

OFFICIAL STATEMENT

NEW ISSUE: SERIAL BONDS AND
TAX EXEMPT BOND ANTICIPATION NOTES AND
TAXABLE BOND ANTICIPATION NOTES
NOT BANK QUALIFIED

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

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town ("Bond Counsel"), under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds and the Series A Notes (the "Tax-Exempt Obligations") 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 Tax-Exempt Obligations 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 Series B Notes is included in gross income for Federal income tax purposes pursuant to the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Tax-Exempt Obligations and the Series B Notes are 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 the Securities as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK

\$8,285,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2014
(the "Bonds")

ROOSEVELT & CROSS, INC. AND ASSOCIATES

DATE OF ISSUE: DECEMBER 9, 2014

DUE: DECEMBER 1, 2015-2029 (as shown on inside cover)

and

\$2,300,000 BOND ANTICIPATION NOTES – 2014 SERIES A
(the "Series A Notes")

\$1,000,000 at an Interest Rate of 0.40% - Not Re-Offered
FLUSHING BANK

\$1,300,000 at an Interest Rate of 1.00% - Priced to Yield 0.20%
ROOSEVELT & CROSS, INC.

(the "Bonds" and the "Series A Notes" together herein referred to as the "Tax-Exempt Obligations")

DATE OF ISSUE: DECEMBER 9, 2014

DUE: DECEMBER 9, 2015

and

\$1,285,000 BOND ANTICIPATION NOTES – 2014 SERIES B (FEDERALLY TAXABLE)
(the "Series B Notes")

At an Interest Rate of 1.00% - Priced to Yield 0.50%
OPPENHEIMER & CO. INC.

(the "Series A Notes" and the "Series B Notes" together herein referred to as the "Notes")

(the "Series A Notes", the "Series B Notes" and the "Bonds" together herein referred to as the "Securities")

DATE OF ISSUE: DECEMBER 9, 2014

DUE: DECEMBER 9, 2015

The Securities 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 Securities 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 (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 the principal amount 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. 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 Note purchased by Flushing Bank will be registered to Flushing Bank and such note certificate shall bear a single rate of interest and shall be in a denomination equal to \$1,000,000. Principal of and interest on such Note will be payable in lawful money of the United States of America (Federal Funds) at Flushing Bank, Lake Success, New York.

The Series A Note purchased by Roosevelt & Cross, Inc. and the Series B Note purchased by Oppenheimer & Co. Inc. 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, and certain other conditions. It is expected that delivery of the Bonds and Notes in definitive form will be made on or about December 9, 2014.

THIS REVISED COVER PAGE DATED NOVEMBER 25, 2014, SUPPLEMENTS THE OFFICIAL STATEMENT OF THE TOWN DATED NOVEMBER 17, 2014, RELATING TO THE BONDS AND NOTES BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE, THE INSIDE COVER PAGE, AND THE SECTION ENTITLED "RATINGS" ON PAGE 28, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT. FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE "CONTINUING DISCLOSURE UNDERTAKING FOR THE BONDS" AND "DISCLOSURE UNDERTAKING FOR THE NOTES" HEREIN.

Dated: November 25, 2014

MATURITY SCHEDULE

\$8,285,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2014

DATED: DECEMBER 9, 2014

DUE: DECEMBER 1, 2015-2029

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>
2015	\$465,000	2.125%	0.20%	2020	\$515,000	2.125%	1.55%	2025	\$595,000**	2.375%	2.50%
2016	470,000	2.125	0.45	2021	530,000	2.125	1.85	2026	610,000**	2.500	2.60
2017	480,000	2.125	0.70	2022	550,000	2.125	2.05	2027	625,000**	3.000	2.70
2018	490,000	2.125	0.95	2023	565,000	2.125	2.20	2028	645,000**	3.000	2.80
2019	500,000	2.125	1.25	2024	580,000**	2.250	2.30	2029	665,000**	3.000	2.85

**Subject to redemption prior to maturity.

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 Securities 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 RAIA
Town Clerk

WILLIAM NAUGHTON
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

PREPARED WITH THE ASSISTANCE OF



NYMAC

NEW YORK MUNICIPAL ADVISORS CORPORATION

2 Roosevelt Ave - Ste 201
Syosset, New York 11791
(516) 364-6363 Fax (516) 364-9501

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	2
Authority For and Purpose of the Series A Notes	2
Authority For and Purpose of the Series B Notes	2
Nature of Obligation	3
Optional Redemption - Bonds	3
Optional Redemption - Notes	3
Book-Entry-Only System	3
THE TOWN	5
General Information	5
Retail Commercial Activity	6
Banking Facilities	6
Population Trends	6
Comparative Housing and Income Data	6
Major Employers	7
Building Permits	7
Resource Recovery Facilities	7
Town Landfill	8
Unemployment Rate Statistics	8
Form of Town Government	8
Financial Organization	9
Employees	9
Status and Financing of Employee Pension Benefits	9
Other Post Employment Benefits	10
Budgetary Procedures	11
Financial Statements	11
Town Investment Policy	11
TAX INFORMATION	12
Valuations	12
Tax Collection Record	12
Tax Rate per \$1,000 Assessed Valuation	13
Tax Collection Procedure	13
Larger Taxpayers	13
Real Property Taxes	13
Tax Levy Limit Law	13
TOWN INDEBTEDNESS	14
Constitutional Requirements	14
Statutory Procedure	15
Debt Outstanding End of Fiscal Year	15
Details of Outstanding Indebtedness	16
Debt Statement Summary	16
Debt Ratios	16
Bond Principal and Interest Maturity Schedule	17
Lease Financing Obligations	17
Capital Planning and Budgeting	17
Bond Authorizations	18
Estimated Overlapping Indebtedness	18
Remedies Upon Default	19
MARKET FACTORS AND BONDHOLDER AND NOTEHOLDER RISKS	19
CONTINUING DISCLOSURE UNDERTAKING FOR THE BONDS	20
DISCLOSURE UNDERTAKING FOR THE NOTES	21
LITIGATION	23
TAX MATTERS – TAX-EXEMPT OBLIGATIONS	23
Opinion of Bond Counsel	23
Certain Ongoing Federal Tax Requirements and Certifications	23
Certain Collateral Federal Tax Consequences	24

Original Issue Discount	24
Bond Premium	24
Information Reporting and Backup Withholding	25
Miscellaneous	25
TAX MATTERS – SERIES B NOTES	26
Opinion of Bond Counsel	26
Original Issue Discount	26
Acquisition Discount on Short-Term Series B Notes	26
Note Premium	27
Disposition and Defeasance	27
Backup Withholding and Information Reporting	27
U.S. Holders	27
DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND NOTES	28
Absence of Litigation	28
Legal Matters	28
Closing Certificates	28
RATINGS	28
MISCELLANEOUS	29
REVENUES, EXPENDITURES AND FUND BALANCE-GENERAL FUND	APPENDIX A
ADOPTED BUDGETS-GENERAL FUND	APPENDIX A-1
BALANCE SHEETS-GENERAL FUND	APPENDIX A-2
2013 AUDITED FINANCIAL STATEMENTS	APPENDIX B

**OFFICIAL STATEMENT
OF THE
TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK**

Relating To

\$8,285,000* PUBLIC IMPROVEMENT SERIAL BONDS – 2014

and

\$2,300,000* BOND ANTICIPATION NOTES – 2014 SERIES A

and

\$1,285,000* BOND ANTICIPATION NOTES – 2014 SERIES B (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 \$8,285,000* Public Improvement Serial Bonds - 2014 (the "Bonds"), \$2,300,000* Bond Anticipation Notes – 2014 Series A (the "Series A Notes"), and \$1,285,000* Bond Anticipation Notes – 2014 Series B (the "Series B 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 the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest 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. 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" 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, Fax: (631) 351-3898.

* Preliminary, subject to change.

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>
Gerard St. Parking Lot	5/6/14	\$1,050,000
Animal Shelter	6/17/14	500,000
Townwide Computerization	5/6/14	100,000
Work Order Management System	5/6/14	55,000
Document Imaging	5/6/14	65,000
Disaster Recovery Center	5/6/14	105,000
Street Sweeper	6/17/14	210,000
Resurfacing of Parking Lots	5/6/14	200,000
Town Dock	3/4/14	1,100,000
Fencing	5/6/14	100,000
Townwide Infrastructure	5/6/14	300,000
Traffic Calming	5/6/14	200,000
Roadway Rehabilitation	3/4/14	2,100,000
Drainage Improvements	3/4/14	400,000
Highway Equipment	3/4/14	400,000
Street Name Sign Safety Program	3/4/14	200,000
Bar Screen for Receiving Plant	6/17/14	200,000
Tank 2 Water Storage Reconstruction in Dix Hills Water District	6/4/13	<u>1,000,000</u>
Total		<u>\$8,285,000</u>

Proceeds of the Bonds, will be used to pay at maturity \$4,197,500 of outstanding bond anticipation notes, and provide \$4,087,500 in original financings.

* Preliminary, subject to change.

Authority For and Purpose of the Series A Notes

The Series A 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 various bond resolutions, to finance the following:

<u>Purpose</u>	<u>Resolution Date</u>	<u>Amount</u>
Halesite Bulkhead	9/16/14	\$2,300,000
Total		<u>\$2,300,000</u>

Proceeds of the Series A Notes will provide original financing pursuant to this authorization.

Authority For and Purpose of the Series B Notes

The Series B 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 various bond resolutions, to finance the following:

<u>Purpose</u>	<u>Resolution Date</u>	<u>Amount</u>
Land Acquisition (Rotundo Property)	3/4/14	\$1,285,000
Total		<u>\$1,285,000</u>

Proceeds of the Series B Notes, along with \$2,500 of available funds will be used to pay at maturity outstanding bond anticipation notes, that were issued pursuant to this authorization.

Nature of Obligation

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

The Securities are general obligations of the Town. The Town has pledged its faith and credit for the payment of the principal of and the interest on the Securities. For the payment of such principal of and interest on the Securities, 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 Securities, 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 the 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 and Notes, in the aggregate principal amount of such maturity, 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 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, Security 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, Security 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 SECURITIES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO 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 SECURITIES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS SECURITY-OWNER.

THE TOWN

General Information

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

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

The Town encompasses an area of approximately 94 square miles and has a population of 203,264 according to the 2010 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.

In recent years 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. A number of manufacturing units 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 will be 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	State Bank of Long Island
Flushing Commercial Bank	Suffolk County National Bank
Gold Coast National Bank	TD 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

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	2,057
Northport Veterans Affairs Medical Center	Healthcare	2,000
Newsday	Newspaper	1,800
Estee Lauder, Inc.	Cosmetics	1,629
Canon	Imaging Products	1,400
Western Suffolk BOCES	Education	1,276
Marchon Eyewear, Inc.	Healthcare	994
BAE	Technology	750
Town of Huntington	Government	700
Henry Shein Inc.	Medical and Dental Supplies	700

Source: Town of Huntington Audit & Control.

Building Permits

<u>Classification</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
One Family	349	227	221	272	234	187
Commercial/Industrial	17	19	20	32	25	43
Alt. & Add. (res.)	930	820	794	770	767	754
Alt. & Add. (Other)	258	251	229	283	304	266
Demolish Various Bldgs.	238	217	190	236	177	217
Other	<u>1,015</u>	<u>994</u>	<u>905</u>	<u>951</u>	<u>1,016</u>	<u>1,208</u>
Totals	2,807	2,528	2,359	2,544	2,523	2,675

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 2013 was \$12,747,711 of which \$4,729,401 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Huntington Town	6.6%	6.7%	6.4%	6.5%	5.5%
Suffolk County	7.4%	7.7%	7.5%	7.6%	6.4%
New York State	8.4%	8.6%	8.3%	8.5%	7.7%

	<u>2014 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>
Huntington Town	5.3%	5.6%	5.1%	3.9%	4.4%	4.5%	4.7%	4.3%	4.2%	N/A
Suffolk County	6.2%	6.6%	6.0%	4.7%	5.0%	5.0%	5.5%	5.3%	4.9%	N/A
New York State	7.3%	7.7%	7.2%	6.1%	6.4%	6.5%	6.7%	6.1%	5.6%	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>
201	Civil Service Employees Association	12/31/16
341	Long Island Service Employees, ILA, Labor Unit	13/31/15
77	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.

Additionally, 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.

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.

During its 2004 Session the New York State Legislature enacted pension relief which among other things changed the pension payment date for all local governments 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.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established by law. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. 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 2012.

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.

In Spring 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.

Other Post Employment Benefits

It should also be noted that the Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. A recently enacted accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires governmental entities, such as the Town, to account for post-retirement healthcare benefits with respect to vested pension benefits. GASB 45 has become fully implemented for governmental entities, including the Town

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Until recently, 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.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. 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 or school district 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 liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The Town hired USI Consulting Group for the actuarial valuation and as of December 31, 2012 USI has calculated the unfunded actuarial accrued liability of \$197,069,669 and an ARC of \$14,140,127 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.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

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

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 2014 Operating Budget was adopted by the Town Board on November 7, 2013. The 2015 Preliminary Budget was presented on September 16, 2014, a budget hearing was held on October 21, 2014, and the final budget was adopted by the Town Board on November 6, 2014.

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. The Town's audited financial statements for the year ended December 31, 2013, are shown in Appendix B of this Official Statement.

Summary statements of the results of operations for various funds, shown in Appendix A 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 2014 fiscal year, State Aid represents approximately 11% 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

<u>Year Ending December 31:</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2010	\$336,722,881	0.82%	\$41,063,765,975
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

Tax Collection Record

As of May 31:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Tax Levy ¹	\$851,271,257	\$862,060,354	\$879,997,364	\$918,665,388	\$941,140,645	\$960,878,249
Amount to Town Supervisor	737,498,921	747,420,530	761,108,582	791,338,298	809,174,772	828,251,272
Amount to County Treasurer	113,772,336	114,639,824	118,888,782	127,337,090	131,965,873	132,626,977
Uncollected (Returned)	25,462,043	24,964,228	24,068,926	22,906,987	22,282,297	N/A
Adjusted Percent Uncollected When Due ²	2.99%	2.90%	2.74%	2.49%	2.37%	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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Town-Town Wide	\$100.37	\$100.25	\$99.22	\$100.02	\$106.89	\$111.29
Highway Items and Part Town	131.05	130.92	130.23	134.83	131.74	118.14

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>	<u>2014 Assessed Valuation¹</u>
Long Island Power Authority/Keyspan ²	Utility	\$37,301,488
The Retail Property Trust	Retail	2,000,000
Huntington Quadrangle	Real Estate	1,100,000
Melville Industrial Associates	Office Building	922,000
Reckson FS Limited Partnership	Commercial	801,465
Verizon	Utility	789,522
Avalon Bay Communications	Apartments	532,400
Estee Lauder	Cosmetics	469,700
PD Long Island Hotel Associates LLC	Hotel	464,000
Grandview Hotel Limit	Hotel	425,000
Total		<u>\$44,805,575</u>
Total as a percentage of Town assessed valuation		13.7%

Source: Town Assessment Rolls.

¹ Includes applicable franchise assessments for utilities.

² See “*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 taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after 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 taxable 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 2012 and 2013 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 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 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).

Pursuant to Article VIII of the Constitution and Title 8 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7% of the latest five year average of the full valuation of all taxable real property.

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 procedure for the validation of the Bonds.

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 revenue and tax anticipation notes, budget notes, deficiency notes, and capital notes.

Debt Outstanding End of Fiscal Year

Bonds	\$119,595,000	\$122,290,000	\$119,250,000	\$112,540,000	\$113,114,998
Installment Purchase Debt	<u>394,221</u>	<u>284,949</u>	<u>295,679</u>	<u>214,296</u>	<u>64,794</u>
Totals	<u>\$119,989,221</u>	<u>\$122,574,949</u>	<u>\$119,545,679</u>	<u>\$112,754,296</u>	<u>\$113,179,792</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds as of November 4, 2014 (see also “Resource Recovery Facilities” herein):

<u>Type</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Bonds	2014-2028	\$102,295,000
Bond Anticipation Notes	December 18, 2014	<u>5,485,000</u>
Total Indebtedness		<u>\$107,780,000</u>

Debt Statement Summary

The following table sets forth the Town’s Debt Limit, Total Net Indebtedness and Debt Contracting Margin as of November 4, 2014.

Five Year Average Full Valuation of Taxable Real Property	\$37,924,864,454
Debt Limit....7% thereof.....	2,654,740,512
Outstanding Indebtedness:	
Bonds.....	\$102,295,000
Bond Anticipation Notes	<u>5,485,000</u>
Total Indebtedness	\$107,780,000
Excluded Indebtedness:	
Water Indebtedness	\$27,934,881
Appropriations.....	<u>2,535,000</u>
Total Exclusions.....	\$30,469,881
Total Net Indebtedness	<u>77,310,119</u>
Debt Contracting Margin.....	<u>\$2,577,430,393</u>
Percentage of Debt Contracting Power Exhausted.....	2.91%

The issuance of the Bonds and Series A Notes will increase the net indebtedness of the Town by \$6,385,000.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of November 4, 2014.

	<u>Amount</u>	<u>Per Capita</u> ¹	<u>Percentage of Full Value</u> ²
Net Indebtedness (see Computation of Debt Limit)	\$107,780,000	\$530	0.30%

¹The population of the Town according to the 2010 US Census is 203,264.

²The Town's full value of taxable real estate for 2014 is \$36,356,166,444.

Bond Principal and Interest Maturity Schedule

The following table sets forth all fiscal year principal and interest payments required on all outstanding long-term bond indebtedness of the Town. It does not exclude any fiscal year payments that may have been made in the current fiscal year.

Fiscal Year Ending December 31st	Excluding the Bonds		Total Principal and Interest	Principal This Issue	Total Principal All Issues
	Principal	Interest			
2014	\$13,355,000	\$3,944,011	\$17,299,011	\$0	\$13,355,000
2015	12,800,000	3,494,571	16,294,571	450,000	13,250,000
2016	12,030,000	3,041,344	15,071,344	460,000	12,490,000
2017	10,770,000	2,640,041	13,410,041	470,000	11,240,000
2018	10,420,000	2,255,872	12,675,872	485,000	10,905,000
2019	9,735,000	1,887,238	11,622,238	500,000	10,235,000
2020	9,115,000	1,523,935	10,638,935	515,000	9,630,000
2021	8,315,000	1,191,189	9,506,189	530,000	8,845,000
2022	7,095,000	896,677	7,991,677	550,000	7,645,000
2023	5,995,000	645,487	6,640,487	565,000	6,560,000
2024	4,585,000	433,900	5,018,900	580,000	5,165,000
2025	3,630,000	283,757	3,913,757	600,000	4,230,000
2026	2,455,000	168,375	2,623,375	615,000	3,070,000
2027	1,685,000	103,675	1,788,675	635,000	2,320,000
2028	1,130,000	45,200	1,175,200	655,000	1,785,000
2029	0	0	0	675,000	675,000
Totals:	<u>\$113,115,000</u>	<u>\$22,555,272</u>	<u>\$135,670,272</u>	<u>\$8,285,000</u>	<u>\$121,400,000</u>

Lease Financing Obligations

The following is a summary of the Town's lease financing obligations.

Description of Issue	Issue Year	Final Maturity	Interest Rate	Principal Amount Outstanding at December 31, 2013
Copier/Computer Equipment	Various	7/15/2015	Various	\$64,794
Total				<u>\$64,794</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.

On the following page is a summary of the Town's Capital Budget and Program for 2014 and the next five years. It is noted that each planned project must be further authorized before being undertaken.

TOWN OF HUNTINGTON - CAPITAL BUDGET AND PROGRAM 2014-2019

Category	2014	2015	2016	2017	2018	2019
General Government	\$3,700,000	\$2,335,000	\$2,700,000	\$2,880,000	\$2,850,000	\$2,875,000
Transportation	3,338,500	3,605,500	3,402,014	3,602,014	3,602,014	3,602,014
Culture & Recreation	170,000	1,000,000	450,000	950,000	750,000	550,000
Home/Community Svcs	<u>1,632,500</u>	<u>2,390,000</u>	<u>2,232,000</u>	<u>1,281,500</u>	<u>1,080,000</u>	<u>0</u>
Totals	<u>\$8,841,000</u>	<u>\$9,330,500</u>	<u>\$8,784,014</u>	<u>\$8,713,514</u>	<u>\$8,282,014</u>	<u>\$7,027,014</u>

Source: 2014 adopted budget.

Bond Authorizations

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 \$6,000,000 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 taxable real property in the Town.

Unit	Outstanding Indebtedness	Town's Share	Applicable Indebtedness
County of Suffolk	\$2,265,488,472	14.1%	\$319,433,875
Elwood UFSD	15,420,000	100.0%	15,420,000
Cold Spring Harbor CSD	23,665,000	81.7%	19,341,344
Huntington UFSD	5,101,163	100.0%	5,101,163
Northport-East Northport UFSD	24,447,483	100.0%	24,447,483
Half Hollow Hills CSD	78,223,091	81.8%	64,010,973
Harborfields CSD	36,997,650	100.0%	36,997,650
Commack UFSD	82,686,515	30.7%	25,345,659
South Huntington UFSD	61,296,777	100.0%	61,296,777
Syosset CSD	41,670,000	0.01%	3,473
Asharoken Village	-	100.0%	-
Huntington Bay Village	12,419	100.0%	12,419
Lloyd Harbor Village	1,261,515	100.0%	1,261,515
Northport Village	6,163,071	100.0%	6,163,071
Centerport Fire District	1,175,000	100.0%	1,175,000
Cold Spring Harbor Fire District	178,923	100.0%	178,923
Commack Fire District	-	38.0%	-
Dix Hills Fire District	1,180,000	100.0%	1,180,000
East Northport Fire District	2,000,000	100.0%	2,000,000
Eatons Neck Fire District	150,000	100.0%	-
Greenlawn Fire District	-	100.0%	-
Halesite Fire District	464,851	100.0%	464,851
Huntington Fire District	-	100.0%	-
Huntington Manor Fire District	385,000	100.0%	385,000
Melville Fire District	-	100.0%	-
		Total	<u>\$584,219,175</u>

Source: New York State Comptrollers Report on Municipal Affairs for local fiscal year ended in 2012.

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 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.

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 taxable 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 such State aid 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*”.

CONTINUING 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 headings “The Town”, “Tax Information”, “Town Indebtedness”, and “Litigation” and in Appendix A, within six months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2014 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, 2014 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 360 days 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:
 - (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 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 Town¹; (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.

For 2013 and 2012 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.

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 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.

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 and has also corrected any past failures to file.

¹ 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.

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.

For 2013 and 2012 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.

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 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.

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 and has also corrected any past failures to file.

Other than as discussed above, the Town is in compliance in all material aspects with all previous undertakings made pursuant to Rule 15c2-12 during the last five years.

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 is presently 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 – TAX-EXEMPT OBLIGATIONS

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 Tax-Exempt Obligations 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Tax-Exempt Obligations, and Bond Counsel has assumed compliance by the Town with certain 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations. 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 after the issue date 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 Tax-Exempt Obligations, 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 Tax-Exempt Obligations in order that interest on the Tax-Exempt Obligations 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 Tax-Exempt Obligations, 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Tax-Exempt Obligation. 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 Tax-Exempt Obligations. Prospective owners of the Tax-Exempt Obligations 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations having OID (a “Tax-Exempt Discount Obligation”), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Obligations 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 Tax-Exempt Obligations. In general, under Section 1288 of the Code, OID on a Tax-Exempt Discount Obligation 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 Tax-Exempt Discount Obligation. An owner’s adjusted basis in a Tax-Exempt Discount Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Tax-Exempt Discount Obligation. 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 Tax-Exempt Discount Obligation even though there will not be a corresponding cash payment.

Owners of Tax-Exempt Discount Obligations 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 Tax-Exempt Discount Obligations.

Bond Premium

In general, if an owner acquires a Tax-Exempt Obligation 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 Tax-Exempt Obligation after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Tax-Exempt Obligation (a “Tax-Exempt Premium Obligation”). In general, under Section 171 of the Code, an owner of a Tax-Exempt Premium Obligation must amortize the bond premium over the remaining term of the Tax-Exempt Premium Obligation, based on the owner’s yield over the remaining term of the Tax-Exempt Premium Obligation, determined based on constant yield principles (in certain cases involving a Tax-Exempt Premium Obligation callable

prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond).

An owner of a Tax-Exempt Premium Obligation 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 Obligation, 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 Tax-Exempt Premium Obligation may realize a taxable gain upon disposition of the Tax-Exempt Premium Obligation even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Tax-Exempt Premium Obligation 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 Tax-Exempt Premium Obligations.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Tax-Exempt Obligations. 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 Tax-Exempt Obligation 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 Tax-Exempt Obligations 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 Tax-Exempt Obligations under Federal or state law or otherwise prevent beneficial owners of the Tax-Exempt Obligations 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 Tax-Exempt Obligations. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on itemized deductions, as well as other "tax benefits" including "tax-exempt interest." The net effect of such 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. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain obligations issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their "modified adjusted gross income," defined to include tax-exempt interest received or accrued on all obligations, regardless of issue date.

Prospective purchasers of the Tax-Exempt Obligations should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS – SERIES B NOTES

Opinion of Bond Counsel

In the opinion of Bond Counsel to the Town, interest on the Series B 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 Series B Notes by original purchasers of the Series B 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 Series B 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 Series B 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 Series B 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 Series B 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 Series B 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 Series B Note is greater than a statutorily defined de minimis amount, a holder of a Series B 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 Series B 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 Series B 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 Series B 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 Series B 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 Series B Note using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Series B Notes

Each holder of a Series B Note with a maturity not longer than one year (a “Short-Term Series B 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 Series B 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 Series B 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 Series B Note at maturity over the holder’s tax basis therefor.

A holder of a Short-Term Series B 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 Series B Note is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Series B 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 Series B 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 Series B Note.

