Agreement has a term of 25 years, which expires in October 2012. In December 2010, the Town exercised the option to extend this Service Agreement until the year 2019 amending the financial provisions in the extension.

In September 1989, the Huntington Town Board closed its 60-year old landfill and thereafter, entered into an agreement with the neighboring Town of Smithtown. This agreement executed in December 1989 provided that until such time as Huntington's waste-to-energy facility was constructed, Huntington would share the use of two cells in Smithtown's State-approved landfill for the disposal of its solid waste. For the reserving of capacity and the transfer of a fee interest in the first cell, the Town of Huntington has paid the Town of Smithtown a charge of approximately \$33.30 per ton of solid waste disposed of therein. For its use of the second cell, which was constructed to receive solid waste upon

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

D. COMMITMENTS AND CONTINGENCIES (continued)

2. RESOURCE RECOVERY FACILITY (continued)

the first cell being filled to capacity, the Town of Huntington must pay the Town of Smithtown a fee equal to a portion of the capital costs and costs of usage associated with such cell as well as the costs incurred after the cell is no longer utilized.

The Town of Huntington has been paying approximately one-half of these costs. Included in the capital costs is a general obligation bond issued by the Town of Smithtown to finance the construction of the second cell.

As further consideration for allowing the Town of Huntington to use its landfill, the agreement grants the Town of Smithtown the right to deliver its processable solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town of Huntington under the Service Agreement with Covanta Huntington Limited Partnership. The total costs paid by the Town of Huntington under this service agreement during 2011 amounted to \$10,771,334 of which \$4,103,878 was reimbursed by the Town of Smithtown.

3. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Town of Huntington to place a final cover on its landfill site, which stopped accepting waste in 1989, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Accordingly, as of December 31, 2011, the Town has recorded a liability of \$621,390, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may be higher or lower due to inflation or deflation, changes in technology or changes in regulations or applicable laws.

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$7,521,915 have been recorded as encumbrances in the Capital Projects Fund.

5. POLLUTION REMEDIATION

The Town adopted Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations in 2008*. This statement provides guidance on the accounting and financial reporting standards for the liability associated with pollution cleanup efforts. Pursuant to this accounting pronouncement, the Town owns one site that requires \$2.2 million for remediation. State Assistance Grant funds have been secured in the amount of \$1.8 million for up to 90% of the estimated cost. The project has also been awarded a Town Environmental Open Space Bond Grant in the amount of \$0.3 million for additional costs. The Town is responsible for approximately \$100,000 which has been funded by the Town. The project is substantially complete with \$33,000 remaining encumbered in various purchase orders for the project.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed financial statements for the discretely presented component units as of and for the year ended December 31, 2011:

Condensed Statement of Net Assets:

	<u>Current and Other Assets</u>	<u>Capital Assets Net of Depreciation</u>	<u>Current Liabilities</u>	<u>Other Long-Term Liabilities</u>	<u>Investment in Capital Assets, net of Related Debt</u>	<u>Restricted</u>	<u>Unrestricted</u>
South Huntington Water District	\$ 14,115,079	\$ 39,751,870	\$ 3,505,065	\$ 22,436,336	\$ 23,851,333	\$ 3,339,681	\$ 734,534
Greenlawn Water District	<u>7,949,683</u>	<u>17,504,394</u>	<u>626,810</u>	<u>3,521,603</u>	<u>15,024,515</u>	<u>262,842</u>	<u>6,018,307</u>
	<u>\$ 22,064,762</u>	<u>\$ 51,256,264</u>	<u>\$ 4,131,875</u>	<u>\$ 25,927,939</u>	<u>\$ 38,875,848</u>	<u>\$ 3,602,523</u>	<u>\$ 6,752,841</u>

Condensed Statement of Activities:

	<u>Program Revenue</u>			<u>General Revenue</u>		<u>Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue</u>	<u>Property Tax</u>	<u>Other</u>	<u>Change</u>	<u>1/1/11</u>	<u>12/31/11</u>
South Huntington Water District	\$ 7,145,582	\$ 3,453,337	\$ (3,692,245)	\$ 3,628,182	\$ 841,758	\$ 777,695	\$ 27,147,853	\$ 27,925,548
Greenlawn Water District	<u>5,004,583</u>	<u>2,610,183</u>	<u>(2,394,400)</u>	<u>2,302,500</u>	<u>95,081</u>	<u>3,181</u>	<u>21,302,483</u>	<u>21,305,664</u>
	<u>\$ 12,150,165</u>	<u>\$ 6,063,520</u>	<u>\$ (6,086,645)</u>	<u>\$ 5,930,682</u>	<u>\$ 936,839</u>	<u>\$ 780,876</u>	<u>\$ 48,450,336</u>	<u>\$ 49,231,212</u>

F. SUBSEQUENT EVENTS

On May 7, 2012, the Town of Huntington agreed to the employment contract terms with Local 342, LIPSE, UMD, ILA, and AFL-CI, collectively the blue collar unit, whose contract had expired on December 31, 2010. The new employment contract is valid from January 1, 2011 through December 31, 2015.

G. NEW PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS Statement No. 63) *on Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* which standardizes the presentation of deferred balances and their effects on a government's net position. The statement also provides guidance on the presentation format of the statement of net position. The Town is required to implement this authoritative guidance for the year ended December 31, 2012.

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS Statement No. 65) *on Items Previously Reported as Assets and Liabilities* which establishes accounting and financial reporting standards that reclassify, as deferred outflow of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Town is required to implement this authoritative guidance for the year ended December 31, 2013.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

G NEW PRONOUNCEMENTS (continued)

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GASB Statement No. 66) *on Technical Corrections-2012-an amendment of GASB Statement No. 10 and No. 62*, which resolves conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions and No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements. The Town is required to implement this authoritative guidance for the year ended December 31, 2013.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Notes to Required Supplementary Information

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

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

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 33,255,489	\$ 33,255,489	\$ 33,243,518	\$ (11,971)
Total Real Property Taxes	33,255,489	33,255,489	33,243,518	(11,971)
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	8,000	8,000	21,165	13,165
Interest and penalty on taxes	250,000	250,000	285,964	35,964
Total Other Real Property Taxes	258,000	258,000	307,129	49,129
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	3,360,000	3,470,000	3,740,350	270,350
Total Non-Property Tax Items	3,360,000	3,470,000	3,740,350	270,350
DEPARTMENTAL INCOME				
Town clerk fees	315,488	315,488	308,776	(6,712)
Other general departmental income	1,900	1,900	10,063	8,163
Parking meter fees	245,000	245,000	232,139	(12,861)
Transportation	452,000	452,000	364,871	(87,129)
Charges - programs for the aging	276,300	276,300	282,794	6,494
Park and recreational charges	2,269,559	2,277,164	1,796,707	(480,457)
Recreational concessions	57,200	57,200	63,058	5,858
Special recreational facility charges	6,485,890	6,117,890	5,763,490	(354,400)
Refuse and garbage charges	21,372,048	20,345,048	20,038,818	(306,230)
Total Departmental Income	31,475,385	30,087,990	28,860,716	(1,227,274)
INTERGOVERNMENTAL CHARGES				
Information Technology - other governments	1,000	1,000	45	(955)
Miscellaneous Revenue	20,000	20,000	35,834	15,834
Fuel charges - other governments	174,879	174,879	101,326	(73,553)
Total Intergovernmental Charges	195,879	195,879	137,205	(58,674)
USE OF MONEY AND PROPERTY				
Interest and earnings	604,500	376,500	374,489	(2,011)
Rental of real property	656,109	656,109	661,875	5,766
Total Use of Money and Property	1,260,609	1,032,609	1,036,364	3,755
LICENSES AND PERMITS				
Bingo licenses	15,000	15,000	15,840	840
Dog licenses	66,000	66,000	42,941	(23,059)
Other permits	754,000	869,827	818,989	(50,838)
Total Licenses and Permits	835,000	950,827	877,770	(73,057)
FINES AND FORFEITURES				
Fines	772,400	657,400	646,834	(10,566)
Total Fines and Forfeitures	772,400	657,400	646,834	(10,566)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap and excess material	25,000	25,000	16,492	(8,508)
Sales of refuse for recycling	10,300	10,300	46,181	35,881
Sales other	7,300	7,300	7,837	537
Sales of Real Property		1,433,000	3,115,270	1,682,270
Sales of equipment	20,000	20,000	373	(19,627)
Insurance recoveries	220,000	733,942	744,130	10,188
Total Sale of Property and Compensation for Loss	<u>282,600</u>	<u>2,229,542</u>	<u>3,930,283</u>	<u>1,700,741</u>
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures			5,008	5,008
Gifts and donations		4,250	9,176	4,926
Miscellaneous revenue	612,500	717,500	1,011,720	294,220
Total Miscellaneous Local Sources	<u>612,500</u>	<u>721,750</u>	<u>1,025,904</u>	<u>304,154</u>
INTERFUND REVENUES	<u>5,658,387</u>	<u>5,658,387</u>	<u>5,657,187</u>	<u>(1,200)</u>
STATE AID				
State Aid - revenue sharing	1,101,150	1,101,150	1,067,256	(33,894)
State Aid - mortgage tax	6,400,000	6,400,000	7,242,313	842,313
State Aid - other			2,250	2,250
State Aid - disaster assistance			4,257	4,257
State Aid - bus and other mass transit	806,500	806,500	798,730	(7,770)
State Aid - programs for aging	170,201	170,201	211,887	41,686
State Aid - youth program	719,981	775,408	427,798	(347,610)
State Aid - code enforcement	7,580	7,580	7,552	(28)
State Aid - other culture and recreation	47,155	47,155	53,415	6,260
State Aid - other home and community services				
Total State Aid	<u>9,252,567</u>	<u>9,307,994</u>	<u>9,815,458</u>	<u>507,464</u>
FEDERAL AID				
Federal Aid - programs for the aging	174,962	174,962	160,766	(14,196)
Federal Aid - youth program	503,467	503,467	656,757	153,290
Federal Aid - other home and community services		100,000	100,000	
Federal Aid - federal emergency management assistance		121,740	247,225	125,485
Federal Aid - other culture and recreation	29,623	29,623	11,507	(18,116)
Total Federal Aid	<u>708,052</u>	<u>929,792</u>	<u>1,176,255</u>	<u>246,463</u>
OTHER FINANCING SOURCES				
Transfers in		468,336	484,113	15,777
Total Other Financing Sources		<u>468,336</u>	<u>484,113</u>	<u>15,777</u>
Total Revenues	<u>\$ 87,926,868</u>	<u>\$ 89,223,995</u>	<u>\$ 90,939,086</u>	<u>\$ 1,715,091</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2011

