

OFFICIAL STATEMENT

**NEW & RENEWAL ISSUE: SERIAL BONDS
RENEWAL ISSUE: BOND ANTICIPATION NOTES
NOT BANK QUALIFIED**

**MOODY'S RATING: Aaa (Negative Outlook)
S&P RATING: AAA (Stable Outlook)
FITCH RATING: AAA (Negative Outlook)
See "Ratings" herein**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In the opinion of Bond Counsel, interest on the Notes is included in gross income for Federal income tax purposes pursuant to the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The Town will not designate Bonds and the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

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

**\$12,990,000 PUBLIC IMPROVEMENT SERIAL BONDS - 2015
(the "Bonds")**

FIDELITY CAPITAL MARKETS

DATE OF ISSUE: DECEMBER 8, 2015

**DUE: DECEMBER 1, 2016-2030
(as shown on inside cover)**

and

**\$1,000,000 BOND ANTICIPATION NOTES – 2015 (FEDERALLY TAXABLE)
(the "Notes")**

**At an Interest Rate of 1.25% (Reoffered @ 0.80%)
OPPENHEIMER & CO.**

DATE OF ISSUE: DECEMBER 8, 2015

DUE: DECEMBER 8, 2016

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

The Bonds will be issued as registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds.

Interest on the Bonds will be payable semi-annually on June 1 and December 1 in each year until maturity, commencing June 1, 2016. The record date for the Bonds will be the fifteenth day of the month preceding each interest payment date. The Bonds maturing on or after December 1, 2024 will be subject to optional redemption prior to maturity as described herein. (See "Optional Redemption-Bonds" herein). Principal of and interest on the Bonds will be paid by the Town to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Notes will be issued as book-entry only notes registered to Cede & Co., DTC will act as securities depository for the Note and owners will not receive certificates representing their interest in the Note. Individual purchases of such registered Note may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchasers at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry-Only System" herein. The Notes will not be subject to redemption prior to maturity.

The Bonds and Notes are offered subject to the final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Town, and certain other conditions. It is expected that delivery of the Bonds and Notes in definitive form will be made on or about December 8, 2015.

Dated: December 1, 2015

MATURITY SCHEDULE

\$12,990,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2015

DATED: DECEMBER 8, 2015

DUE: DECEMBER 1, 2016-2030

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>
2016	\$735,000	2.00%	0.41%	446457WA7	2024	\$880,000*	2.000%	1.93%	446457WJ8
2017	745,000	2.00	0.73	446457WB5	2025	905,000*	2.000	2.05	446457WK5
2018	765,000	2.00	0.93	446457WC3	2026	925,000*	2.125	2.25	446457WL3
2019	785,000	2.00	1.11	446457WD1	2027	945,000*	2.250	2.35	446457WM1
2020	805,000	2.00	1.25	446457WE9	2028	970,000*	2.375	2.50	446457WN9
2021	820,000	2.00	1.49	446457WF6	2029	995,000*	2.500	2.60	446457WP4
2022	840,000	2.00	1.65	446457WG4	2030	1,015,000*	3.000	2.70	446457WQ2
2023	860,000	2.00	1.78	446457WH2					

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

TOWN OF HUNTINGTON

FRANK P. PETRONE
Supervisor

Town Board

SUSAN A. BERLAND
EUGENE COOK
MARK A. CUTHBERTSON
TRACEY A. EDWARDS

JO-ANN RAIK
Town Clerk

PETER GUNTHER
Superintendent of Highways

ESTER BIVONA
Receiver of Taxes

PEGGY KARAYIANAKIS
Interim Town Comptroller

CINDY ELAN-MANGANO
Town Attorney

Bond Counsel
HAWKINS DELAFIELD & WOOD LLP
NEW YORK, NEW YORK

FINANCIAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
Hudson Valley * Long Island * New York City * Southern Tier * Western New York
(516) 364-6363

TABLE OF CONTENTS

	<u>Page</u>
THE BONDS AND NOTES	1
Description of the Bonds	1
Description of the Notes	1
Authority For and Purpose of the Bonds	1
Authorization and Purpose of the Notes	2
Nature of Obligation	2
Optional Redemption - Bonds	2
Optional Redemption - Notes	3
Book-Entry-Only System	3
MARKET FACTORS AND BONDHOLDER AND NOTEHOLDER RISKS	4
LITIGATION	6
TAX MATTERS FOR THE BONDS	6
Opinion of Bond Counsel	6
Certain Ongoing Federal Tax Requirements and Certifications	7
Certain Collateral Federal Tax Consequences	7
Original Issue Discount	7
Bond Premium	8
Information Reporting and Backup Withholding	8
Miscellaneous	8
TAX MATTERS FOR THE NOTES	8
Opinion of Bond Counsel	8
Original Issue Discount	9
Acquisition Discount on Short-Term Notes	9
Note Premium	9
Disposition and Defeasance	10
Backup Withholding and Information Reporting	10
U.S. Holders	10
DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND NOTES	10
Absence of Litigation	10
Legal Matters	11
Closing Certificates	11
DISCLOSURE UNDERTAKING	11
Disclosure Undertaking for the Bonds	11
Disclosure Undertaking for the Notes	12
Compliance History	13
RATINGS	14
MISCELLANEOUS	14
APPENDIX A - THE TOWN	
TOWN OF HUNTINGTON	A-1
Retail Commercial Activity	A-1
Banking Facilities	A-2
Population Trends	A-2
Comparative Housing and Income Data	A-2
Major Employers	A-2
Building Permits	A-3
Resource Recovery Facilities	A-3
Town Landfill	A-3
Unemployment Rate Statistics	A-4
Form of Town Government	A-4
Financial Organization	A-4
Employees	A-4
Status and Financing of Employee Pension Benefits	A-4
Other Post Employment Benefits	A-6
Budgetary Procedures	A-6
Financial Statements	A-7
Town Investment Policy	A-7
TAX INFORMATION	A-8
Valuations	A-8
Tax Collection Record	A-8
Tax Rate per \$1,000 Assessed Valuation	A-8
Tax Collection Procedure	A-8
Larger Taxpayers	A-9
Real Property Taxes	A-9
Tax Levy Limit Law	A-9
TOWN INDEBTEDNESS	A-10
Constitutional Requirements	A-10
Statutory Procedure	A-11
Debt Outstanding End of Fiscal Year	A-11
Details of Outstanding Indebtedness	A-11
Debt Statement Summary	A-12
Debt Ratios	A-12
Bonded Debt Service	A-13
Capital Planning and Budgeting	A-13
Authorized but Unissued Bonds	A-13
Estimated Overlapping Indebtedness	A-14
Remedies Upon Default	A-14
APPENDIX B – FINANCIAL STATEMENT SUMMARIES UNAUDITED	
APPENDIX C – 2014 AUDITED FINANCIAL REPORT LINK	

OFFICIAL STATEMENT
OF THE TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK
\$12,990,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2015
and
\$1,000,000 BOND ANTICIPATION NOTES – 2015 (FEDERALLY TAXABLE)

This Official Statement, which includes the cover page and appendices hereto, has been prepared by the Town of Huntington, Suffolk County, New York (the "Town", "County", and "State", respectively) in connection with the sale by the Town of \$12,990,000 Public Improvement Serial Bonds - 2015 (the "Bonds") and \$1,000,000 Bond Anticipation Notes – 2015 (Federally Taxable) (the "Notes").