The Town may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series B 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 Series B 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 Series B Notes with respect to payments of principal, payments of interest, and the accrual of OID on a Series B Note and the proceeds of the sale of a Series B Note before maturity within the United States. Backup withholding may apply to holders of Series B 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 Series B 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 Series B Notes.

Prospective purchasers of the Series B 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 opinion 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 taxable 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 statutory limitations imposed by Chapter 97 of the Laws of 2011. Said opinions shall also 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 expresses no opinion as to the adequacy, sufficiency or completeness of the Official Statement of the Town relating to the Bonds and Notes, or any additional 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 the delivery of the Bonds and Notes, the purchaser 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 delivery of the Bonds and Notes, this Official Statement did not and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements herein, in 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 time of sale to the time of delivery of the Bonds and Notes, and having attached thereto a copy of this Official Statement; (ii) a certificate signed by the Supervisor 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 threatened, restraining or enjoining the issuance and delivery of the Bonds and Notes or the levy and collection of taxes 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) Tax Certificate executed by the Supervisor, as described under "*Tax Matters-Tax-Exempt Obligations*" and "*Tax Matters-Series B Notes*".

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). Fitch Ratings (Fitch) has assigned the Bonds the rating of AAA (Outlook Negative). The Notes were not rated. 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.

MISCELLANEOUS

Any statements made in this Official Statement and indicated to involve matters of opinion or estimates are represented to be opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

New York Municipal Advisors Corporation (NYMAC) may place a copy of this Official Statement in its website at www.nymac.net. 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. NYMAC 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 NYMAC assumes any liability or responsibility for errors or omissions on such website. Further, NYMAC 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. NYMAC and the Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

Additional information may be obtained upon request from New York Municipal Advisors Corporation (NYMAC), (516) 364-6363 or from the Town's Comptroller (631) 351-3321.

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

Dated: November 25, 2014

/s/ FRANK P. PETRONE

**Frank P. Petrone
Town Supervisor**

FINANCIAL INFORMATION

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

APPENDIX A

Year Ended December 31:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES					
Real Property Taxes	\$33,996,146	\$33,840,759	\$33,243,518	\$33,493,480	\$35,393,763
Other Property Tax Items	251,773	279,896	307,129	297,112	322,419
Non-Property Taxes	3,273,401	3,588,230	3,740,350	3,818,185	3,956,027
Departmental Income	30,903,566	28,939,118	28,860,716	27,350,259	31,140,769
Intergovernmental Charges	174,322	190,286	137,205	137,183	133,866
Use of Money and Property	1,725,927	1,214,251	1,036,364	1,532,249	922,859
Licenses & Permits	666,951	783,700	877,770	749,232	965,623
Fines & Forfeitures	748,601	655,849	646,834	760,548	1,135,462
Sale of Property and Compensation for Loss	775,510	833,281	3,930,283	340,370	787,442
Miscellaneous	686,379	1,105,697	1,025,904	889,636	1,123,623
Interfund Revenues	5,531,969	5,609,839	5,657,187	4,279,359	4,051,494
State Aid	10,721,824	9,589,925	9,815,458	9,357,002	10,130,804
Federal Aid	742,075	617,414	1,176,255	1,690,638	1,990,216
Total Revenues	<u>90,198,444</u>	<u>87,248,245</u>	<u>90,454,973</u>	<u>84,695,253</u>	<u>92,054,367</u>
EXPENDITURES					
General Government Support	23,286,484	23,599,805	22,433,367	23,516,867	23,236,683
Public Safety	4,314,488	4,468,068	4,199,212	4,393,125	4,553,926
Health	776,109	741,243	692,523	644,352	744,247
Transportation	4,402,797	4,409,272	4,373,241	4,559,666	4,722,382
Economic Assistance & Opportunity	2,108,791	2,127,168	2,043,773	2,112,812	2,071,285
Culture & Recreation	13,312,110	13,424,653	13,644,237	13,850,124	14,048,065
Home & Community Services	25,563,223	21,847,825	18,378,822	12,668,154	20,124,955
Employee Benefits	13,035,600	15,415,510	16,965,129	18,100,686	18,789,724
Debt Service	25,010	0	0	4,227,457	4,246,840
Total Expenditures	<u>86,824,612</u>	<u>86,033,544</u>	<u>82,730,304</u>	<u>84,073,243</u>	<u>92,538,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,373,832</u>	<u>1,214,701</u>	<u>7,724,669</u>	<u>622,010</u>	<u>(483,740)</u>
Other Financing Sources (Uses):					
Amortization of Retire. Sys. Contrib.	0	0	0	2,190,729	0
Operating Transfers In	62,011	181,505	484,113	614,619	200,020
Operating Transfers Out ¹	<u>(15,980,368)</u>	<u>(8,142,382)</u>	<u>(5,848,407)</u>	<u>(227,679)</u>	<u>(10,242,163)</u>
Total Other Financing Sources	<u>(15,918,357)</u>	<u>(7,960,877)</u>	<u>(5,364,294)</u>	<u>2,577,669</u>	<u>(10,042,143)</u>
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	<u>(12,544,525)</u>	<u>(6,746,176)</u>	<u>2,360,375</u>	<u>3,199,679</u>	<u>(10,525,883)</u>
Fund Balance - Beginning of Year	<u>52,273,416</u>	<u>40,057,311</u> ²	<u>33,311,135</u>	<u>35,671,510</u>	<u>38,873,053</u>
Prior Period Adjustment	0	0	0	0	0
Fund Balance - End of Year	<u>\$39,728,891</u> ²	<u>\$33,311,135</u>	<u>\$35,671,510</u>	<u>\$38,871,189</u>	<u>\$28,347,170</u>

¹Includes transfer to debt service fund.

²2009 ending balance does not match 2010 starting balance as the Board of Trustees fund was merged into the General Fund for 2010.

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 A-1

	2014	2015
	Adopted Budget	Adopted Budget
REVENUES		
Real Property Taxes	\$36,505,718	\$39,564,044
Other Tax Items	337,000	348,045
Non-Property Taxes	3,925,937	4,090,212
Departmental Income	32,971,333	32,183,481
Intergovernmental Charges	125,944	128,357
Use of Money and Property	890,900	998,451
Licenses & Permits	973,200	973,700
Fines & Forfeitures	1,483,000	1,430,000
Sale of Property and Compensation for Loss	280,700	279,200
Miscellaneous	1,154,518	1,218,268
Interfund Revenues	4,138,963	4,150,647
State Aid	10,178,537	10,062,281
Federal Aid	853,022	955,755
Appropriated Fund Balance	1,158,000 ¹	656,000 ¹
Total Revenues	\$94,976,772	\$97,038,441
EXPENDITURES		
General Government Support	\$24,926,567	\$25,890,825
Public Safety	4,555,892	4,760,330
Health	836,183	859,888
Transportation	4,660,076	4,800,153
Economic Assistance and Opportunity	2,215,516	2,311,575
Culture & Recreation	14,296,029	13,149,892
Home & Community Services	21,228,513	21,866,492
Employee Benefits	18,202,093	19,059,611
Debt Service	4,047,486	4,334,170
Operating Transfers Out	8,417	5,505
Total Expenditures	\$94,976,772	\$97,038,441

¹Appropriated Fund Balance Budgeted as Revenue.

Source: Annual budgets of the Town of Huntington.

**Town of Huntington
Balance Sheets
General Fund**

APPENDIX A-2

As of December 31:	<u>2012</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$41,896,846	\$13,952,745
Cash - Restricted	0	18,464,541
Prepays	1,038,259	1,037,161
Accounts Receivables, Net	3,419,029	3,913,932
Due from State, Federal and Other Governments	2,495,494	2,536,255
Due from Other Funds	<u>1,317,202</u>	<u>448,765</u>
TOTAL ASSETS	<u><u>\$50,166,830</u></u>	<u><u>\$40,353,399</u></u>
<u>LIABILITIES</u>		
Accounts Payable/Current Liabilities	\$3,028,887	\$2,478,079
Accrued Liabilities	2,982,417	4,918,698
Due to Other Governments	248,379	277,978
Due to Other Funds	38,646	295,710
Deferred Revenues	<u>4,997,312</u>	<u>4,035,764</u>
TOTAL LIABILITIES	<u><u>11,295,641</u></u>	<u><u>12,006,229</u></u>
<u>FUND BALANCES</u>		
Non-Spendable		
Prepays	1,038,259	1,037,161
Restricted for:		
Open Space Land Preservation	16,160,548	12,296,638
Debt Service	40,570	41,815
Snow & Ice Removal/Roads	465,432	466,535
Worker's Compensation	305,406	306,604
Judgement and Claims	1,823,912	1,401,761
Retirement Contribution	68,479	8,764
General Capital Reserve	2,515,079	2,155,219
Post Retirement Benefits	2,377,498	1,787,205
Committed to:		
Subsequent Year's Budget	2,640,211	1,158,000
Assigned:		
Appropriated	0	0
Unappropriated	0	538,483
Unassigned:		
General Fund	<u>11,435,795</u>	<u>7,148,985</u>
TOTAL FUND BALANCES	<u><u>38,871,189</u></u>	<u><u>28,347,170</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$50,166,830</u></u>	<u><u>\$40,353,399</u></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 B

AUDITED FINANCIAL STATEMENTS¹

¹Such Audited Financial Statements and opinion were prepared as of the date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2013



Town Board
Frank P. Petrone, Supervisor

Susan A. Berland, Councilwoman
Eugene Cook, Councilman
Mark A. Cuthbertson, Councilman
Tracey A. Edwards, Councilwoman



Town of Huntington, New York
Comprehensive Annual Financial Report
Year Ended December 31, 2013

Prepared by:
Department of Audit & Control

Peggy Karayianakis, CPA
Interim Director of Audit & Control

Peter Leodis
Interim Deputy Director of Audit & Control

TOWN OF HUNTINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letters of Transmittal	2-11
Organizational Chart.....	12
Principal Officials	13
Certificate of Achievement for Excellence in Financial Reporting	14

FINANCIAL SECTION

Independent Auditors' Report.....	16-18
-----------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis (MD&A).....	20-31
--	-------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position	35
Statement of Activities	36-37

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet.....	38-39
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Position.....	40
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	42-43
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	44

Fiduciary Fund Financial Statements

Statement of Fiduciary Assets and Liabilities.....	45
--	----

Index for Notes to Financial Statements.....	47
--	----

Notes to Financial Statements	48-80
-------------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund	82-85
Highway Fund.....	86-87
Refuse and Garbage Fund.....	88-89

(Continued)

TOWN OF HUNTINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013
TABLE OF CONTENTS

OTHER SUPPLEMENTARY INFORMATION

COMBINING FUND STATEMENTS:

Nonmajor Governmental Funds	
Combining Balance Sheet.....	92-93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	94-95
Special District Funds	
Combining Balance Sheet.....	96-97
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	98-99

FIDUCIARY FUND

Statement of Changes in Agency Assets and Liabilities.....	100
--	-----

**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS**

Town Outside Village Fund	102-103
Town Business Improvement Districts	104
Fire Protection District Fund	105
Street Lighting District Fund	106-107
Ambulance Districts Fund	108
Sewer Districts Fund.....	110-111
Water Districts Fund	112-113
Debt Service Fund	114

DISCRETELY PRESENTED COMPONENT UNITS

Combining Statement of Net Position	116
Combining Statement of Activities.....	117

STATISTICAL SECTION

Financial Trends:

Net Position by Component – Eight Year Summary.....	120-121
Changes in Net Position – Eight Year Summary	122-123
Fund Balances of Governmental Funds – Eight Year Summary.....	124-125
Changes in Fund Balances of Governmental Funds – Eight Year Summary	126-127

Revenue Capacity:

Assessed Value, State Equalization Rate, and Estimated Full Value of Real Property – Ten Year Summary	128-129
Property Tax Rates Per \$100 Assessed Valuation – All Direct and Overlapping Governments – Ten Year Summary	130-131
Principal Property Taxpayers	132
Property Tax Levies and Collections – Ten Year Summary.....	133

TOWN OF HUNTINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013
TABLE OF CONTENTS

(Statistical Section Continued)

Debt Capacity:

Ratios of Outstanding Debt by Type – Ten Year Summary	134
Ratios of General Bonded Debt Outstanding.....	135
Direct and Overlapping Governmental Debt – Ten Year Summary.....	136
Debt Limit Margin Information	137

Demographic and Economic Statistics:

Demographic and Economic Statistics.....	138
Principal Employers.....	139

Operating Information:

Full-time Equivalent Town Employees by Function – Ten Year Summary.....	140
Operating Indicators by Function – Ten Year Summary	142-143
Capital Asset Statistics by Function – Ten Year Summary	144-145

THIS PAGE INTENTIONALLY LEFT BLANK

**INTRODUCTORY
SECTION**



Town of Huntington

Long Island, New York

FRANK P. PETRONE
Supervisor

June 19, 2014

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

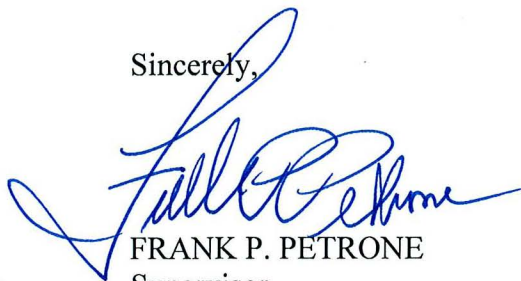
I am pleased to present the Comprehensive Annual Financial Report of the Town of Huntington, New York for the year ended December 31, 2013. The financial statements have been audited by the accounting firm selected by the Town Board, Cullen & Danowski, LLP. The independent auditors' unqualified opinion is included in this report.

In each of the past fifteen years the Town of Huntington has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Certificates are awarded to those governments whose annual financial reports are judged to conform to the generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is my belief that the December 31, 2013 Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program.

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

Fiscal Year 2013 presented many challenges, however, through sound fiscal management, operating results were better than anticipated. We will continue to monitor the Town's 2014 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,



FRANK P. PETRONE
Supervisor



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

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

AUDIT & CONTROL
Peggy Karayianakis, CPA
Interim Director

June 19, 2014

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

The Office of the Comptroller is pleased to submit the Comprehensive Annual Financial Report (“CAFR”) of the Town of Huntington, New York (the “Town”) for the year ended December 31, 2013. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

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

The accounting firm of Cullen & Danowski LLP was selected by the Town Board to perform an independent audit of the Town’s financial statements as of December 31, 2013, and to provide reasonable assurance that the financial statements are free from material misstatement. The auditors’ unmodified opinion on the basic financial statements and combined and individual fund statements and schedules are included in the financial section of this report.

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

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

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

General and Historical Information

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

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

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

The Town provides the following services:

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

Town Government

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

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

Town Government-(continued)

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

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

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

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

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

Local Economy

The cornerstones of Huntington's desirability as an outstanding place to live, work, and raise a family have always been its people, quality of life, pristine waterfront and beaches, open spaces, historical charm and property tax stability. With the Town's finances on sound fiscal footing, the Town Board has undertaken numerous initiatives to further enhance the Town's quality of life. These include: sponsorship of a third bond act of \$15 million to purchase and preserve open space, improve park facilities, fund neighborhood improvements, and support green energy efficient projects. The Town has implemented clean energy initiatives by purchasing natural gas garbage trucks, clean diesel fuel buses, hybrid vehicles; installed energy saving light fixtures, solar energy at Town Hall and municipal parking lots, progressed Huntington Station revitalization through a private developer to assist the municipality with the next phase of Huntington Station's revitalization, maintained programs to enhance care for children and seniors; continued the "American Dream" Program providing down payment assistance to first-time home buyers; continued the "Take Back the Blocks Program" to purchase and rehabilitate homes that are sold as affordable housing units with accessory apartments.

Median family income (\$110,988) and housing values (\$448,886) exceed figures for other Suffolk County towns as well as New York City suburban averages. Income growth within the Town has remained stagnant but is significantly higher than the state and county averages, and recent economic indicators demonstrate that the Town continues to be an economically vibrant community.

Long Island has started to show signs of economic improvement in 2013. Job growth continued in 2013 mainly in construction, wholesale trade, administrative and support services and arts and entertainment. Housing demand continued to strengthen in 2013. Home prices remained stable with an increase of 3.4% in a continued tight lending market.

Local Economy (continued)

Huntington's unemployment rate has remained low at 4.5% as of December of 2013, below the Suffolk County rate of 5.4%, New York State of 6.6% and the nation's rate of 6.7%.

The Town of Huntington is a mature suburban community. Although its capacity for new large-scale residential development is limited, there are a number of significant large-scale housing projects either recently approved or in the planning stage. In the future, new housing construction will largely occur predominantly as in-fill development within existing neighborhoods, however major developments will continue to occur on large underutilized properties. This trend has and will continue to contribute to population and tax base growth in the future. For example, the Town Planning Department is currently processing fifty-three (53) residential subdivisions that will ultimately result in the development of approximately two-hundred and fifty-three (253) new single-family homes.

The strength of the local housing market is also evidenced by the projects currently under Planning Department review or recently approved. Several major housing projects approved this past year that are either under construction or scheduled to begin site development include The Club at Melville with approximately two hundred fifty (250) units, Creekside Apartments with nineteen (19) units, Avalon Bay, a three hundred seventy nine (379) multi-family rental project, Heatherwood, a three story mixed use facility in downtown Huntington, Hilltop Homes in Centerport with nine (9) units and the Oheka Castle condominium project, totaling one hundred ninety (190) luxury housing units. In addition, the Seasons at Elwood, a planned 360 unit retirement community, is currently under consideration for a zone change.

Commercial and industrial development expansion and improvement remains steady. Over the past seven (7) years, over two (2) million square feet of Class A office space has been constructed or renovated, including projects by Rubies Corporation, Air Techniques, Henry Schein, Honeywell Corporation Leviton Corporation and the Capital One Bank Corporate Center. In addition, TD Bank is currently plans to open three new locations within the Town.

Currently under review is Villadom-Elwood Orchard. This project consists of the rezoning of 49.28 acres in Elwood for the construction of a 486,000 square foot mixed use development which will include retail, office, a supermarket, a restaurant and a fitness center. The developer estimates that this project will create 750 construction jobs and eventually create 950 permanent full time positions.

The construction of the first phase of the 900,000 square foot Canon USA North American Headquarters, approved in March 2010, was completed February 2013. The first phase included the construction of 700,000 square feet of office and research space with parking garages for approximately three-thousand (3,000) cars. Canon USA employs approximately 1,800 people at this location. The second phase of the project is anticipated to begin in 2015 and provide an additional 200,000 square feet of research and development space which would increase the number of employees to 2,060. A regional economic analysis estimates that Canon construction will inject approximately \$459.1 million into the local economy. Secondary economic impacts are expected to generate an additional \$350.0 million.

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

Local Economy (continued)

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

A similar trend is occurring in other corridors as evidenced by the increasing number of applications to the Town's Planning and Zoning Boards for expansion of existing business uses. Shopping centers are upgrading to compete with the "box" stores and outlet centers. Simon Properties completed construction of a 74,000 square foot expansion of its existing 1.2 million square foot Walt Whitman Mall on Route 110 in 2013, Target Corporation purchased a 150,000 square foot retail location and opened a new store in October 2013, creating 250 jobs. Consumer expenditures per capita by Huntington households are among the highest in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future. In addition, there has been an increasing trend, and there are numerous project underway, for mixed use construction within downtown Huntington Village.

Finally, Huntington is home to several thriving "downtown" business districts. Huntington Village is one of Long Island's finest, boasting a performing arts theater, an art museum, a park with free concerts, an independent cinema arts theater, a commercial movie theater, about 50 restaurants and 200 retail stores. The Paramount Theater, a performing arts center in the Village has opened its doors and has offered live performances attracting many to the downtown area. Other important developments in Huntington Village are the planned boutique hotel that will provide first class lodging to visitors to the region and the increase in construction of mixed use developments in the downtown area. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington village features a considerable stock of rental units and smaller, more affordable single-family homes.

Long-range Financial Planning

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

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

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

Major Initiatives

Through sound fiscal management, the Town has been able to fund and complete various major projects in 2013 including \$22.2 million of road resurfacing, reconstruction, drainage, equipment purchases, land purchases, land improvements, recreational facility and building improvements.

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

- Huntington's three Business Improvement Districts (BID), Huntington Village, Huntington Station and Cold Spring Harbor continue to work cooperatively with the Town to enhance the Town's downtown business districts. These efforts seek to stimulate economic activity. In order to attract interest to the districts, events such as classic car shows, Halloween Parades and trick or treating of downtown shops, sidewalk sales and jazz festivals continue into 2014. Huntington Station is planning its fifth annual "Huntington Awareness Day" emphasizing the theme "Unity in the Station".

Major Initiatives (continued)

This event attracts thousands and generates much attention and good will for the community. All of the BIDs agree that more programming is needed to attract the patronage needed to sustain their various places of business. The Town continues to assist its BIDs in all ways possible. Most recently the Town has participated as a member in consortium to study parking in downtown Huntington Village. The consortium is comprised of the Town, the Huntington Chamber Commerce, Town of Huntington Economic Development Corporation, Huntington Village BID and Paramount Theater. Together, the consortium is working to implement ideas set forth in a consultant study to alleviate parking congestion.

- The Town of Huntington through the Huntington Community Development Agency (CDA) administers approximately \$800,000 in program funding annually. This includes: a Home Rehabilitation program designed to help elderly and limited-income residents remain in their homes; a Down Payment Assistance program that assists eligible first time buyers achieve the dream of homeownership; and "Take Back the Blocks" that purchases and renovates derelict properties and converts them to owner-occupied affordable housing. CDA also spearheads development programs to stimulate economic development and job growth in low-income areas such as the Huntington Business Incubator, and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG).
- In accordance with Town policy, the Town successfully completed the United States Department of Energy (USDOE) Energy Efficiency and Conservation Block Grant (EECBG) for energy-related projects including: 1) the installation of high-energy efficiency street lighting; 2) re-commissioning of Town Hall that included an energy audit and resulting implementation of energy conservation measures, such as, a building automation system upgrade and VFDs, 3) a 28kW solar PV demonstration project for Town Hall; 4) developed & implemented a residential energy efficiency retrofit program for Town homeowners that helped over 1,000 Huntington homeowners save energy and money; and 5) developed a comprehensive Town-wide long-range energy efficiency and capital investment plan. USDOE invited Huntington to join the Better Buildings Challenge (BBC), and as a BBC partner, the Town has committed to reduce energy intensity 20% by 2020. The Town has adopted the NYSDEC Climate Smart Communities Pledge for localities to improve energy efficiency and reduce greenhouse gas emissions, which includes developing a Climate Smart Action Plan. Huntington is also converting its public transit bus fleet to clean diesel, and constructed a solar powered five Electric Vehicle (EV) charging station at Huntington's LIRR South Parking Garage. The Town helped develop the LI Unified Solar Permitting Initiative (LIUSPI) resulting in Huntington's invitation to join CUNY as a participating partner in NYSERDA's NY Sun Initiative and NY Solar Smart under DOE's Solar Rooftop Challenge II grant to develop and implement a Solarize Huntington Program for Town residents.

Economic Development

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

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

- Engagement of Renaissance Downtowns, LLC as Master Developer for Huntington Station. In July of 2011, Renaissance Downtowns was selected as the most qualified respondent to assist the municipality with the next phase of Huntington Station's revitalization. In April 2012, the Town of

Economic Development (continued)

Huntington, the Town of Huntington Economic Development Corporation, and Renaissance Downtowns, LLC officially entered into contract for this engagement. The agreement calls for the Town, developer and community to co-create a Huntington Station Revitalization Development Strategy. Per the agreement, the development strategy was presented to the Town Board in June 2013 and it was unanimously adopted. The Master Developer Agreement, among many things, calls for the creation of a Community Benefits Agreement (CBA) which is an agreement between the Town and the Master Developer with respect to how and what community benefits are to be attained via projects resulting from the public-private partnership. The CBA is due to be finalized by September 2014. Renaissance Downtowns, Inc. remains in the process of completing plans for a boutique hotel on property next to the LIRR train station along with a number of other revitalization projects within the transportation hub area. To that end, active discussions are underway with the New York State Department of Transportation with regard to the disposition of state-controlled lands to the Town so they can be developed in accordance with the development strategy.

- Town of Huntington Economic Development Corporation and the Huntington Station Business Improvement District, continue to partner in a façade improvement grant program that provides matching dollars to encourage the look and quality of storefronts in Huntington Station.
- Transforming two acres of blighted properties:
 1. Station Sports Family Fun Center, unanimously supported by the community, represents a \$1.5 million private investment in Huntington Station that employs approximately 15 during the winter months and 30 during the spring, summer and fall. Station Sports, which opened in spring of 2012, offers a batting cage, a miniature golf course and indoor sports simulators. It is quickly growing in popularity. The Station Sports developer is presently seeking to introduce an international food chain at the site.
 2. In May 2013, the Town of Huntington officially opened a new pedestrian plaza at New York Avenue and Olive Street. Central to the Plaza is the sculpture, *Generations*, by artist Madeline Wiener. This four piece limestone structure represents a strong cross-cultural theme with a multi-generational emphasis on families, while also serving as benches with a musical theme that the community can enjoy.
- The Town of Huntington purchased and razed a decade old Huntington Station eyesore at 1000 New York Avenue to pave the way for its resale and redevelopment by the private sector. For this project, the Town secured a \$1.1 million grant from Empire State Development Corporation that will be passed to a selected private developer to offset demolition and construction costs. This property is within the focus area of the Master Developer.
- The Town of Huntington and Renaissance Downtowns remain in the process of marketing the Town of Economic Development Corporation-owned Northridge property in Huntington Station to attract a bank and other uses that are compatible with the adopted Development Strategy.
- The Huntington Business Incubator (Biz Inc) was opened in fall 2013 by the Huntington Community Development Agency to offer start-up businesses and entrepreneurs a place to access a host of business amenities including co-working space, conference rooms, business technology, professional guidance through volunteer mentors, and more. Biz Inc's first member celebrated success this month with the release of a new book, crediting her business success with the support and mentorship received at the center. The purpose of Biz Inc is to seed fledgling businesses with a hope to nurture them to the point where they can be "re-seeded" in the Huntington Station redevelopment area or elsewhere in the Town.