Function	Budgetary Amounts			Actual	Encumbrances	Variance with Final Budget
	Original	Adjustments	Final			
CURRENT:						
GENERAL GOVERNMENT SUPPORT						
Town board	\$ 618,531	\$ 95	\$ 618,626	\$ 614,466		\$ 4,160
Traffic violations bureau	112,199	6,245	118,444	93,551		24,893
Supervisor	1,150,953	(109,212)	1,041,741	998,745	\$ 18,690	24,306
Comptroller	1,218,291	(32,566)	1,185,725	1,163,138		22,587
Tax collection	629,110	(6,383)	622,727	618,142		4,585
Purchasing	265,989	5,260	271,249	270,094	131	1,024
Assessment	806,527	7,844	814,371	811,330		3,041
Fiscal agent fees	30,000	11,200	41,200	41,139		61
Town clerk	959,219	54,694	1,013,913	984,489	2,979	26,445
Town attorney	2,370,420	872,442	3,242,862	2,949,690	238,855	54,317
Personnel	597,979	21,808	619,787	612,734		7,053
Engineer	793,956	(41,579)	752,377	672,186	21,824	58,367
General services	497,276	(10,000)	487,276	486,444		832
Operation of plant	9,281,151	54,422	9,335,573	9,101,337	23,040	211,196
Central storeroom	416,820	1,041	417,861	409,051	2,638	6,172
Central printing and mailing	374,350	(483)	373,867	320,192	2,334	51,341
Information Technology	1,639,681	316,542	1,956,223	1,760,141	193,202	2,880
Unallocated insurance	256,000	21,184	277,184	277,106		78
Municipal assessment dues	9,000	1,350	10,350	8,950		1,400
Judgments and claims	400,000	(169,657)	230,343	130,814	95,727	3,802
Purchase of land and right of way	4,500,000	(1,129,536)	3,370,464	-		3,370,464
Taxes and assessment on municipal property	139,323	(39,791)	99,532	92,725		6,807
Contractual	23,000	(5,348)	17,652	16,903	749	
Total General Government Support	27,089,775	(170,428)	26,919,347	22,433,367	600,169	3,885,811
PUBLIC SAFETY						
Administration	2,418,937	160,334	2,579,271	2,519,977	16,302	42,992
Harbors and waterways	530,494	73,950	604,444	600,201		4,243
Control of dogs	787,422	83,025	870,447	851,575	6,487	12,385
Safety inspection	223,819	234	224,053	212,329		11,724
Civil defense	14,560	570	15,130	15,130		
Total Public Safety	3,975,232	318,113	4,293,345	4,199,212	22,789	71,344
HEALTH						
Substance Abuse	849,897	(116,853)	733,044	692,523	5,028	35,493
Total Health	849,897	(116,853)	733,044	692,523	5,028	35,493
TRANSPORTATION						
Highway and street administration	783,701	19,939	803,640	802,562		1,078
Waterways Navigation	61,147	5,006	66,153	65,880		273
Public transportation	3,589,579	(44,004)	3,545,575	3,504,799	10,089	30,687
Total Transportation	4,434,427	(19,059)	4,415,368	4,373,241	10,089	32,038

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2011

Function	Budgetary Amounts			Actual	Encumbrances	Variance with Final Budget
	Original	Adjustments	Final			
ECONOMIC ASSISTANCE AND OPPORTUNITY						
Community action administration	74,921		74,921	68,440		6,481
Public Information	120,811	53,856	174,667	174,210		457
Veterans service	7,500	400	7,900	5,449		2,451
Programs for the aging	1,978,608	(54,515)	1,924,093	1,795,674	3,852	124,567
Total Economic Assistance And Opportunity	2,181,840	(259)	2,181,581	2,043,773	3,852	133,956
CULTURE AND RECREATION						
Council on the arts	150,000		150,000	149,848		152
Recreation administration	3,106,141	466,695	3,572,836	3,528,199	3,945	40,692
Playgrounds and recreation centers	1,461,072	3,870	1,464,942	1,217,424	12,397	235,121
Special recreation facility charges	4,198,253	(113,115)	4,085,138	3,970,782	10,098	104,258
Band concerts	155,546	23,998	179,544	179,544		
Youth programs	491,072	1,207	492,279	487,403		4,876
Joint youth programs	2,471,846	54,220	2,526,066	2,421,657		104,409
Museums	754,537	135,810	890,347	833,259	2,350	54,738
Historian	58,046	1,500	59,546	50,291	541	8,714
Celebrations	10,000	(843)	9,157	9,157		
Adult recreation	807,120	16,044	823,164	796,673	61	26,430
Total Culture and Recreation	13,663,633	589,386	14,253,019	13,644,237	29,392	579,390
HOME AND COMMUNITY SERVICES						
Refuse and garbage	19,513,279	(1,603,749)	17,909,530	16,590,318		1,319,212
Landfill Post Closure	73,100	328,490	401,590	390,699		10,891
Recycling	524,726	45,693	570,419	535,778		34,641
General natural resources	805,449	(39,230)	767,219	740,356	6,050	20,813
Miscellaneous	123,956	26,018	149,974	121,671	28,217	86
Total Home and Community Services	21,040,510	(1,241,778)	19,798,732	18,378,822	34,267	1,385,643
EMPLOYEE BENEFITS						
State employee retirement system	3,309,879	1,144,551	4,454,430	4,454,430		
Social security	103,500	(57,638)	45,862	37,589		8,273
Workers' compensation	1,469,000	1,320,106	2,789,106	2,613,026	38,420	137,660
Life insurance	56,000	(4,900)	51,100	35,925		15,175
Unemployment insurance	140,000	(5,000)	135,000	99,231		35,769
Disability benefits	90,000	(5,000)	85,000	63,375		21,625
Hospital, medical and dental	9,278,600	(276,161)	9,002,439	8,912,656		89,783
Union welfare benefits	280,000	(10,000)	270,000	257,573		12,427
Other employee benefits	857,000	(195,500)	661,500	491,324		170,176
Total Employee Benefits	15,583,979	1,910,458	17,494,437	16,965,129	38,420	490,888
Total Expenditures	88,819,293	1,269,580	90,088,873	82,730,304	744,006	6,614,563
Excess (Deficiency) of Revenues Over Expenditures	(892,425)		(864,878)	8,208,782	(744,006)	8,329,654
Other Financing Sources (Uses)						
Transfers out	(4,342,905)	(1,505,502)	(5,848,407)	(5,848,407)		
Total Other Financing Sources (Uses)	(4,342,905)	(1,505,502)	(5,848,407)	(5,848,407)		
Net Change in Fund Balance	<u>\$ (5,235,330)</u>		<u>\$ (6,713,285)</u>	2,360,375	<u>\$ (744,006)</u>	<u>\$ 8,329,654</u>
Fund Balance at Beginning of Year				33,311,135		
Fund Balance at End of Year				<u>\$ 35,671,510</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 30,819,524	\$ 30,819,524	\$ 30,819,524	
Total Real Property Taxes	30,819,524	30,819,524	30,819,524	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	8,500	8,500	22,873	\$ 14,373
Interest and penalties on taxes			791	791
Total Other Real Property Taxes	8,500	8,500	23,664	15,164
INTERGOVERNMENTAL CHARGES				
General services			98,466	98,466
Total Intergovernmental Charges			98,466	98,466
USE OF MONEY AND PROPERTY				
Interest and earnings	240,000	180,000	143,325	(36,675)
Total Use of Money and Property	240,000	180,000	143,325	(36,675)
LICENSES AND PERMITS				
Licenses and permits	100,000	100,000	263,625	163,625
Total Licenses and Permits	100,000	100,000	263,625	163,625
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap materials/equipment	3,000	3,000	41,139	38,139
Insurance recoveries	15,000	15,000		(15,000)
Total Sale of Property and Compensation for Loss	18,000	18,000	41,139	23,139
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	20,100	20,100	34,321	14,221
Total Miscellaneous Local Sources	20,100	20,100	34,321	14,221
STATE AID				
State aid - Consolidated highway aid	1,336,150	1,320,821	1,309,987	(10,834)
State aid - Other			603	603
Total State Aid	1,336,150	1,320,821	1,310,590	(10,231)
FEDERAL AID				
Emergency disaster assistance - snow removal costs		2,569,530	3,417,829	848,299
Total Federal Aid		2,569,530	3,417,829	848,299
Total Revenues	32,542,274	35,036,475	36,152,483	1,116,008

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 83,000	\$ 83,000	\$ 76,581		\$ 6,419
Bond and note issue expense	60,000	24,563	24,563		
Employee training	9,000	9,416	8,168	\$ 416	832
Information Technology					
Contingency	285,000				
Total General Government Support	437,000	116,979	109,312	416	7,251
TRANSPORTATION					
Highway repairs	11,970,765	13,902,301	13,820,128	35,960	46,213
Capital highway improvements	1,336,150	1,320,821	1,309,987	10,834	
Highway and machinery	2,312,894	2,236,852	2,197,010		39,842
Brush and weeds	455,000	533,240	394,956	17,500	120,784
Snow removal	2,802,161	4,070,262	4,043,209	8,570	18,483
Total Transportation	18,876,970	22,063,476	21,765,290	72,864	225,322
EMPLOYEE BENEFITS					
State employee retirement system	1,221,898	1,659,117	1,659,117		
Social security	48,000	39,694	13,669		26,025
Life insurance	1,000	1,000	255		745
Unemployment insurance	87,000	36,825	31,824		5,001
Disability benefits	1,000	1,000	414		586
Hospital, medical and dental	3,337,500	3,507,522	3,506,916		606
Union welfare benefits	200,000	198,984	185,075		13,909
Other employee benefits	765,600	766,616	710,271		56,345
Total Employee Benefits	5,661,998	6,210,758	6,107,541		103,217
Total Expenditures	24,975,968	28,391,213	27,982,143	73,280	335,790
Excess (Deficiency) of Revenues Over Expenditures	7,566,306	6,645,262	8,170,340	(73,280)	1,451,798
Other Financing Sources (Uses)					
Transfers in					
Premiums on obligations					
Transfers out	(7,916,306)	(8,916,306)	(8,916,306)		
Total Other Financing Sources (Uses)	(7,916,306)	(8,916,306)	(8,916,306)		
Net Change in Fund Balance	\$ (350,000)	\$ (2,271,044)	\$ (745,966)	\$ (73,280)	\$ 1,451,798
Fund Balance at Beginning of Year			10,544,560		
Fund Balance at End of Year			\$ 9,798,594		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
Year ended December 31, 2011