THE BONDS AND NOTES

Description of the Bonds

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

The Bonds are dated their date of delivery and mature as set forth on the inside cover page hereof. Interest on the Bonds will be payable semi-annually on June 1 and December 1 in each year until maturity, commencing June 1, 2016. The record date for the Bonds will be the fifteenth day of the month preceding each interest payment date. The Bonds maturing on or after December 1, 2024 will be subject to redemption prior to maturity as described herein. (See "*Optional Redemption-Bonds*" herein). Principal of and interest on the Bonds will be paid by the Town to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. (See "*Book-Entry-Only System*", herein.) The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as stated on the cover page.

The Town will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s). The Town's contact information is as follows: Peggy Karayianakis, Interim Comptroller, Town Hall, 100 Main Street, Huntington, NY 11743-6991, Phone: (631) 351-3310, pkarayianakis@huntingtonny.gov.

Authority For and Purpose of the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law, Local Finance Law and various bond resolutions, to finance the following:

<u>Purpose</u>	<u>Resolution Date</u>	<u>Amount</u>
Reconstruct Halesite Bulkhead	9/16/14	\$2,300,000
Resurface Athletic Courts	7/14/15	100,000
Improvements to Crabmeadow Pavilion	7/14/15	200,000
Install Computer Equipment	7/14/15	200,000
Acquisition of Vehicles and Equipment	7/14/15	200,000
Improvements to Buildings and Facilities	7/14/15	250,000
Resurfacing Parking Lot	7/14/15	300,000
Engineering for James Conte Center	7/14/15	500,000
Improvements to Erb Park	7/14/15	600,000
Improvements to Sweet Hollow Park	7/14/15	600,000

Project Helix-GIS Integration Planning	7/14/15	35,000
Traffic Calming	7/14/15	300,000
Improvements to Curbs and Sidewalks	3/10/15	150,000
Highway Equipment	3/10/15	400,000
Drainage Improvements	3/10/15	400,000
Road Improvements	3/10/15	2,350,000
Refuse District Equipment	7/14/15	225,000
Improvements for Wastewater District	7/14/15	190,000
South Huntington Water District	7/14/15	2,290,000
Greenlawn Water District	7/14/15	<u>1,400,000</u>
Total		<u>\$12,990,000</u>

Proceeds of the Bonds will be used to pay at maturity \$5,600,000 of outstanding bond anticipation notes, and provide \$7,390,000 in original financings.

Authorization and Purpose of the Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law, Local Finance Law and the following bond resolution:

<u>Purpose</u>	<u>Resolution Date</u>	<u>Amount</u>
Land Acquisition (Rotundo Property)	3/4/14	\$1,000,000

Proceeds of the Notes together with \$285,000 available funds will be used to pay at maturity outstanding bond anticipation notes that were issued pursuant to this authorization.

Nature of Obligation

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

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

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town’s power to increase its annual tax levy. (See “*Tax Levy Limit Law*” herein).

Optional Redemption - Bonds

The Bonds maturing on or before December 1, 2023 will not be subject to redemption prior to maturity. The Bonds maturing on or after December 1, 2024 will be subject to redemption prior to maturity, at the option of the Town, on December 1, 2023 and thereafter on any date, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at a price equal to the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The Town may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the Town shall determine to be in the best interest of the Town at the time of such redemption. If less than all of the bonds of any maturity are to be redeemed prior to maturity, the particular bonds for such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town Supervisor. The Bonds shall be redeemable prior to maturity upon the giving of notice which identifies the Bonds to be redeemed, by mailing such notice to the registered holders thereof at their respective addresses as shown upon the registration books of the fiscal agent not more than

sixty (60) nor less than thirty (30) days prior to the date set for any such redemption. If notice of redemption shall be given as aforesaid, the Bonds so called for redemption shall become due and payable at the applicable redemption price on the redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

Optional Redemption - Notes

The Notes will not be subject to redemption prior to maturity.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds and Notes issued as book-entry only (hereinafter in this section referred to as the “DTC Securities”). The DTC Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. One fully-registered note certificate will be issued for all Notes which bear the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.org.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the DTC Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Principal and interest payments on the DTC Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Town or Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the DTC Securities at any time by giving reasonable notice to The Town or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

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

MARKET FACTORS AND BONDHOLDER AND NOTEHOLDER RISKS

There are various forms of risk associated with investing in the Bonds and Notes. Although none of such risks currently exist with respect to the Town or the Bonds and Notes, there can be no assurance that one or more of such events will not occur in the future. One such risk is that the Town will be unable to promptly pay interest and principal on the Bonds and Notes as they become due (see "Remedies Upon Default" herein). If a Bondholder or Noteholder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Bonds or Notes. In addition, there may be other risk factors which a potential investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the Town as well as the market for the Bonds or Notes could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds or Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby impairing the acceptability of obligations

issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds and Notes, could be adversely affected.

There are a number of factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly its property taxes. For instance, an unexpected increase in certiorari proceedings could result in a large reduction in the assessed valuation of Bonds real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing considerable strain on the Town's financial condition.

A deterioration of Town finances could cause the credit rating of the Town to be lowered, suspended or withdrawn, if such action were to be deemed appropriate by Moody's Investors Service, Standard & Poor's or Fitch Ratings. Any of such actions on the part of Moody's Investors Service, Standard & Poor's or Fitch Ratings could have an adverse effect on the market price of the Bonds and Notes or the availability of a secondary market for the Bonds and Notes.

If and when a holder of any of the Bonds or Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds or Notes. In addition, the price and principal value of the Bonds and Notes is generally dependent on the prevailing level of interest rates; if interest rates rise, the price of a Bond or Note is likely to decline, causing the Bondholder or Noteholder to potentially incur a capital loss if such bond or note is sold prior to its maturity.

Amendments to the Internal Revenue Code of 1986, as amended, could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and Notes and other debt issued by the Town. Any such future legislation could have an adverse effect on the market value of the Bonds and Notes (See "*Tax Matters*" herein).