Financial Information

Budgetary Control

The Supervisor prepares a tentative budget each year that becomes the preliminary budget upon the scheduling of a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is adopted by the Town Board as its final budget for the coming year. The Town’s fiscal year 2014 final budget was adopted on November 7, 2013.

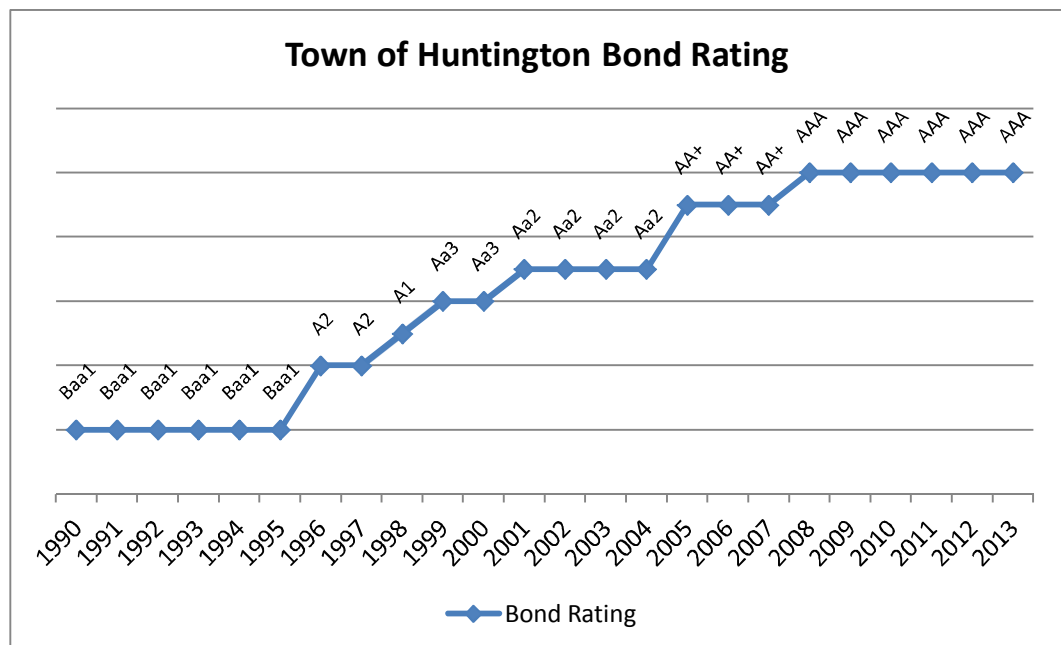
The Town establishes budgetary controls to ensure compliance with legal provisions in the annual appropriated budgets approved by the Town Board. The Supervisor submits a proposed operating budget for the General, Debt and Special Revenue Funds for the fiscal year commencing on January 1. The operating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

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

Debt Administration

The Town has achieved the highest bond rating of AAA from all three rating agencies, Standard & Poor’s, Fitch Rating Agency and Moody’s Investor’s Service from 2010 to 2013, placing Huntington among the best fiscally managed Towns in New York State. In 2014 Moody’s Investor’s Service placed 256 US local government General Obligation ratings under review in conjunction with updated methodology which included the Town of Huntington. On April 15, 2014, Moody’s again confirmed the Town’s AAA rating. These ratings have been upheld for all previously issued bonds as well. This achievement reflects the Town’s consistently solid financial position and a low debt with manageable additional capital needs.

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



Financial Policies

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Huntington for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012. This was the fourteenth consecutive year that the Town of Huntington has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

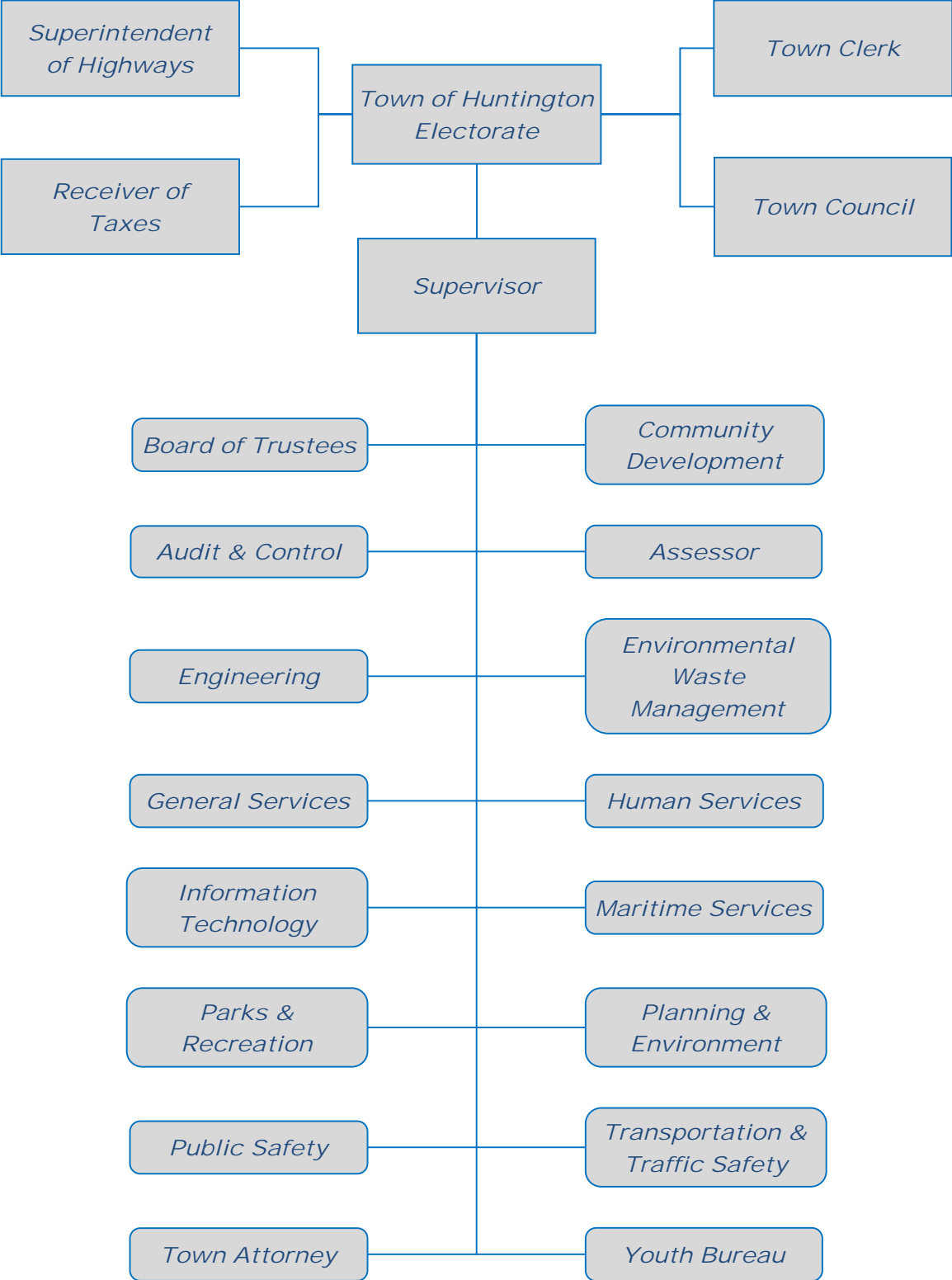
Finally, I would like to thank the Supervisor and the members of the Town Board for continued interest and support in planning and conducting the financial operations of the Town of Huntington in a responsible and progressive manner.

Respectfully submitted,



Peggy Karayianakis CPA
Town of Huntington
Interim Comptroller

Town of Huntington Organizational Chart



Town of Huntington

Principal Officials

Town Board:

Town Supervisor
Councilwoman
Councilman
Councilman
Councilwoman

Frank P. Petrone
Susan A. Berland
Eugene Cook
Mark A. Cuthbertson
Tracey A. Edwards

Town Clerk:

Jo-Ann Raia

Receiver of Taxes:

Ester Bivona

Superintendent of Highways:

Peter Gunther

Assessor:

Roger Ramme

Director of Audit and Control:

Peggy Karayianakis

Director of Engineering:

Joseph Cline

Director of Environmental Control:

Neal Sheehan

Director of General Services:

Thomas Boccard

Director of Human Services:

Jillian Guthman-Abadom

Director of Information Technology:

William Crowley

Director of Maritime:

Edward Carr

Director of Parks & Recreation:

Donald McKay

Director of Planning:

Anthony J. Aloisio

Director of Public Safety:

Kenneth Lindahl

Director of Transportation & Traffic Safety:

Stephen McGloin

Director of Youth Bureau:

Maria E. Georgiou

Town Attorney:

Cindy Elan-Mangano

Town Historian:

Robert Hughes



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Huntington
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York (Town), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the two component units, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the South Huntington Water District, one of the discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 20-31 and 82-89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary information on pages 92-117 is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the other supplementary information on pages 92-117 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2014, on our consideration of the Town of Huntington, New York's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Huntington, New York's internal control over financial reporting and compliance.

Cullen & Danowski, LLP
June 6, 2014

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Huntington (the "Town"), we offer readers of the Town's financial statements this Management Discussion and Analysis ("MD&A") of the financial activities of the Town for the fiscal year ended December 31, 2013. The MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

New Accounting Principles- Effective with the financial report for the year ended December 31, 2013, the Town has adopted three new pronouncements. GASB Statement No.61 on *The Financial Reporting Entity:Omnibus – an amendment of GASB Statements No. 14 and No. 34* which modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No.65, *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflow of sources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenue). GASB Statement No. 66, *Technical Correction-2012-an amendment of GASB Statement No. 10 and No. 62*, which resolves conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Overview of the Financial Statements

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

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



Reporting on the Town as a Whole

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

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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

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

Governmental Activities

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

Discretely Presented Component Units

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

Blended Component Units

Certain Component Units, deposited being legally separated from the primary government, are reported as if they were part of the primary government because they provide services exclusively to the Town and thus are reported as if they were part of the primary government. The Blended Component Units, are Huntington Community Development Agency and Local Development Corporation and are reported as non-major government funds.

Reporting on the Town's Most Significant Funds

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

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

Governmental Funds

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

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

Fiduciary Funds

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

Financial Analysis of the Town as a Whole

Net Position

Total assets and deferred outflows of the Town on December 31, 2013, were \$432.1 million, a decrease of \$10.1 million over the prior year, which includes a prior period adjustment of \$976,276. See Note C 10. Total liabilities and deferred inflows were \$201.8 million, a decrease of \$6.9 million over the prior year. This results in a net position balance of \$230.4 million, a decrease of \$3.2 million over the prior year. Of the Town's net position, \$259.7 million was net investment in capital assets, while \$10.0 million was restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. The unrestricted net position (deficit) was (\$39.3) million, and decreased (\$11.9) million primarily as a result of the recording of a \$7.9 million increase in the Other Post-Employment Benefits liability (OPEB).

Condensed Statement of Net Position
Governmental Activities
As of December 31,

	<u>2013</u>	<u>As Restated 2012</u>
<u>Assets and Deferred outflows</u>		
Current and other assets	102,989,229	121,052,899
Non-current pension asset	143,864	81,401
Capital assets	329,015,912	320,750,477
Deferred outflows of resources	-	435,665
Total assets and deferred outflows	432,149,005	442,320,442
<u>Liabilities and Deferred inflows</u>		
Current and other liabilities	42,930,230	37,547,796
Non-current liabilities	146,163,130	153,639,752
Deferred inflow of resources	12,703,900	17,512,495
Total liabilities and deferred inflows	201,797,260	208,700,043
<u>Net Position</u>		
Net investment in capital assets	259,663,495	245,737,404
Restricted	10,027,863	15,237,323
Unrestricted	(39,339,613)	(27,354,328)
Total net position	\$ 230,351,745	\$ 233,620,399

The Town's bonded indebtedness was \$86.7 million, which included issuances in 2013 for \$7.4 million in Town bonds to finance road construction, improvements to Town facilities, parking and infrastructure.

Financial Analysis of the Town as a Whole (continued)

Changes in Net Position

The Town's program revenues for the year ended December 31, 2013 were \$53.2 million, an increase of \$.7 million and general revenues were \$131 million, an increase of \$3.7 million over the prior year, for total revenues of \$184.2 million, an increase of \$4.4 million. The expenses for the year ended December 31, 2013 of the Town were \$187.5 million, an increase of \$.5 million. As a result of expenses exceeding revenues, the change in net position for the year ended December 31, 2013 was a decrease of \$3.3 million. Revenues and expenses of the Town's governmental activities are detailed on the next page.

Governmental Activities

During the current fiscal year, net position for governmental activities decreased by \$3.3 million from the prior fiscal year for an ending balance of \$230.4 million. The decrease in overall net position of governmental activities is due primarily to the result of the use of the appropriation of fund balance in 2013. The use of appropriation for capital projects was \$ 2.2 million, while \$.4 million was part of appropriations for snow removal.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

Financial Analysis of the Town as a Whole (continued)

Governmental Activities (continued)

Condensed Statement of Net Position
Governmental Activities
For the Years Ended December 31,

	2013	As Restated 2012
<u>Revenues</u>		
Program Revenues:		
Charges for services	\$ 33,953,490	\$ 29,633,601
Operating grants & contributions	16,123,065	21,469,143
Capital grants & contributions	3,102,784	1,407,987
General Revenues:		
Property taxes	109,889,320	109,054,601
Mortgage taxes	7,988,336	6,742,019
Other taxes	4,513,225	4,516,682
Interest and investment income	1,390,584	2,014,266
State aid – unrestricted	1,067,256	1,067,256
Miscellaneous	6,163,186	3,948,106
Total revenues	184,191,246	179,853,661
<u>Expenses</u>		
General government support	\$ 38,235,587	41,701,078
Public safety	13,568,077	13,902,767
Health	3,440,004	3,306,757
Transportation	50,671,798	60,084,217
Economic assistance and opportunity	3,288,214	3,421,790
Culture and recreation	23,333,531	20,462,665
Home and community services	52,238,856	40,842,822
Interest and debt	2,683,833	3,193,082
Total expenses	187,459,900	186,915,178
(Decrease) Increase in net position	(3,268,654)	(7,061,517)
Net position, January 1 (as restated)	233,620,399	240,681,916
Net position, December 31	\$ 230,351,745	\$ 233,620,399

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

Financial Analysis of the Town as a Whole (continued)

Governmental Activities (continued)

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

	Total Cost of Services		Net Costs of Services	
	As Restated		As Restated	
	2013	2012	2013	2012
General government support	\$ 38,235,587	\$ 41,701,078	\$ 30,953,497	\$ 33,665,789
Public safety	13,568,077	13,902,767	11,764,196	12,585,142
Health	3,440,004	3,306,757	2,953,451	2,914,647
Transportation	50,671,798	60,084,217	35,536,677	42,973,696
Economic assistance and opportunity	3,288,214	3,421,790	2,712,967	2,856,967
Culture and recreation	23,333,531	20,462,665	14,156,795	11,253,939
Home and community services	52,238,856	40,842,822	33,519,145	24,961,185
Interest on debt	2,683,833	3,193,082	2,683,833	3,193,082
Total	\$ 187,459,900	\$ 186,915,178	\$ 134,280,561	\$ 134,404,447

Governmental Funds

Total assets in the Town's General fund were \$40.4 million. Receivables reported were \$3.9 million, consisting of \$2.0 million in waste management fees, and \$1.0 million in franchise fees and \$.9 million of various small revenue receivables. Due from federal, state and other governments were \$2.5 million of which \$1.8 million is due from intermunicipal agreement for services provided by the resource recovery facility and \$.7 million from other granting agencies.

Total liabilities and deferred inflow of resources in the Town's General fund was \$12.0 million. Accrued liabilities of \$4.9 million were the result of payroll accruals and waste management fees, accounts payable of \$2.5 million and deferred inflow of resources of \$4.0 million from the 2013-2014 tax warrant.

In addition to the General fund, all Town Special Revenue funds exclusive of the Fire Protection District and the Ambulance District, which are included in the non-major governmental funds, have deferred inflow of resources. These balances are derived from tax monies collected for the 2013-2014 tax warrant.

As of December 31, 2013 governmental funds reported an overall fund balance of \$70.1 million. The unreserved fund balances in the General Fund is \$7.1 million. Fund balances in the Highway and Refuse and Garbage funds and other non-major funds are recorded as restricted funds in accordance with Governmental Accounting Standards Board Statement No. 54.

In the General Fund, the fund balance has decreased by \$10.5 million. The decrease in the General Fund was due primarily to the use of Open Space Reserves for purchase of property, park improvements and neighborhood enhancements, as well as the appropriation of reserves for funding of various capital projects in lieu of borrowing.

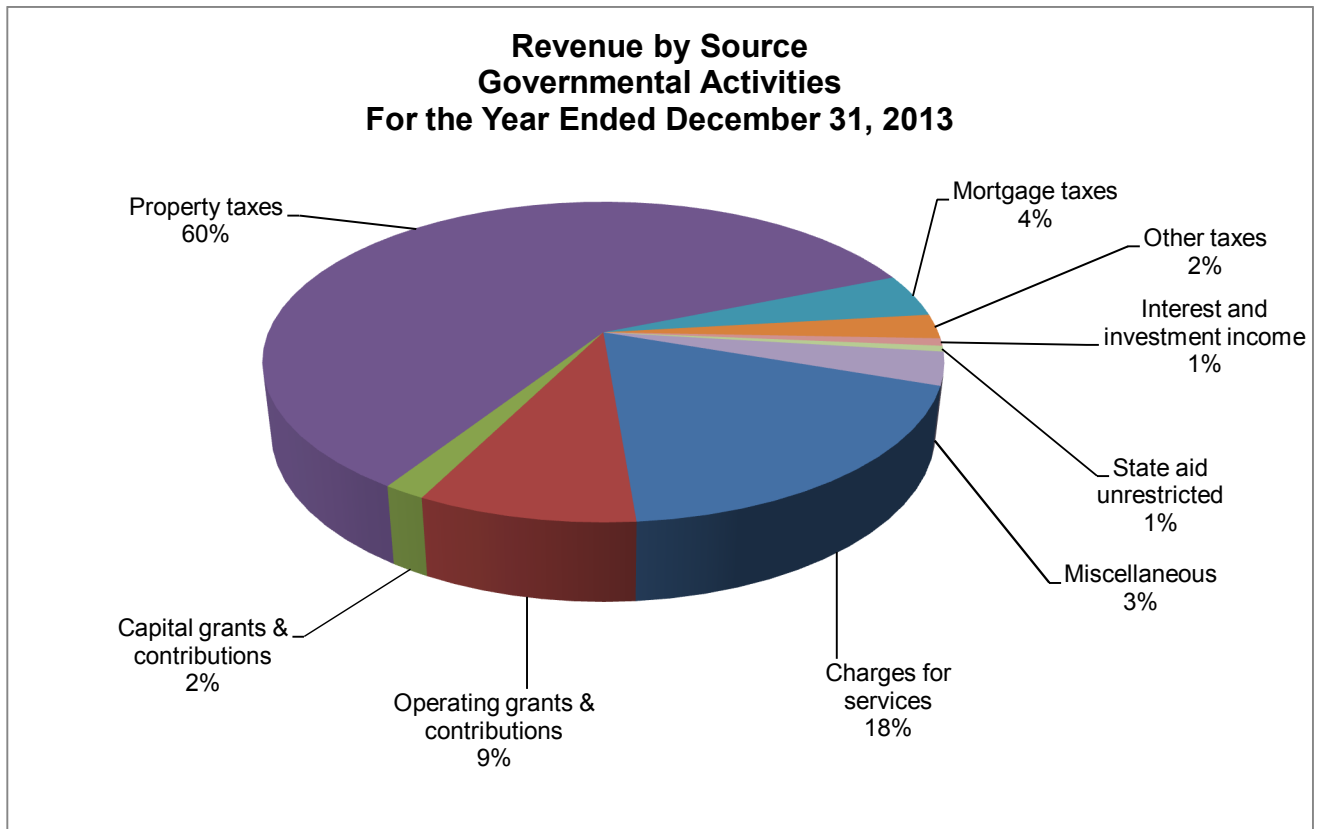
In the Highway Fund, the fund balance has increased by \$1.7 million. The change in fund balance is attributable to Super Storm Sandy FEMA reimbursements for expenditures recorded in 2013.

Financial Analysis of the Town as a Whole (continued)

Governmental Funds (continued)

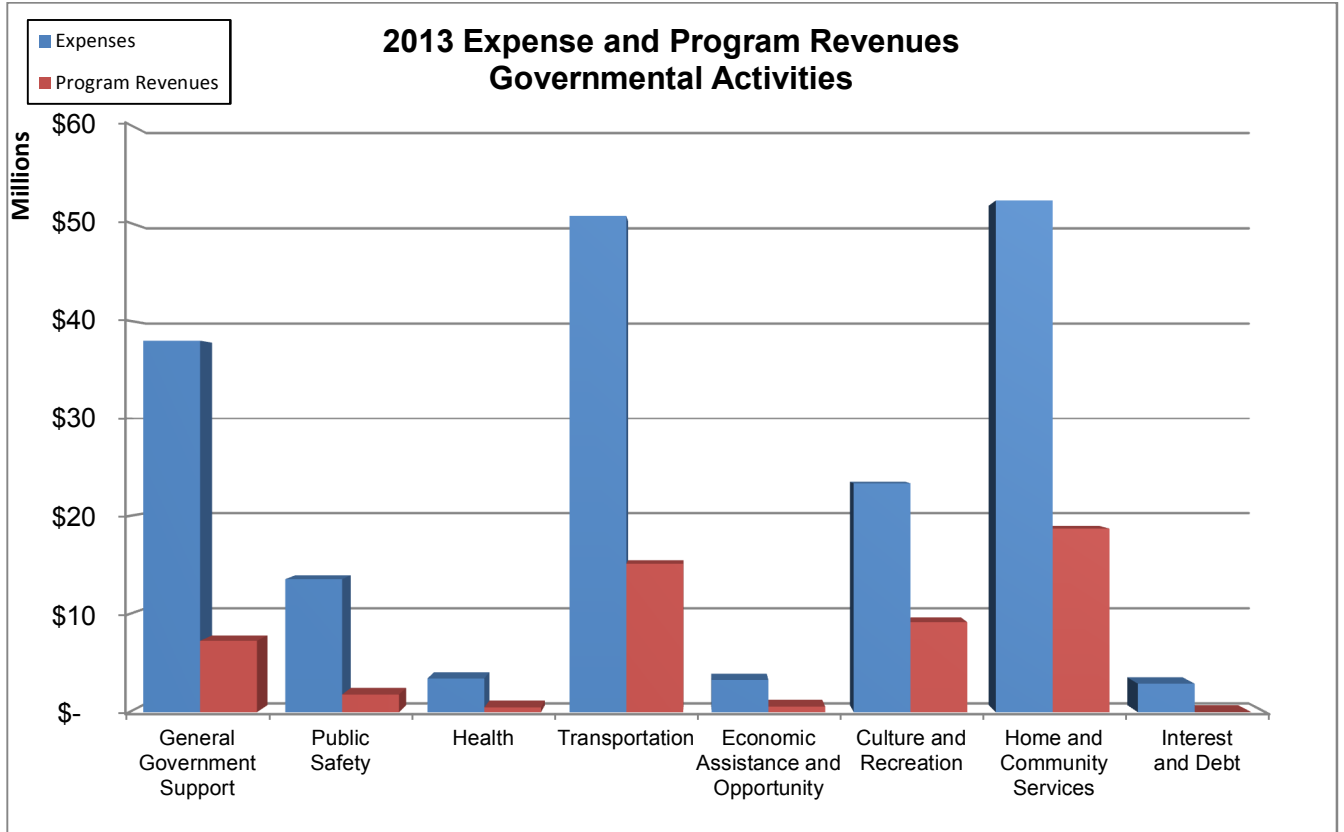
In the Refuse and Garbage Fund, the fund balance had decreased \$.5 million due to expenses exceeding revenue and the appropriation of fund balance for next year's budget.

The Capital Projects fund had an increase in fund balance of \$2.2 million. This is due to the timing of when revenues are recorded from the issuance of long-term debt, and when the expenditures for the related projects are incurred.



Financial Analysis of the Town as a Whole (continued)

Governmental Funds (continued)



Budgetary highlights

Variances for the General Fund

In the current year, the General Fund's final revenue budget amounts varied from the Board's original anticipated amount as follows:

- Insurance recoveries increased by \$447,000 due to reimbursement for Hurricane Sandy storm damages.
- Mortgage Tax was increased by \$488,000 due to better than expected home sales in the town.
- Federal Aid – federal emergency management assistance revenue was increased by \$899,000 for reimbursement for Hurricane Sandy clean up.