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 23,099,153	\$ 23,099,153	\$ 23,099,153	
Total Real Property Taxes	23,099,153	23,099,153	23,099,153	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	15,000	15,000	593	\$ (14,407)
Total Other Real Property Tax Items	15,000	15,000	593	(14,407)
DEPARTMENTAL INCOME				
Refuse and garbage charges	23,164	23,164	18,496	(4,668)
Total Departmental Income	23,164	23,164	18,496	(4,668)
USE OF MONEY AND PROPERTY				
Interest and earnings	127,500	102,500	77,169	(25,331)
Total Use of Money and Property	127,500	102,500	77,169	(25,331)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of recycled materials	340,000	380,000	711,097	331,097
Minor sales, other Insurance recoveries	15,000			
Total Sale of Property and Compensation for Loss	355,000	380,000	711,097	331,097
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	8,500	8,500	9,021	521
	8,500	8,500	9,021	521
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance		527,165	106,170	(420,995)
Total Federal Aid		527,165	106,170	(420,995)
Total Revenues	23,628,317	24,155,482	24,021,699	(133,783)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 61,000	\$ 56,274	\$ 56,274		
Employee training	6,000	6,208	4,084	\$ 208	\$ 1,916
Contingency					
Other government support	<u>3,425,655</u>	<u>3,430,655</u>	<u>3,430,185</u>		<u>470</u>
Total General Government Support	<u>3,492,655</u>	<u>3,493,137</u>	<u>3,490,543</u>	<u>208</u>	<u>2,386</u>
HOME AND COMMUNITY SERVICES					
Refuse and garbage	<u>19,570,439</u>	<u>19,920,958</u>	<u>19,213,723</u>	<u>2,132</u>	<u>705,103</u>
Total Home and Community Services	<u>19,570,439</u>	<u>19,920,958</u>	<u>19,213,723</u>	<u>2,132</u>	<u>705,103</u>
EMPLOYEE BENEFITS					
State employee retirement system	392,080	537,739	537,739		
Social security	23,000	23,000	2,370		20,630
Life insurance	500	500	35		465
Unemployment insurance	40,000	40,000	21,784		18,216
Disability insurance	500	500	90		410
Hospital, medical and dental	941,100	1,073,663	1,071,053		2,610
Union welfare benefits	68,000	68,000	62,920		5,080
Other employee benefits	<u>272,100</u>	<u>272,100</u>	<u>199,077</u>		<u>73,023</u>
Total Employee Benefits	<u>1,737,280</u>	<u>2,015,502</u>	<u>1,895,068</u>		<u>120,434</u>
Total Expenditures	<u>24,800,374</u>	<u>25,429,597</u>	<u>24,599,334</u>	<u>2,340</u>	<u>827,923</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,172,057)	(1,274,115)	(577,635)	(2,340)	694,140
Other Financing Sources (Uses)					
Operating transfers in					
Premiums on obligations					
Transfers out	<u>(139,443)</u>	<u>(139,443)</u>	<u>(139,443)</u>		
Total Other Financing Uses	<u>(139,443)</u>	<u>(139,443)</u>	<u>(139,443)</u>		
Total Other Financing Sources (Uses)	<u>(139,443)</u>	<u>(139,443)</u>	<u>(139,443)</u>		
Net Change in Fund Balance	<u>\$ (1,311,500)</u>	<u>\$ (1,413,558)</u>	(717,078)	<u>\$ (2,340)</u>	<u>\$ 694,140</u>
Fund Balance at Beginning of Year			<u>2,903,767</u>		
Fund Balance at End of Year			<u><u>\$ 2,186,689</u></u>		

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OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2011

	Special Revenue Funds		
	Town Outside Village	Special Grant (HCDA)	Town Business Improvement Districts
ASSETS			
Cash and cash equivalents	\$ 2,817,171	\$ 670,709	
Prepays	157,788		
Accounts receivable, net	117,316	7,675	
Due from federal, state and other governments	33,330	60,797	
Due from other funds	1,706		
Total Assets	<u>\$ 3,127,311</u>	<u>\$ 739,181</u>	
LIABILITIES			
Accounts payable and other current liabilities	\$ 144,666	\$ 85,455	
Accrued liabilities	368,628	11,481	
Due to other governments		533,267	
Due to other funds	571		
Deferred revenue	506,175	750	
Total Liabilities	<u>1,020,040</u>	<u>630,953</u>	
FUND EQUITY			
Non-Spendable			
Prepays	157,788		
Restricted for:			
Debt service			
Retirement contribution	20,168		
Capital reserve	85,069		
Post retirement benefits	860,222		
Town Outside Village	840,024		
Community Development		108,228	
Fire Protection			
Streetlighting			
Ambulance Services			
Sewer Services			
Water Services			
Assigned to:			
Subsequent year's budget	144,000		
Total Fund Equity	<u>2,107,271</u>	<u>108,228</u>	
Total Liabilities and Fund Equity	<u>\$ 3,127,311</u>	<u>\$ 739,181</u>	

<u>Special Districts</u>	<u>Total</u>
\$ 7,747,550	\$ 11,235,430
114,588	272,376
185,918	310,909
200,621	294,748
89,905	91,611
<u>\$ 8,338,582</u>	<u>\$ 12,205,074</u>
\$ 549,735	\$ 779,856
159,290	539,399
	533,267
123,970	124,541
<u>1,547,299</u>	<u>2,054,224</u>
<u>2,380,294</u>	<u>4,031,287</u>
114,588	272,376
91,287	91,287
237,894	258,062
	85,069
94,777	954,999
	840,024
	108,228
63,452	63,452
2,315,776	2,315,776
52,205	52,205
220,199	220,199
2,738,110	2,738,110
30,000	174,000
<u>5,958,288</u>	<u>8,173,787</u>
<u>\$ 8,338,582</u>	<u>\$ 12,205,074</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	Special Revenue Funds		
	Town Outside Village	Special Grant (HCDA)	Town Business Improvement Districts
REVENUES			
Real property taxes	\$ 4,484,462		\$ 186,500
Other real property tax items	3,442		5
Non-property tax items			
Departmental income	3,891,690	\$ 277,656	
Use of money and property	37,523	261,402	
Licenses and permits	613,512		
compensation for loss	510		
Miscellaneous local sources	98,541	750	
State aid	30,213	310,527	
Federal aid	3,065	974,435	
Total Revenues	<u>9,162,958</u>	<u>1,824,770</u>	<u>186,505</u>
EXPENDITURES			
Current:			
General government support	2,059,871		
Public safety	1,847,882		
Health	207,184		
Transportation			
Home and community services	2,076,805	1,676,318	186,505
Employee benefits	3,181,240		
Total Expenditures	<u>9,372,982</u>	<u>1,676,318</u>	<u>186,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,024)	148,452	
Other Financing Sources (Uses)			
Transfers in			
Interest on obligations			
Transfers out	(105,299)		
Total Other Financing Sources (Uses)	<u>(105,299)</u>		
Net Change in Fund Balance	(315,323)	148,452	
Fund Balances at Beginning of Year	<u>2,422,594</u>	<u>(40,224)</u>	
Fund Balances at End of Year	<u>\$ 2,107,271</u>	<u>\$ 108,228</u>	

<u>Special Districts</u>	<u>Total</u>
\$ 15,719,751	\$ 20,390,713
(437)	3,010
144,701	144,701
2,854,264	7,023,610
297,576	596,501
	613,512
25,618	26,128
54,126	153,417
	340,740
32,160	1,009,660
<u>19,127,759</u>	<u>30,301,992</u>
2,284,981	4,344,852
1,337,912	3,185,794
2,186,335	2,393,519
2,598,849	2,598,849
5,735,006	9,674,634
2,153,408	5,334,648
<u>16,296,491</u>	<u>27,532,296</u>
2,831,268	2,769,696
57,780	57,780
<u>(2,105,640)</u>	<u>(2,210,939)</u>
<u>(2,047,860)</u>	<u>(2,153,159)</u>
783,408	616,537
<u>5,174,880</u>	<u>7,557,250</u>
<u>\$ 5,958,288</u>	<u>\$ 8,173,787</u>

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
December 31, 2011

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
ASSETS			
Cash and cash equivalents	\$ 78,704	\$ 2,863,229	\$ 52,205
Prepays	1,717	19,794	
Accounts receivable, net			
Due from federal, state and other governments		31,770	
Due from other funds		204	
Total Assets	<u>\$ 80,421</u>	<u>\$ 2,914,997</u>	<u>\$ 52,205</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 15,252	\$ 230,252	
Accrued liabilities		26,724	
Due to other funds		4,253	
Deferred revenues		273,440	
Total Liabilities	<u>15,252</u>	<u>534,669</u>	
FUND EQUITY			
Non-Spendable			
Prepays	1,717	19,794	
Restricted for:			
Debt service			
Retirement contribution		24,441	
Postretirement benefits		20,317	
Fire Protection	63,452		
Streetlighting		2,315,776	
Ambulance Services			\$ 52,205
Sewer Services			
Water Services			
Assigned to:			
Subsequent year's budget			
Total Fund Equity	<u>65,169</u>	<u>2,380,328</u>	<u>52,205</u>
Total Liabilities and Fund Equity	<u>\$ 80,421</u>	<u>\$ 2,914,997</u>	<u>\$ 52,205</u>

Sewer Districts	Water District	Total
\$ 1,313,174	\$ 3,440,238	\$ 7,747,550
54,057	39,020	114,588
4,490	181,428	185,918
158,146	10,705	200,621
86,565	3,136	89,905
<u>\$ 1,616,432</u>	<u>\$ 3,674,527</u>	<u>\$ 8,338,582</u>
\$ 187,792	\$ 116,439	\$ 549,735
84,788	47,778	159,290
119,717		123,970
838,837	435,022	1,547,299
<u>1,231,134</u>	<u>599,239</u>	<u>2,380,294</u>
54,057	39,020	114,588
91,287		91,287
13,313	200,140	237,894
6,442	68,018	94,777
		63,452
		2,315,776
		52,205
220,199		220,199
	2,738,110	2,738,110
	30,000	30,000
<u>385,298</u>	<u>3,075,288</u>	<u>5,958,288</u>
<u>\$ 1,616,432</u>	<u>\$ 3,674,527</u>	<u>\$ 8,338,582</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
Year Ended December 31, 2011

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
REVENUES			
Real property taxes	\$ 1,424,635	\$ 3,782,502	\$ 2,715,094
Other real property tax items	37	2,805	2,052
Non-property tax items			
Departmental income			
Use of money and property compensation for loss	536	16,524	1,283
Miscellaneous local sources		1,392	44,061
Federal aid		8,010	
Total Revenues	<u>1,425,208</u>	<u>3,811,233</u>	<u>2,762,490</u>
EXPENDITURES			
Current:			
General government support	85,761	518,856	164,309
Public safety	1,337,912		
Health			2,186,335
Transportation		2,598,849	
Home and community services			
Employee benefits		283,045	396,654
Total Expenditures	<u>1,423,673</u>	<u>3,400,750</u>	<u>2,747,298</u>
Excess (Deficiency) of Revenues Over Expenditures	1,535	410,483	15,192
Other Financing Sources (Uses)			
Transfers in		57,780	
Transfers out		(79,367)	
Total Other Financing Sources (Uses)		<u>(21,587)</u>	
Net Change in Fund Balance	1,535	388,896	15,192
Fund Balances at Beginning of Year	<u>63,634</u>	<u>1,991,432</u>	<u>37,013</u>
Fund Balances at End of Year	<u>\$ 65,169</u>	<u>\$ 2,380,328</u>	<u>\$ 52,205</u>

Sewer Districts	Water District	Total
\$ 4,597,981	\$ 3,199,539	\$ 15,719,751
(5,417)	86	(437)
144,701		144,701
995,962	1,858,302	2,854,264
15,523	263,710	297,576
	25,618	25,618
6,292	2,381	54,126
13,445	10,705	32,160
<u>5,768,487</u>	<u>5,360,341</u>	<u>19,127,759</u>
		19,127,759
867,301	648,754	2,284,981
		1,337,912
		2,186,335
		2,598,849
3,110,978	2,624,028	5,735,006
882,893	590,816	2,153,408
<u>4,861,172</u>	<u>3,863,598</u>	<u>16,296,491</u>
		2,831,268
		57,780
(922,526)	(1,103,747)	(2,105,640)
(922,526)	(1,103,747)	(2,047,860)
(15,211)	392,996	783,408
400,509	2,682,292	5,174,880
<u>\$ 385,298</u>	<u>\$ 3,075,288</u>	<u>\$ 5,958,288</u>