The financial condition of the Town is dependent in part on financial assistance from the State in the form of State Aid that has been and is expected to be received from the State in the future. However, the State is not constitutionally obligated to maintain or continue State aid to municipalities and school districts in the State, including the Town and, as a result, no assurance can be given that present State aid levels will be maintained in the future, particularly if the State should experience financial difficulty of its own. In some recent years, the Town's receipt of State aid was delayed as a result of the State's delay in adopting its budget and appropriating State aid to municipalities and school districts and other circumstances, including State fiscal stress. Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a cut in State aid, the Town may be adversely affected by such a delay. However, if the Town anticipates not receiving payment of State aid that is due, on a timely basis as needed, it is authorized by the Local Finance Law to provide operating funds by borrowing on account of such uncollected State aid. There can be no assurance that in such event, the Town will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State aid would likely have a materially adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. See also "*State Aid and Other Revenue Matters*".

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation."

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

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and Federal statutes. The last audit conducted by OSC was released on May 24, 2013. The purpose of the audit was to examine the Town's payroll and legal services practices for the period January 1, 2011 through May 31, 2012. The complete report can be obtained from OSC's website.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. Other than the following listed case, the Town does not believe that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

In October 2010, LIPA/National Grid filed a tax certiorari claim in Supreme Court, Suffolk County, seeking a significant reduction in the assessment of the Northport Power Plant. This facility currently has an assessed valuation of \$30,233,050 which represents approximately 9% of the Town's tax base. The Town is vigorously defending its assessment of the plant and has hired various experts including engineers and appraisers to make its case. The Town has also initiated a separate lawsuit against LIPA to defend its claim that the Town is a Third Party Beneficiary of LIPA's pledge not to initiate Tax Certiorari proceedings providing the Town did not increase the assessment on the plant. That litigation withstood a Motion to Dismiss in Supreme Court, Suffolk County and was affirmed on appeal. If successful, the Tax Certiorari cases for 2010 through 2013 would be dismissed. If LIPA/National Grid is successful in its tax certiorari claim, the Court could order a reduction in the assessment of the Northport Power Plant, which would reduce the taxes paid by LIPA/National Grid to the Town. Any reduction in assessment ordered by the court would be permanently reapportioned among the Town's remaining real property tax base. In the event that the court does order a reduction in the assessment for prior years, the resulting tax refunds for such years would be an obligation of the County and in the year following any payments by the County, there would be imposed a one-time "charge back" of such amounts to residents of the Town. The Town does not expect that an adverse outcome would have a material adverse impact upon the financial condition of the Town or the Town's ability to pay principal and interest on the Notes.

TAX MATTERS FOR THE BONDS

Opinion of Bond Counsel

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

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

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Bonds is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Bond having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bond under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds.

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

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

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “Bond premium” on that Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the Bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the Bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the Bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the Bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a Bonds gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of Bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of Bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

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

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

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. For example, the Fiscal Year 2016 Budget proposed by the Obama Administration recommends a 28% limitation on “all itemized deductions, as well as other tax benefits” including “tax-exempt interest.” The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt obligation with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt obligation, regardless of the issue date.

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

TAX MATTERS FOR THE NOTES

Opinion of Bond Counsel

In the opinion of Bond Counsel to the Town, interest on the Notes (i) is included in gross income for Federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York.

The following discussion is a brief summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of the Notes by original purchasers of the Notes who are “U.S. Holders,” as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Notes will be held as “capital assets”; and (iii) does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Notes as a position in a “hedge” or “straddle,” holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire the Notes in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Holders of the Notes should consult with their own tax advisors concerning the United States Federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount (“OID”) on a Note is greater than a statutorily defined de minimis amount, a holder of a Note having a maturity of more than one year from its issue must include in Federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such a Note) the daily portion of OID, as it accrues (generally on a constant yield method) and regardless of the holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price.” For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Note is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest,” provided by such a Note; “qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “de minimis amount” is an amount equal to 0.25 percent of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A holder may irrevocably elect to include in gross income all interest that accrues on a Note using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Notes

Each holder of a Note with a maturity not longer than one year (a “Short-Term Note”) is subject to rules of Sections 1281 through 1283 of the Code, if such holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Note is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Short-Term Note accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant interest rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Note at maturity over the holder’s tax basis therefor.

A holder of a Short-Term Note not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the holder’s regular method of tax accounting, unless such holder irrevocably elects to accrue acquisition discount currently.

Note Premium

In general, if a Note is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Note other than “qualified stated interest” (a “Taxable Premium Note”), the holder of a Taxable Premium Note will be subject to Section 171 of the Code, relating to bond premium. In general, if the holder of a Taxable Premium Note elects to amortize that premium as “amortizable bond premium” over the remaining term of the Taxable Premium Note, determined based on constant yield principles (in certain cases involving a Taxable Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the holder will make a corresponding adjustment to the holder’s basis in the Taxable Premium Note. Any such election is generally

irrevocable and applies to all debt instruments of the holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the holder of a Taxable Premium Note may realize a taxable gain upon disposition of the Taxable Premium Note even though it is sold or redeemed for an amount less than or equal to the holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Note, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Note.

The Town may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Notes to be deemed to be no longer outstanding (a "defeasance"). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Notes subsequent to any such defeasance could also be affected.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate holders of the Notes with respect to payments of principal, payments of interest, and the accrual of OID on a Note and the proceeds of the sale of a Note before maturity within the United States. Backup withholding may apply to holders of Notes under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Note that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, could affect the market price or marketability of the Notes.

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND NOTES

Absence of Litigation

Upon delivery of the Bonds and Notes, the Town shall furnish a certificate of the Town Attorney, dated the date of delivery of the Bonds and Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds and Notes, or in any way contesting or affecting the validity of the Bonds and Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds and Notes and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds and Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds and Notes will be subject to the final approving opinions of the law firm of Hawkins Delafield & Wood LLP, Bond Counsel to the Town with respect to the Bonds and Notes, which will be available at the time of delivery of the Bonds and Notes. Such opinions will be to the effect that the Bonds and Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the Bonds real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and Notes and interest thereon, subject to the limitations imposed by the Tax Levy Limit Law. The opinions shall also discuss the treatment of interest on the Bonds and Notes under applicable tax laws, as further described in the section entitled "Tax Matters" and shall contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Bonds and Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said law firm gives no assurances as to the adequacy, sufficiency or completeness of the Official Statement of the Town relating to the Bonds and Notes, or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Bonds and Notes which have been or may be furnished or disclosed to purchasers of the Bonds and Notes.