The final expenditure and other financing uses budget compared to the original expenditure budget showed slight changes that were due primarily to increased retirement costs.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2013

Capital Assets and Debt Administration

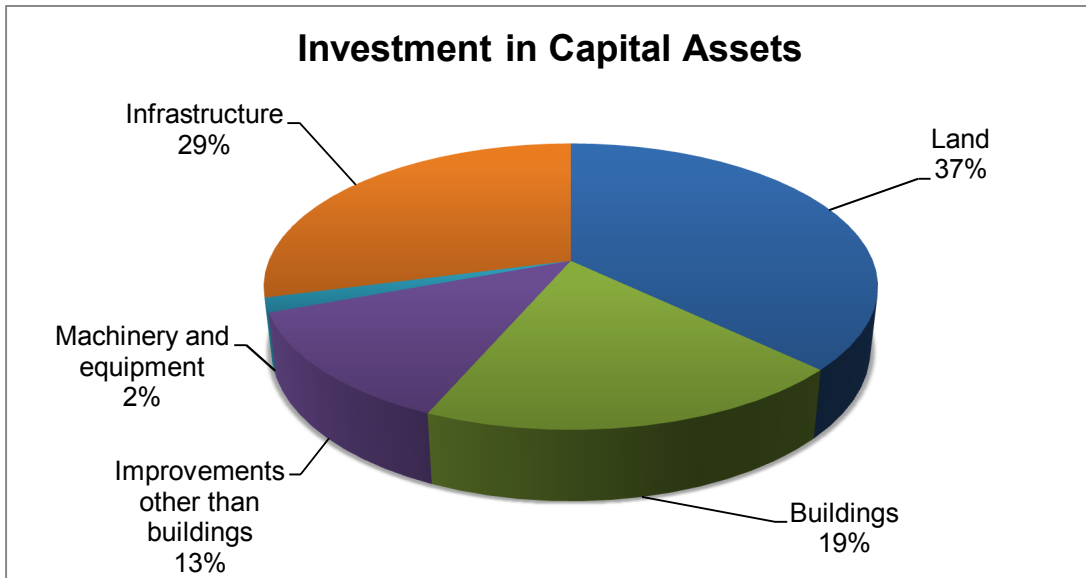
Capital Assets

As of December 31, 2013, the Town had \$329 million in net capital assets, of which \$95.7 million was infrastructure. The Town's capital assets also include land, buildings, improvements other than buildings and machinery and equipment. The details of capital assets are shown in Note C.3 to the financial statements.

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

	2013	2012
Land	\$ 122,125,912	\$ 113,614,627
Construction in Progress	-	-
Buildings	63,733,420	63,213,891
Improvements other than buildings	42,159,105	43,386,767
Machinery and equipment	5,324,769	5,791,230
Infrastructure	95,672,708	94,743,962
Total net capital assets	<u>\$ 329,015,914</u>	<u>\$ 320,750,477</u>

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



Capital Assets and Debt Administration (continued)

Debt Administration

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

During fiscal year 2013, the Town of Huntington issued \$7.4 million in general obligation bonds to finance road reconstruction, improvements to the Dix Hills Water District, town wide parking lots and Woodbine Marina, technology, and other improvements to Town infrastructure and facilities. Note-C.4 to the financial statements shows the details of the Town's long-term liabilities.

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

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

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

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

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

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

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

At December 31, 2013 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$113 million. Of this amount \$86.7 million was subject to the constitutional debt limit and represented approximately 3.13% of the statutory debt limit.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

Factors and Next Year's Budgets and Rates

Union Contracts

The Town employs approximately 698 full-time employees as of December 31, 2013. The Civil Service Employees Association covers approximately 201 employees. Local 342, Long Island Service Employees, United Marine Division, and International Longshoremen's Association, covers approximately 416 of the Town's employees and is divided into two units. The supervisory unit covers 80 employees and the labor unit covers 336 employees. The Civil Service Employees Association contract expires on December 31, 2016 and all other contracts expire on December 31, 2015.

State Aid

The Town receives state aid from the State of New York. While the State is not constitutionally obligated to maintain or continue providing State Aid; it has given no indication of terminating the funding in 2014. Operating revenues in the General Fund Budget include approximately 6.2% to be derived from State Aid. The largest allotment of State Aid is derived from Mortgage Tax Collections. The real estate market remains steady and revenues from mortgage tax collections are expected to meet the budget projection for 2014

Employee Benefits

Employee benefits continue to increase placing pressure on the Town's Budget. The New York State and Local Employee Retirement System costs increased approximately 16% in 2013.

Utility and Fuel Costs

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

Tax Collection

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

<u>As of May</u> <u>31</u>	<u>Total Tax Levy</u>	<u>To Town</u> <u>Supervisor</u>	<u>To County</u> <u>Treasurer</u>	<u>Uncollected/</u> <u>Returned</u>
2013	\$941,140,645	\$809,174,772	\$131,965,873	\$22,286,297
2012	918,665,388	791,338,298	127,337,090	22,906,987
2011	879,997,364	761,108,582	118,888,782	24,068,926
2010	862,060,354	747,420,530	114,639,824	24,964,228
2009	851,271,257	737,498,921	113,772,336	25,462,043

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

Tax Collection (continued)

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

Contacting the Town's Financial Management

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2013

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 55,070,458	\$ 12,682,011
Cash - Restricted	22,649,980	6,482,018
Accounts receivable	4,460,497	1,524,920
Due from federal, state and other governments	16,758,100	49,904
Inventory of material and supplies	-	248,834
Prepays	4,050,194	217,413
Total Current Assets	102,989,229	21,205,100
Non-Current Assets		
Net Pension Asset	143,864	
Non-depreciable capital assets	122,125,912	7,663,388
Depreciable capital assets, net of depreciation	206,890,000	52,799,903
Total Non-Current Assets	329,159,776	60,463,291
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges, net of accumulated amortization		175,612
Total Deferred Outflow of Resources		175,612
Total Assets and Deferred Outflow	\$ 432,149,005	\$ 81,844,003
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable and other		
current liabilities	\$ 7,078,931	\$ 1,354,662
Accrued liabilities	6,406,224	116,788
Accrued interest payable	664,686	229,252
Retained percentages	1,261,322	-
Due to other governments	1,262,488	-
Non-current liabilities:		
Due within one year	26,256,579	2,510,927
Total Current Liabilities	42,930,230	4,211,629
Non-Current Liabilities:		
Due in more than one year	146,163,130	28,365,325
Total Non-Current Liabilities	146,163,130	28,365,325
Total Liabilities	189,093,360	32,576,954
DEFERRED INFLOW OF RESOURCES		
Deferred revenues	12,703,900	-
Total Deferred Inflow of Resources	12,703,900	-
NET POSITION		
Net Investment in capital assets	259,663,495	39,520,209
Restricted for:		
Debt service	772,229	-
Capital Projects	9,255,634	6,381,180
Unrestricted (deficit)	(39,339,613)	3,365,660
Total Net Position	230,351,745	49,267,049

See notes to the financial statements.

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

GOVERNMENTAL FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government support	\$ 38,235,587	\$ 4,815,610	\$ 1,227,229	\$ 1,239,251
Public safety	\$ 13,568,077	1,803,881	-	-
Health	\$ 3,440,004	219,180	267,373	-
Transportation	\$ 50,671,798	601,018	12,670,570	1,863,533
Economic assistance and opportunity	\$ 3,288,214	304,172	271,075	-
Culture and recreation	\$ 23,333,531	8,124,066	1,052,670	-
Home and community services	\$ 52,238,856	18,085,563	634,148	-
Interest on debt	\$ 2,683,833	-	-	-
Total Primary Government	\$ 187,459,900	\$ 33,953,490	\$ 16,123,065	\$ 3,102,784
Component Units:				
Home and community services	\$ 14,665,503	\$ 6,652,816		

General Revenues
Property taxes
Mortgage tax
Other taxes
Interest and investment income
State aid - unrestricted
Miscellaneous
Total General Revenues
Change in net position
Net position - Beginning of year (as restated)
Net position - Ending of year

See notes to the financial statements.

Net (Expense) Revenue and
and Changes in Net Position

Primary	
Governmental Activities	Component Units
\$ (30,953,497)	
(11,764,196)	
(2,953,451)	
(35,536,677)	
(2,712,967)	
(14,156,795)	
(33,519,145)	
(2,683,833)	
<u>\$ (134,280,561)</u>	

\$ (8,012,687)

\$ 109,889,320	\$ 6,086,204
7,988,336	-
4,513,225	-
1,390,584	511,922
1,067,256	-
6,163,186	1,542,208
<u>131,011,907</u>	<u>8,140,334</u>
(3,268,654)	127,647
233,620,399	49,139,402
<u>\$ 230,351,745</u>	<u>\$ 49,267,049</u>

TOWN OF HUNTINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

Major Governmental Funds

	General	Highway	Debt Service	Refuse and Garbage
ASSETS				
Cash and cash equivalents	\$ 13,952,745	\$ 5,840,917	\$ -	\$ 6,143,507
Cash - Restricted	18,464,541	2,831,601	-	172,411
Accounts receivable, net	3,913,932	15,706	-	91,370
Due from federal, state and other governments	2,536,255	10,188,414	-	261,558
Due from other funds	448,765	376,884	-	72,316
Prepays	1,037,161	374,854	-	133,074
Total Assets	<u>\$ 40,353,399</u>	<u>\$ 19,628,376</u>	<u>\$ -</u>	<u>\$ 6,874,236</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

LIABILITIES

Accounts payable and other

current liabilities \$ 2,478,079 \$ 774,149 \$ - \$ 758,677

Accrued liabilities 4,918,698 220,340 - 980,642

Retained percentages - - - -

Due to other governments 277,978 - - -

Due to other funds 295,710 259,363 - 168,262

Total Liabilities 7,970,465 1,253,852 - 1,907,581

DEFERRED INFLOW OF RESOURCES

Deferred revenue 4,035,764 4,000,000 - 2,863,128

Total Deferred Inflows 4,035,764 4,000,000 - 2,863,128

FUND BALANCES

Non-Spendable

Prepays 1,037,161 374,854 - 133,074

Restricted for:

Open space land preservation 12,296,638 - - -

Debt service 41,815 636,825 - 1

Snow and ice removal/road repair 466,535 1,175,999 - -

Workers' compensation 306,604 - - -

Judgments and claims 1,401,761 - - -

Retirement contribution 8,764 196,171 - 70,024

General Capital reserve 2,155,219 568,462 - -

Employee Benefit Accrual Liability Reserve 1,787,205 254,144 - 102,386

Highway - 7,897,325 - -

Refuse District - - - 1,420,887

Town Outside Village - - - -

Community Development - - - -

Local Development Corporation - - - -

Fire Protection - - - -

Streetlighting - - - -

Ambulance Services - - - -

Sewer Services - - - -

Water Services - - - -

Assigned:

Subsequent year's budget 1,158,000 3,214,000 - 377,000

Unappropriated Fund Balance 538,483 56,744 - 155

Capital projects fund balance - - - -

Unassigned:

General fund 7,148,985 - - -

Total Fund Balances 28,347,170 14,374,524 - 2,103,527

Liabilities, Deferred Inflows and Fund Balances: \$ 40,353,399 \$ 19,628,376 \$ - \$ 6,874,236

See notes to the financial statements.

Capital Projects	Nonmajor Governmental Funds	Total
\$ 19,715,988	\$ 9,417,301	\$ 55,070,458
	1,181,427	22,649,980
25,995	413,494	4,460,497
1,502,550	321,811	14,810,588
99,735	242,980	1,240,680
-	297,375	1,842,464
<u>\$ 21,344,268</u>	<u>\$ 11,874,388</u>	<u>\$ 100,074,667</u>

\$ 2,302,434	\$ 765,592	\$ 7,078,931
	286,544	6,406,224
1,261,322	-	1,261,322
-	984,510	1,262,488
326,396	190,949	1,240,680
<u>3,890,152</u>	<u>2,227,595</u>	<u>17,249,645</u>

-	1,805,008	12,703,900
	<u>1,805,008</u>	<u>12,703,900</u>

-	297,375	1,842,464
-	-	12,296,638
-	93,588	772,229
-	-	1,642,534
-	-	306,604
-	-	1,401,761
-	258,815	533,774
-	51,267	2,774,948
-	777,757	2,921,492
-	-	7,897,325
-	-	1,420,887
-	161,254	161,254
-	(474,178)	(474,178)
-	191,739	191,739
-	44,373	44,373
-	2,395,855	2,395,855
-	15,156	15,156
-	295,164	295,164
-	2,411,833	2,411,833
-	1,090,000	5,839,000
8,198,482	231,787	9,025,651
9,255,634	-	9,255,634
-	-	7,148,985
<u>17,454,116</u>	<u>7,841,785</u>	<u>70,121,122</u>
<u>\$ 21,344,268</u>	<u>\$ 11,874,388</u>	<u>\$ 100,074,667</u>

TOWN OF HUNTINGTON

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of December 31, 2013

Total Fund Balances - Governmental Funds \$ 70,121,122

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

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

Capital Assets - Non-Depreciable	122,125,912	
Capital Assets - Depreciable	643,862,200	
Accumulated Depreciation	<u>(436,972,200)</u>	329,015,912

Other Agency Net Pension Asset - LOSAP 143,864

New York State Employees Retirement System annual contributions paid on an annual basis have been prepaid, creating a year-end asset. The asset is not a current available resource and is not reported in the funds. 2,207,730

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds. 1,947,512

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

General obligation bonds	(86,743,098)	
Employees retirement incentive	(53,548)	
Due to Employee Retirement System	(3,564,717)	
Other post-employment benefits payable	(57,049,743)	
Other Agency Liabilities- LOSAP	(649,729)	
Compensated absences	(13,637,313)	
Claims and judgments	(10,161,820)	
Estimated liability for landfill closure and post-closure care costs	(496,305)	
Installment purchase debt	<u>(63,436)</u>	(172,419,709)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However these liabilities are included in the Statement of Net Position. (664,686)

Net Position of Governmental Activities \$ 230,351,745

See notes to the financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF HUNTINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended December 31, 2013

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
REVENUES				
Real property taxes	\$ 35,393,763	\$ 30,825,862	\$ -	\$ 23,370,653
Other real property tax items	322,419	45,886	-	217
Non-property tax items	3,956,027	-	-	-
Departmental income	31,140,769	-	-	9,262
Intergovernmental charges	133,866	-	-	9,728
Use of money and property	922,859	89,867	-	42,171
Licenses and permits	965,623	148,858	-	-
Fines and forfeitures	1,135,462	-	-	-
Sale of property and compensation for loss	787,442	16,372	-	560,731
Miscellaneous local sources	1,123,623	432,402	-	104,274
Interfund revenues	4,051,494	-	-	-
State aid	10,130,804	1,731,840	-	-
Federal aid	1,990,218	9,770,553	-	49,067
Total Revenues	<u>92,054,369</u>	<u>43,061,640</u>	<u>-</u>	<u>24,146,103</u>
EXPENDITURES				
Current:				
General government support	23,236,683	183,138	-	1,992,537
Public safety	4,553,928	-	-	-
Health	744,247	-	-	-
Transportation	4,722,382	24,897,287	-	-
Economic assistance and opportunity	2,071,285	-	-	-
Culture and recreation	14,048,065	-	-	-
Home and community services	20,124,955	-	-	19,458,329
Employee benefits	18,789,724	8,299,869	-	2,820,372
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	10,704,821	-
Interest	-	-	3,171,256	-
Total Expenditures	<u>88,291,269</u>	<u>33,380,294</u>	<u>13,876,077</u>	<u>24,271,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,763,100</u>	<u>9,681,346</u>	<u>(13,876,077)</u>	<u>(125,135)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Transfers in	200,020	376,881	13,876,077	-
Transfer Out	(10,242,163)	(784,520)	-	(140,000)
Transfers out (Debt Service)	(4,246,840)	(7,598,607)	-	(185,291)
Total Other Financing Sources (Uses)	<u>(14,288,983)</u>	<u>(8,006,246)</u>	<u>13,876,077</u>	<u>(325,291)</u>
Net Change in Fund Balances	(10,525,883)	1,675,100	-	(450,426)
Fund Balances at Beginning of Year (as restated)	38,873,053	12,699,424	-	2,553,953
Fund Balances at End of Year	<u>\$ 28,347,170</u>	<u>\$ 14,374,524</u>	<u>\$ -</u>	<u>\$ 2,103,527</u>

See notes to the financial statements.

	Nonmajor	
Capital	Governmental	
Projects	Funds	Total
\$ -	\$ 20,299,042	\$ 109,889,320
-	43,975	412,497
-	144,701	4,100,728
-	7,536,123	38,686,154
-	-	143,594
1,679	334,008	1,390,584
-	804,050	1,918,531
-	-	1,135,462
-	-	1,364,545
2,511,232	603,389	4,774,920
-	-	4,051,494
530,602	30,316	12,423,562
2,047,066	1,076,170	14,933,074
<u>5,090,579</u>	<u>30,871,774</u>	<u>195,224,465</u>
-	4,178,053	29,590,411
-	3,526,683	8,080,611
-	2,537,524	3,281,771
-	2,644,575	32,264,244
-	-	2,071,285
-	-	14,048,065
-	9,987,909	49,571,193
-	6,102,638	36,012,603
21,583,565	-	21,583,565
-	-	10,704,821
-	-	3,171,256
<u>21,583,565</u>	<u>28,977,382</u>	<u>210,379,825</u>
<u>(16,492,986)</u>	<u>1,894,392</u>	<u>(15,155,360)</u>
7,430,000	-	7,430,000
11,828,474	1,614	26,283,066
(578,515)	(661,791)	(12,406,989)
	(1,845,339)	(13,876,077)
<u>18,679,959</u>	<u>(2,505,516)</u>	<u>7,430,000</u>
2,186,973	(611,124)	(7,725,360)
15,267,143	8,452,909	77,846,482
<u>\$ 17,454,116</u>	<u>\$ 7,841,785</u>	<u>\$ 70,121,122</u>

TOWN OF HUNTINGTON

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2013

Net Change in Fund Balance \$ (7,725,360)

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

Capital Outlay	\$ 22,071,261	
Depreciation Expense	<u>(13,704,484)</u>	8,366,777

Gains and losses on disposals of equipment are not reported by the governmental funds, but are included in the Statement of Activities. 30,025

Adjustment to opening fund balance for the Capital Projects fund 525,116

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

Prepaid charges		1,470,267
Amortization of deferred bond issuance costs		(302,776)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 399,690

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

Debt issued	(7,430,000)	
Repayment of bond principal	10,704,821	
Employees retirement incentive	40,328	
Due to Employee Retirement System	340,467	
Other post-employment benefits payable	(7,897,817)	
Other Agency Liabilities- LOSAP	240,240	
Compensated absences	(731,919)	
Claims and judgments	(1,976,046)	
Estimated liability for landfill closure and post-closure care costs	80,700	
Installment purchase debt	109,410	
Accrued interest payable	<u>487,423</u>	<u>(6,032,393)</u>

Change in Net Position of Governmental Activities \$ (3,268,654)

See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2013

	<u>Total Agency Funds</u>
ASSETS	
Cash	\$ 105,452,672
Other assets	<u>1,073,098</u>
Total Assets	<u><u>\$ 106,525,770</u></u>
LIABILITIES	
Liabilities:	
Due to school districts	\$ 48,130,378
Due to other governments	48,130,381
Other liabilities	<u>10,265,011</u>
Total Liabilities	<u><u>\$ 106,525,770</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF HUNTINGTON
INDEX FOR NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note A – Summary of Significant Accounting Policies	
A.1 Reporting Entity	48-49
A.2 Basis of Presentation	49-51
A.3 Basis of Accounting/Measurement Focus	51-52
A.4 Assets, Liabilities and Fund Equity	52-54
A.5 Revenues and Expenditures	54-56
A.6 New Accounting Principles	56
A.7 Use of Estimates	56
A.8 Reclassifications	56
 Note B – Stewardship, Compliance and Accountability	
B.1 Budgetary Data	57-58
B.2 Fund Balances	58-60
 Note C – Detailed Notes on All Funds	
C.1 Cash and Investments	60-61
C.2 Interfund Receivables, Payables and Transfers	62
C.3 Capital Assets	63-64
C.4 Indebtedness	64-67
C.5 Retirement System	67-68
C.6 Employee Retirement Incentives	68
C.7 Service Award Program	69-72
C.8 Other Post-Employment Benefits (Obligations for Health Insurance)	72-75
C.9 Compensated Absences	76
C.10 Prior Period Adjustment	76
 Note D – Commitments and Contingencies	
D.1 Risk Retention	77
D.2 Resource Recovery Facility	78
D.3 Landfill Closure and Post-Closure Care Costs	78
D.4 Construction and Other Capital Acquisition Commitments	79
 Note E – Condensed Financial Statements for the Discretely Presented Component Units	79
 Note F – Subsequent Events	80
 Note G- New Pronouncements	80

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. REPORTING ENTITY

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

The decision to include a potential component unit in the Town of Huntington reporting entity is based on several criteria set forth in various GASB statements including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of Huntington's reporting entity.

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

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

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

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

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

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

2. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Government-wide Financial Statements (continued)

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

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

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

Debt Service Fund – is used to account for the accumulation of resources for the payment of principal, and interest on indebtedness.

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

Additionally, the Town reports the following nonmajor funds:

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

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

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

Local Development Corporation (LDC)– is used to account for sponsor conduit financing and earn a fee income to support its mission.

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

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

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

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

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

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

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

4. ASSETS, LIABILITIES AND FUND EQUITY

RECEIVABLES

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

PREPAIDS

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town did not have any items that qualified.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The Town has one item that is reported as deferred inflow of resources. This item relates to deferred revenue that represents collections of the 2014 tax warrant. The property taxes collected are applicable to the 2014 fiscal and thus are not available for use at year end.

CAPITAL ASSETS

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

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

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

LONG-TERM OBLIGATIONS

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

EQUITY CLASSIFICATIONS

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

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

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

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

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES (continued)

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

INTERFUND TRANSACTIONS

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

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

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

COMPENSATED ABSENCES

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

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

OTHER POST-EMPLOYMENT BENEFITS

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

OTHER POST-EMPLOYMENT BENEFITS (continued)

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

6. NEW ACCOUNTING PRINCIPLES

Effective with the financial report for the year ended December 31, 2013, the Town has adopted GASB Statement No.61 on *The Financial Reporting Entity:Omnibus – an amendment of GASB Statements No. 14 and No. 34* which modifies certain requirements for inclusion of component units in the financial reporting entity.

Effective with the financial report for the year ended December 31, 2013, the Town has adopted GASB Statement No.65 on *Items Previously Reported as Assets and Liabilities* which establishes accounting and financial reporting standards that reclassify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflow of sources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenue).

Effective with the financial report for the year ended December 31, 2013, the Town has adopted GASB Statement No. 66 on *Technical Correction-2012-an amendment of GASB Statement No. 10 and No. 62*, which resolves conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

7. USE OF ESTIMATES

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

8. RECLASSIFICATIONS

Certain amounts in the 2012 financial statement notes have been reclassified to conform with the 2013 presentation.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

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

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

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

- f) Budgets for the General and all Special Revenue Funds except for the Special Grant and Capital Projects Funds are legally adopted each year. The budgets are adopted on a basis of accounting consistent with GAAP. The Capital Projects and Special Grant Funds budgets are adopted on a project or grant basis.
- g) Budgetary controls for the Special Grant Funds are established in accordance with the applicable grant agreement, which covers a period other than the Town's fiscal year. Consequently, the budgets for such funds have been excluded.
- h) In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2.00% property tax cap for municipalities, however there are permitted exceptions and adjustments that can increase the property tax cap percentage. Beginning in 2012 and lasting through at least June 15, 2016, no local government is authorized to increase its property tax levy by more than the calculated property tax cap; however local governments can exceed the property tax cap limit by a 60% vote of the governing body and annually adopting a local law.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

1. BUDGETARY DATA (continued)

The 2013 budget includes an overall increase in real property tax revenue from the prior year of .83% for the Town's overall government activities, which is in compliance with the property tax cap imposed by New York State.

2. FUND BALANCES

FUND BALANCE CLASSIFICATION

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

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

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

ASSIGNED FUND BALANCE

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

The 2014 Preliminary Budget submitted by the Town Supervisor became the Adopted Budget on November 7, 2013. The 2014 adopted budget contained a projected use of \$5,839,000 of fund balance.

Town Board resolutions are required to fund any Capital Project. These resolutions are adopted as funds are needed for projects. Funding is appropriated specifically for each project and cannot be used for alternate projects. As a result, the Capital Project Fund Balance of \$8,198,482 is reported as Assigned Fund Balance.

ENCUMBRANCES

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

All encumbrances at December 31, 2013 are reported as Assigned: Unappropriated Fund Balances:

	2013
	Encumbrances
General Fund	\$ 538,483
Part Town Fund	45,936
Highway	56,744
Capital Projects Fund	8,198,482
Street Lighting	60,355
Refuse District	155
Sewer District	602
Water District	124,894
Total Encumbrances	\$ 9,025,651

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

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

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

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The Town does not maintain any cash and/or investments with CLASS.

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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

Cash with the Town Supervisor	\$ 86,771,637
Cash with the Town Receiver of Taxes	<u>96,559,871</u>
	<u>\$ 183,331,508</u>

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

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

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

At December 31, 2013 the Town's bank deposit balances were \$181,777,676. Of these balances, \$2,691,739 was covered by the Federal Deposit Insurance Corporation; \$179,085,937 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name.

At December 31, 2013, the Town's component units' bank balances were \$18,768,660. Of these balances, \$1,250,000 was covered by the Federal Deposit Insurance Corporation and \$17,518,660 was covered by collateral held by the Town's component units' agent, a third-party financial institution, in the Town's component units' name and no funds were uncollateralized.