TOWN OF HUNTINGTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS				
Cash	\$ 97,989,287	\$ 1,072,302,068	\$ 1,059,363,504	\$ 110,927,851
Other assets	454,332	174,467,584	174,644,144	277,772
Total Assets	<u>\$ 98,443,619</u>	<u>\$ 1,246,769,652</u>	<u>\$ 1,234,007,648</u>	<u>\$ 111,205,623</u>
LIABILITIES				
Town Agency Fund				
Agency fund liabilities	\$ 10,742,489	\$ 813,770,280	\$ 813,930,388	\$ 10,582,381
Total Liabilities - Town Agency Fund	<u>10,742,489</u>	<u>813,770,280</u>	<u>813,930,388</u>	<u>10,582,381</u>
Town Receiver of Taxes Agency Fund				
Due to school districts	43,850,565	669,675,703	663,214,647	50,311,621
Due to other governments	43,850,565	193,831,443	187,370,387	50,311,621
Total Liabilities - Town Receiver Agency Fund	<u>87,701,130</u>	<u>863,507,146</u>	<u>850,585,034</u>	<u>100,623,242</u>
Total Liabilities	<u>\$ 98,443,619</u>	<u>\$ 1,677,277,426</u>	<u>\$ 1,664,515,422</u>	<u>\$ 111,205,623</u>

Schedule of Revenues, Expenditures and Change in Fund

**Balance – Budget and Actual
Non-major Special Revenue Funds**

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,484,462	\$ 4,484,462	\$ 4,484,462	
Total Real Property Taxes	4,484,462	4,484,462	4,484,462	
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	1,000	1,000	3,327	\$ 2,327
Interest and penalties on taxes	3,000	3,000	115	(2,885)
Total Other Real Property Taxes	4,000	4,000	3,442	(558)
DEPARTMENTAL INCOME				
Building fees	3,206,229	3,325,229	3,339,015	13,786
Zoning board fees	100,000	100,000	112,897	12,897
Planning fees	186,000	206,000	228,808	22,808
Other fees	200,000	200,000	210,970	10,970
Total Departmental Income	3,692,229	3,831,229	3,891,690	60,461
USE OF MONEY AND PROPERTY				
Interest and earnings	50,000	50,000	37,523	(12,477)
Total Use of Money and Property	50,000	50,000	37,523	(12,477)
LICENSES AND PERMITS				
Building permits	661,000	661,000	613,512	(47,488)
Total Licenses and Permits	661,000	661,000	613,512	(47,488)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries			510	510
Total Sale of Property and Compensation for Loss			510	510
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	50,500	73,311	98,541	25,230
Total Miscellaneous Local Sources	50,500	73,311	98,541	25,230
STATE AID				
State Aid - State Emergency Management Office	30,316	30,316	30,213	(103)
Total State Aid	30,316	30,316	30,213	(103)
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance		10,850	3,065	(7,785)
Total Federal Aid		10,850	3,065	(7,785)
Total Revenues	8,972,507	9,145,168	9,162,958	17,790

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Operation of plant	\$ 1,908,693	\$ 2,066,141	\$ 2,028,130	\$ 3,758	\$ 34,253
Insurance	30,000	30,000	27,657		2,343
Other government support	6,000	15,197	4,084	208	10,905
Total General Government Support	1,944,693	2,111,338	2,059,871	3,966	47,501
PUBLIC SAFETY					
Traffic control	661,049	752,915	547,941	152,761	52,213
Safety inspection	1,335,957	1,329,866	1,299,941		29,925
Total Public Safety	1,997,006	2,082,781	1,847,882	152,761	82,138
HEALTH					
Registrar of vital statistics	244,142	215,643	207,184		8,459
Total Health	244,142	215,643	207,184		8,459
HOME AND COMMUNITY SERVICES					
Zoning	158,749	175,732	136,280	20,856	18,596
Planning	1,821,467	1,820,937	1,790,903	10,154	19,880
Joint planning board	126,449	116,850	111,770	1,497	3,583
Beautification	21,598	21,598	21,598		
Conservation	16,199	16,254	16,254		
Total Home and Community Services	2,144,462	2,151,371	2,076,805	32,507	42,059
EMPLOYEE BENEFITS					
State employee retirement system	607,505	866,905	808,811		58,094
Social security	28,500	25,180	9,746		15,434
Life insurance	11,000	10,204	7,908		2,296
Unemployment insurance	7,000	7,796	7,796		
Disability benefits	20,000	20,000	11,926		8,074
Hospital, medical and dental	2,302,400	2,090,704	1,911,491		179,213
Union welfare benefits		1,320	1,155		165
Other employee benefits	496,000	496,000	422,407		73,593
Total Employee Benefits	3,472,405	3,518,109	3,181,240		336,869
Total Expenditures	9,802,708	10,079,242	9,372,982	189,234	517,026
Excess (Deficiency) of Revenues Over Expenditures	(830,201)	(934,074)	(210,024)	(189,234)	534,816
Other Financing Uses					
Operating transfers in					
Transfers out	(105,299)	(105,299)	(105,299)		
Total Other Financing Uses	(105,299)	(105,299)	(105,299)		
Net Change in Fund Balance	\$ (935,500)	\$ (1,039,373)	(315,323)	(189,234)	\$ 534,816
Fund Balance at Beginning of Year			2,422,594		
Fund Balance at End of Year			\$ 2,107,271		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN BUSINESS IMPROVEMENT DISTRICTS
Year ended December 31, 2011

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 186,500	\$ 186,500	\$ 186,500	
Total Real Property Taxes	<u>186,500</u>	<u>186,500</u>	<u>186,500</u>	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	125	125	5	\$ (120)
Total Other Real Property Tax Items	<u>125</u>	<u>125</u>	<u>5</u>	<u>(120)</u>
Total Revenues	<u>186,625</u>	<u>186,625</u>	<u>186,505</u>	<u>(120)</u>
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Contractual expenditures	186,625	186,625	186,505	120
Total Home and Community Services	<u>186,625</u>	<u>186,625</u>	<u>186,505</u>	<u>120</u>
Total Expenditures	<u>186,625</u>	<u>186,625</u>	<u>186,505</u>	<u>120</u>
Net Change in Fund Balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year				

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PROTECTION DISTRICT FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,424,635	\$ 1,424,635	\$ 1,424,635	
Total Real Property Taxes	1,424,635	1,424,635	1,424,635	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes			37	\$ 37
Total Other Real Property Tax Items			37	37
USE OF MONEY AND PROPERTY				
Interest and earnings	2,000	2,000	536	(1,464)
Total Use of Money and Property	2,000	2,000	536	(1,464)
Total Revenues	1,426,635	1,426,635	1,425,208	(1,427)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Insurance	3,500	3,500	3,241	259
Other government support	82,520	82,520	82,520	
Total General Government Support	86,020	86,020	85,761	259
PUBLIC SAFETY				
Fire protection	1,340,615	1,340,615	1,337,912	2,703
Total Public Safety	1,340,615	1,340,615	1,337,912	2,703
Total Expenditures	1,426,635	1,426,635	1,423,673	2,962
Net Change in Fund Balance			1,535	\$ 1,535
Fund Balance at Beginning of Year			63,634	
Fund Balance at End of Year			\$ 65,169	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
Year ended December 31, 2011

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,782,502	\$ 3,782,502	\$ 3,782,502	
Total Real Property Taxes	<u>3,782,502</u>	<u>3,782,502</u>	<u>3,782,502</u>	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,000	1,000	2,708	\$ 1,708
Interest and penalties on taxes			97	97
Total Other Real Property Tax Items	<u>1,000</u>	<u>1,000</u>	<u>2,805</u>	<u>1,805</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	28,500	28,500	16,524	(11,976)
Total Use of Money and Property	<u>28,500</u>	<u>28,500</u>	<u>16,524</u>	<u>(11,976)</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	720	720	1,392	672
Total Miscellaneous Local Sources	<u>720</u>	<u>720</u>	<u>1,392</u>	<u>672</u>
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance		6,670	8,010	1,340
Total Federal Aid		<u>6,670</u>	<u>8,010</u>	<u>1,340</u>
Total Revenues	<u>3,812,722</u>	<u>3,819,392</u>	<u>3,811,233</u>	<u>(8,159)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 9,500	\$ 9,500	\$ 8,783		\$ 717
Other government support	562,018	542,336	510,073	\$ 444	31,819
Total General Government Support	571,518	551,836	518,856	444	32,536
TRANSPORTATION					
Lighting	2,906,845	2,948,116	2,598,849	159,428	189,839
Total Transportation	2,906,845	2,948,116	2,598,849	159,428	189,839
EMPLOYEE BENEFITS					
State employee retirement system	60,642	83,068	83,068		
Social security	7,250	7,250	317		6,933
Life insurance	1,000	1,000	170		830
Unemployment insurance	5,000	5,000			5,000
Disability insurance	1,000	1,000	138		862
Hospital, medical and dental	152,000	165,567	163,954		1,613
Union welfare benefits	8,000	8,000	7,150		850
Other employee benefits	91,100	91,100	28,248		62,852
Total Employee Benefits	325,992	361,985	283,045		78,940
Total Expenditures	3,804,355	3,861,937	3,400,750	159,872	301,315
Excess (Deficiency) of Revenues Over Expenditures	8,367	(42,545)	410,483	(159,872)	293,156
Other Financing Sources (Uses)					
Transfers in			57,780		57,780
Premiums on obligations					
Transfers out	(19,367)	(79,367)	(79,367)		
Total Other Financing (Uses)	(19,367)	(79,367)	(21,587)		57,780
Net Change in Fund Balance	<u>\$ (11,000)</u>	<u>\$ (121,912)</u>	388,896	<u>\$ (159,872)</u>	<u>\$ 350,936</u>
Fund Balance at Beginning of Year			1,991,432		
Fund Balance at End of Year			<u>\$ 2,380,328</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE DISTRICTS FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,715,094	\$ 2,715,094	\$ 2,715,094	
Total Real Property Taxes	2,715,094	2,715,094	2,715,094	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,800	1,800	1,983	\$ 183
Interest and penalties on taxes	1,250	1,250	69	(1,181)
Total Other Real Property Tax Items	3,050	3,050	2,052	(998)
USE OF MONEY AND PROPERTY				
Interest and earnings	7,500	7,500	1,283	(6,217)
Total Use of Money and Property	7,500	7,500	1,283	(6,217)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	50,000	50,000	44,061	(5,939)
Total Miscellaneous Local Sources	50,000	50,000	44,061	(5,939)
Total Revenues	2,775,644	2,775,644	2,762,490	(13,154)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	164,309	164,309	164,309	
Total General Government Support	164,309	164,309	164,309	
HEALTH				
Ambulance	2,186,335	2,186,335	2,186,335	
Total Health	2,186,335	2,186,335	2,186,335	
EMPLOYEE BENEFITS				
State employee retirement system	425,000	425,000	396,654	28,346
Total Employee Benefits	425,000	425,000	396,654	28,346
Total Expenditures	2,775,644	2,775,644	2,747,298	28,346
Net Change in Fund Balance			15,192	\$ 15,192
Fund Balance at Beginning of Year			37,013	
Fund Balance at End of Year			\$ 52,205	