Closing Certificates

Upon delivery of the Bonds and Notes, the Purchasers will be furnished with the following items: (i) a Certificate of the Supervisor to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Bonds and Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the Town since the date of this Official Statement to the date of issuance of the Bonds and Notes and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by an officer of the Town evidencing payment for the Bonds and Notes; (iii) a Signature Certificate evidencing the due execution of the Bonds and Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds and Notes or the collection of revenues to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds and Notes were authorized or affecting the validity of the Bonds and Notes thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds and Notes have been repealed, revoked or rescinded; and (iv) a Tax Certificate signed by the Town Supervisor, as described under "*Tax Matters*" herein.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

At the time of the delivery of the Bonds, the Town will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Bonds, to electronically file, or cause to be electronically filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") System, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the heading "Litigation" and in Appendix A under the headings "Town of Huntington", "Tax Information", "Town Indebtedness", and in Appendix B, within six months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2015 and (ii) within six months following the end of each fiscal year, the audited financial statement, if any, of the Town for each fiscal year commencing with the fiscal year ending December 31, 2015 unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be electronically filed with the MSRB and an audited financial statement shall be electronically filed with the MSRB within 30 days after it becomes available and in no event later than one (1) year after the end of each fiscal year;

(2) in a timely manner, not in excess of ten (10) business days after occurrence, notice of the following events:

principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal

Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur upon the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Town may electronically file with the MSRB notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the Town does not undertake to commit to electronically file such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, not in excess of ten (10) business days after occurrence, notice of a failure to provide the annual financial information by the date specified.

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Disclosure Undertaking for the Notes

This Official Statement is in a form "deemed final" by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the Town will provide an executed copy of its "Undertaking to Provide Notices of Events" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice of the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been

assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Town may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Notes.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Compliance History

On June 20, 2014, the Town filed a material event notice with EMMA regarding the current ratings of the bond insurer of past bonds issued by the Town. Since the fall of 2008, there have been over forty ratings actions on bond insurers by Moody's, Standard and Poor's (S&P) and Fitch Ratings (Fitch). The Town was late in filing this notice. Due to widespread knowledge of the downgrades to the bond insurer, material event notices were not filed in each instance.

On June 21, 2014, the Town filed a material event notice with EMMA regarding the change to the underlying rating of the Town by Moody's Investors Service, as a result of the recalibration of the U.S. municipal ratings from a municipal scale to the global scale in 2010, which resulted in a recalibrated rating of "Aaa". The Town was late in filing this notice. As this was a system wide recalibration by Moody's, and not considered an upgrade, a material event notice was not filed at the time.

On July 3, 2014, the Town filed a material event notice with EMMA regarding the change to the underlying rating of the Town by Fitch Ratings, as a result of the recalibration of the U.S. municipal ratings from a municipal scale to the global scale in 2010, which resulted in a recalibrated rating of "AAA". The Town was late in filing this notice. As this was a system wide recalibration by Fitch, and not considered an upgrade, a material event notice was not filed at the time.

For 2012 thru 2014 the Town's annual financial information and audited financial statements were filed on time. For 2011 they were filed approximately 30 days late. For 2010 the annual financial information was filed on time but the audited financial statements were filed approximately 60 days late. For 2009 the annual financial information was filed on time but the audited financial statements were filed approximately 30 days late. The Town filed a material event notice with EMMA on July 3, 2014 stating these late filings.

The Town has reviewed and modified its continuing disclosure practices and procedures to ensure that all continuing disclosure filings and material event notices are filed in a timely manner.

RATINGS

Moody's Investors Service, Inc. (Moody's) has assigned the Bonds the rating of Aaa (Negative Outlook). Standard & Poor's (S&P) has assigned the Bonds the rating of AAA (Stable Outlook). Fitch Ratings (Fitch) has assigned the Bonds the rating of AAA (Negative Outlook). Such ratings reflect only the view of such organizations and an explanation of the significance of such ratings may be obtained from such rating agencies as follows: Moody's Investors Service, Inc., 7 World Trade Center and 250 Greenwich Street, Public Finance Group – 23rd Floor, New York, New York 10007, (212) 553-0300; Fitch Ratings, 1 State Street Plaza-34th Floor, New York, NY 10004; Standard & Poor's Ratings Services, 55 Water Street – 40th Floor, New York, NY 10041.

There is no assurance that such ratings will continue for any given period of time or that one or more will not be revised downward or withdrawn entirely by the rating agency that issued it, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

The Notes have not been rated.

MISCELLANEOUS

Periodic public reports relating to the financial condition of the Town, its operations and the balances, receipts and disbursements of the various Funds of the Town are available for public inspection at Town Hall, 100 Main Street, Huntington, New York.

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

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

Additional information may be obtained by contacting the Town's financial advisor, Capital Markets Advisors, LLC at (516) 364-6363 or from the Town's Interim Comptroller (631) 351-3310.

This Official Statement is submitted only in connection with the sale of the Bonds and Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF HUNTINGTON

/S/ FRANK P. PETRONE
Town Supervisor

Dated: Huntington, New York
December 1, 2015

APPENDIX A
THE TOWN

TOWN OF HUNTINGTON

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

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

The Town encompasses an area of approximately 94 square miles and has a population of 203,447 according to the 2012 Census. There are four incorporated villages in the Town: Northport, Asharoken, Lloyd Harbor and Huntington Bay. In addition, there are several prominent unincorporated areas in the Town including Cold Spring Harbor, Elwood, Huntington, Huntington Station, South Huntington, Melville, East Northport, Halesite, Dix Hills, Centerport, Greenlawn and Fort Salonga.

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

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

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

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

Retail Commercial Activity

Walt Whitman Shops, located within the Town, has completed construction on an expansion of 72,000 square feet. Major nationally known retail chains that currently anchor the Walt Whitman Shops are Bloomingdales, Lord & Taylor, Macy’s, and Saks Fifth Avenue. The mall encompasses 1,043,000 sq. ft. and includes approximately 98 satellite stores.

The Town is home to a thriving downtown which hosts an art museum, movie theatre, about 50 restaurants and 200 retail stores, a planned boutique hotel as well as a renovated live performing arts theatre with talent provided through LiveNation.

Banking Facilities

One or more offices of the following commercial banking institutions are located in the Town:

Bank of America	Herald National Bank
Bank United	HSBC Bank
Capital One Bank	JP Morgan Chase Bank
Citibank, N.A.	M&T Bank
Community National Bank	New York Commercial Bank
First National Bank of Long Island	Suffolk County National Bank
Flushing Commercial Bank	TD Bank
Gold Coast National Bank	Valley National Bank
	Well Fargo Bank

In addition, there are a number of savings banks and savings and loan institutions located in the Town.