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2013 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

Primary Government

	Amount <u>Receivable</u>	Amount <u>Payable</u>
<u>Major Funds</u>		
General Fund	\$ 448,765	\$ 295,710
Highway Fund	376,884	259,363
Refuse and Garbage Fund	72,316	168,262
Capital Projects Fund	99,735	326,396
Debt Service	-	-
<u>Nonmajor Funds</u>		
Town Outside Village	68,853	39,472
Street Lighting District	43,788	8,730
Sewer Districts	114,681	138,985
Water Districts	15,658	3,762
	<u>\$ 1,240,680</u>	<u>\$ 1,240,680</u>

Interfund transfer balances for the primary government at December 31, 2013 represent primarily the receipt and payment of general obligation bond principal and interest and funding of capital project expenditures and are stated as follows:

Primary Government

	Transfers <u>In</u>	Transfers <u>Out</u>
<u>Major Funds</u>		
General Fund	\$ 200,020	\$ 14,489,003
Highway Fund	376,881	8,383,127
Refuse and Garbage Fund	-	325,291
Capital Projects Fund	11,828,474	578,515
Debt Service	13,876,077	-
<u>Nonmajor Funds</u>		
Town Outside Village	-	235,800
Street Lighting District	-	11,252
Sewer Districts	1,614	1,024,665
Water Districts	-	1,235,413
	<u>\$ 26,283,066</u>	<u>\$ 26,283,066</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

<u>Primary government</u>	Balance 1/1/13	Additions	Deletions	Balance 12/31/13
Capital assets not being depreciated				
Land	\$ 113,614,626	\$ 8,511,375	\$ 89	\$ 122,125,912
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>113,614,626</u>	<u>8,511,375</u>	<u>89</u>	<u>122,125,912</u>
Other capital assets:				
Buildings	96,088,435	3,147,194	-	99,235,629
Improvements other than buildings	82,994,174	1,618,300	-	84,612,474
Machinery and equipment	41,674,904	1,438,047	1,092,057	42,020,894
Infrastructure	410,636,858	7,356,345		417,993,203
Total depreciable capital assets	<u>631,394,371</u>	<u>13,559,886</u>	<u>1,092,057</u>	<u>643,862,200</u>
Total assets Primary Government	<u>745,008,997</u>	<u>22,071,261</u>	<u>1,092,146</u>	<u>765,988,112</u>
Less accumulated depreciation				
Buildings	32,874,544	2,627,665		35,502,209
Improvements other than buildings	39,607,407	2,845,962		42,453,369
Machinery and equipment	35,880,624	1,912,672	1,097,171	36,696,125
Infrastructure	315,892,897	6,427,600		322,320,497
Total accumulated depreciation	<u>\$ 424,255,472</u>	<u>\$ 13,813,899</u>	<u>\$ 1,097,171</u>	<u>436,972,200</u>
Total net depreciable capital assets				<u>206,890,000</u>
Total net capital assets				<u>\$ 329,015,912</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 1,338,506
Public safety	848,423
Transportation	6,179,257
Economic assistance and opportunity	48,664
Culture and recreation	2,651,552
Home and community services	2,747,497
Total governmental activities depreciation expense	<u>\$ 13,813,899</u>

The Town of Huntington evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2013, the Town has not recorded any such impairment losses.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

<u>Discretely presented component units</u>	Balance 1/1/13	Additions	Deletions	Balance 12/31/13
Capital assets not being depreciated				
Land	\$ 1,306,746	\$ -	\$ -	\$ 1,306,746
Construction in progress	2,956,817	5,396,389	1,996,564	6,356,642
Total capital assets not being depreciated	<u>4,263,563</u>	<u>5,396,389</u>	<u>1,996,564</u>	<u>7,663,388</u>
Depreciable capital assets				
Buildings and improvements	24,824,579	997,031	-	25,821,610
Machinery and equipment	16,330,090	791,015	57,322	17,063,783
Infrastructure	65,054,753	439,463	-	65,494,216
Total depreciable capital assets	<u>106,209,422</u>	<u>2,227,509</u>	<u>57,322</u>	<u>108,379,609</u>
Total Assets - Component Units	<u>110,472,985</u>	<u>7,623,898</u>	<u>2,053,886</u>	<u>116,042,997</u>
Less accumulated depreciation				
Buildings and improvements	7,888,101	755,480	-	8,643,581
Machinery and equipment	11,840,557	957,021	57,322	12,740,256
Infrastructure	33,176,566	1,019,303	-	34,195,869
Total accumulated depreciation	<u>\$ 52,905,224</u>	<u>\$ 2,731,804</u>	<u>\$ 57,322</u>	<u>55,579,706</u>
Total net depreciable capital assets				<u>52,799,903</u>
Total net capital assets				<u>\$ 60,463,291</u>

4. INDEBTEDNESS

SHORT TERM DEBT

Bond Anticipation Notes (BANs) – Liabilities for BANs are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. The Town did not issue any BANs in 2013.

LONG TERM DEBT

Summary of changes in long term debt transactions for the year ended December 31, 2013 is as follows:

	Balance 1/1/13	Increases	Reductions	Balance 12/31/13	Non-current liabilities due within one year	Non-current liabilities
Primary Government:						
General obligation bonds	\$ 90,017,919	\$ 7,430,000	\$ 10,704,822	\$ 86,743,097	\$ 11,007,428	\$ 75,735,669
Employees Retirement Incentive	93,876	-	40,328	53,548	53,548	-
Due to Employee Retirement System	3,905,184	-	340,467	3,564,717	350,723	3,213,994
Other Long Term Liability-GASB 45	49,151,926	13,812,790	5,914,973	57,049,743	5,914,973	51,134,770
Net Pension Obligation-LOSAP	827,506	178,112	355,889	649,729	-	649,729
Compensated absences	12,905,394	5,510,007	4,778,088	13,637,313	4,778,088	8,859,225
Claims and judgments	8,185,774	6,026,715	4,050,668	10,161,821	4,050,668	6,111,153
Estimated liability for landfill closure and post-closure care costs	577,005	-	80,700	496,305	40,350	455,955
Installment purchase debt	172,846	-	109,410	63,436	60,801	2,635
	<u>\$ 165,837,430</u>	<u>\$ 32,957,624</u>	<u>\$ 26,375,345</u>	<u>\$ 172,419,709</u>	<u>\$ 26,256,579</u>	<u>\$ 146,163,130</u>
Component Units:						
General obligation bonds	\$ 22,522,082	\$ 6,000,000	\$ 2,150,177	\$ 26,371,905	\$ 2,347,571	\$ 24,024,334
Other Long Term Liability-GASB 45	2,970,694	913,620	332,086	3,552,228	-	3,552,228
Compensated absences	642,220	39,149	170,870	510,499	170,870	339,629
	<u>\$ 26,134,996</u>	<u>\$ 6,952,769</u>	<u>\$ 2,653,133</u>	<u>\$ 30,434,632</u>	<u>\$ 2,518,441</u>	<u>\$ 27,916,191</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

General Obligation Bonds – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.00% to 7.2% and have maturity dates in 2014 through 2028. The outstanding debt as of December 31, 2013 is \$113,115,001.

	<u>Beg Bal</u> <u>1/1/13</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance @</u> <u>12/31/13</u>
Principal Government				
General Fund	\$28,730,687	\$1,550,000	\$3,285,147	\$26,995,540
Town Outside Village	1,370,897	200,000	94,334	1,476,563
Highway Fund	48,067,158	4,600,000	5,870,863	46,796,295
Sewer Districts	5,720,546	80,000	636,729	5,163,817
Street Lighting District	83,570	0	7,909	75,661
Refuse and Garbage Fund	1,714,157	0	132,324	1,581,833
Water District	4,330,903	1,000,000	677,516	4,653,387
	90,017,918	7,430,000	10,704,822	86,743,096
Component Units				
Greenlawn Water District	2,009,277	1,700,000	321,743	3,387,534
South Huntington Water District	20,512,805	4,300,000	1,828,434	22,984,371
	22,522,082	6,000,000	2,150,177	26,371,905
Total General Obligation Bonds	\$112,540,000	\$13,430,000	\$12,854,999	\$113,115,001

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

Principal Government:

Year Ending			
December, 31	Principal Due	Interest Due	Total
2014	11,007,428	3,037,145	14,044,573
2015	10,416,635	2,654,946	13,071,581
2016	9,614,700	2,279,294	11,893,994
2017	8,289,298	1,958,160	10,247,458
2018	7,846,739	1,660,894	9,507,633
2019-2023	30,217,845	4,397,299	34,615,144
2024-2028	9,350,448	677,377	10,027,825
	<u>86,743,093</u>	<u>16,665,115</u>	<u>103,408,208</u>

Component Units:

Year Ending			
December 31	Principal Due	Interest Due	Total
2014	2,347,571	906,867	3,254,438
2015	2,383,366	839,626	3,222,992
2016	2,415,301	762,050	3,177,351
2017	2,480,702	681,881	3,162,583
2018	2,573,261	594,978	3,168,239
2019-2023	10,037,155	1,747,230	11,784,385
2024-2028	4,134,549	357,529	4,492,078
	<u>26,371,905</u>	<u>5,890,161</u>	<u>32,262,066</u>

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

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

Machinery and equipment	\$ 483,300
Less: accumulated depreciation	<u>(419,864)</u>
Net Value	<u>\$ 63,436</u>

The following is a schedule of future minimum payments as of December 31, 2013:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Year ending December 31, 2014	60,801	1,328	62,129
2015	<u>2,635</u>	<u>30</u>	<u>2,665</u>
Totals	<u>\$ 63,436</u>	<u>\$ 1,358</u>	<u>\$ 64,794</u>

Prior-Year Defeasance of Debt

In prior years, the Town of Huntington defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2013, the amount of defeased bonds outstanding was approximately \$25.5 million, of which approximately \$20.9 million was for general Town purposes and approximately \$4.5 million was for the component units.

5. RETIREMENT SYSTEM

Plan Description

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Funding Policy

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

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

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

		Annual Required Contribution
For the year ending December 31,	2013	\$ 12,736,105
	2012	10,760,219
	2011	8,010,413

The Town's contribution to the System was 100 percent of the contributions required for years ending December 31, 2011 and 2013. For the year ending December 31, 2012, the Town elected to amortize \$3,905,184 of its required pension contribution over a ten year period at an interest rate of 3%. The first payment in the amount of \$459,502 was made on December 15, 2013. Final payment is due February 1, 2023.

6. EMPLOYEE RETIREMENT INCENTIVES

From 2004 to 2012, the Town made available retirement incentive programs to eligible employees. The incentive offered to pay health insurance benefits for the retirees and their spouses. It also included a three-year payout of accrued sick and vacation time. The cost of these retirement incentive programs is charged to expenditures in the year when the payment is due. During 2013, \$40,328 was charged to expenditures for these programs. The total unpaid liability at the end of the year was \$53,548 which is reported in the various governmental funds as an accrued liability.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM

Plan Description

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

Funding Policy

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

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

Pension expense is determined based on an annual actuarial calculation. The required contribution for the Plans consists of two components. The first component, the annual prior service cost which equals the level annual payment required to fund over the prior service funding period, the portion of the current participants' projected benefits at entitlement age which is based on the service credit ambulance workers earned before the effective date of the Service Award Program. The second component, the "normal cost," which is equal to the level annual payment required to fund the portion of the current participants' projected benefits based on their service credit earned after the effective date of the Service Award Program. Based upon accepted actuarial methods and the assumptions used, it has been determined that the contributions for the Commack Volunteer Ambulance Corps of \$63,646 and the Huntington Community First Aid Squad of \$356,813 for the year ended December 31, 2012 was sufficient to satisfy current and future service award obligations upon eligibility for retirement. The Fiscal Year 2012 contribution was made in Fiscal Year 2013. Actuarial results for Fiscal Year 2013 were not available to be reported in this financial statement. The Annual Required Contribution and the Annual Contribution do not vary significantly from year to year and are not material to the financial statements as a whole.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Funding Policy (continued)

Three Year Trend Information

Commack Volunteer Ambulance Corps

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Paid	Percentage of Annual Postemployment Benefit Cost Contributed	Net Service Award Obligation (Asset)
12/31/2013	\$ 7,224	\$ 69,687	965%	\$ (143,864)
12/31/2012	\$ 78,827	\$ 68,524	87%	\$ 81,401
12/31/2011	\$ 14,366	\$ 71,970	501%	\$ 91,704

	2013	2012	2011
Annual required contribution (ARC)	\$ 63,646	\$ 69,687	\$ 68,524
Interest on net OPEB obligation	(5,291)	(5,960)	(2,216)
Adjustment to ARC	(51,131)	15,100	(51,942)
Annual OPEB cost (expense)	7,224	78,827	14,366
Payments made	69,687	68,524	71,970
Increase (decrease) in net OPEB obligatic	(62,463)	10,303	(57,604)
Net OPEB asset, beginning of year	(81,401)	(91,704)	(34,100)
Net OPEB asset, end of year	\$ (143,864)	\$ (81,401)	\$ (91,704)

The funded status of the plan as of December 31, 2012 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
12/31/2012	835,007	691,143	(143,864)	120.8%	N/A	N/A
12/31/2011	703,107	621,706	(81,401)	113.1%	N/A	N/A
12/31/2010	687,326	595,622	(91,704)	115.4%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Funding Policy (continued)

Huntington Community First Aid Squad

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Paid	Percentage of Annual Postemployment Benefit Cost Contributed	Net Service Award Obligation (Asset)
12/31/2013	\$ 178,112	\$ 355,889	200%	\$ 649,729
12/31/2012	\$ 432,859	\$ 328,130	76%	\$ 827,506
12/31/2011	\$ 227,078	\$ 320,258	141%	\$ 722,777

	2013	2012	2011
Annual required contribution (ARC)	\$ 356,813	\$ 355,889	\$ 328,130
Interest on net OPEB obligation	53,788	46,981	53,037
Adjustment to ARC	(232,489)	29,989	(154,089)
Annual OPEB cost (expense)	178,112	432,859	227,078
Payments made	355,889	328,130	320,258
Increase in net OPEB obligation	(177,777)	104,729	(93,180)
Net OPEB, beginning of year	827,506	722,777	815,957
Net OPEB, end of year	<u>\$ 649,729</u>	<u>\$ 827,506</u>	<u>\$ 722,777</u>

The funded status of the plan as of December 31, 2012 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
12/31/2012	3,185,108	3,834,837	649,729	83.1%	N/A	N/A
12/31/2011	2,700,107	3,527,613	827,506	76.5%	N/A	N/A
12/31/2010	2,095,658	2,911,615	815,957	72.0%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Funding Policy (continued)

Actuarial Methods and Assumptions

Commack Volunteer Ambulance Corps

Valuation Date	December 31, 2012
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability Cost Method
Amortization Method	Level Dollar, open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	0 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return, Including an inflation factor	6.5%

Huntington Community First Aid Squad

Valuation Date	December 31, 2012
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability Cost Method
Amortization Method	Level Dollar, open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	5 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return, Including an inflation factor	6.5%

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

In the government-wide financial statements, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB 45, during the year ended December 31, 2010, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Plan Description:

The Town provides continuation of medical insurance to employees who are at least 50 years old and have 15 consecutive years of service with the Town. Based on collective bargaining agreements, the retiree and his/her beneficiaries receive this coverage for the life of the retiree and continued coverage for a non-married spouse and dependent children upon the death of the retiree. The same benefits are available to non-union employees.

The Town retiree's pays 100% of the premiums for those employees who retired prior to January 1, 2004. The Town will pay 75% of premiums for employees and 35% of spouse's premium for those employees who retire after January 1, 2004. A retirement incentive is offered to employees whereby the Town will pay the full premium cost for those who retire within the first year that they are eligible during the period of January 1, 2012 through December 31, 2016.

Funding Policy:

The number participants as of January 1, 2013, the effective date of the biennial other post-employment benefits (OPEB) valuation, are as follows. There have been no significant changes in the number or type of coverage since that date.

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Active Employees	636	600	36
Retirees	624	601	23
Spouses of Retired Employees	328	313	15
Total	1588	1514	74

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

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

Annual Other Post-Employment Benefits Cost and Net Obligation:

For the year ended December 31, 2013, the Town's annual other post-employment benefits, including component units, cost (expenses) were \$14,726,410. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$6,233,481 for retirees and their beneficiaries, the result was an increase in the other post-employment benefits liability of \$8,492,929 for the year ended December 31, 2013.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

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

The Town's annual other post-employment benefits cost, the amount actually paid and changes to the Town's net other post-employment benefits obligation to the Plan for the year ended December 31, 2013 are as follows:

	Total	Town	Component Units
Annual Required Contribution (ARC)	\$ 15,248,565	\$ 14,303,724	\$ 944,841
Interest on net OPEB Obligation	2,084,362	1,966,077	118,285
Adjustment to ARC	(2,606,517)	(2,457,011)	(149,506)
Annual OPEB Cost	14,726,410	13,812,790	913,620
Payments Made	(6,233,481)	(5,914,973)	(318,508)
Increase in Net OPEB Obligation	8,492,929	7,897,817	595,112
Net OPEB Obligation-beginning of year	52,109,042	49,151,926	2,957,116
Net OPEB Obligation-end of year	\$ 60,601,971	\$ 57,049,743	\$ 3,552,228

The Town's annual other post-employment benefits cost, the percentage of annual other post-employment benefits cost contributed to the Plan and the net other post-employment benefits obligation for the year ended December 31, 2013:

Annual Other Post-Employment Benefits Cost and Net Obligation:

Town of Huntington	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 13,812,790	42.8%	\$ 57,049,743
2012	\$ 14,483,463	46.4%	\$ 49,151,926
2011	\$ 13,811,231	45.4%	\$ 41,572,389

Component Units	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 913,620	34.9%	\$ 3,552,228
2012	\$ 895,463	40.8%	\$ 2,957,116
2011	\$ 851,995	37.4%	\$ 2,439,345

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Funded Status and Funding Progress:

The funded status of the plan as of January 1, 2013 is as follows:

	Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Accrued Unfunded Liability (AAL)	Funded ratio	Covered Payroll	<u>UAAL as a % of Covered Payroll</u>
Town	1/1/2013	-	192,762,104	192,762,104	0%	57,270,545	336.6%
Component Units	1/1/2013	-	11,308,529	11,308,529	0%	2,627,502	430.4%
Total			<u>204,070,633</u>	<u>204,070,633</u>		<u>59,898,047</u>	

Actuarial Methods and Assumptions:

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

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

Based on the Town's actuarial valuation as of January 1, 2013, the annual other post-employment benefits cost (expense) is calculated based on the annual required contribution (ARC) to the Town, an amount that was actuarially determined by using the entry age method (one of the actuarial cost methods in accordance with parameters of GASB 45) and level percentage of projected payroll of active plan members on a closed basis. Included coverage is "community-rated" and annual premiums for community-rated coverage was used with future trend increases without age adjustments.

The actuarial methods and assumptions are as follows:

	<u>Town</u>	<u>Component Units</u>
Interest Rate	4.0%	4.0%
2013 Medical Rate Trends (Pre-65/Post-65)	9.0%/8.0%	8.0%/5.0%, 9.0%/6.0%
Ultimate Medical Trend Rate	5.0%	5.0%
Year Ultimate Trend Rates Reached (Pre-65/Post-65)	2017/2016	2016/2013, 2017/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Remaining amortization Period at 12/31/2013	22.77	22.97, 22.04
Annual Payroll Increase	2.5%	2.5%
Inflation Rate	2.0%	2.0%

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

C. DETAILED NOTES ON ALL FUNDS (continued)

9. COMPENSATED ABSENCES

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the government-wide financial statements. Payment of vacation time and sick leave is dependent upon many factors, and therefore the timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2013, the value of the accumulated vacation time and sick leave was \$13,637,313 for the Town and \$607,558 for the Component Units.

Town	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
General Fund	\$ 7,054,081	\$ 2,844,367	\$ 2,482,459	\$ 7,415,989
Town Outside Village	1,130,267	449,029	438,274	1,141,022
Highway	2,559,208	1,294,655	1,160,751	2,693,112
Street Lighting	145,812	117,422	79,636	183,598
Refuse	1,144,985	367,678	349,854	1,162,809
Sewer Districts	282,364	235,906	123,920	394,350
Water District	462,383	123,405	107,728	478,060
CDA	126,295	77,545	35,467	168,373
Total Primary Government	\$ 12,905,395	\$ 5,510,007	\$ 4,778,089	\$ 13,637,313
Component Units				
Greenlawn Water District	\$ 209,192	\$ 39,149	\$ 41,507	\$ 206,834
South Huntington Water District	433,028	-	87,856	345,172
Total Components	\$ 642,220	\$ 39,149	\$ 129,363	\$ 552,006

10. PRIOR PERIOD ADJUSTMENT

The opening balances of the Town's net position and the Town's Capital Projects fund balance were restated as follows:

	Town's Net Position	Capital Projects Fund Balance
New York State Employee Retirements System (NYSERS) Expense	\$ 234,596,695	\$ 14,742,027
	(976,296)	
Federal Grant Revenue-Capital Projects (Larkfield Signal Project)		525,116
	\$ 233,620,399	\$ 15,267,143

1. The Town's employee retirement contribution expense was restated due to an overstatement of the 2012 prepaid balance. The 2012 amortization was improperly recorded as prepaid.

2. The Town properly recorded the federal grant expenditures for the Larkfield Road Signal Project in 2012 however, the 2012 grant revenue and receivable were not recorded on the financial statements.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

D. COMMITMENTS AND CONTINGENCIES

1. RISK RETENTION

In common with other municipalities, the Town receives numerous notices of claims. The Town self-insures for bodily injury and property damage up to a maximum of \$2,000,000 per claim. Claims in excess of \$2,000,000 are covered by an excess liability policy providing for \$10,000,000 per occurrence and in the aggregate. The Town is also self-insured for automobile liability insurance with the same limits as above. Although the eventual outcome of these claims cannot presently be determined, the amount of unsettled claims and litigation is estimated to be \$10,161,821. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

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

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

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

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

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Unpaid claims and claim adjustment expenditures at beginning of year	\$4,936,774	\$4,874,663	\$3,249,000	\$2,865,500
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in provision for insured events of prior years	6,691,369	4,085,334	2,550,430	593,947
Payments:				
Claims and claim adjustment expenditures attributable to insured events and of the current and prior years	<u>6,793,960</u>	<u>4,023,223</u>	<u>471,792</u>	<u>210,447</u>
Total unpaid claims and claim adjustment expenditures at the end of year	<u>\$4,834,183</u>	<u>\$4,936,774</u>	<u>\$5,327,638</u>	<u>\$3,249,000</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

D. COMMITMENTS AND CONTINGENCIES (continued)

2. RESOURCE RECOVERY FACILITY

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

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

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

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

As further consideration for allowing the Town to use its landfill, the agreement grants the Town of Smithtown the right to deliver its processable solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement with Covanta. The total costs paid by the Town under this service agreement during 2013 amounted to \$16,699,261 of which \$5,410,943 was reimbursed by the Town of Smithtown.

3. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Town of Huntington to place a final cover on its landfill site, which stopped accepting waste in 1989, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Accordingly, as of December 31, 2013, the Town has recorded a liability of \$496,305, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may be higher or lower due to inflation or deflation, changes in technology or changes in regulations or applicable laws.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

D. COMMITMENTS AND CONTINGENCIES (continued)

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$8,198,482 has been recorded as encumbrances in the Capital Projects Fund.

E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed financial statements for the discretely presented component units as of and for the year ended December 31, 2013:

Condensed Statement of Net Position:

	<u>Water District</u>	<u>Water District</u>	<u>Totals</u>
ASSETS			
Current Assets			
Current assets and other assets	13,799,477	7,405,623	21,205,100
Capital assets net of depreciation	42,581,120	17,882,171	60,463,291
Deferred Outflow of Resources	166,552	9,060	175,612
Total Assets	<u>56,547,149</u>	<u>25,296,854</u>	<u>81,844,003</u>
LIABILITIES AND NET POSITION			
Current Liabilities	2,831,016	1,380,613	4,211,629
Other long-term liabilities	23,456,968	4,908,357	28,365,325
Investment in capital	25,025,572	14,494,637	39,520,209
Restricted	3,850,880	2,631,139	6,482,019
Unrestricted	1,382,713	1,882,108	3,264,821
Total Liabilities and Net Position	<u>\$ 56,547,149</u>	<u>\$ 25,296,854</u>	<u>\$ 81,844,003</u>

Condensed Statement of Activities:

	<u>Program</u>			<u>General Revenue</u>		<u>Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue</u>	<u>Property Tax</u>	<u>Other</u>	<u>Change</u>	<u>1/1/2013</u>	<u>12/31/2013</u>
South Huntington Water District	8,341,915	3,957,197	(4,384,718)	3,783,704	1,808,936	1,207,922	29,051,243	30,259,165
Greenlawn Water District	6,323,588	2,695,619	(3,627,969)	2,302,500	245,194	(1,080,275)	20,088,159	19,007,884
	<u>\$14,665,503</u>	<u>\$ 6,652,816</u>	<u>\$ (8,012,687)</u>	<u>\$ 6,086,204</u>	<u>\$ 2,054,130</u>	<u>\$ 127,647</u>	<u>\$49,139,402</u>	<u>\$49,267,049</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

F. SUBSEQUENT EVENTS

No reportable subsequent events.

G. NEW PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) issued authoritative guidance GASB Statement No. 67 on *Financial Reporting for Pension Plans*, an amendment of GASB Statement No. 25. The objective of the statement is to improve financial reporting by state and local governmental pension plans and is effective for the year ended December 31, 2015.

Governmental Accounting Standards Board (GASB) issued authoritative guidance GASB Statement No. 68 on *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. The objective of the statement is to improve financial reporting by state and local governments for pension plans. The Town is required to implement this authoritative guidance for the year ended December 31, 2015.

Governmental Accounting Standards Board (GASB) issued authoritative guidance GASB Statement No. 69 on *Government Combinations and Disposals of Government Operations*, which establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Town is required to implement this authoritative guidance for the year ended December 31, 2014.

Governmental Accounting Standards Board (GASB) issued authoritative guidance GASB Statement No. 70 on *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of the statement is to improve accounting and financial reporting by state and local governments that extend or receive nonexchange financial guarantees. The requirements of this Statement are effective for reporting periods beginning after June 15, 2013.