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,597,981	\$ 4,597,981	\$ 4,597,981	
Total Real Property Taxes	4,597,981	4,597,981	4,597,981	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	22,000	22,000	(5,535)	\$ (27,535)
Interest and penalties on taxes	2,000	2,000	118	(1,882)
Total Other Real Property Tax Items	24,000	24,000	(5,417)	(29,417)
NON-PROPERTY TAX ITEMS				
Local government assistance	144,701	144,701	144,701	
Total Non-Property Tax Items	144,701	144,701	144,701	
DEPARTMENTAL INCOME				
Sewer charges	922,625	977,625	995,962	18,337
Total Departmental Income	922,625	977,625	995,962	18,337
USE OF MONEY AND PROPERTY				
Interest and earnings	47,100	47,100	15,523	(31,577)
Total Use of Money and Property	47,100	47,100	15,523	(31,577)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	2,250	2,250	6,292	4,042
Total Miscellaneous Local Sources	2,250	2,250	6,292	4,042
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance		17,250	13,445	(3,805)
Total Federal Aid		17,250	13,445	(3,805)
Total Revenues	5,738,657	5,810,907	5,768,487	(42,420)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
Year ended December 31, 2011

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Encum- brances</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 16,500	\$ 15,547	\$ 15,242		\$ 305
Other government support	848,632	852,362	852,059	\$ 50	253
Total General Government Support	<u>865,132</u>	<u>867,909</u>	<u>867,301</u>	<u>50</u>	<u>558</u>
HOME AND COMMUNITY SERVICES					
Sewer	3,135,524	3,182,213	3,110,978	10,529	60,706
Total Home and Community Services	<u>3,135,524</u>	<u>3,182,213</u>	<u>3,110,978</u>	<u>10,529</u>	<u>60,706</u>
EMPLOYEE BENEFITS					
State employee retirement system	180,638	248,483	248,483		
Social security	14,637	1,871	502		1,369
Life insurance	1,000	500			500
Unemployment insurance	12,000				
Disability benefits	1,000	500			500
Hospital, medical and dental	446,000	528,715	528,065		650
Union welfare benefits	31,000	27,870	27,170		700
Other employee benefits	161,100	81,673	78,673		3,000
Total Employee Benefits	<u>847,375</u>	<u>889,612</u>	<u>882,893</u>		<u>6,719</u>
Total Current	<u>4,848,031</u>	<u>4,939,734</u>	<u>4,861,172</u>	<u>10,579</u>	<u>67,983</u>
Total Expenditures	<u>4,848,031</u>	<u>4,939,734</u>	<u>4,861,172</u>	<u>10,579</u>	<u>67,983</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>890,626</u>	<u>871,173</u>	<u>907,315</u>	<u>(10,579)</u>	<u>25,563</u>
Other Financing Sources (Uses)					
Transfers out	(922,526)	(922,526)	(922,526)		
Total Other Financing Sources (Uses)	<u>(922,526)</u>	<u>(922,526)</u>	<u>(922,526)</u>		
Net Change in Fund Balance	<u>\$ (31,900)</u>	<u>\$ (51,353)</u>	<u>(15,211)</u>	<u>\$ (10,579)</u>	<u>\$ 25,563</u>
Fund Balance at Beginning of Year			<u>400,509</u>		
Fund Balance at End of Year			<u>\$ 385,298</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,199,539	\$ 3,199,539	\$ 3,199,539	
Total Real Property Taxes	3,199,539	3,199,539	3,199,539	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes			86	\$ 86
Total Other Real Property Tax Items			86	86
DEPARTMENTAL INCOME				
Metered water sales	1,450,000	1,450,000	1,718,726	268,726
Water rental arrears	90,000	90,000	139,576	49,576
Total Departmental Income	1,540,000	1,540,000	1,858,302	318,302
USE OF MONEY AND PROPERTY				
Interest and earnings	20,000	20,000	20,395	395
Tower rental	230,544	230,544	243,315	12,771
Total Use of Money and Property	250,544	250,544	263,710	13,166
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries			25,618	25,618
Total Sale of Property and Compensation for Loss			25,618	25,618
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous			2,381	2,381
Total Miscellaneous Local Sources			2,381	2,381
FEDERAL AID				
Federal Aid - federal emergency management Assistance		10,845	10,705	(140)
Total Federal Aid		10,845	10,705	(140)
Total Revenues	4,990,083	5,000,928	5,360,341	359,413

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 13,500	\$ 13,500	\$ 12,460		\$ 1,040
Other government support	638,983	639,016	636,294	\$ 375	2,347
Total General Government Support	<u>652,483</u>	<u>652,516</u>	<u>648,754</u>	<u>375</u>	<u>3,387</u>
HOME AND COMMUNITY SERVICES					
Water	2,778,536	2,791,485	2,624,028	127,797	39,660
Total Home and Community Services	<u>2,778,536</u>	<u>2,791,485</u>	<u>2,624,028</u>	<u>127,797</u>	<u>39,660</u>
EMPLOYEE BENEFITS					
State employee retirement system	119,616	164,294	164,294		
Social security	12,000	248	248		
Life insurance	1,000	1,000	170		830
Unemployment benefits	5,000	5,000			5,000
Disability benefits	500	500	276		224
Hospital, medical and dental	320,100	360,369	359,966		403
Union welfare benefits	16,000	16,000	14,520		1,480
Other employee benefits	131,100	93,599	51,342		42,257
Total Employee Benefits	<u>605,316</u>	<u>641,010</u>	<u>590,816</u>		<u>50,194</u>
Total Expenditures	<u>4,036,335</u>	<u>4,085,011</u>	<u>3,863,598</u>	<u>128,172</u>	<u>93,241</u>
Excess (Deficiency) of Revenues Over Expenditures	953,748	915,917	1,496,743	(128,172)	452,654
Other Financing Sources (Uses)					
Transfers out	(1,003,748)	(1,103,748)	(1,103,747)		1
Total Other Financing Sources (Uses)	<u>(1,003,748)</u>	<u>(1,103,748)</u>	<u>(1,103,747)</u>		<u>1</u>
Net Change in Fund Balance	<u>\$ (50,000)</u>	<u>\$ (187,831)</u>	392,996	<u>\$ (128,172)</u>	<u>\$ 452,655</u>
Fund Balance at Beginning of Year			2,682,292		
Fund Balance at End of Year			<u>\$ 3,075,288</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year ended December 31, 2011

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
USE OF MONEY AND PROPERTY				
Interest and earnings	\$ 2,000	\$ 2,000	\$ 3,357	\$ 1,357
Total Use of Money and Property	2,000	2,000	3,357	1,357
Total Revenues	2,000	2,000	3,357	1,357
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Fiscal advisor fees	1,525	1,525		1,525
Total General Government Support	1,525	1,525		1,525
Total Current	1,525	1,525		1,525
DEBT SERVICE				
Principal	350,000	11,049,746	11,049,746	
Interest	5,733	3,668,078	3,666,927	1,151
Total Debt Service	355,733	14,717,824	14,716,673	1,151
Total Expenditures	357,258	14,719,349	14,716,673	2,676
(Deficiency) of Revenues (Under) Expenditures	(355,258)	(14,717,349)	(14,713,316)	4,033
Other Financing Sources				
Transfers In	87,500	14,449,591	14,449,591	
Total Other Financing Sources	87,500	14,449,591	14,449,591	
Net Change in Fund Balance	\$ (267,758)	\$ (267,758)	(263,725)	\$ 4,033
Fund Balance at Beginning of Year			263,725	
Fund Balance at End of Year			-----	

**DISCRETELY PRESENTED
COMPONENT UNITS**

These component units of the Town provide water services to residents and businesses within the districts. These districts are organized under New York State Town Law and have separately elected boards. Long-term debt, backed by the full faith and credit of the Town, and other matters result in an interdependency with the Town.

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
December 31, 2011

	South Huntington Water District	Greenlawn Water District	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 12,702,773	\$ 7,169,267	\$ 19,872,040
Prepays	80,454	55,169	135,623
Accounts receivable, net	765,373	565,488	1,330,861
Due from federal, state and other governments	63,610		63,610
Inventory of materials and supplies	127,113	159,759	286,872
Total Current Assets	13,739,323	7,949,683	21,689,006
Non-Current Assets			
Deferred charges, net of accumulated amortization	375,756		375,756
Non-depreciable capital assets	5,208,707	847,591	6,056,298
Depreciable capital assets, net of depreciation	34,543,163	16,656,803	51,199,966
Total Non-Current Assets	40,127,626	17,504,394	57,632,020
Total Assets	53,866,949	25,454,077	79,321,026
LIABILITIES			
Current Liabilities			
Accounts payable and other current liabilities	698,099	208,078	906,177
Accrued liabilities	870,215	9,083	879,298
Accrued interest payable	210,598	22,597	233,195
Non-current liabilities due within one year	1,726,153	387,052	2,113,205
Total Current Liabilities	3,505,065	626,810	4,131,875
Non-Current Liabilities			
Due in more than one year	22,436,336	3,521,603	25,957,939
Total Non-Current Liabilities	22,436,336	3,521,603	25,957,939
Total Liabilities	25,941,401	4,148,413	30,089,814
NET ASSETS			
Investment in capital assets, net of related debt	23,851,333	15,024,515	38,875,848
Nonspendable Fund Balance			
Restricted for:			
Capital Projects	3,339,681	262,842	3,602,523
Unrestricted	734,534	6,018,307	6,752,841
Total Net Assets	\$ 27,925,548	\$ 21,305,664	\$ 49,231,212

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year ended December 31, 2011

	South Huntington Water District	Greenlawn Water District	Totals
REVENUES			
Charges for services	\$ 3,453,337	\$ 2,610,183	\$ 6,063,520
Real property taxes	3,628,182	2,302,500	5,930,682
Interest and investment income	477,097	57,904	535,001
Miscellaneous	364,661	37,177	401,838
Total Revenues	7,923,277	5,007,764	12,931,041
EXPENDITURES			
Current:			
Home and community services	7,145,582	5,004,583	12,150,165
Total Expenditures	7,145,582	5,004,583	12,150,165
Changes in Net Assets	777,695	3,181	780,876
Net Assets at Beginning of Year	27,147,853	21,302,483	48,450,336
Net Assets at End of Year	\$ 27,925,548	\$ 21,305,664	\$ 49,231,212

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STATISTICAL SECTION

The comprehensive statistical data for the Town includes, in some cases, statistical information for the villages, school districts, and special districts which are not part of the Town reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the Town and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and may present data from outside of the Town's accounting records. This part of the Town of Huntington's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.	119-126
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	127-132
Debt Capacity These schedules present information to help the reader assess the Affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	133-136
Demographic and Economic Information These schedules offer demographic and economic indicators to help the Reader understand the environment within which the government's Financial activities take place.	137-138
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	139-144

TOWN OF HUNTINGTON
NET ASSETS BY COMPONENT
LAST EIGHT YEARS
(accrual basis of accounting)

<u>Year Ended December 31,</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Primary government				
Governmental activities				
Net Assets				
Invested in capital assets, net of related debt	\$ 245,685,682	\$ 242,979,302	\$ 223,896,536	\$ 206,681,526
Restricted	16,229,038	22,238,564	31,253,835	28,468,496
Unrestricted	<u>(22,650,385)</u>	<u>(18,948,323)</u>	<u>(11,169,761)</u>	<u>13,048,556</u>
Total primary governmental net assets	<u>239,264,335</u>	<u>246,269,543</u>	<u>243,980,610</u>	<u>\$ 248,198,578</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Huntington