Population Trends

	<u>Town of Huntington</u>	<u>Suffolk County</u>	<u>New York State</u>
1970	199,486	1,126,530	18,241,266
1980	201,530	1,284,231	17,558,165
1990	191,474	1,321,864	18,044,505
2000	195,269	1,419,369	18,976,457
2010	203,264	1,493,350	19,378,102
2013	203,447	1,495,803	19,487,053

Source: U.S. Census.

Comparative Housing and Income Data

<u>Housing:</u>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
Median Value Housing (\$)	525,400	424,200	303,900	188,400
Median Gross Rent (\$)	1,000+	945	903	713
 <u>Income:</u>				
Per Capita Income (\$)	55,975	35,755	30,948	27,334
Median Family Income	110,988	84,506	55,603	51,914

Source: 2010 Census of Population and Housing, U.S. Department of Commerce, Bureau of the Census.

Major Employers

Here follows a list of major employers located with the Town:

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Huntington Hospital	Hospital	2,000
Northport Veterans Affairs Medical Center	Healthcare	2,000
Estee Lauder, Inc.	Cosmetics	1,629
Canon	Imaging Products	1,400
Newsday	Newspaper	1,228
Western Suffolk BOCES	Education	1,207
Marchon Eyewear, Inc.	Healthcare	994
BAE	Technology	650
Town of Huntington	Government	703
Henry Shein Inc.	Medical and Dental Supplies	700

Source: Town of Huntington Audit & Control.

Building Permits

<u>Classification</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
One Family	227	221	272	234	187	204
Commercial/Industrial	19	20	32	25	43	37
Alt. & Add. (res.)	820	794	770	767	754	801
Alt. & Add. (Other)	251	229	283	304	266	260
Demolish Various Bldgs.	217	190	236	177	217	218
Other	<u>994</u>	<u>905</u>	<u>951</u>	<u>1,016</u>	<u>1,208</u>	<u>1,467</u>
Totals	2,528	2,359	2,544	2,523	2,675	2,987

Source: Town of Huntington Building Department.

Resource Recovery Facilities

In September 1989, the Town Board closed the Town's sixty year old landfill, and thereafter entered into an agreement with the neighboring Town of Smithtown. This agreement, executed in December 1989, provided that until such time as the Town's waste-to-energy facility was constructed, the Town would share the use of Cells 5 and 6 in Smithtown's State-approved landfill for the disposal of its solid waste. For the reserving of capacity and the transfer of a fee interest in Cell 5, the Town paid the Town of Smithtown a charge of approximately \$33.30 per ton of solid waste deposited therein. For its use of Cell 6, which was constructed to receive solid waste upon the Cell 5 being filled to capacity, the Town agreed to pay the Town of Smithtown a fee equal to a portion of the capital and usage costs associated with that cell, as well as the continuing costs incurred after Cell 6 was no longer utilized. The Town is paying 52.44% of such costs. Included in the capital costs was a general obligation bond issued by the Town of Smithtown to finance the construction of the Cell 6. Cell 6 has been capped. The total cost to close and cap Cell 6 was \$7,523,365 and the Town's proportionate share of 52.44% was \$3,945,253 paid from a reserve account that was set aside for such purpose.

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

Industrial Development Bonds are not general obligations of the Town and do not constitute any indebtedness of or charge against the general credit of the Town. However, the Town has entered into a Service Agreement with Covanta Huntington, LP pursuant to which the Town has certain obligations with respect to the delivery of waste to the facility and the payment of related service fees, which when combined with revenue from the sale of facility-generated electricity, will finance both the operating expenses and debt service of the facility. The Service Agreement has an initial term that expired 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.

As further consideration for allowing the Town to use Cell 6 at the Smithtown landfill, the agreement grants the Town of Smithtown the right to deliver its processible solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement with Covanta Huntington, LP. The total cost paid by the Town of Huntington under the Service Agreement during 2014 was \$12,612,011 of which \$3,371,320 was reimbursed by the Town of Smithtown.

Town Landfill

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

Unemployment Rate Statistics

The information set forth below with respect to the County, State and Town is included for information purposes only.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Town of Huntington	6.9%	6.6%	6.8%	5.7%	4.6%
Suffolk County	7.7%	7.6%	7.8%	6.5%	5.3%
New York State	8.6%	8.3%	8.5%	7.7%	6.3%

	<u>2015 Monthly Figures</u>										
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>
Huntington Town	4.93%	4.8%	4.4%	4.0%	4.2%	4.2%	4.4%	4.0%	4.2%	N/A	N/A
Suffolk County	5.7%	5.6%	5.1%	4.6%	4.6%	4.6%	5.1%	4.7%	4.6%	N/A	N/A
New York State	6.5%	6.4%	5.8%	5.5%	5.3%	5.2%	5.4%	5.0%	4.8%	N/A	N/A

Source: State of New York, Department of Labor. (Note: Figures not seasonally adjusted).

Form of Town Government

The chief executive officer of the Town is the Supervisor who is elected for a term of four years and is eligible to succeed himself. He also is a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected for four year terms. Each term is staggered so that every two years two councilpersons are elected. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Supervisor and councilpersons 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 is elected for a four year term and the Receiver of Taxes is elected for a four year term.

Financial Organization

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

Employees

The Town employs approximately 702 full-time employees. The employees in collective bargaining agreements are shown below.

<u>No. of Employees</u>	<u>Unit</u>	<u>Expiration Date</u>
205	Civil Service Employees Association	12/31/16
342	Long Island Service Employees, ILA, Labor Unit	12/31/15
78	Long Island Service Employees, ILA, Supervisory Unit	12/31/15

Status and Financing of Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State

Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contribution become voluntary. Members hired after January 1, 2010 must contribute 3%, or more of their gross annual salary toward the cost of retirement programs for the duration of their employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year are based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. The law also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town has prepaid its employer contributions each December since the option was made available in 2004.

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

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of NYS public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

As a result of significant market declines in certain recent years, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result it is anticipated that, the employer contribution rate for the State's Retirement System may be higher than the minimum contribution rate established by law. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to the new law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town amortized its contribution in 2013. The Town did not amortize its contribution in 2014.

In 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). Each plan allows municipalities to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. For ERS, the 2013-14 SCO rate is 12%. The Town will not be participating in the ERS SCO plan at this time; however the Town has the option to do so in future years in accordance with existing legislation.

Other Post Employment Benefits

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

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

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the Town. The Town’s hired actuarial consulting firm has determined as of January 1, 2014 the unfunded actuarial accrued liability to be \$199,225,531 and as of December 31, 2014 the ARC to be \$15,999,837 for both the Town and its component units. Should the Town be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Town to partially fund its actuarial accrued OPEB liability. The State does not currently authorize municipalities, including the Town, to set up reserves to fund their OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the expenditure on a pay-as-you-go basis.

In April 2015, the State Comptroller announced proposed legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The State Comptroller’s proposal would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the State Comptroller’s proposal, there are no limits on how much a local government can deposit into the trust.