Governmental Accounting Standards Board (GASB) issued authoritative guidance GASB Statement No. 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68* which addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Notes to Required Supplementary Information

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

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

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 35,211,148	\$ 35,211,148	\$ 35,393,763	\$ 182,615
Total Real Property Taxes	35,211,148	35,211,148	35,393,763	182,615
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	18,000	18,000	48,470	30,470
Interest and penalty on taxes	270,000	270,000	273,949	3,949
Total Other Real Property Taxes	288,000	288,000	322,419	34,419
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	3,892,000	3,892,000	3,956,027	64,027
Total Non-Property Tax Items	3,892,000	3,892,000	3,956,027	64,027
DEPARTMENTAL INCOME				
Town clerk fees	280,000	280,000	408,948	128,948
Other general departmental income	3,000	3,000	15,184	12,184
Parking meter fees	2,300,000	2,300,000	311,787	(1,988,213)
Transportation	545,000	545,000	444,273	(100,727)
Charges - programs for the aging	270,500	270,500	309,446	38,946
Park and recreational charges	2,012,000	2,014,770	1,913,390	(101,380)
Recreational concessions	130,000	130,000	78,098	(51,902)
Special recreational facility charges	6,059,400	6,059,400	6,135,424	76,024
Refuse and garbage charges	20,747,586	20,747,586	21,524,219	776,633
Total Departmental Income	32,347,486	32,350,256	31,140,769	(1,209,487)
INTERGOVERNMENTAL CHARGES				
Information Technology - other governmen	-	-	40	40
Miscellaneous Revenue	27,000	27,000	33,439	6,439
Refuse and Garbage Service	102,000	102,000	100,387	(1,613)
Total Intergovernmental Charges	129,000	129,000	133,866	4,866
USE OF MONEY AND PROPERTY				
Interest and earnings	257,400	257,400	239,599	(17,801)
Rental of real property	684,900	684,900	683,260	(1,640)
Total Use of Money and Property	942,300	942,300	922,859	(19,441)
LICENSES AND PERMITS				
Bingo licenses	15,000	15,000	13,360	(1,640)
Dog licenses	49,000	49,000	32,146	(16,854)
Other permits	1,444,000	1,449,342	920,117	(529,225)
Total Licenses and Permits	1,508,000	1,513,342	965,623	(547,719)
FINES AND FORFEITURES				
Fines	936,000	936,000	1,135,462	199,462
Total Fines and Forfeitures	936,000	936,000	1,135,462	199,462

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap and excess material	12,000	12,000	37,247	25,247
Sales of refuse for recycling	19,700	19,700	24,186	4,486
Sales other	7,300	7,300	7,688	388
Sales of Real Property	-	-	97,750	97,750
Sales of equipment	10,000	10,000	-	(10,000)
Insurance recoveries	220,000	667,900	620,571	(47,329)
Total Sale of Property and Compensation for Loss	269,000	716,900	787,442	70,542
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures	-	-	13,239	13,239
Gifts and donations	-	10,050	11,858	1,808
Miscellaneous revenue	1,120,000	1,387,580	1,098,526	(289,054)
Total Miscellaneous Local Sources	1,120,000	1,397,630	1,123,623	(274,007)
INTERFUND REVENUES	4,061,694	4,051,494	4,051,494	-
STATE AID				
State Aid - revenue sharing	1,067,256	1,067,256	1,067,256	-
State Aid - mortgage tax	7,100,000	7,588,646	7,588,646	
State Aid - other	-	-	2,421	2,421
State Aid - bus and other mass transit	806,500	806,500	791,201	(15,299)
State Aid - programs for aging	171,201	171,201	191,591	20,390
State Aid - youth program	417,108	417,108	415,085	(2,023)
State Aid - code enforcement	7,580	7,580	7,580	-
State Aid - other culture and recreation	48,675	48,675	48,674	(1)
State Aid - other home and community ser	-	-	18,350	18,350
Total State Aid	9,618,320	10,106,966	10,130,804	23,838
FEDERAL AID				
Federal Aid - programs for the aging	135,630	135,630	193,358	57,728
Federal Aid - youth program	703,188	703,188	719,740	16,552
Federal Aid - other home and community s	80,000	80,000	113,548	33,548
Federal Aid - federal emergency management assistance	-	899,285	934,261	34,976
Federal Aid - other culture and recreation	18,200	18,200	29,311	11,111
Total Federal Aid	937,018	1,836,303	1,990,218	153,915
OTHER FINANCING SOURCES				
Transfers in	-	200,020	200,020	-
Total Other Financing Sources	-	200,020	200,020	-
Total Revenues	\$ 91,259,966	\$ 93,571,359	\$ 92,254,389	\$ (1,316,970)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2013

Function	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Town board	\$ 709,657	\$ 705,804	\$ 703,602	\$ -	\$ 2,202
Traffic violations bureau	116,449	198,429	198,078	-	351
Supervisor	762,487	862,666	862,227	-	439
Comptroller	1,199,033	1,067,205	1,048,103	-	19,102
Tax collection	627,388	641,473	636,947	-	4,526
Purchasing	273,920	279,660	276,679	-	2,981
Assessment	879,720	1,111,553	1,033,413	60,342	17,798
Fiscal agent fees	35,000	10,960	10,960	-	-
Town clerk	1,007,536	1,078,685	990,392	64,340	23,953
Town attorney	2,386,333	2,755,012	2,676,136	55,646	23,230
Personnel	626,372	639,093	636,196	-	2,897
Engineer	770,774	732,530	709,379	9,467	13,684
General services	498,843	498,312	496,788	-	1,524
Operation of plant	9,511,066	9,847,234	9,780,366	11,043	55,825
Central storeroom	447,273	414,274	390,968	-	23,306
Central printing and mailing	240,000	222,338	216,104	3,503	2,731
Information Technology	1,926,482	1,967,536	1,713,777	227,306	26,453
Unallocated insurance	270,777	305,580	305,464	-	116
Municipal assessment dues	9,000	9,000	4,769	-	4,231
Judgments and claims	300,000	646,792	471,792	-	175,000
Purchase of land and right of way	4,500,000	-	-	-	-
Taxes and assessment on municipal property	96,909	96,909	57,293	-	39,616
Contractual	(1,186,840)	20,000	17,250	-	2,750
Total General Government Support	26,008,179	24,111,045	23,236,683	431,647	442,715
PUBLIC SAFETY					
Administration	2,585,863	2,971,272	2,938,018	3,177	30,077
Harbors and waterways	652,551	672,597	660,349	277	11,971
Control of dogs	813,772	804,737	773,747	518	30,472
Safety inspection	223,561	170,128	167,064	-	3,064
Civil defense	15,119	15,119	14,750	-	369
Total Public Safety	4,290,866	4,633,853	4,553,928	3,972	75,953
HEALTH					
Substance Abuse	833,336	746,247	744,247	-	2,000
Total Health	833,336	746,247	744,247	-	2,000
TRANSPORTATION					
Highway and street administration	814,421	836,082	818,336	-	17,746
Waterways Navigation	66,195	71,695	71,193	-	502
Public transportation	3,672,175	3,879,619	3,832,853	5,941	40,825
Total Transportation	4,552,791	4,787,396	4,722,382	5,941	59,073
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Community action administration	73,283	71,127	70,237	-	890
Public Information	194,447	158,582	158,582	-	-
Veterans service	7,000	7,000	7,000	-	-
Programs for the aging	1,952,472	1,845,200	1,835,466	626	9,108
Total Economic Assistance And Opportunity	2,227,202	2,081,909	2,071,285	626	9,998

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2013

Function	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
CULTURE AND RECREATION					
Council on the arts	147,500	147,500	147,500	-	-
Recreation administration	3,579,945	3,797,742	3,775,815	208	21,719
Playgrounds and recreation centers	1,373,984	1,302,397	1,277,133	-	25,264
Special recreation facility charges	4,080,329	4,181,773	4,105,460	5,458	70,855
Band concerts	143,811	160,847	160,847	-	-
Youth programs	513,063	515,570	514,213	-	1,357
Joint youth programs	2,545,751	2,462,930	2,459,739	3,191	-
Museums	812,916	827,567	823,723	2,700	1,144
Historian	52,524	52,524	47,367	-	5,157
Celebrations	10,000	9,110	9,110	-	-
Adult recreation	833,996	739,648	727,158	260	12,230
Total Culture and Recreation	<u>14,093,819</u>	<u>14,197,608</u>	<u>14,048,065</u>	<u>11,817</u>	<u>137,726</u>
HOME AND COMMUNITY SERVICES					
Refuse and garbage	18,541,120	18,684,921	18,683,897	-	1,024
Landfill Post Closure	64,500	67,800	64,881	1,879	1,040
Recycling	585,519	530,950	512,745	-	18,205
General natural resources	820,022	833,458	826,733	-	6,725
Miscellaneous	125,609	81,150	36,699	44,450	1
Total Home and Community Services	<u>20,136,770</u>	<u>20,198,279</u>	<u>20,124,955</u>	<u>46,329</u>	<u>26,995</u>
EMPLOYEE BENEFITS					
State employee retirement system	4,156,218	6,685,564	6,685,564	-	-
Social security	100,500	35,654	35,654	-	-
Workers' compensation	1,100,000	1,613,425	1,575,275	38,150	-
Life insurance	50,500	40,300	28,311	-	11,989
Unemployment insurance	120,000	120,000	104,481	-	15,519
Disability benefits	90,300	57,718	57,418	-	300
Hospital, medical and dental	9,589,749	9,140,929	9,140,929	-	-
Union welfare benefits	470,000	445,706	445,706	-	-
Other employee benefits	1,127,000	736,063	716,386	-	19,677
Total Employee Benefits	<u>16,804,267</u>	<u>18,875,359</u>	<u>18,789,724</u>	<u>38,150</u>	<u>47,485</u>
Total Expenditures	<u>88,947,230</u>	<u>89,631,696</u>	<u>88,291,269</u>	<u>538,482</u>	<u>801,945</u>
Excess (Deficiency) of Revenues Over Expenditures	2,312,736	3,939,663	3,963,120	(538,482)	(515,025)
Other Financing Sources (Uses)					
Transfers out	-	(10,242,163)	(10,242,163)	-	-
Transfers out (Debt Service)	(4,260,736)	(4,260,736)	(4,246,840)	-	13,896
Total Other Financing Sources (Uses)	<u>(4,260,736)</u>	<u>(14,502,899)</u>	<u>(14,489,003)</u>	<u>-</u>	<u>13,896</u>
Net Change in Fund Balance	<u>\$ (1,948,000)</u>	<u>\$(10,563,236)</u>	<u>(10,525,883)</u>	<u>\$ (538,482)</u>	<u>\$ (501,129)</u>
Fund Balance at Beginning of Year			38,873,053		
Fund Balance at End of Year			<u>\$ 28,347,170</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 30,825,862	\$ 30,825,862	\$ 30,825,862	-
Total Real Property Taxes	30,825,862	30,825,862	30,825,862	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	17,000	17,000	45,600	\$ 28,600
Interest and penalties on taxes	-	-	286	286
Total Other Real Property Taxes	17,000	17,000	45,886	28,886
USE OF MONEY AND PROPERTY				
Interest and earnings	128,000	128,000	89,867	(38,133)
Total Use of Money and Property	128,000	128,000	89,867	(38,133)
LICENSES AND PERMITS				
Licenses and permits	100,000	100,000	148,858	48,858
Total Licenses and Permits	100,000	100,000	148,858	48,858
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap materials/equipment	8,000	8,000	14,839	6,839
Insurance recoveries	5,000	5,000	1,533	(3,467)
Total Sale of Property and Compensation for Loss	13,000	13,000	16,372	3,372
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	335,100	335,100	432,402	97,302
Total Miscellaneous Local Sources	335,100	335,100	432,402	97,302
STATE AID				
State aid - Consolidated highway aid	1,336,265	1,698,935	1,725,122	26,187
State Aid - State Emergency Management Office	-	-	6,718	6,718
Total State Aid	1,336,265	1,698,935	1,731,840	32,905
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance	-	6,550,481	9,770,553	3,220,072
Total Federal Aid	-	6,550,481	9,770,553	3,220,072
Total Revenues	\$ 32,755,227	\$ 39,668,378	\$ 43,061,640	\$ 3,393,262

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 107,484	\$ 107,484	\$ 94,104	\$ -	\$ 13,380
Bond and note issue expense	60,000	60,000	33,207	-	26,793
Employee training	9,000	9,000	7,875	-	1,125
Other Government Support	47,952	51,676	47,952	-	3,724
Total General Government Support	<u>224,436</u>	<u>228,160</u>	<u>183,138</u>	<u>-</u>	<u>45,022</u>
TRANSPORTATION					
Highway repairs	12,387,114	16,545,870	16,309,663	37,483	198,724
Capital highway improvements	1,336,265	1,725,670	1,725,122	548	-
Highway and machinery	2,303,203	2,299,277	2,154,381	8,751	136,145
Brush and weeds	410,000	501,913	468,447	-	33,466
Snow removal	2,740,146	4,249,636	4,239,674	9,962	-
Total Transportation	<u>19,176,728</u>	<u>25,322,366</u>	<u>24,897,287</u>	<u>56,744</u>	<u>368,335</u>
EMPLOYEE BENEFITS					
State employee retirement system	1,592,895	3,121,237	3,121,237	-	-
Social security	48,000	48,000	12,633	-	35,367
Workers Compensation	1,250,000	1,022,343	1,022,343	-	-
Life insurance	400	400	255	-	145
Unemployment insurance	87,000	87,000	59,918	-	27,082
Disability benefits	1,000	1,000	258	-	742
Hospital, medical and dental	3,893,160	3,910,235	3,727,976	-	182,259
Union welfare benefits	6,000	6,000	5,859	-	141
Other employee benefits	434,000	434,000	349,390	-	84,610
Total Employee Benefits	<u>7,312,455</u>	<u>8,630,215</u>	<u>8,299,869</u>	<u>-</u>	<u>330,346</u>
Total Expenditures	<u>26,713,619</u>	<u>34,180,741</u>	<u>33,380,294</u>	<u>56,744</u>	<u>743,703</u>
Excess (Deficiency) of Revenues Over Expenditures	6,041,608	5,487,637	9,681,346	(56,744)	4,136,965
Other Financing Sources (Uses)					
Transfer Out		(784,520)	(784,520)		-
Transfers in		376,881	376,881		-
Transfers out (Debt Service)	(7,598,608)	(7,598,608)	(7,598,607)	-	(1)
Total Other Financing Sources (Uses)	<u>(7,598,608)</u>	<u>(8,006,247)</u>	<u>(8,006,246)</u>	<u>-</u>	<u>(1)</u>
Net Change in Fund Balance	<u>\$ (1,557,000)</u>	<u>\$ (2,518,610)</u>	\$ 1,675,100	<u>\$ (56,744)</u>	<u>\$ 4,136,964</u>
Fund Balance at Beginning of Year			<u>12,699,424</u>		
Fund Balance at End of Year			<u>\$ 14,374,524</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 23,370,653	\$ 23,370,653	\$ 23,370,653	\$ -
Total Real Property Taxes	23,370,653	23,370,653	23,370,653	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	2,000	2,000	217	(1,783)
Total Other Real Property Tax Items	2,000	2,000	217	(1,783)
DEPARTMENTAL INCOME				
Refuse and garbage charges	5,200	5,200	9,262	4,062
Total Departmental Income	5,200	5,200	9,262	4,062
INTERGOVERNMENT CHARGE				
Refuse & Garbage Service, Other Government	13,491	13,491	9,728	(3,763)
Total Intergovernment Charge	13,491	13,491	9,728	(3,763)
USE OF MONEY AND PROPERTY				
Interest and earnings	70,434	70,434	42,171	(28,263)
Total Use of Money and Property	70,434	70,434	42,171	(28,263)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of recycled materials	500,000	500,000	560,731	60,731
Total Sale of Property and Compensation for Loss	500,000	500,000	560,731	60,731
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	101,000	101,000	104,274	3,274
Total Miscellaneous Local Sources	101,000	101,000	104,274	3,274
FEDERAL AID				
Federal Aid - Federal Emergency Management Assista	-	49,067	49,067	-
Total Federal Aid	-	49,067	49,067	-
Total Revenues	\$ 24,062,778	\$ 24,111,845	\$ 24,146,103	\$ 34,258

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 74,465	\$ 49,220	\$ 49,220	\$ -	\$ -
Employee training	6,000	6,000	5,250	-	750
Other government support	1,941,067	1,941,067	1,938,067	-	3,000
Total General Government Support	2,021,532	1,996,287	1,992,537	-	3,750
HOME AND COMMUNITY SERVICES					
Refuse and garbage	20,028,331	19,485,277	19,458,329	155	26,793
Total Home and Community Services	20,028,331	19,485,277	19,458,329	155	26,793
EMPLOYEE BENEFITS					
State employee retirement system	475,569	833,196	833,196	-	-
Social security	23,000	8,499	7,382	-	1,117
Workers Compensation	300,000	684,213	684,213	-	-
Life insurance	500	500	85	-	415
Unemployment insurance	40,000	14,227	14,227	-	-
Disability insurance	500	500	86	-	414
Hospital, medical and dental	1,191,000	1,122,762	1,121,679	-	1,083
Union welfare benefits	2,000	2,000	1,953	-	47
Other employee benefits	172,000	190,789	157,551	-	33,238
Total Employee Benefits	2,204,569	2,856,686	2,820,372	-	36,314
Total Expenditures	24,254,432	24,338,250	24,271,238	155	66,857
Excess (Deficiency) of Revenues Over Expenditures	(191,654)	(226,405)	(125,135)	(155)	101,115
Other Financing Sources (Uses)					
Transfers out	-	(140,000)	(140,000)	-	-
Transfers out (Debt Service)	(185,346)	(185,346)	(185,291)	-	55
Total Other Financing Sources (Uses)	(185,346)	(325,346)	(325,291)	-	55
Net Change in Fund Balance	\$ (377,000)	\$ (551,751)	(450,426)	\$ (155)	\$ 101,170
Fund Balance at Beginning of Year			2,553,953		
Fund Balance at End of Year			\$ 2,103,527		

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue Funds			
	Town Outside Village	Special Grant (HCDA)	Local Development Corporation (LDC)	Town Business Improvement Districts
ASSETS				
Cash and cash equivalents	\$ 743,870	\$ 559,008	\$ 191,739	
Cash-Restricted	754,097		-	-
Prepays	164,118	8,434	-	-
Accounts receivable, net	73,513	16,044	-	-
Due from federal, state and other governments	141,375	9,458	-	-
Due from other funds	68,853	-	-	-
Total Assets	<u>\$ 1,945,826</u>	<u>\$ 592,944</u>	<u>\$ 191,739</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 126,590	\$ 41,165	-	\$ -
Accrued liabilities	113,404	33,013	-	-
Due to other governments	-	984,510	-	-
Due to other funds	39,472	-	-	-
Total Liabilities	<u>279,466</u>	<u>1,058,688</u>		
DEFERRED INFLOWS				
Deferred revenue	450,955	-	-	-
Total Deferred Inflows	<u>450,955</u>			
FUND EQUITY				
Non-Spendable				
Prepays	164,118	8,434	-	-
Restricted for:				
Debt service	-	-	-	-
Retirement contribution	20,227	-	-	-
Capital reserve	51,267	-	-	-
Post retirement benefits	682,603	-	-	-
Town Outside Village	161,254	-	-	-
Communitiy Development	-	(474,178)	-	-
Local Development Corporation	-	-	191,739	-
Fire Protection	-	-	-	-
Streetlighting	-	-	-	-
Ambulance Services	-	-	-	-
Sewer Services	-	-	-	-
Water Services	-	-	-	-
Assigned to:				
Subsequent year's budget	90,000	-	-	-
Unappropriated Fund Balance	45,936	-	-	-
Total Fund Equity	<u>1,215,405</u>	<u>(465,744)</u>	<u>191,739</u>	
Total Liabilities, Deferred Inflows & Fund Equity	<u>\$ 1,945,826</u>	<u>\$ 592,944</u>	<u>\$ 191,739</u>	

Special Districts	Total
\$ 7,922,684	\$ 9,417,301
427,330	1,181,427
124,823	297,375
323,937	413,494
170,978	321,811
174,127	242,980
<u>\$ 9,143,879</u>	<u>\$ 11,874,388</u>
\$ 597,837	\$ 765,592
140,127	286,544
-	984,510
151,477	190,949
<u>889,441</u>	<u>2,227,595</u>
1,354,053	1,805,008
<u>1,354,053</u>	<u>1,805,008</u>
124,823	297,375
93,588	93,588
238,588	258,815
-	51,267
95,154	777,757
-	161,254
-	(474,178)
-	191,739
44,373	44,373
2,395,855	2,395,855
15,156	15,156
295,164	295,164
2,411,833	2,411,833
1,000,000	1,090,000
185,851	231,787
<u>6,900,385</u>	<u>7,841,785</u>
<u>\$ 9,143,879</u>	<u>\$ 11,874,388</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Town Outside Village	Special Grant (HCDA)	Local Development Corporation (LCD)	Town Business Improvement Districts
REVENUES				
Real property taxes	\$ 4,227,464	\$ -	\$ -	\$ 186,500
Other real property tax items	6,269	-	-	2
Non-property tax items	-	-	-	-
Departmental income	4,199,095	-	1,500	-
Use of money and property	19,494	-	-	-
Licenses and permits	804,050	-	-	-
Compensation for loss	-	-	-	-
Miscellaneous local sources	213,616	266,510	-	-
State aid	30,316	-	-	-
Federal aid	47,888	537,233	-	-
Total Revenues	<u>9,548,192</u>	<u>803,743</u>	<u>1,500</u>	<u>186,502</u>
EXPENDITURES				
Current:				
General government support	2,004,784	-	-	-
Public safety	2,082,185	-	-	-
Health	232,063	-	-	-
Transportation	-	-	-	-
Home and community services	2,012,790	1,109,036	9,675	186,506
Employee benefits	3,488,336	-	-	-
Total Expenditures	<u>9,820,158</u>	<u>1,109,036</u>	<u>9,675</u>	<u>186,506</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(271,966)	(305,293)	(8,175)	(4)
Other Financing Sources (Uses)				
Transfers out	(104,500)	-	-	-
Transfers out (Debt Service)	(131,300)	-	-	-
Total Other Financing Sources (Uses)	<u>(235,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(507,766)	(305,293)	(8,175)	(4)
Fund Balances at Beginning of Year	<u>1,723,171</u>	<u>(160,451)</u>	<u>199,914</u>	<u>4</u>
Fund Balances at End of Year	<u>\$ 1,215,405</u>	<u>\$ (465,744)</u>	<u>\$ 191,739</u>	

<u>Special Districts</u>	<u>Total</u>
\$ 15,885,078	\$ 20,299,042
37,704	43,975
144,701	144,701
3,335,528	7,536,123
314,514	334,008
-	804,050
	-
123,263	603,389
	30,316
491,049	1,076,170
<u>20,331,837</u>	<u>30,871,774</u>
2,173,269	4,178,053
1,444,498	3,526,683
2,305,461	2,537,524
2,644,575	2,644,575
6,669,902	9,987,909
2,614,302	6,102,638
<u>17,852,007</u>	<u>28,977,382</u>
2,479,830	1,894,392
(557,291)	(661,791)
<u>(1,714,039)</u>	<u>(1,845,339)</u>
<u>(2,269,716)</u>	<u>(2,505,516)</u>
210,114	(611,124)
<u>6,690,271</u>	<u>8,452,909</u>
<u>\$ 6,900,385</u>	<u>\$ 7,841,785</u>

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
December 31, 2013

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
ASSETS			
Cash and cash equivalents	\$ 59,768	\$ 3,565,272	\$ 15,156
Cash-Restricted	-	44,861	-
Prepays	-	25,362	-
Accounts receivable, net	-	434	-
Due from federal, state and other governments	-	-	-
Due from other funds	-	43,788	-
Total Assets	<u>\$ 59,768</u>	<u>\$ 3,679,717</u>	<u>\$ 15,156</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 15,395	\$ 175,696	\$ -
Accrued liabilities	-	53,419	-
Due to other funds	-	8,730	-
Total Liabilities	<u>15,395</u>	<u>237,845</u>	<u>-</u>
DEFERRED INFLOWS			
Deferred revenues	-	415,439	-
Total Deferred Inflows	<u>-</u>	<u>415,439</u>	<u>-</u>
FUND EQUITY			
Non-Spendable			
Prepays	-	25,362	-
Restricted for:			
Debt service	-	-	-
Retirement contribution	-	24,513	-
Postretirement benefits	-	20,348	-
Fire Protection	44,373	-	-
Streetlighting	-	2,395,855	-
Ambulance Services	-	-	15,156
Sewer Services	-	-	-
Water Services	-	-	-
Assigned to:			
Subsequent year's budget	-	500,000	-
Unappropriated Fund Balance	-	60,355	-
Total Fund Equity	<u>44,373</u>	<u>3,026,433</u>	<u>15,156</u>
Total Liabilities, Deferred Inflows and Fund Equity	<u>\$ 59,768</u>	<u>\$ 3,679,717</u>	<u>\$ 15,156</u>

Sewer Districts	Water District	Total
\$ 1,079,365	\$ 3,203,123	\$ 7,922,684
113,431	269,038	427,330
55,482	43,979	124,823
1,422	322,081	323,937
144,702	26,276	170,978
114,681	15,658	174,127
<u>\$ 1,509,083</u>	<u>\$ 3,880,155</u>	<u>\$ 9,143,879</u>
\$ 231,586	\$ 175,160	\$ 597,837
70,922	15,786	140,127
138,985	3,762	151,477
<u>441,493</u>	<u>194,708</u>	<u>889,441</u>
<u>602,911</u>	<u>335,703</u>	<u>1,354,053</u>
<u>602,911</u>	<u>335,703</u>	<u>1,354,053</u>
55,482	43,979	124,823
93,588	-	93,588
13,353	200,722	238,588
6,490	68,316	95,154
-	-	44,373
-	-	2,395,855
-	-	15,156
295,164	-	295,164
-	2,411,833	2,411,833
-	500,000	1,000,000
602	124,894	185,851
<u>464,679</u>	<u>3,349,744</u>	<u>6,900,385</u>
<u>\$ 1,509,083</u>	<u>\$ 3,880,155</u>	<u>\$ 9,143,879</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
Year Ended December 31, 2013