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 196,497,063	\$ 176,353,725	\$ 162,352,975	\$ 143,988,636
35,100,108	29,249,213	25,303,973	18,468,413
<u>18,812,542</u>	<u>29,542,899</u>	<u>25,817,346</u>	<u>33,169,180</u>
<u>\$ 250,409,713</u>	<u>\$ 235,145,837</u>	<u>\$ 213,474,294</u>	<u>\$ 195,626,229</u>

TOWN OF HUNTINGTON
CHANGES IN NET ASSETS
LAST EIGHT YEARS
(accrual basis of accounting)

Year Ended December 31,	2011	2010	2009	2008
Expenses				
Governmental activities:				
General government support	\$ 39,036,309	\$ 39,790,531	\$ 38,857,392	\$ 38,494,761
Public safety	12,123,722	11,476,179	11,038,050	11,066,396
Health	3,052,675	3,222,943	3,148,777	3,003,556
Transportation	50,963,397	42,082,298	39,357,751	38,092,747
Economic assistance and opportunity	3,335,597	3,319,996	2,977,427	2,850,847
Culture and recreation	18,824,298	18,219,053	18,292,698	18,226,501
Home and community service	46,382,915	52,609,247	53,781,830	49,874,168
Interest on long-term debt	3,903,598	4,025,756	3,717,197	3,900,344
Total governmental activities expenses	<u>177,622,512</u>	<u>174,746,002</u>	<u>171,171,122</u>	<u>165,509,320</u>
Total primary government expenses	<u>\$ 177,622,512</u>	<u>\$ 174,746,002</u>	<u>\$ 171,171,122</u>	<u>\$ 165,509,320</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 8,177,246	\$ 5,149,354	\$ 4,313,478	\$ 4,390,671
Public safety	1,230,831	1,148,705	1,169,492	1,121,825
Health	210,970	203,810	193,270	203,200
Transportation	736,177	500,861	690,742	490,646
Economic assistance and opportunity	276,643	259,887	276,579	329,830
Culture and recreation	7,620,757	7,222,427	7,202,512	7,105,367
Home and community service	18,212,053	18,518,355	19,722,791	19,793,208
Operating grants and contributions	8,869,297	6,159,015	4,427,799	5,355,625
Capital grants and contributions	8,009,856	8,076,450	3,121,355	337,856
Total governmental activities program revenues	<u>53,343,830</u>	<u>47,238,864</u>	<u>41,118,018</u>	<u>39,128,228</u>
Total primary government program revenues	<u>\$ 53,343,830</u>	<u>\$ 47,238,864</u>	<u>\$ 41,118,018</u>	<u>\$ 39,128,228</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$(124,278,682)</u>	<u>\$(127,507,138)</u>	<u>\$(130,053,104)</u>	<u>\$ (126,381,092)</u>
Total primary government net expense	<u>\$(124,278,682)</u>	<u>\$(127,507,138)</u>	<u>\$(130,053,104)</u>	<u>\$ (126,381,092)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Real property taxes	\$ 107,674,455	\$ 108,462,698	\$ 108,148,199	\$ 104,553,579
Mortgage tax	6,678,915	6,948,509	310,923	8,440,815
Refunded Debt		99,571	8,493,498	
Other taxes	484,626	442,311	12,975	462,913
Unrestricted grants and contributions	9,176	26,126	2,462,846	35,815
Interest earnings	949,519	1,464,479	1,159,105	4,790,462
State aid-unrestricted	1,067,256	1,089,037	5,089,592	1,201,356
Special Item		(979,724)		
Miscellaneous	5,705,282	6,474,156		4,843,015
Total governmental activities	<u>122,569,229</u>	<u>124,027,163</u>	<u>125,677,138</u>	<u>124,327,955</u>
Total primary government	<u>\$ 122,569,229</u>	<u>\$ 124,027,163</u>	<u>\$ 125,677,138</u>	<u>\$ 124,327,955</u>
Change in Net Assets				
Governmental Activities	<u>\$ (1,709,453)</u>	<u>\$ (3,479,975)</u>	<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>
Total primary government	<u>\$ (1,709,453)</u>	<u>\$ (3,479,975)</u>	<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Huntington

2007	2006	2005	2004
\$ 37,510,058	\$ 29,032,433	\$ 25,749,083	\$ 30,796,826
10,827,569	8,977,952	7,261,650	8,851,163
2,957,496	3,704,774	2,750,317	2,821,142
35,401,854	31,821,414	33,141,746	31,388,924
2,720,148	2,482,726	2,433,841	2,486,364
16,454,187	18,543,175	18,152,031	15,818,197
55,433,797	49,478,528	56,314,042	55,155,882
3,795,661	3,662,193	3,693,437	3,747,504
<u>165,100,770</u>	<u>147,703,195</u>	<u>149,496,147</u>	<u>151,066,002</u>
<u>\$ 165,100,770</u>	<u>\$ 147,703,195</u>	<u>\$ 149,496,147</u>	<u>\$ 151,066,002</u>

\$ 4,460,228	\$ 4,767,764	\$ 5,308,062	\$ 4,781,914
1,251,949	1,261,930	864,919	962,940
219,040	201,090	185,680	152,440
361,563	337,082	365,648	363,679
304,113	260,312	249,661	257,202
7,107,158	6,850,466	6,710,947	6,228,040
18,979,836	17,959,144	19,742,420	18,245,814
4,797,541	4,375,487	4,705,274	4,390,050
8,949,883	973,950		395
<u>46,431,311</u>	<u>36,987,225</u>	<u>38,132,611</u>	<u>35,382,474</u>
<u>\$ 46,431,311</u>	<u>\$ 36,987,225</u>	<u>\$ 38,132,611</u>	<u>\$ 35,382,474</u>

\$ (118,669,459)	\$ (110,715,970)	\$ (111,363,536)	\$ (115,683,528)
<u>\$ (118,669,459)</u>	<u>\$ (110,715,970)</u>	<u>\$ (111,363,536)</u>	<u>\$ (115,683,528)</u>

\$ 104,268,372	\$ 102,076,056	\$ 99,760,934	\$ 96,546,392
15,242,969	17,244,476	19,465,088	19,433,388
508,273	562,643	437,805	506,213
36,869	28,622	1,437	9,575
7,741,662	7,132,133	4,012,657	1,847,492
1,247,213	1,157,444	910,743	877,825
4,887,977	4,186,139	4,622,937	4,736,159
<u>133,933,335</u>	<u>132,387,513</u>	<u>129,211,601</u>	<u>123,957,044</u>
<u>\$ 133,933,335</u>	<u>\$ 132,387,513</u>	<u>\$ 129,211,601</u>	<u>\$ 123,957,044</u>

\$ 15,263,876	\$ 21,671,543	\$ 17,848,065	\$ 8,273,516
<u>\$ 15,263,876</u>	<u>\$ 21,671,543</u>	<u>\$ 17,848,065</u>	<u>\$ 8,273,516</u>

TOWN OF HUNTINGTON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT YEARS
(modified accrual basis of accounting)

<u>Year Ended December 31,</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund				
Nonspendable	\$ 970,613	\$ 793,306		
Restricted	20,461,112	19,616,680		
Committed	3,018,000	5,237,708		
Reserved			\$ 7,121,674	\$ 9,389,555
Unassigned	11,221,787	7,663,441	39,728,891	52,273,416
Total General Fund	<u>\$ 35,671,512</u>	<u>\$ 33,311,135</u>	<u>\$ 46,850,565</u>	<u>\$ 61,662,971</u>
All other governmental funds				
Nonspendable	746,844	\$ 672,765		
Restricted	18,362,285	18,266,637		
Committed	17,170,751	24,344,963		
Reserved			\$ 17,120,920	\$ 17,120,920
Unassigned, reported in:				
Special Revenue Funds			19,281,358	4,468,952
Capital Projects funds			21,259,956	21,259,956
Total all other governmental funds	<u>\$ 36,279,880</u>	<u>\$ 43,284,365</u>	<u>\$ 57,662,234</u>	<u>\$ 42,849,828</u>

Source: Office of the Comptroller and audited financial statements of the Town of Huntington

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 6,878,603	\$ 6,937,753	\$ 5,553,453	\$ 6,213,866
<u>48,572,651</u>	<u>46,995,197</u>	<u>48,856,764</u>	<u>47,992,280</u>
<u>\$ 55,451,254</u>	<u>\$ 53,932,950</u>	<u>\$ 54,410,217</u>	<u>\$ 54,206,146</u>
\$ 15,765,468	\$ 5,726,455	\$ 5,512,492	\$ 7,276,327
22,455,232	18,245,579	16,434,551	17,267,646
<u>26,753,294</u>	<u>18,465,620</u>	<u>18,388,898</u>	<u>14,393,748</u>
<u>\$ 64,973,994</u>	<u>\$ 42,437,654</u>	<u>\$ 40,335,941</u>	<u>\$ 38,937,721</u>

TOWN OF HUNTINGTON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT YEARS
(modified accrual basis of accounting)

Year Ended December 31,	2011	2010	2009	2008
Revenues				
Real property taxes	\$107,552,908	\$ 108,375,068	\$108,050,206	\$104,482,088
Other real property tax items	334,396	362,430	302,597	342,356
Non-property taxes	3,885,051	3,732,931	3,418,102	3,219,166
Departmental income	35,902,822	36,371,423	37,091,352	37,932,147
Intergovernmental charges	235,671	212,017	230,523	198,017
Use of money and property	1,854,711	2,208,584	3,187,399	5,457,339
License and permits	1,754,907	1,550,543	1,588,318	1,412,228
Fines and forfeitures	646,834	655,849	748,601	676,093
Sale of property and compensation for loss	4,708,647	2,359,773	1,616,146	1,747,098
Miscellaneous and local sources	1,888,592	2,379,497	2,418,825	1,235,762
Interfund revenues	5,657,187	5,609,839	5,531,969	5,573,344
State aid	14,505,595	12,032,056	13,371,366	13,277,833
Federal aid	10,017,200	8,819,217	1,394,175	2,763,613
Total Revenues	188,944,521	184,669,227	178,949,579	178,317,084
Expenditures				
Current:				
General government support	30,374,952	31,541,339	31,324,727	30,989,879
Public safety	7,385,006	7,685,737	7,458,446	7,066,827
Health	3,086,042	3,097,626	3,043,546	2,890,720
Transportation	28,737,380	25,945,124	26,380,638	24,702,035
Economic assistance and opportunity	2,043,773	2,127,168	2,108,791	2,071,199
Culture and recreation	13,644,237	13,424,653	13,312,110	12,574,292
Home and community service	47,267,179	52,114,208	53,747,108	55,486,780
Employee benefits	30,302,386	28,084,741	24,303,462	24,581,780
Capital outlay	22,550,436	28,084,741	24,303,462	24,581,780
Debt Service:				
Principal	33,582,051	33,582,051	25,462,611	23,117,859
Interest	11,049,744	10,707,885	11,292,923	10,962,502
Total Expenditures	3,666,929	3,750,762	3,965,197	3,964,601
Total Expenditures	200,108,064	212,061,294	202,399,559	198,408,474
Excess of revenues over (under) expenditures	(11,163,543)	(27,392,067)	(23,449,980)	(20,091,390)
Other financing sources (uses)				
Bonds issued	6,380,000	11,160,000	11,443,000	10,900,000
Capital leases	139,431	15,752	313,082	157,544
Transfers in	17,660,108	20,443,890	28,859,469	20,050,066
Transfers out	(17,660,108)	(20,443,890)	(28,859,469)	(20,050,066)
Refunding bonds issued				
Premium on bonds issued				
Payments to refund bond escrow agent				
Total other financing sources (uses)	6,519,431	11,175,752	11,756,082	11,057,544
Net change in fund balances	\$ (4,644,112)	\$ (16,216,315)	\$ (11,693,898)	\$ (9,033,846)
Debt service as a percentage of noncapital expenditures	9.01%	9.21%	9.38%	9.54%