Budgetary Procedures

The Supervisor prepares a tentative budget each year which 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 then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum. The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions outlined in the law. All budgets of the Town adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limit Law. (See “*Tax Levy Limit Law*” herein). The 2016 Operating Budget was adopted by the Town Board on November 5, 2015.

Financial Statements

The financial affairs of the Town are subject to examination by the State Comptroller in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audits of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office. The Town retains the firm of Cullen & Danowski, LLP for the purpose of an independent audit each year. Audit reports are available for review at the Town Hall of the Town.

Summary statements of the results of operations for various funds, shown in Appendix B of this Official Statement, have been derived from the annual and audited financial reports of the Town and are provided in memorandum form for information only. The summaries themselves are not audited.

Town Investment Policy

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

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

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

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

State Aid and Other Revenue Matters

The Town also receives certain State aid (per capita, programmatic aid and mortgage tax). In the General Fund Final budget for the 2016 fiscal year, State Aid represents approximately 10% of the operating revenues.

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

The State is not constitutionally obligated to maintain or continue State aid to the Town. Accordingly, no assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which may eliminate or substantially reduce State aid could have materially adverse effects upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "Market Factors And Bondholder and Noteholder Risks").

Historically, the Town has realized surplus funds from operations. These funds have in part been used to fund, from time-to-time during the course of a fiscal year, supplemental appropriations for anticipated Town needs. Portions of the balance of such surplus funds have been appropriated in the budget adopted for the next fiscal year.

Other Information

The fiscal year of the Town is the calendar year.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town except to the extent shown in the section entitled “*Estimated Overlapping Indebtedness.*”

TAX INFORMATION

Valuations

Year Ending December 31:	Bonds Assessed Valuation	State Equalization Rate	Full Valuation
2011	\$334,313,198	0.88%	\$37,990,136,136
2012	331,665,948	0.88	37,689,312,272
2013	328,724,473	0.90	36,524,941,444
2014	327,205,498	0.90	36,356,166,444
2015	325,757,112	0.89	36,601,922,697

Tax Collection Record

As of May 31:	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy ¹	\$862,060,354	\$879,997,364	\$918,665,388	\$941,140,645	\$960,878,249	\$990,124,578
Amount to Town Supervisor	747,420,530	761,108,582	791,338,298	809,174,772	828,251,272	849,582,079
Amount to County Treasurer	114,639,824	118,888,782	127,337,090	131,965,873	132,626,977	140,542,439
Uncollected (Returned)	24,964,228	24,068,926	22,906,987	22,282,297	24,722,780	N/A
Adjusted Percent Uncollected When Due ²	2.90%	2.74%	2.49%	2.37%	2.57%	N/A

¹Includes School, County, Town, and Special Districts.

²Historically, the Town has received 100% of its levy prior to the close of its fiscal year. See “Tax Collection Procedure.”

Tax Rate per \$1,000 Assessed Valuation

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Town-Town Wide	\$100.25	\$99.22	\$100.02	106.89	111.29	121.17
Highway Items and Part Town	130.92	130.23	134.83	131.74	118.14	119.84

Tax Collection Procedure

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

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

Larger Taxpayers

<u>Name</u>	<u>Type</u>	2015 <u>Assessed Valuation</u> ¹
Long Island Power Authority/Keyspan ²	Utility	\$37,321,818
The Retail Property Trust	Retail	2,000,000
Huntington Quadrangle	Real Estate	1,100,000
Melville Industrial Associates	Office Building	842,000
Reckson FS Limited Partnership	Commercial	801,465
Avalon Bay Communications	Apartments	774,375
Verizon	Utility	718,849
CKL-HP	Office Building	585,000
Estee Lauder	Cosmetics	469,700
Grandview Hotel Limit	Hotel	<u>425,000</u>
	Total	<u>\$45,038,207</u>
	Total as a percentage of Town assessed valuation	13.8%

Source: Town Assessment Rolls.

¹Includes applicable franchise assessments for utilities.

²See "Litigation" for additional information.

Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property. (See "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix A, herein). Property taxes accounted for 38% of total general fund revenues, for the fiscal year ended December 31, 2013. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town. (See "Tax Levy Limit Law" herein).

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the Bonds real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after January 1, 2012 continuing through June 15, 2016 (or later as provided in the Tax Levy Limit Law), without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the Bonds real property within the Town, without limitation as to rate or amount is subject to statutory limitations.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures

for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Town, a local law to override such limit for such coming fiscal year. The Town's tax levy for the 2014, 2015 and 2016 fiscal years did not exceed the cap imposed by the Law.

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

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Chapter 97 of the Laws of 2011, as amended imposes a statutory limitation on the Town's power to increase its annual tax levy. (See "*Tax Levy Limit Law*" herein).

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 such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. 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 serial 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 aggregate outstanding principal amount thereof shall not exceed seven per centum of the most recent five-year 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 appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Town voters at the discretion of the Town Board.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution, in summary or in full, which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Town has complied with such estoppel procedure for the Bonds and Notes.

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

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

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

In general, the Local Finance Law contains provisions providing the Town with power to issue certain other short-term general obligation indebtedness, including capital notes, revenue and tax anticipation notes and budget and deficiency notes.

Debt Outstanding End of Fiscal Year

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bonds	\$122,290,000	\$119,250,000	\$112,540,000	\$113,114,998	\$108,045,000
Bond Anticipation Notes	0	0	0	0	3,585,000
Installment Purchase Debt	<u>284,949</u>	<u>295,679</u>	<u>214,296</u>	<u>64,794</u>	<u>2,635</u>
Totals	<u>\$122,574,949</u>	<u>\$119,545,679</u>	<u>\$112,754,296</u>	<u>\$113,179,792</u>	<u>\$111,632,635</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds as of November 16, 2015 (see also “*Resource Recovery Facilities*” herein):

	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Bonds	2015-2029	\$95,779,555
Bond Anticipation Notes	December 9, 2015	3,585,000 ¹
Bond Anticipation Notes	December 16, 2015	<u>3,300,000²</u>
Total Indebtedness		<u>\$102,664,555</u>

¹ To be redeemed with proceeds of the BANs (\$1,000,000), proceeds of the Bonds (\$2,300,000) and available funds (\$285,000).

² To be redeemed with proceeds of the Bonds.

Debt Statement Summary

The following table sets forth the Town’s Debt Limit, Total Net Indebtedness and Debt Contracting Margin as of November 16, 2015.