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
REVENUES			
Real property taxes	\$ 1,512,120	\$ 3,706,826	\$ 2,835,941
Other real property tax items	14	5,331	2,623
Non-property tax items	-	-	-
Departmental income	-	-	-
Use of money and property	4,220	15,752	4,379
Miscellaneous local sources	-	22,956	40,925
Federal aid	-	383,694	-
Total Revenues	<u>1,516,354</u>	<u>4,134,559</u>	<u>2,883,868</u>
EXPENDITURES			
Current:			
General government support	93,373	476,077	169,630
Public safety	1,444,498	-	-
Health	-	-	2,305,461
Transportation	-	2,644,575	-
Home and community services	-	-	-
Employee benefits	-	427,540	420,459
Total Expenditures	<u>1,537,871</u>	<u>3,548,192</u>	<u>2,895,550</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,517)	586,367	(11,682)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Transfers out (Debt Service)	-	(11,252)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,252)</u>	<u>-</u>
Net Change in Fund Balance	(21,517)	575,115	(11,682)
Fund Balances at Beginning of Year	<u>65,890</u>	<u>2,451,318</u>	<u>26,838</u>
Fund Balances at End of Year	<u>\$ 44,373</u>	<u>\$ 3,026,433</u>	<u>\$ 15,156</u>

Sewer Districts	Water District	Total
\$ 4,694,652	\$ 3,135,539	\$ 15,885,078
29,706	30	37,704
144,701	-	144,701
1,338,044	1,997,484	3,335,528
14,908	275,255	314,514
34,220	25,162	123,263
102,968	4,387	491,049
<u>6,359,199</u>	<u>5,437,857</u>	<u>20,331,837</u>
808,814	625,375	2,173,269
-	-	1,444,498
-	-	2,305,461
-	-	2,644,575
3,770,774	2,899,128	6,669,902
1,048,643	717,660	2,614,302
<u>5,628,231</u>	<u>4,242,163</u>	<u>17,852,007</u>
730,968	1,195,694	2,479,830
1,614		1,614
(170,000)	(387,291)	(557,291)
(854,665)	(848,122)	(1,714,039)
<u>(1,023,051)</u>	<u>(1,235,413)</u>	<u>(2,269,716)</u>
(292,083)	(39,719)	210,114
<u>756,762</u>	<u>3,389,463</u>	<u>6,690,271</u>
<u>\$ 464,679</u>	<u>\$ 3,349,744</u>	<u>\$ 6,900,385</u>

TOWN OF HUNTINGTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash	\$ 111,325,303	\$ 1,267,398,531	\$ 1,273,271,162	\$ 105,452,672
Other assets	692,876	194,217,145	193,836,923	1,073,098
Total Assets	<u>\$ 112,018,179</u>	<u>\$ 1,461,615,676</u>	<u>\$ 1,467,108,085</u>	<u>\$ 106,525,770</u>
LIABILITIES				
Town Agency Fund				
Other liabilities	\$ 10,394,753	\$ 931,874,314	\$ 932,004,056	\$ 10,265,011
Total Liabilities - Town Agency Fund	<u>10,394,753</u>	<u>931,874,314</u>	<u>932,004,056</u>	<u>10,265,011</u>
Town Receiver of Taxes Agency Fund				
Due to school districts	50,811,713	883,773,473	886,454,808	48,130,378
Due to other governments	50,811,713	48,130,380	50,811,712	48,130,381
Total Liabilities - Town Receiver Agency Fund	<u>101,623,426</u>	<u>931,903,853</u>	<u>937,266,520</u>	<u>96,260,759</u>
Total Liabilities	<u>\$ 112,018,179</u>	<u>\$ 1,863,778,167</u>	<u>\$ 1,869,270,576</u>	<u>\$ 106,525,770</u>

**Schedules of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual
Nonmajor Special Revenue Funds**

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,227,464	\$ 4,227,464	\$ 4,227,464	\$ -
Total Real Property Taxes	4,227,464	4,227,464	4,227,464	-
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	2,400	2,400	6,230	\$ 3,830
Interest and penalties on taxes	1,000	1,000	39	(961)
Total Other Real Property Taxes	3,400	3,400	6,269	2,869
DEPARTMENTAL INCOME				
Building fees	3,550,000	3,550,000	3,457,523	(92,477)
Zoning board fees	100,000	100,000	122,898	22,898
Planning fees	110,000	336,815	336,815	
Other fees	247,000	247,000	281,859	34,859
Total Departmental Income	4,007,000	4,233,815	4,199,095	(34,720)
USE OF MONEY AND PROPERTY				
Interest and earnings	30,000	30,000	19,494	(10,506)
Total Use of Money and Property	30,000	30,000	19,494	(10,506)
LICENSES AND PERMITS				
Building permits	965,000	965,000	804,050	(160,950)
Total Licenses and Permits	965,000	965,000	804,050	(160,950)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	125,000	229,950	213,616	(16,334)
Total Miscellaneous Local Sources	125,000	229,950	213,616	(16,334)
STATE AID				
State Aid - State Emergency Management Office	30,316	30,316	30,316	-
Total State Aid	30,316	30,316	30,316	-
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance	-	6,261	47,888	41,627
Total Federal Aid	-	6,261	47,888	41,627
Total Revenues	\$ 9,388,180	\$ 9,726,206	\$ 9,548,192	\$ (178,014)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Government Support Administration	\$ 1,673,475	\$ 1,965,699	\$ 1,960,101	\$ -	\$ 5,598
Insurance	30,634	39,433	39,433	-	-
Other government support	6,000	6,000	5,250	-	750
Total General Government Support	<u>1,710,109</u>	<u>2,011,132</u>	<u>2,004,784</u>	<u>-</u>	<u>6,348</u>
PUBLIC SAFETY					
Traffic control	627,482	649,585	598,281	45,000	6,304
Safety inspection	1,440,802	1,487,609	1,483,904	-	3,705
Total Public Safety	<u>2,068,284</u>	<u>2,137,194</u>	<u>2,082,185</u>	<u>45,000</u>	<u>10,009</u>
HEALTH					
Registrar of vital statistics	233,427	235,489	232,063	103	3,323
Total Health	<u>233,427</u>	<u>235,489</u>	<u>232,063</u>	<u>103</u>	<u>3,323</u>
HOME AND COMMUNITY SERVICES					
Zoning	163,449	164,778	161,720	233	2,825
Planning	1,814,142	1,723,310	1,711,895	600	10,815
Joint planning board	128,949	123,549	122,411	-	1,138
Conservation	16,199	16,764	16,764	-	-
Total Home and Community Services	<u>2,122,739</u>	<u>2,028,401</u>	<u>2,012,790</u>	<u>833</u>	<u>14,778</u>
EMPLOYEE BENEFITS					
State employee retirement system	704,821	1,187,642	1,187,642	-	-
Social security	28,500	9,950	9,950	-	-
Workers Compensation	120,000	195,108	195,108	-	-
Life insurance	13,000	13,000	6,751	-	6,249
Unemployment insurance	7,000	7,000	6,190	-	810
Disability benefits	20,000	8,406	8,406	-	-
Hospital, medical and dental	1,966,000	1,843,279	1,843,279	-	-
Union welfare benefits	150,000	150,000	144,766	-	5,234
Other employee benefits	203,000	86,924	86,244	-	680
Total Employee Benefits	<u>3,212,321</u>	<u>3,501,309</u>	<u>3,488,336</u>	<u>-</u>	<u>12,973</u>
Total Expenditures	<u>9,346,880</u>	<u>9,913,525</u>	<u>9,820,158</u>	<u>45,936</u>	<u>47,431</u>
Excess (Deficiency) of Revenues					
Over Expenditures	41,300	(187,319)	(271,966)	(45,936)	(130,583)
Other Financing Uses					
Transfers out	-	(104,500)	(104,500)	-	-
Transfers out (Debt Service)	(131,300)	(131,300)	(131,300)	-	-
Total Other Financing Uses	<u>(131,300)</u>	<u>(235,800)</u>	<u>(235,800)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (90,000)</u>	<u>\$ (423,119)</u>	<u>(507,766)</u>	<u>\$ (45,936)</u>	<u>\$ (130,583)</u>
Fund Balance at Beginning of Year			1,723,171		
Fund Balance at End of Year			<u>\$ 1,215,405</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN BUSINESS IMPROVEMENT DISTRICTS
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 186,500	\$ 186,500	\$ 186,500	\$ -
Total Real Property Taxes	186,500	186,500	186,500	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	10	10	2	\$ (8)
Total Other Real Property Tax Items	10	10	2	(8)
Total Revenues	186,510	186,510	186,502	(8)
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Contractual expenditures	186,510	186,510	186,506	4
Total Home and Community Services	186,510	186,510	186,506	4
Total Expenditures	186,510	186,510	186,506	4
Net Change in Fund Balance	\$ -	\$ -	(4)	\$ (4)
Fund Balance at Beginning of Year			4	
Fund Balance at End of Year			\$ -	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PROTECTION DISTRICT FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,512,120	\$ 1,512,120	\$ 1,512,120	\$ -
Total Real Property Taxes	1,512,120	1,512,120	1,512,120	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	14	\$ 14
Total Other Real Property Tax Items	-	-	14	14
USE OF MONEY AND PROPERTY				
Interest and earnings	1,000	1,000	4,220	3,220
Total Use of Money and Property	1,000	1,000	4,220	3,220
Total Revenues	1,513,120	1,513,120	1,516,354	3,234
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	93,373	93,373	93,373	-
Total General Government Support	93,373	93,373	93,373	-
PUBLIC SAFETY				
Fire protection	1,419,747	1,444,498	1,444,498	-
Total Public Safety	1,419,747	1,444,498	1,444,498	-
Total Expenditures	1,513,120	1,537,871	1,537,871	-
Net Change in Fund Balance	\$ -	\$ (24,751)	(21,517)	\$ 3,234
Fund Balance at Beginning of Year			65,890	
Fund Balance at End of Year			\$ 44,373	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,706,826	\$ 3,706,826	\$ 3,706,826	\$ -
Total Real Property Taxes	3,706,826	3,706,826	3,706,826	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	2,000	2,000	5,297	\$ 3,297
Interest and penalties on taxes	-	-	34	34
Total Other Real Property Tax Items	2,000	2,000	5,331	3,331
USE OF MONEY AND PROPERTY				
Interest and earnings	22,700	22,700	15,752	(6,948)
Total Use of Money and Property	22,700	22,700	15,752	(6,948)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	16,000	16,000	22,956	6,956
Total Miscellaneous Local Sources	16,000	16,000	22,956	6,956
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance	-	-	383,694	383,694
Total Federal Aid	-	-	383,694	383,694
Total Revenues	\$ 3,747,526	\$ 3,747,526	\$ 4,134,559	\$ 387,033

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 11,925	\$ 11,925	\$ 7,575	\$ -	\$ 4,350
Other government support	469,002	469,002	468,502	-	500
Total General Government Support	<u>480,927</u>	<u>480,927</u>	<u>476,077</u>		<u>4,850</u>
TRANSPORTATION					
Lighting	2,860,989	2,832,122	2,644,575	60,355	127,192
Total Transportation	<u>2,860,989</u>	<u>2,832,122</u>	<u>2,644,575</u>	<u>60,355</u>	<u>127,192</u>
EMPLOYEE BENEFITS					
State employee retirement system	68,256	166,588	166,588	-	-
Social security	3,802	3,802	237	-	3,565
Workers Compensation	10,000	24,852	24,852	-	-
Life insurance	300	300	85	-	215
Unemployment insurance	5,000	5,000	-	-	5,000
Disability insurance	1,000	1,000	86	-	914
Hospital, medical and dental	226,000	234,544	220,586	-	13,958
Union welfare benefits	2,000	2,767	2,767	-	-
Other employee benefits	78,000	78,000	12,339	-	65,661
Total Employee Benefits	<u>394,358</u>	<u>516,853</u>	<u>427,540</u>	<u>-</u>	<u>89,313</u>
Total Expenditures	<u>3,736,274</u>	<u>3,829,902</u>	<u>3,548,192</u>	<u>60,355</u>	<u>221,355</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>11,252</u>	<u>(82,376)</u>	<u>586,367</u>	<u>(60,355)</u>	<u>608,388</u>
Other Financing Sources (Uses)					
Transfers out (Debt Service)	<u>(11,252)</u>	<u>(11,252)</u>	<u>(11,252)</u>	<u>-</u>	<u>-</u>
Total Other Financing (Uses)	<u>(11,252)</u>	<u>(11,252)</u>	<u>(11,252)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (93,628)</u>	<u>575,115</u>	<u>\$ (60,355)</u>	<u>\$ 608,388</u>
Fund Balance at Beginning of Year			<u>2,451,318</u>		
Fund Balance at End of Year			<u>\$ 3,026,433</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE DISTRICTS FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,835,941	\$ 2,835,941	\$ 2,835,941	\$ -
Total Real Property Taxes	<u>2,835,941</u>	<u>2,835,941</u>	<u>2,835,941</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,950	1,950	2,597	\$ 647
Interest and penalties on taxes	300	300	26	(274)
Total Other Real Property Tax Items	<u>2,250</u>	<u>2,250</u>	<u>2,623</u>	<u>373</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	2,800	2,800	4,379	1,579
Total Use of Money and Property	<u>2,800</u>	<u>2,800</u>	<u>4,379</u>	<u>1,579</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	46,300	46,300	40,925	(5,375)
Total Miscellaneous Local Sources	<u>46,300</u>	<u>46,300</u>	<u>40,925</u>	<u>(5,375)</u>
Total Revenues	<u>2,887,291</u>	<u>2,887,291</u>	<u>2,883,868</u>	<u>(3,423)</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	169,630	169,630	169,630	-
Total General Government Support	<u>169,630</u>	<u>169,630</u>	<u>169,630</u>	<u>-</u>
HEALTH				
Ambulance	2,305,461	2,305,461	2,305,461	-
Total Health	<u>2,305,461</u>	<u>2,305,461</u>	<u>2,305,461</u>	<u>-</u>
EMPLOYEE BENEFITS				
State employee retirement system	402,000	428,813	420,459	8,354
Total Employee Benefits	<u>402,000</u>	<u>428,813</u>	<u>420,459</u>	<u>8,354</u>
Total Expenditures	<u>2,877,091</u>	<u>2,903,904</u>	<u>2,895,550</u>	<u>8,354</u>
Excess (Deficiency) of Revenues Over Expenditures				
	-	(16,613)	(11,682)	4,931
Net Change in Fund Balance	<u>\$ 10,200.00</u>	<u>\$ (16,613.00)</u>	(11,682)	<u>\$ 4,931</u>
Fund Balance at Beginning of Year			<u>26,838</u>	
Fund Balance at End of Year			<u>\$ 15,156</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,694,652	\$ 4,694,652	\$ 4,694,652	\$ -
Total Real Property Taxes	4,694,652	4,694,652	4,694,652	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	22,000	22,000	29,663	7,663
Interest and penalties on taxes	500	500	43	(457)
Total Other Real Property Tax Items	22,500	22,500	29,706	7,206
NON-PROPERTY TAX ITEMS				
Local government assistance	144,701	144,701	144,701	-
Total Non-Property Tax Items	144,701	144,701	144,701	-
DEPARTMENTAL INCOME				
Sewer charges	1,290,942	1,345,942	1,338,044	(7,898)
Total Departmental Income	1,290,942	1,345,942	1,338,044	(7,898)
USE OF MONEY AND PROPERTY				
Interest and earnings	19,700	19,700	14,908	(4,792)
Total Use of Money and Property	19,700	19,700	14,908	(4,792)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	40,000	40,000	34,220	(5,780)
Total Miscellaneous Local Sources	40,000	40,000	34,220	(5,780)
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistanc	-	78,361	102,968	24,607
Total Federal Aid	-	78,361	102,968	24,607
OTHER FINANCING SOURCES				
Transfers in	-	1,614	1,614	-
Total Other Financing Sources	-	1,614	1,614	-
Total Revenues	\$ 6,212,495	\$ 6,347,470	\$ 6,360,813	\$ 13,343

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 19,073	\$ 19,073	\$ 15,101	\$ -	\$ 3,972
Other government support	801,300	801,300	793,713	-	7,587
Total General Government Support	<u>820,373</u>	<u>820,373</u>	<u>808,814</u>	<u>-</u>	<u>11,559</u>
HOME AND COMMUNITY SERVICES					
Sewer	3,491,564	3,826,598	3,770,774	602	55,222
Total Home and Community Services	<u>3,491,564</u>	<u>3,826,598</u>	<u>3,770,774</u>	<u>602</u>	<u>55,222</u>
EMPLOYEE BENEFITS					
State employee retirement system	226,284	398,258	398,258	-	-
Social security	16,887	16,887	2,674	-	14,213
Workers Compensation	80,000	54,531	53,668	-	863
Life insurance	1,000	1,000	-	-	1,000
Unemployment insurance	12,000	7,717	-	-	7,717
Disability benefits	1,000	1,000	-	-	1,000
Hospital, medical and dental	587,000	534,375	533,905	-	470
Other employee benefits	120,000	103,000	60,138	-	42,862
Total Employee Benefits	<u>1,044,171</u>	<u>1,116,768</u>	<u>1,048,643</u>	<u>-</u>	<u>68,125</u>
Total Current	<u>5,356,108</u>	<u>5,763,739</u>	<u>5,628,231</u>	<u>602</u>	<u>134,906</u>
Total Expenditures	<u>5,356,108</u>	<u>5,763,739</u>	<u>5,628,231</u>	<u>602</u>	<u>134,906</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>856,387</u>	<u>583,731</u>	<u>732,582</u>	<u>(602)</u>	<u>148,249</u>
Other Financing Sources (Uses)					
Transfers out		(170,000)	(170,000)		
Transfers out (Debt Service)	(856,387)	(856,387)	(854,665)	-	1,722
Total Other Financing Sources (Uses)	<u>(856,387)</u>	<u>(1,026,387)</u>	<u>(1,024,665)</u>	<u>-</u>	<u>1,722</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (442,656)</u>	<u>(292,083)</u>	<u>\$ (602)</u>	<u>\$ 149,971</u>
Fund Balance at Beginning of Year			<u>756,762</u>		
Fund Balance at End of Year			<u>\$ 464,679</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,135,539	\$ 3,135,539	\$ 3,135,539	\$ -
Total Real Property Taxes	<u>3,135,539</u>	<u>3,135,539</u>	<u>3,135,539</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	30	30
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
DEPARTMENTAL INCOME				
Metered water sales	1,739,000	1,739,000	1,901,574	162,574
Water rental arrears	100,000	100,000	95,910	(4,090)
Total Departmental Income	<u>1,839,000</u>	<u>1,839,000</u>	<u>1,997,484</u>	<u>158,484</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	19,000	19,000	22,949	3,949
Tower rental	245,500	245,500	252,306	6,806
Total Use of Money and Property	<u>264,500</u>	<u>264,500</u>	<u>275,255</u>	<u>10,755</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	22,000	22,000	25,162	3,162
Total Miscellaneous Local Sources	<u>22,000</u>	<u>22,000</u>	<u>25,162</u>	<u>3,162</u>
FEDERAL AID				
Federal Aid - federal emergency management Assistance	-	-	4,387	4,387
Total Federal Aid	<u>-</u>	<u>-</u>	<u>4,387</u>	<u>4,387</u>
Total Revenues	<u>\$ 5,261,039</u>	<u>\$ 5,261,039</u>	<u>\$ 5,437,857</u>	<u>\$ 176,818</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2013

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 16,402	\$ 16,402	\$ 11,744	\$ -	\$ 4,658
Other government support	607,137	615,565	613,631	-	1,934
Total General Government Support	623,539	631,967	625,375	-	6,592
HOME AND COMMUNITY SERVICES					
Water	3,035,161	3,116,132	2,899,128	124,894	92,110
Total Home and Community Services	3,035,161	3,116,132	2,899,128	124,894	92,110
EMPLOYEE BENEFITS					
State employee retirement system	146,158	247,717	247,717	-	-
Social security	12,000	12,000	2,672	-	9,328
Worker's Compensation	60,000	8,044	8,044	-	-
Life insurance	300	300	170	-	130
Unemployment benefits	5,000	10,530	10,530	-	-
Disability benefits	500	500	172	-	328
Hospital, medical and dental	422,000	422,000	394,012	-	27,988
Union welfare benefits	2,000	3,906	3,906	-	-
Other employee benefits	100,000	53,081	50,437	-	2,644
Total Employee Benefits	747,958	758,078	717,660	-	40,418
Total Expenditures	4,406,658	4,506,177	4,242,163	124,894	139,120
Excess (Deficiency) of Revenues Over Expenditures					
	854,381	754,862	1,195,694	(124,894)	315,938
Other Financing Sources (Uses)					
Transfers out		(387,291)	(387,291)	-	-
Transfers out (Debt Service)	(854,381)	(854,381)	(848,122)	-	6,259
Total Other Financing Sources (Uses)	(854,381)	(1,241,672)	(1,235,413)	-	6,259
Net Change in Fund Balance	\$ -	\$ (486,810)	(39,719)	\$ (124,894)	\$ 322,197
Fund Balance at Beginning of Year			3,389,463		
Fund Balance at End of Year			<u>\$ 3,349,744</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year ended December 31, 2013

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
USE OF MONEY AND PROPERTY				
Interest and earnings	\$ -	\$ -	\$ -	\$ -
Total Use of Money and Property	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
DEBT SERVICE				
Principal	-	10,704,823	10,704,823	-
Interest	-	3,171,254	3,171,254	-
Total Debt Service	-	13,876,077	13,876,077	-
Total Expenditures	-	13,876,077	13,876,077	-
(Deficiency) of Revenues				
(Under) Expenditures	-	(13,876,077)	(13,876,077)	-
Other Financing Sources				
Transfers In	-	13,876,077	13,876,077	-
Total Other Financing Sources	-	13,876,077	13,876,077	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

**DISCRETELY PRESENTED
COMPONENT UNITS**

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

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2013

	South Huntington Water District	Greenlawn Water District	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 8,661,795	\$ 4,020,216	\$ 12,682,011
Cash Restricted	\$ 3,850,880	2,631,138	6,482,018
Accounts receivable, net	981,354	543,566	1,524,920
Due from federal, state and other governments	49,904	-	49,904
Inventory of materials and supplies	109,733	139,101	248,834
Prepays	145,811	71,602	217,413
Total Current Assets	<u>13,799,477</u>	<u>7,405,623</u>	<u>21,205,100</u>
Non-Current Assets			
Non-depreciable capital assets	5,271,865	2,391,523	7,663,388
Depreciable capital assets, net of depreciation	37,309,255	15,490,648	52,799,903
Total Non-Current Assets	<u>42,581,120</u>	<u>17,882,171</u>	<u>60,463,291</u>
Deferred Outflow of Resources			
Deferred charges, net of accumulated amortization	166,552	9,060	175,612
Total Deferred Outflow of Resources	<u>166,552</u>	<u>9,060</u>	<u>175,612</u>
Total Assets	<u>56,547,149</u>	<u>25,296,854</u>	<u>81,844,003</u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable and other current liabilities	528,207	826,455	1,354,662
Accrued liabilities	94,813	21,975	116,788
Accrued interest payable	189,761	39,491	229,252
Non-current liabilities due within one year	2,018,235	492,692	2,510,927
Total Current Liabilities	<u>2,831,016</u>	<u>1,380,613</u>	<u>4,211,629</u>
Non-Current Liabilities			
Due in more than one year	23,456,968	4,908,357	28,365,325
Total Non-Current Liabilities	<u>23,456,968</u>	<u>4,908,357</u>	<u>28,365,325</u>
Total Liabilities	<u>26,287,984</u>	<u>6,288,970</u>	<u>32,576,954</u>
NET POSITION			
Investment in capital assets, net of related debt	25,025,572	14,494,637	39,520,209
Nonspendable Fund Balance			
Restricted for:			
Capital Projects	3,850,880	2,530,300	6,381,180
Unrestricted	1,382,713	1,982,947	3,365,660
Total Net Position	<u>30,259,165</u>	<u>19,007,884</u>	<u>49,267,049</u>
Total Liabilities and Net Position	<u>\$ 56,547,149</u>	<u>\$ 25,296,854</u>	<u>\$ 81,844,003</u>

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year ended December 31, 2013

	South Huntington Water District	Greenlawn Water District	Totals
REVENUES			
Charges for services	\$ 3,957,197	\$ 2,695,619	\$ 6,652,816
Real property taxes	3,783,704	2,302,500	6,086,204
Interest and investment income	475,538	36,384	511,922
Miscellaneous	1,333,398	208,810	1,542,208
Total Revenues	<u>9,549,837</u>	<u>5,243,313</u>	<u>14,793,150</u>
EXPENDITURES			
Current:			
Home and community services	8,341,915	6,323,588	14,665,503
Total Expenditures	<u>8,341,915</u>	<u>6,323,588</u>	<u>14,665,503</u>
Changes in Net Position	1,207,922	(1,080,275)	127,647
Net Position at Beginning of Year	<u>29,051,243</u>	<u>20,088,159</u>	<u>49,139,402</u>
Net Position at End of Year	<u>\$ 30,259,165</u>	<u>\$ 19,007,884</u>	<u>\$ 49,267,049</u>

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.	120-127
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	128-133
Debt Capacity These schedules present information to help the reader assess the Affordability of the government's current level s of outstanding debt and the government's ability to issue additional debt in the future.	134-137
Demographic and Economic Information These schedules offer demographic and economic indicators to help the Reader understand the environment within which the government's Financial activities take place.	138-139
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	140-145

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

<u>Year Ended December 31,</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Primary government				
Governmental activities				
Net Assets				
Invested in capital assets, net of related debt	\$ 259,663,495	\$ 245,737,404	\$ 245,685,682	\$ 242,979,302
Restricted	10,027,863	15,237,323	16,229,038	22,238,564
Unrestricted	<u>(39,339,613)</u>	<u>(26,378,032)</u>	<u>(22,650,385)</u>	<u>(18,948,323)</u>
Total primary governmental net position	<u>\$ 230,351,745</u>	<u>\$ 234,596,695</u>	<u>\$ 239,264,335</u>	<u>\$ 246,269,543</u>