Source: Office of the Comptroller and the audited financial statements of the Town of Huntington

Note. Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	104,268,372	\$ 102,076,056	\$ 99,760,934	\$ 96,647,904
	363,569	337,132	293,105	266,521
	2,977,294	2,684,496	2,607,474	2,469,502
	37,550,785	37,291,254	38,233,441	37,306,735
	182,185	349,191	184,947	178,780
	8,387,194	7,661,795	4,432,647	2,173,653
	1,447,023	1,421,451	1,668,268	1,598,079
	755,113	710,146	454,641	571,300
	1,761,072	707,995	1,030,197	983,740
	1,003,358	1,309,444	1,479,274	2,003,171
	5,826,953	5,419,337	8,918,045	7,906,466
	29,785,313	22,256,489	21,577,180	23,735,772
	2,124,246	1,806,370	2,377,250	1,378,503
	<u>196,432,477</u>	<u>184,031,156</u>	<u>183,017,403</u>	<u>177,220,126</u>
	30,845,576	30,471,034	31,683,885	29,491,722
	7,091,650	6,710,902	6,170,010	5,916,745
	2,829,372	2,808,167	2,657,621	2,739,251
	23,725,720	22,460,334	23,555,508	21,664,791
	1,902,587	1,936,096	1,890,491	1,926,176
	12,717,401	12,776,569	12,360,638	11,291,756
	54,935,602	52,060,539	54,824,903	52,619,757
	23,398,787	21,467,337	23,113,747	22,031,071
	22,138,606	26,283,625	20,677,779	17,127,917
	10,434,124	11,203,370	10,712,578	10,328,448
	3,848,293	3,724,456	3,718,941	3,855,228
	<u>193,867,718</u>	<u>191,902,429</u>	<u>191,366,101</u>	<u>178,992,862</u>
	2,564,759	(7,871,273)	(8,348,698)	(1,772,736)
	14,565,000	14,935,000	10,495,000	8,320,000
	46,282	101,006	114,022	452,927
	24,072,181	24,458,333	26,678,218	20,750,983
	(24,072,181)	(24,458,333)	(26,678,218)	(20,750,983)
		13,166	2,380	18,314,481
				(18,593,011)
	<u>14,611,282</u>	<u>15,049,172</u>	<u>10,611,402</u>	<u>8,494,397</u>
\$	<u>17,176,041</u>	<u>\$ 7,177,899</u>	<u>\$ 2,262,704</u>	<u>\$ 6,721,661</u>

9.10%

10.03%

9.56%

9.57%

TOWN OF HUNTINGTON
ASSESSED VALUE, STATE EQUALIZATION RATE, AND ESTIMATED FULL VALUE OF REAL PROPERTY
LAST TEN YEARS

Year Ended December 31,	Residential Property	Commercial Property	Vacant Property	Other	Less: Tax Exempt Real Property
2011	\$ 261,810,983	\$ 45,198,563	\$ 2,204,842	\$ 71,544,679	\$ 46,445,869
2010	263,770,555	46,357,047	2,387,307	71,183,911	46,975,939
2009	265,575,827	46,286,235	2,354,454	71,118,730	47,455,305
2008	266,664,631	46,281,700	2,354,454	71,118,730	47,455,305
2007	266,185,449	46,901,830	2,825,488	70,878,314	48,261,051
2006	265,339,030	47,690,042	3,103,276	70,968,877	48,716,481
2005	264,079,140	48,466,141	3,012,788	70,944,975	49,171,601
2004	259,820,051	49,819,401	3,502,713	71,543,502	49,520,453
2003	257,266,727	50,534,545	3,887,938	71,555,294	49,881,231
2002	253,729,440	51,298,230	4,155,668	72,390,893	50,219,092

Source: Town of Huntington Department of Information Technology

(a) - Town of Huntington's Refuse District Tax Rate is based on a flat fee, not assessed valuation.

N/A - Information not available

Total Net Assessed Value	Total Direct Tax Rate (a)	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
\$ 334,313,198	25.18	0.88%	\$ 37,990,136,136	
336,722,881	25.18	0.82%	\$ 41,063,765,976	0.93%
337,879,941	25.18	0.76%	\$ 44,457,886,974	0.87%
338,964,210	25.18	0.77%	\$ 44,021,325,974	0.88%
338,530,030	23.84	0.80%	\$ 42,316,253,750	0.91%
338,384,744	23.27	0.87%	\$ 38,894,798,161	1.00%
337,331,443	22.64	0.94%	\$ 35,886,323,723	1.08%
335,165,214	22.10	1.06%	\$ 31,619,359,811	1.22%
333,363,273	20.91	1.20%	\$ 27,780,272,750	1.38%
331,355,139	20.15	1.41%	\$ 23,500,364,468	1.62%

TOWN OF HUNTINGTON
PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

Town Direct Rates

Years Ended December 31,	Full Valuation	State Equalization Rate	Total Taxable Assessed Value	Tax Levy For Town	Total Town Direct Tax Rate ¹
2011	\$37,990,136,136	0.88%	\$ 334,313,198	\$ 107,692,484	25.18
2010	41,063,765,975	0.82%	336,722,881	108,503,547	25.18
2009	44,457,886,973	0.76%	337,879,941	108,186,064	25.18
2008	44,021,325,974	0.77%	338,964,210	104,582,829	25.18
2007	42,316,253,750	0.80%	338,530,030	104,383,431	23.84
2006	38,894,798,161	0.87%	338,384,744	102,237,678	23.27
2005	35,886,323,723	0.94%	337,331,443	99,835,921	22.64
2004	31,619,359,811	1.06%	335,165,214	96,647,904	22.10
2003	27,780,272,750	1.20%	333,363,273	91,145,199	20.91
2002	23,500,364,468	1.41%	331,355,139	88,804,873	20.15

Source: Town of Huntington Department of Information Technology

¹ Per \$100 of assessed value

Overlapping Rates

County Tax Levy For Town	Total County Direct Rate ¹	School Levy	Total School Direct Rate ¹	Total Direct & Overlapping Rates
\$ 118,888,782	35.56	\$ 579,387,049	173.31	
114,639,824	34.05	566,610,386	168.27	227.50
113,772,335	33.67	595,186,877	176.15	235.01
104,451,179	30.81	572,110,308	168.78	224.78
109,948,191	32.48	547,479,443	161.72	218.04
106,354,217	31.43	519,189,924	153.43	208.13
109,177,519	32.37	480,304,965	142.38	197.39
101,303,804	30.23	436,456,700	130.22	182.55
101,437,057	30.43	398,569,919	119.56	170.90
97,466,547	29.41	366,387,525	110.57	160.13

TOWN OF HUNTINGTON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2011				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 36,818,330	11.01%
2	The Retail Property Trust	Real Estate	2,050,000	0.61%
3	Verizon	Utility	984,302	0.29%
4	Melville Industrial Associates	Office Building	922,000	0.28%
5	Huntington Quadrangle #1 Co.	Real Estate	850,000	0.25%
6	Reckson FS Limited Partnership	Commercial	801,465	0.24%
7	Tribune, LLC (Newsday)	Newspaper	551,000	0.16%
8	Grandview Hotel Limited	Hotel	550,000	0.16%
9	Avalon Bay Communities	Real Estate	532,400	0.16%
10	Hines Reit Three Huntington Quadrangle	Real Estate	500,000	0.15%
Total			<u>\$ 44,559,497</u>	<u>13.34%</u>

2002				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (b)
1	Keyspan Energy Corporation	Utility	\$ 31,406,536	9.48%
2	LIPA	Utility	4,575,477	1.38%
3	The Retail Property Trust	Real Estate	2,500,000	0.75%
4	Greens@Half Hollow LLC	Real Estate	1,511,390	0.46%
5	Melville Industrial Associates	Office Building	1,305,000	0.39%
6	Verizon	Utility	1,274,410	0.38%
7	Reckson FS Limited Partnership	Commercial	1,190,915	0.36%
8	Reckson Operating Partnership	Commercial	1,005,800	0.30%
9	Estee Lauder	Cosmetic Manufacturer	709,750	0.21%
10	TMCT, LLC (Newsday)	Newspaper	658,000	0.20%
Total			<u>\$ 46,137,278</u>	<u>13.92%</u>

Source: Town of Huntington Department of Information Technology

^(a) Total taxable assessed valuations per the Town's 2010 assessment roll for taxes levied in fiscal 2011 are \$334,313,198

^(b) Total taxable assessed valuations per the Town's 2001 assessment roll for taxes levied in fiscal 2002 are \$331,355,139

TOWN OF HUNTINGTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ended	Tax Levy	Total	Amount	Percent	Amount	Percent
December 31,	For Town ^(a)	Tax Levy ^(b)	Collected ^(c)	Collected for Town ^(d)	Uncollected ^(c)	Uncollected ^(d)
2011	\$ 107,692,484	\$ 879,997,364	\$ 107,692,484	100.00%	\$ -	0.00%
2010	108,503,547	862,046,658	\$ 108,503,547	100.00%	\$ -	0.00%
2009	108,186,064	851,271,257	\$ 108,186,064	100.00%	\$ -	0.00%
2008	104,582,829	812,218,796	\$ 104,582,829	100.00%	\$ -	0.00%
2007	104,383,431	792,607,515	\$ 104,383,431	100.00%	\$ -	0.00%
2006	102,237,678	757,314,066	\$ 102,237,678	100.00%	\$ -	0.00%
2005	99,835,921	716,834,156	\$ 99,835,921	100.00%	\$ -	0.00%
2004	96,647,904	660,650,889	\$ 96,647,904	100.00%	\$ -	0.00%
2003	91,145,199	616,003,150	\$ 91,145,199	100.00%	\$ -	0.00%
2002	88,804,873	576,714,000	\$ 88,804,873	100.00%	\$ -	0.00%
	<u>\$1,012,019,929</u>	<u>\$7,525,657,851</u>	<u>\$1,012,019,929</u>		<u>\$ -</u>	

TOWN OF HUNTINGTON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year Ended	Governmental Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	BANs	Capital Leases			
2011	94,334,163	-0-	\$ 295,678	94,629,841	0.97%	466
2010	99,003,914	-0-	284,950	99,288,864	1.03%	482
2009	98,551,800	-0-	394,220	98,946,020	0.97%	483
2008	98,712,647	-0-	392,650	99,105,297	1.01%	486
2007	98,775,151	-0-	437,107	99,212,258	1.04%	487
2006	94,644,275	-0-	599,041	95,243,316	1.04%	470
2005	90,912,645	-0-	693,754	91,606,399	1.04%	454
2004	91,130,223	-0-	784,293	91,914,516	1.09%	461
2003	92,371,790	-0-	532,238	92,904,028	1.16%	470
2002	93,797,014	-0-	624,519	94,421,533	1.22%	480

Source: Details regarding the outstanding debt can be found in the notes to the financial statements

¹ See the schedule of Demographic and Economic Statistics for personal income and population.