Five Year Average Full Valuation of Bonds Real Property.....		\$37,032,495,798
Debt Limit....7% thereof.....		2,592,274,705
Outstanding Indebtedness:		
Bonds	\$95,779,555	
Bond Anticipation Notes	<u>6,885,000</u>	
Total Indebtedness	\$102,664,555	
Excluded Indebtedness:		
Water Indebtedness	\$26,132,616	
Appropriations	<u>1,284,555</u>	
Total Exclusions	\$27,417,171	
Total Net Indebtedness		75,247,384
Debt Contracting Margin.....		2,517,027,321
Percentage of Debt Contracting Power Exhausted.....		2.9%

The issuance of the Bonds will increase the net indebtedness of the Town by \$3,700,000.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of November 16, 2015.

	<u>Amount</u>	<u>Per Capita</u> ¹	<u>Percentage of Full Value</u> ²
Net Indebtedness (see Computation of Debt Limit)	\$75,247,384	\$369.86	0.21%

¹The population of the Town according to the 2013 US Census is 203,447.

²The Town's full value of Bonds real estate for 2015 is \$36,601,922,697.

Bonded Debt Service

Fiscal Year Ending December 31st	Principal	Interest	Total Principal and Interest
2015	\$13,265,000	\$3,687,670	\$16,952,670
2016	12,500,000	3,228,950	15,728,950
2017	11,250,000	2,817,660	14,067,660
2018	10,910,000	2,423,291	13,333,291
2019	10,235,000	2,044,244	12,279,244
2020	9,630,000	1,670,316	11,300,316
2021	8,845,000	1,326,627	10,171,627
2022	7,645,000	1,020,852	8,665,852
2023	6,560,000	757,975	7,317,975
2024	5,165,000	534,381	5,699,381
2025	4,225,000	371,188	4,596,188
2026	3,065,000	241,675	3,306,675
2027	2,310,000	161,725	2,471,725
2028	1,775,000	84,500	1,859,500
2029	665,000	19,950	684,950
Totals:	<u>\$108,045,000</u>	<u>\$20,391,004</u>	<u>\$128,436,004</u>

Capital Planning and Budgeting

The Town has undertaken the planning and execution of a Capital Budget and Program. The adoption of such program is not subject to referendum. The Town Board may amend such program by modifying or abandoning the projects.

Below is a summary of the Town’s Capital Budget and Program for 2016 and the next five years. It is noted that each planned project must be further authorized, by the Town Board, before being undertaken.

TOWN OF HUNTINGTON - CAPITAL BUDGET AND PROGRAM 2016-2021

Category	2016	2017	2018	2019	2020	2021
General Government	\$4,369,000	\$3,180,000	\$1,740,000	\$1,750,000	\$1,825,000	\$1,705,000
Public Safety	1,500,000	2,500,000	1,000,000	-	-	-
Transportation	5,650,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Culture & Recreation	2,300,000	1,000,000	2,700,000	2,000,000	-	-
Home/Community Svcs	425,000	910,000	2,950,000	3,355,000	3,535,000	100,000
Totals	<u>\$14,244,000</u>	<u>\$13,390,000</u>	<u>\$14,190,000</u>	<u>\$12,905,000</u>	<u>\$11,160,000</u>	<u>\$7,605,000</u>

Source: 2016 adopted budget.

Authorized but Unissued Bonds

After the issuance of the Bonds and Notes, the Town will have \$1,000,000 authorized but unissued indebtedness for improvements to Erb Park and \$1,200,000 authorized but unissued indebtedness for improvements to Sweet Hollow Park.

On August 26, 2008, the Town Board adopted a bond resolution authorizing the issuance of \$15,000,000 in serial bonds for the Environmental Open Space and Park Funds for the purpose of providing continued acquisition of ownership rights or interests in land, and improvements thereto, for active and passive park and recreational purposes and for the preservation of open space, neighborhood enhancements and improvements and “green” renewable energy improvements and equipment projects. This resolution was approved by voters of the Town at a referendum held in November 2008. The Town has \$4,500,000 remaining authorized but unissued indebtedness for this purpose.

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on Bonds real property in the Town.

Unit	Outstanding Indebtedness	Town's Share	Applicable Indebtedness
County of Suffolk	\$2,281,615,558	14.1%	\$321,707,794
Elwood UFSD	14,960,000	100.0%	14,960,000
Cold Spring Harbor CSD	25,704,400	81.7%	21,008,140
Huntington UFSD	3,907,690	100.0%	3,907,690
Northport-East Northport UFSD	21,130,712	100.0%	21,130,712
Half Hollow Hills CSD	69,557,849	81.8%	56,920,093
Harborfields CSD	34,051,046	100.0%	34,051,046
Commack UFSD	92,879,668	30.7%	28,470,136
South Huntington UFSD	63,001,962	100.0%	63,001,962
Syosset CSD	38,550,000	0.01%	3,213
Asharoken Village	-	100.0%	-
Huntington Bay Village	6,382	100.0%	6,382
Lloyd Harbor Village	1,117,588	100.0%	1,117,588
Northport Village	5,729,982	100.0%	5,729,982
Centerport Fire District	1,050,000	100.0%	1,050,000
Cold Spring Harbor Fire District	158,850	100.0%	158,850
Commack Fire District	-	38.0%	-
Dix Hills Fire District	800,000	100.0%	800,000
East Northport Fire District	1,850,000	100.0%	1,850,000
Eatons Neck Fire District	144,128	100.0%	-
Greenlawn Fire District	-	100.0%	-
Halesite Fire District	316,500	100.0%	316,500
Huntington Fire District	4,500,000	100.0%	-
Huntington Manor Fire District	255,000	100.0%	255,000
Melville Fire District	-	100.0%	-
		Total	\$576,445,088

Source: New York State Comptrollers Report on Municipal Affairs for local fiscal year ended in 2013.

Remedies Upon Default

Under current law, provision is made for contract creditors of the Town to enforce payments upon contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy have been issued.

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its notes and bonds, although any permanent repeal by statute or constitutional amendment of a Bondholder's or Noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such consent, under the United States Constitution, Congress has

jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders and noteholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State may require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

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

End of Appendix A

APPENDIX B
FINANCIAL STATEMENT SUMMARIES

**Town of Huntington
Revenues, Expenditures and Fund Balance
General Fund**

APPENDIX B

Year Ended December 31:	2010	2011	2012	2013	2014
REVENUES					
Real Property Taxes	\$33,840,759	\$33,243,518	\$33,493,480	\$35,393,763	\$36,728,178
Other Property Tax Items	279,896	307,129	297,112	322,419	338,536
Non-Property Taxes	3,588,230	3,740,350	3,818,185	3,956,027	4,225,784
Departmental Income	28,939,118	28,860,716	27,350,259	31,140,769	31,135,661
Intergovernmental Charges	190,286	137,205	137,183	133,866	186,869
Use of Money and Property	1,214,251	1,036,364	1,532,249	922,859	926,029
Licenses & Permits	783,700	877,770	749,232	965,623	1,006,951
Fines & Forfeitures	655,849	646,834	760,548	1,135,462	1,101,734
Sale of Property and Compensation for Loss	833,281	3,930,283	340,370	787,442	414,989
Miscellaneous	1,105,697	1,025,904	889,636	1,123,623	1,107,424
Interfund Revenues	5,609,839	5,657,187	4,279,359	4,051,494	4,138,963
State Aid	9,589,925	9,815,458	9,357,002	10,130,804	9,025,085
Federal Aid	617,414	1,176,255	1,690,638	1,990,216	950,992
Total Revenues	87,248,245	90,454,973	84,695,253	92,054,367	91,287,195
EXPENDITURES					
General Government Support	23,599,805	22,433,367	23,516,867	23,236,683	24,126,298
Public Safety	4,468,068	4,199,212	4,393,125	4,553,926	4,904,851
Health	741,243	692,523	644,352	744,247	759,590
Transportation	4,409,272	4,373,241	4,559,666	4,722,382	5,033,471
Economic Assistance & Opportunity	2,127,168	2,043,773	2,112,812	2,071,285	2,101,653
Culture & Recreation	13,424,653	13,644,237	13,850,124	14,048,065	14,057,894
Home & Community Services	21,847,825	18,378,822	12,668,154	20,124,955	20,342,383
Employee Benefits	15,415,510	16,965,129	18,100,686	18,789,724	18,071,558
Debt Service	0	0	4,227,457	4,246,840	5,267
Total Expenditures	86,033,544	82,730,304	84,073,243	92,538,107	89,402,965
Excess (Deficiency) of Revenues Over Expenditures	1,214,701	7,724,669	622,010	(483,740)	1,884,230
Other Financing Sources (Uses):					
Amortization of Retire. Sys. Contrib.	0	0	2,190,729	0	0
Operating Transfers In	181,505	484,113	614,619	200,020	0
Operating Transfers Out ¹	(8,142,382)	(5,848,407)	(227,679)	(10,242,163)	(6,297,326)
Total Other Financing Sources	(7,960,877)	(5,364,294)	2,577,669	(10,042,143)	(6,297,326)
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	(6,746,176)	2,360,375	3,199,679	(10,525,883)	(4,413,096)
Fund Balance - Beginning of Year	40,057,311	33,311,135	35,671,510	38,873,053	28,347,170
Prior Period Adjustment	0	0	0	0	0
Fund Balance - End of Year	\$33,311,135	\$35,671,510	\$38,871,189	\$28,347,170	\$23,934,074

¹Includes transfer to debt service fund.

Source: Information for this appendix has been extracted from the audited financial statements of the Town of Huntington. This summary itself has not been audited. Reference should be made to the complete audit reports.

**Town of Huntington
General Fund**

APPENDIX B-1

	<u>2015</u>	<u>2016</u>
	Adopted	Adopted
<u>REVENUES</u>	Budget	Budget
Real Property Taxes	\$39,564,044	\$39,502,847
Other Tax Items	348,045	348,045
Non-Property Taxes	4,090,212	4,243,306
Departmental Income	32,183,481	32,517,481
Intergovernmental Charges	128,357	128,357
Use of Money and Property	998,451	1,035,312
Licenses & Permits	973,700	973,200
Fines & Forfeitures	1,430,000	1,530,000
Sale of Property and Compensation for Loss	279,200	279,200
Miscellaneous	1,218,268	933,750
Interfund Revenues	4,150,647	4,469,548
State Aid	10,062,281	10,060,453
Federal Aid	955,755	992,462
Appropriated Fund Balance	656,000 ¹	598,000 ¹
Total Revenues	<u>\$97,038,441</u>	<u>\$97,611,961</u>
 <u>EXPENDITURES</u>		
General Government Support	\$25,890,825	\$26,283,655
Public Safety	4,760,330	4,697,705
Health	859,888	859,312
Transportation	4,800,153	4,761,807
Economic Assistance and Opportunity	2,311,575	2,280,129
Culture & Recreation	13,149,892	13,001,035
Home & Community Services	21,866,492	21,778,171
Employee Benefits	19,059,611	19,797,611
Debt Service	4,334,170	4,115,000
Operating Transfers Out	5,505	37,536
Total Expenditures	<u>\$97,038,441</u>	<u>\$97,611,961</u>

¹ Appropriated Fund Balance Budgeted as Revenue.

Source: Annual budgets of the Town of Huntington.

Town of Huntington
Balance Sheets
General Fund

APPENDIX B-2

As of December 31:	<u>2013</u>	<u>2014</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$13,952,745	\$11,006,274
Cash - Restricted	18,464,541	16,722,415
Prepays	1,037,161	1,065,926
Accounts Receivables, Net	3,913,932	3,530,353
Due from State, Federal and Other Governments	2,536,255	2,641,452
Due from Other Funds	<u>448,765</u>	<u>301,464</u>
TOTAL ASSETS	<u>\$40,353,399</u>	<u>\$35,267,884</u>
<u>LIABILITIES</u>		
Accounts Payable/Current Liabilities	\$2,478,079	\$2,474,738
Accrued Liabilities	4,918,698	5,260,513
Due to Other Governments	277,978	0
Due to Other Funds	295,710	82,579
Deferred Revenues	<u>4,035,764</u>	<u>3,515,980</u>
TOTAL LIABILITIES	<u>12,006,229</u>	<u>11,333,810</u>
<u>FUND BALANCES</u>		
Non-Spendable		
Prepays	1,037,161	1,065,926
Restricted for:		
Open Space Land Preservation	12,296,638	12,571,198
Debt Service	41,815	2,546
Snow & Ice Removal/Roads	466,535	467,896
Worker's Compensation	306,604	307,926
Judgement and Claims	1,401,761	807,214
Retirement Contribution	8,764	800
General Capital Reserve	2,155,219	1,368,776
Post Retirement Benefits	1,787,205	1,196,059
Committed to:		
Subsequent Year's Budget	1,158,000	656,000
Assigned:		
Appropriated	0	0
Unappropriated	538,483	733,557
Unassigned:		
General Fund	<u>7,148,985</u>	<u>4,756,176</u>
TOTAL FUND BALANCES	<u>28,347,170</u>	<u>23,934,074</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$40,353,399</u>	<u>\$35,267,884</u>

Source: Information for this appendix has been extracted from the audited financial statements of the Town of Huntington. This summary itself has not been audited. Reference should be made to the complete audit reports.

APPENDIX C
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<http://emma.msrb.org/ER892153-ER697008-ER1098539.pdf>

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Cullen & Danowski, LLP has not been requested by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**