TOWN OF HUNTINGTON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value ¹ of Property	Per Capita ²
2011	\$ 94,334,163	\$ -	\$ 94,334,163	0.25%	465
2010	99,003,914	(263,178)	98,740,736	0.24%	479
2009	98,551,800	(620,781)	97,931,019	0.22%	478
2008	98,712,647	(980,083)	97,732,564	0.22%	479
2007	98,775,151	(1,312,215)	97,462,936	0.23%	478
2006	94,644,275	(1,605,005)	93,039,270	0.24%	459
2005	90,912,645	(1,890,127)	89,022,518	0.25%	441
2004	91,130,223	(2,207,646)	88,922,577	0.28%	446
2003	92,371,790	(2,790,637)	89,581,153	0.32%	453
2002	93,797,014	(3,276,550)	90,520,464	0.39%	460

Note: Details regarding outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Assessed Value, Equalization Rate and Estimated Full Value of Real Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics

TOWN OF HUNTINGTON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2011

<u>Governmental Unit</u>	<u>Net Long-Term Debt</u>	<u>Percentage Applicable to the Town of Huntington</u>	<u>Town of Huntington Share of Debt</u>
Direct:			
Town of Huntington	\$ 94,334,163	100.00%	\$ 94,334,163
Component Units	24,915,837	100.00%	24,915,837
Total direct Debt			<u>119,250,000</u>
Overlapping:			
County	\$ 1,916,259,584	14.00%	268,276,342
Villages	8,534,893	100.00%	8,534,893
School Districts	382,732,592	66.38%	254,050,656
Fire Districts	8,407,689	100.00%	8,407,689
Total overlapping debt			<u>539,269,580</u>
Total direct and overlapping debt			<u>\$ 658,519,580</u>

Source: Official Statement of the Town of Huntington

Note: Amounts are inclusive of component unit debt.

TOWN OF HUNTINGTON
DEBT LIMIT MARGIN INFORMATION
December 31, 2011

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2011	\$ 334,313,198	0.88%	\$ 37,990,136,136
2010	\$ 336,722,881	0.82%	\$ 41,063,765,976
2009	337,879,941	0.76%	\$ 44,457,886,974
2008	338,964,210	0.77%	44,021,325,974
2007	338,530,030	0.80%	42,316,253,750
Total Five Year Full Valuation			<u>\$ 209,849,368,810</u>
Five Year Average Full Valuation of Taxable Real Property			<u>\$ 41,969,873,762</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>\$ 2,937,891,163</u>
Outstanding Indebtedness at December 31st			\$ 119,250,000
Less: Water Bonds			<u>24,915,837</u>
Net Indebtedness Subject to Debt Limit			<u>\$ 94,334,163</u>
Net Debt Contracting Margin			<u>\$ 2,843,557,000</u>
Percentage of Net Debt Contracting Margin Available			96.79%
Percentage of Net Debt Contracting Power Exhausted			3.21%

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Appropriations for Debt Principal	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percentage of Net Debt Contracting Margin Available
2011	\$ 2,937,891,163	\$ 119,250,000	\$ 24,915,837	\$ 94,334,163	\$ 2,843,557,000	96.79%
2010	2,950,556,432	99,003,913	29,238,675	69,765,238	2,880,791,194	97.64%
2009	2,878,072,240	118,345,005	25,769,146	92,575,859	2,785,496,381	96.78%
2008	2,698,332,860	118,335,002	27,383,430	90,951,572	2,607,381,288	96.63%
2007	2,470,958,115	117,165,002	27,089,502	90,075,500	2,380,882,615	96.35%
2006	2,207,535,665	114,100,000	27,695,108	86,404,892	2,121,130,773	96.09%
2005	1,957,877,458	111,972,231	29,521,954	82,450,277	1,875,427,181	95.79%
2004	1,722,924,087	110,777,230	27,459,533	83,317,697	1,639,606,390	95.16%
2003	1,514,072,841	109,637,230	24,055,493	85,581,737	1,428,491,104	94.35%
2002	1,351,293,808	104,150,002	21,589,001	82,561,001	1,268,732,807	93.89%

TOWN OF HUNTINGTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year Ended December 31,	Population¹	Personal Income (millions of dollars)	Per Capita Income³	Unemployment Rate²	Year-Round Households Estimate⁴	Average Household Size Estimates⁴	Population Density Per Square Mile⁴
2011	203,055	9,735	47,944	6.3%	69,311	2.89	2,160
2010	205,944	9,605	46,638	6.2%	69,165	2.93	2,191
2009	204,784	10,154	49,582	6.3%	68,940	2.92	2,179
2008	203,977	9,819	48,138	5.3%	68,696	2.92	2,170
2007	203,834	9,526	46,736	3.5%	68,713	2.92	2,168
2006	202,767	9,201	45,375	2.8%	68,528	2.91	2,157
2005	201,679	8,819	43,730	3.5%	68,164	2.91	2,145
2004	199,551	8,402	42,107	3.3%	67,388	2.91	2,123
2003	197,626	8,037	40,666	3.8%	66,642	2.92	2,102
2002	196,789	7,764	39,454	3.6%	67,708	2.92	2,166

Sources:

- ¹ Bureau of the Census/Long Island Regional Planning Board/Long Island Almanac LIPA Survey
- ² Bureau of Economic Analysis/State Department of Labor
- ³ Long Island Regional Planning Board
- ⁴ Long Island Business News - Doing Business on Long Island/LIPA Survey

**TOWN OF HUNTINGTON
PRINCIPAL EMPLOYERS
CURRENT YEAR**

2011					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,068	2.0%
2	Estee Lauder	Melville	Cosmetics	1,629	1.6%
3	Northport Veterans Affairs Medical Center	Northport	Healthcare	2,000	1.9%
4	Newsday	Melville	Newspaper	1,800	1.7%
5	Marchon Eyewear	Melville	Healthcare	994	1.0%
6	Town of Huntington	Huntington	Government	916	0.9%
7	Western Suffolk BOCES	Huntington	Education	1,276	1.2%
8	BAE	Greenlawn	Technology	750	0.7%
9	Henry Shein	Melville	Medical Supplies	700	0.7%
10	Marcum LLP	Melville	Consulting	600	0.6%

Source: Manta.com

TOWN OF HUNTINGTON
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTIONS
LAST TEN YEARS

Function	Full-time Equivalent Employees as of December 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government support	270	263	275	288	295	309	296	289	316	317
Public safety	82	79	78	80	84	80	77	75	84	88
Health	5	5	5	4	4	5	4	4	8	5
Transportation	230	230	230	235	237	230	227	234	246	233
Economic assistance and opportunity	28	30	26	29	33	29	27	28	32	29
Culture and recreation	167	160	145	136	150	158	159	158	167	170
Home and community services	150	157	163	178	173	181	169	170	176	179
Total	932	924	923	950	976	992	959	958	1,029	1,021

Source: Department of Information Technology

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TOWN OF HUNTINGTON
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2011	2010	2009	2008	2007
Function					
Public Safety					
Building					
Residential building permits issued	2,170	2,100	2,312	2,506	2,436
Commercial building permits issued	353	225	213	301	572
Building inspections	11,388	10,558	11,670	14,621	15,470
Fire Prevention					
Fire inspections*	1,203	1,835	3,820	4,309	4,216
Transportation					
Public Transportation					
Average daily ridership	869	880	912	929	880
Streetlighting					
Energy Efficient Streetlights					
Public Safety					
Parking violations	9,104	9,801	10,065	13,087	13,262
Accessory apartment permits	1,555	1,494	1,827	1,747	1,958
Highways and streets					
Street resurfacing (miles)	28	32	30	40	49
Number of trees planted	340	456	445	312	154
Number of trees removed	1,900	750	710	800	676
Energy Efficient Streetlights					
Culture and Recreation					
Beach permits issued	10,453	10,922	10,479	10,846	7,877
Rounds of golf	66,242	72,223	73,350	79,030	79,654
Recreation program registrations	10,906	10,818	15,116	13,673	14,467
Home and Community Services					
Sanitation					
Refuse collected (tons/day)	273.0	263.5	268.7	283.8	301.0
Recyclables collected (tons/yr)	39,528	40,518	40,542	40,351	39,252
Water					
Water main breaks	8	10	8	10	16
Average daily consumption (thousands of gallons)	5,512	6,504	4,648	5,247	6,259
Sewer Usage					
Average daily sewage treatment (millions of gallons)	2.5	2.4	2.1	2.0	2.0
Wastewater					
Average daily sewage treatment (thousands of gallons)	44	45	46	47	50

Source: Various government departments of the Town of Huntington

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
3,130	3,100	3,566	4,336	4,037
246	270	271	261	240
16,812	16,304	18,028	16,321	13,129
4,739	4,869	4,659	4,481	4,431
863	803	853	862	902
15,905	7,708	8,358	8,855	18,194
1,978	1,969	1,977	1,985	1,971
50	45	50	55	50
438	-0-	250	313	403
610	670	700	580	640
8,405	9,135	9,771	9,865	9,900
81,422	82,927	81,522	70,314	82,837
11,323	11,083	10,792	11,082	11,160
311.2	314.3	315.7	303.3	290.2
47,133	47,712	51,477	53,086	47,887
4	11	11	11	9
5,366	5,876	4,914	4,685	6,090
2.0	1.9	2.0	1.9	1.8
45	54	60	54	67

TOWN OF HUNTINGTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2011	2010	2009	2008	2007
Function					
General Government					
Municipal Building	1	1	1	1	1
Public safety					
Vehicles	37	38	45	42	42
Transportation					
Public Transportation					
Buses	24	20	20	21	23
Highways and streets					
Streets (miles)	802.0	802.0	802.0	796.7	796.7
Streetlighting					
Traffic signals	239	238	236	233	234
Culture and recreation					
Parks					
Parks	40	40	40	40	40
Beaches	9	9	9	9	9
Boat launch ramps	5	5	5	5	5
Golf Courses	2	2	2	2	2
Ice Rinks	1	1	1	1	1
Marinas	3	3	3	3	3
Rifle Ranges	-0-	-0-	-0-	-0-	-0-
Rollerblading Parks	3	3	3	3	3
Skateboarding Parks	2	2	1	1	1
Swimming pools	1	1	1	1	1
Home and Community Services					
Sanitation					
Collection trucks	26	26	26	25	26
Resource Recovery Plants					
Maximum daily capacity (tons burned per day)	750	750	750	750	750
Water					
Fire hydrants	1,284	1,284	1,284	1,284	1,284
Water mains (miles)					
Maximum daily capacity (millions of gallons)	33.3	33.3	33.3	33.3	33.3
Sewer					
Sanitary sewers (miles)	26.0	26.0	26.0	26.0	26.0
Maximum daily treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5

Source: Various government departments of the Town of Huntington

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
1	1	1	1	1
41	40	40	36	34
23	23	23	23	22
796.7	796.7	796.7	796.7	796.7
223	219	215	210	210
40	40	40	40	40
9	9	9	9	9
5	5	5	5	5
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
26	27	27	27	27
1	1	1	1	1
750	750	750	750	750
1,284	1,284	1,284	1,284	1,281
169	169	169	169	169
33.3	33.3	33.3	29.3	29.3
26.0	26.0	26.0	26.0	26.0
2.5	2.5	2.5	2.5	2.5