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 223,896,536	\$ 206,681,526	\$ 196,497,063	\$ 176,353,725
31,253,835	28,468,496	35,100,108	29,249,213
(11,169,761)	13,048,556	18,812,542	29,542,899
\$ 243,980,610	\$ 248,198,578	\$ 250,409,713	\$ 235,145,837
\$ 243,980,610	\$ 248,198,578	\$ 250,409,713	\$ 235,145,837

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

Year Ended December 31,	2013	2012	2011
Expenses			
Governmental activities:			
General government support	\$ 38,235,586	\$ 41,391,051	\$ 39,036,309
Public safety	13,568,077	13,800,053	12,123,722
Health	3,440,004	3,302,681	3,052,675
Transportation	50,671,798	59,810,512	50,963,397
Economic assistance and opportunity	3,288,214	3,394,231	3,335,597
Culture and recreation	23,333,531	20,374,655	18,824,298
Home and community service	52,238,856	40,672,616	46,382,915
Interest on long-term debt	2,683,833	3,193,082	3,903,598
Total governmental activities expenses	<u>187,459,900</u>	<u>185,938,882</u>	<u>177,622,512</u>
Total primary government expenses	<u>\$ 187,459,900</u>	<u>\$ 185,938,882</u>	<u>\$ 177,622,512</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government support	\$ 4,815,610	\$ 4,428,836	\$ 8,177,246
Public safety	1,803,881	1,317,625	1,230,831
Health	219,180	208,700	210,970
Transportation	601,018	462,488	736,177
Economic assistance and opportunity	304,172	309,956	276,643
Culture and recreation	8,124,066	8,205,323	7,620,757
Home and community service	18,085,563	14,700,673	18,212,053
Operating grants and contributions	16,123,065	21,469,143	8,869,297
Capital grants and contributions	3,102,784	1,407,987	8,009,856
Total governmental activities program revenues	<u>53,179,339</u>	<u>52,510,731</u>	<u>53,343,830</u>
Total primary government program revenues	<u>\$ 53,179,339</u>	<u>\$ 52,510,731</u>	<u>\$ 53,343,830</u>
Net (Expense)/Revenue			
Governmental activities	<u>\$ (134,280,561)</u>	<u>\$ (133,428,151)</u>	<u>\$ (124,278,682)</u>
Total primary government net expense	<u>\$ (134,280,561)</u>	<u>\$ (133,428,151)</u>	<u>\$ (124,278,682)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Real property taxes	\$ 109,889,320	\$ 113,181,079	\$ 107,674,455
Mortgage tax	7,988,336	6,742,019	6,678,915
Refunded Debt			
Other taxes	4,513,225	390,204	484,626
Unrestricted grants and contributions		-	9,176
Interest earnings	1,390,584	2,014,266	949,519
State aid-unrestricted	1,067,256	1,067,256	1,067,256
Special Item		3,948,106	
Miscellaneous	6,163,186		5,705,282
Total governmental activities	<u>131,011,907</u>	<u>127,342,930</u>	<u>122,569,229</u>
Total primary government	<u>\$ 131,011,907</u>	<u>\$ 127,342,930</u>	<u>\$ 122,569,229</u>
Change in Net Assets			
Governmental Activities	<u>\$ (3,268,654)</u>	<u>\$ (6,085,221)</u>	<u>\$ (1,709,453)</u>
Total primary government	<u>\$ (3,268,654)</u>	<u>\$ (6,085,221)</u>	<u>\$ (1,709,453)</u>

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

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 39,790,531	\$ 38,857,392	\$ 38,494,761	\$ 37,510,058	\$ 29,032,433
11,476,179	11,038,050	11,066,396	10,827,569	8,977,952
3,222,943	3,148,777	3,003,556	2,957,496	3,704,774
42,082,298	39,357,751	38,092,747	35,401,854	31,821,414
3,319,996	2,977,427	2,850,847	2,720,148	2,482,726
18,219,053	18,292,698	18,226,501	16,454,187	18,543,175
52,609,247	53,781,830	49,874,168	55,433,797	49,478,528
4,025,756	3,717,197	3,900,344	3,795,661	3,662,193
<u>174,746,002</u>	<u>171,171,122</u>	<u>165,509,320</u>	<u>165,100,770</u>	<u>147,703,195</u>
<u>\$ 174,746,002</u>	<u>\$ 171,171,122</u>	<u>\$ 165,509,320</u>	<u>\$ 165,100,770</u>	<u>\$ 147,703,195</u>
\$ 5,149,354	\$ 4,313,478	\$ 4,390,671	\$ 4,460,228	\$ 4,767,764
1,148,705	1,169,492	1,121,825	1,251,949	1,261,930
203,810	193,270	203,200	219,040	201,090
500,861	690,742	490,646	361,563	337,082
259,887	276,579	329,830	304,113	260,312
7,222,427	7,202,512	7,105,367	7,107,158	6,850,466
18,518,355	19,722,791	19,793,208	18,979,836	17,959,144
6,159,015	4,427,799	5,355,625	4,797,541	4,375,487
8,076,450	3,121,355	337,856	8,949,883	973,950
<u>47,238,864</u>	<u>41,118,018</u>	<u>39,128,228</u>	<u>46,431,311</u>	<u>36,987,225</u>
<u>\$ 47,238,864</u>	<u>\$ 41,118,018</u>	<u>\$ 39,128,228</u>	<u>\$ 46,431,311</u>	<u>\$ 36,987,225</u>
<u>\$ (127,507,138)</u>	<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>	<u>\$ (110,715,970)</u>
<u>\$ (127,507,138)</u>	<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>	<u>\$ (110,715,970)</u>
\$ 108,462,698	\$ 108,148,199	\$ 104,553,579	\$ 104,268,372	\$ 102,076,056
6,948,509	310,923	8,440,815	15,242,969	17,244,476
99,571	8,493,498			
442,311	12,975	462,913	508,273	562,643
26,126	2,462,846	35,815	36,869	28,622
1,464,479	1,159,105	4,790,462	7,741,662	7,132,133
1,089,037	5,089,592	1,201,356	1,247,213	1,157,444
(979,724)				
6,474,156		4,843,015	4,887,977	4,186,139
<u>124,027,163</u>	<u>125,677,138</u>	<u>124,327,955</u>	<u>133,933,335</u>	<u>132,387,513</u>
<u>\$ 124,027,163</u>	<u>\$ 125,677,138</u>	<u>\$ 124,327,955</u>	<u>\$ 133,933,335</u>	<u>\$ 132,387,513</u>
\$ (3,479,975)	\$ (4,375,966)	\$ (2,053,137)	\$ 15,263,876	\$ 21,671,543
<u>\$ (3,479,975)</u>	<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>	<u>\$ 15,263,876</u>	<u>\$ 21,671,543</u>

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

<u>Year Ended December 31,</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund			
Nonspendable	\$ 1,037,161	\$ 1,038,259	\$ 970,613
Restricted	18,464,541	23,756,924	20,461,112
Assigned	1,696,483	2,640,211	3,018,000
Reserved			
Unassigned	7,148,985	11,435,795	11,221,787
Total General Fund	<u>\$ 28,347,170</u>	<u>\$ 38,871,189</u>	<u>\$ 35,671,512</u>
All other governmental funds			
Nonspendable	\$ 805,303	\$ 464,581	\$ 746,844
Restricted	18,544,847	12,617,074	18,362,285
Assigned	22,423,802	16,913,749	17,170,751
Reserved			
Unassigned, reported in:			
Special Revenue Funds			
Capital Projects funds			
Total all other governmental funds	<u>\$ 41,773,952</u>	<u>\$ 29,995,404</u>	<u>\$ 36,279,880</u>

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

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 793,306				
19,616,680				
5,237,708				
<u>7,663,441</u>	\$ 7,121,674	\$ 9,389,555	\$ 6,878,603	\$ 6,937,753
<u>\$ 33,311,135</u>	<u>39,728,891</u>	<u>52,273,416</u>	<u>48,572,651</u>	<u>46,995,197</u>
	<u>\$ 46,850,565</u>	<u>\$ 61,662,971</u>	<u>\$ 55,451,254</u>	<u>\$ 53,932,950</u>
\$ 672,765				
18,266,637				
24,344,963				
	\$ 17,120,920	\$ 17,120,920	\$ 15,765,468	\$ 5,726,455
	19,281,358	4,468,952	22,455,232	18,245,579
	<u>21,259,956</u>	<u>21,259,956</u>	<u>26,753,294</u>	<u>18,465,620</u>
<u>\$ 43,284,365</u>	<u>\$ 57,662,234</u>	<u>\$ 42,849,828</u>	<u>\$ 64,973,994</u>	<u>\$ 42,437,654</u>

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

Year Ended December 31,	2013	2012	2011	2010
Revenues				
Real property taxes	\$ 109,889,320	\$ 109,054,601	\$ 107,552,908	\$ 108,375,068
Other real property tax items	412,497	360,204	334,396	362,430
Non-property taxes	4,100,728	3,962,886	3,885,051	3,732,931
Departmental income	38,686,154	34,801,298	35,902,822	36,371,423
Intergovernmental charges	143,594	232,158	235,671	212,017
Use of money and property	1,390,584	2,014,267	1,854,711	2,208,584
License and permits	1,918,531	1,594,776	1,754,907	1,550,543
Fines and forfeitures	1,135,462	760,548	646,834	655,849
Sale of property and compensation for loss	1,364,545	840,836	4,708,647	2,359,773
Miscellaneous and local sources	4,774,920	2,291,436	1,888,592	2,379,497
Interfund revenues	4,051,494	4,279,359	5,657,187	5,609,839
State aid	12,423,562	13,441,235	14,505,595	12,032,056
Federal aid	14,933,074	17,246,580	10,017,200	8,819,217
Total Revenues	195,224,465	190,880,184	188,944,521	184,669,227
Expenditures				
Current:				
General government support	29,590,411	30,090,454	30,374,952	31,541,339
Public safety	8,080,611	8,034,402	7,385,006	7,685,737
Health	3,281,771	3,136,480	3,086,042	3,097,626
Transportation	32,264,244	38,949,298	28,737,380	25,945,124
Economic assistance and opportunity	2,071,285	2,112,812	2,043,773	2,127,168
Culture and recreation	14,048,065	13,850,124	13,644,237	13,424,653
Home and community service	49,571,193	41,707,028	47,267,179	52,114,208
Employee benefits	36,012,603	34,421,468	30,302,386	28,084,741
Capital outlay	21,583,565	10,814,930	22,550,436	33,582,051
Debt Service:				
Principal	10,704,821	10,654,320	11,049,744	10,707,885
Interest	3,171,256	3,264,926	3,666,929	3,750,762
Total Expenditures	210,379,825	197,036,242	200,108,064	212,061,294
Excess of revenues over (under) expenditures	(15,155,360)	(6,156,058)	(11,163,543)	(27,392,067)
Other financing sources (uses)				
Amortization of retirement system contribution		3,905,184		
Bonds issued	7,430,000	7,600,000	6,380,000	11,160,000
Capital leases	-	18,987	139,431	15,752
Transfers in	26,283,066	14,841,544	17,660,108	20,443,890
Transfers out	(26,283,066)	(14,841,544)	(17,660,108)	(20,443,890)
Refunding bonds issued	-	15,481,635		
Premium on bonds issued	-	(15,481,635)		
Total other financing sources (uses)	7,430,000	11,524,171	6,519,431	11,175,752
Net change in fund balances	\$ (7,725,360)	\$ 5,368,113	\$ (4,644,112)	\$ (16,216,315)
Debt service as a percentage of noncapital expenditures	7.93%	8.08%	9.04%	8.82%

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

Note: Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 108,050,206	\$ 104,482,088	\$ 104,268,372	\$ 102,076,056
302,597	342,356	363,569	337,132
3,418,102	3,219,166	2,977,294	2,684,496
37,091,352	37,932,147	37,550,785	37,291,254
230,523	198,017	182,185	349,191
3,187,399	5,457,339	8,387,194	7,661,795
1,588,318	1,412,228	1,447,023	1,421,451
748,601	676,093	755,113	710,146
1,616,146	1,747,098	1,761,072	707,995
2,418,825	1,235,762	1,003,358	1,309,444
5,531,969	5,573,344	5,826,953	5,419,337
13,371,366	13,277,833	29,785,313	22,256,489
1,394,175	2,763,613	2,124,246	1,806,370
<u>178,949,579</u>	<u>178,317,084</u>	<u>196,432,477</u>	<u>184,031,156</u>
31,324,727	30,989,879	30,845,576	30,471,034
7,458,446	7,066,827	7,091,650	6,710,902
3,043,546	2,890,720	2,829,372	2,808,167
26,380,638	24,702,035	23,725,720	22,460,334
2,108,791	2,071,199	1,902,587	1,936,096
13,312,110	12,574,292	12,717,401	12,776,569
53,747,108	55,486,780	54,935,602	52,060,539
24,303,462	24,581,780	23,398,787	21,467,337
25,462,611	23,117,859	22,138,606	26,283,625
11,292,923	10,962,502	10,434,124	11,203,370
3,965,197	3,964,601	3,848,293	3,724,456
<u>202,399,559</u>	<u>198,408,474</u>	<u>193,867,718</u>	<u>191,902,429</u>
(23,449,980)	(20,091,390)	2,564,759	(7,871,273)
11,443,000	10,900,000	14,565,000	14,935,000
313,082	157,544	46,282	101,006
28,859,469	20,050,066	24,072,181	24,458,333
(28,859,469)	(20,050,066)	(24,072,181)	(24,458,333)
			13,166
<u>11,756,082</u>	<u>11,057,544</u>	<u>14,611,282</u>	<u>15,049,172</u>
<u>\$ (11,693,898)</u>	<u>\$ (9,033,846)</u>	<u>\$ 17,176,041</u>	<u>\$ 7,177,899</u>
9.44%	9.31%	9.07%	9.91%

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

Year Ended December 31,	Residential Property	Commercial Property	Vacant Property	Other	Less: Tax Exempt Real Property
2013	\$ 254,910,501	\$ 42,433,561	\$ 2,517,806	\$ 71,492,560	\$ 45,303,795
2012	259,638,035	43,874,382	2,211,427	71,437,375	45,495,271
2011	261,810,983	45,198,563	2,204,842	71,544,679	46,445,869
2010	263,770,555	46,357,047	2,387,307	71,183,911	46,975,939
2009	265,575,827	46,286,235	2,354,454	71,118,730	47,455,305
2008	266,664,631	46,281,700	2,354,454	71,118,730	47,455,305
2007	266,185,449	46,901,830	2,825,488	70,878,314	48,261,051
2006	265,339,030	47,690,042	3,103,276	70,968,877	48,716,481
2005	264,079,140	48,466,141	3,012,788	70,944,975	49,171,601
2004	259,820,051	49,819,401	3,502,713	71,543,502	49,520,453

Source: Town of Huntington Assessors Office

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

N/A - Information not available

Total Net Assessed Value	Total Direct Tax Rate (a)	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
\$ 326,050,633	26.34	0.90%	\$ 36,524,941,444	1.02%
331,665,948	25.92	0.88%	\$ 37,689,312,273	1.00%
334,313,198	25.18	0.88%	\$ 37,990,136,136	1.00%
336,722,881	25.18	0.82%	\$ 41,063,765,976	0.93%
337,879,941	25.18	0.76%	\$ 44,457,886,974	0.87%
338,964,210	25.18	0.77%	\$ 44,021,325,974	0.88%
338,530,030	23.84	0.80%	\$ 42,316,253,750	0.91%
338,384,744	23.27	0.87%	\$ 38,894,798,161	1.00%
337,331,443	22.64	0.94%	\$ 35,886,323,723	1.08%
335,165,214	22.10	1.06%	\$ 31,619,359,811	1.22%

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

Town Direct Rates

Years Ended December 31,	Full Valuation	State Equalization Rate	Total Taxable Assessed Value	Tax Levy For Town	Total Town Direct Tax Rate ¹
2013	36,524,941,444	0.90%	\$ 328,724,473	\$ 109,686,705	26.34
2012	37,689,312,273	0.88%	331,665,948	109,413,864	25.92
2011	37,990,136,136	0.88%	334,313,198	107,692,484	25.18
2010	41,063,765,975	0.82%	336,722,881	108,503,547	25.18
2009	44,457,886,973	0.76%	337,879,941	108,186,064	25.18
2008	44,021,325,974	0.77%	338,964,210	104,582,829	25.18
2007	42,316,253,750	0.80%	338,530,030	104,383,431	23.84
2006	38,894,798,161	0.87%	338,384,744	102,237,678	23.27
2005	35,886,323,723	0.94%	337,331,443	99,835,921	22.64
2004	31,619,359,811	1.06%	335,165,214	96,647,904	22.10

Source: Town of Huntington Department of Information Technology

¹ Per \$100 of assessed value

Overlapping Rates

County Tax Levy For Town	Total County Direct Rate ¹	School Levy	Total School Direct Rate ¹	Total Direct & Overlapping Rates
\$ 131,965,873	40.14	\$ 659,657,285	200.67	267.16
127,337,090	38.39	\$ 643,809,830	194.11	258.43
118,888,782	35.56	579,387,049	173.31	234.05
114,639,824	34.05	566,610,386	168.27	227.50
113,772,335	33.67	595,186,877	176.15	235.01
104,451,179	30.81	572,110,308	168.78	224.78
109,948,191	32.48	547,479,443	161.72	218.04
106,354,217	31.43	519,189,924	153.43	208.13
109,177,519	32.37	480,304,965	142.38	197.39
101,303,804	30.23	436,456,700	130.22	182.55

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

2013				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 37,301,488	11.25%
2	The Retail Property Trust	Real Estate	2,000,000	0.60%
3	Huntington Quadrangle	Real Estate	1,100,000	0.33%
4	Melville Industrial Associates	Office Building	922,000	0.28%
5	Reckson FS Limited Partnership	Commercial	801,465	0.24%
6	Verizon	Utility	789,522	0.24%
7	Avalon Bay Communities	Real Estate	532,400	0.16%
8	Estee Lauder	Cosmetics	469,700	0.14%
9	PD Long Island Hotel Associates LLC	Hotel	464,000	0.14%
10	Grandview Hotel Limit	Hotel	425,000	0.13%
Total			<u>\$ 44,805,575</u>	<u>13.51%</u>

2004				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (b)
1	Keyspan Energy Corp.	Utility	\$35,883,006	10.71%
2	The Retail Property Trust	Real Estate	\$2,500,000	0.75%
3	Verizon New York Inc.	Utility	\$1,311,379	0.39%
4	Melville Industrial Associates	Office Buildings	\$1,305,000	0.39%
5	Estee Lauder Inc.	Cosmetic Manufacturer	\$709,750	0.21%
6	Reckson FS Limited Partnership	Commercial	\$700,000	0.21%
7	TMCT, LLC (Newsday)	Newspaper	\$688,000	0.21%
8	Grandview Hotel Limited	Hotel	\$550,000	0.16%
9	Huntington Quadrangle #1 Co.	Real Estate	\$550,000	0.16%
10	Avalon Bay Communities	Real Estate	\$532,400	0.16%
Total			<u>\$ 44,729,535</u>	<u>13.42%</u>

Source: Town of Huntington Department of Information Technology

(a) Total taxable assessed valuations per the Town's 2012 assessment roll for taxes levied in fiscal 2013 are \$328,724,473

(b) Total taxable assessed valuations per the Town's 2003 assessment roll for taxes levied in fiscal 2004 are \$335,165,214

TOWN OF HUNTINGTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ended	Tax Levy	Total	Amount	Percent	Amount	Percent
December 31,	For Town ^(a)	Tax Levy ^(b)	Collected ^(c)	Collected for Town ^(d)	Uncollected ^(c)	Uncollected ^(d)
2013	\$ 109,686,705	\$ 941,140,645	\$ 109,686,705	100.00%	\$ -	0.00%
2012	109,413,864	918,665,388	109,413,864	100.00%	\$ -	0.00%
2011	107,692,484	879,997,364	107,692,484	100.00%	-	0.00%
2010	108,503,547	862,046,658	108,503,547	100.00%	-	0.00%
2009	108,186,064	851,271,257	108,186,064	100.00%	-	0.00%
2008	104,582,829	812,218,796	104,582,829	100.00%	-	0.00%
2007	104,383,431	792,607,515	104,383,431	100.00%	-	0.00%
2006	102,237,678	757,314,066	102,237,678	100.00%	-	0.00%
2005	99,835,921	716,834,156	99,835,921	100.00%	-	0.00%
2004	96,647,904	660,650,889	96,647,904	100.00%	-	0.00%
	<u>\$ 1,051,170,426</u>	<u>\$ 8,192,746,734</u>	<u>\$ 1,051,170,426</u>		<u>\$ -</u>	

Source: The most recent official statement of the Town of Huntington

(a) Gross levy for Town purposes. (Includes all Town controlled funds)

(b) Includes all Town and County taxes.

(c) At end of the lvy year.

(d) Uncollected taxes are returned to the County for collection.

The Town retains 100% of its levy. See "Tax Collection Procedures".

All subsequent year tax collections are collected by the County.

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

Year Ended	Governmental Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	BANs	Capital Leases				
2013	\$ 86,743,093	-0-	\$ 63,435		\$ 86,806,528	0.76%	427
2012	90,017,918	-0-	214,296		90,232,214	0.90%	444
2011	94,334,163	-0-	295,678		94,629,841	0.97%	466
2010	99,003,914	-0-	284,950		99,288,864	1.03%	482
2009	98,551,800	-0-	394,220		98,946,020	0.97%	483
2008	98,712,647	-0-	392,650		99,105,297	1.01%	486
2007	98,775,151	-0-	437,107		99,212,258	1.04%	487
2006	94,644,275	-0-	599,041		95,243,316	1.04%	470
2005	90,912,645	-0-	693,754		91,606,399	1.04%	454
2004	91,130,223	-0-	784,293		91,914,516	1.09%	461

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

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

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

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value¹ of Property	Per Capita²
2013	\$ 86,743,093	-	\$ 86,743,093	0.24%	427
2012	90,017,918	-	90,017,918	0.24%	443
2011	94,334,163	-	94,334,163	0.25%	465
2010	99,003,914	(263,178)	98,740,736	0.24%	479
2009	98,551,800	(620,781)	97,931,019	0.22%	478
2008	98,712,647	(980,083)	97,732,564	0.22%	479
2007	98,775,151	(1,312,215)	97,462,936	0.23%	478
2006	94,644,275	(1,605,005)	93,039,270	0.24%	459
2005	90,912,645	(1,890,127)	89,022,518	0.25%	441
2004	91,130,223	(2,207,646)	88,922,577	0.28%	446

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

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

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

TOWN OF HUNTINGTON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2013

<u>Governmental Unit</u>	<u>Net Long-Term Debt</u>	<u>Percentage Applicable to the Town of Huntington</u>	<u>Town of Huntington Share of Debt</u>
Direct:			
Town of Huntington	\$ 86,743,093	100.00%	\$ 86,743,093
Component Units	26,371,905	100.00%	26,371,905
Total direct Debt			<u>113,114,998</u>
Overlapping:			
County	\$ 2,035,899,975	14.10%	287,061,896
Villages	7,122,584	100.00%	7,122,584
School Districts	381,045,655	100.00%	381,045,655
Fire Districts	6,256,373	100.00%	6,256,373
Total overlapping debt			<u>681,486,508</u>
Total direct and overlapping debt			<u>\$ 794,601,506</u>

Source: Official Statement of the Town of Huntington

Note: Amounts are inclusive of component unit debt.

TOWN OF HUNTINGTON
DEBT LIMIT MARGIN INFORMATION
December 31, 2013

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2013	\$ 328,754,473	0.90%	\$ 36,524,941,444
2012	\$ 331,665,948	0.88%	\$ 37,689,312,272
2011	\$ 334,313,198	0.88%	\$ 37,990,136,136
2010	\$ 336,722,881	0.82%	\$ 41,063,765,976
2009	\$ 337,879,941	0.76%	\$ 44,457,886,974
Total Five Year Full Valuation			\$ 197,726,042,802
Five Year Average Full Valuation of Taxable Real Property			\$ 39,545,208,560
Constitutional Debt Limit (7% of Average Full Valuation)			\$ 2,768,164,599
Outstanding Indebtedness at December 31st			\$ 113,114,998
Less: Water Bonds			26,371,905
Net Indebtedness Subject to Debt Limit			\$ 86,743,093
Net Debt Contracting Margin			\$ 2,681,421,506
Percentage of Net Debt Contracting Margin Available			96.87%
Percentage of Net Debt Contracting Power Exhausted			3.13%

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Appropriations for Debt Principal	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percentage of Net Debt Contracting Margin Available
2013	\$ 2,768,164,599	\$ 113,114,998	\$ 26,371,905	\$ 86,743,093	\$ 2,681,421,506	96.87%
2012	2,873,113,983	112,540,000	22,522,082	90,017,918	2,783,096,065	96.87%
2011	2,937,891,163	119,250,000	24,915,837	94,334,163	2,843,557,000	96.79%
2010	2,950,556,432	99,003,913	29,238,675	69,765,238	2,880,791,194	97.64%
2009	2,878,072,240	118,345,005	25,769,146	92,575,859	2,785,496,381	96.78%
2008	2,698,332,860	118,335,002	27,383,430	90,951,572	2,607,381,288	96.63%
2007	2,470,958,115	117,165,002	27,089,502	90,075,500	2,380,882,615	96.35%
2006	2,207,535,665	114,100,000	27,695,108	86,404,892	2,121,130,773	96.09%
2005	1,957,877,458	111,972,231	29,521,954	82,450,277	1,875,427,181	95.79%
2004	1,722,924,087	110,777,230	27,459,533	83,317,697	1,639,606,390	95.16%

TOWN OF HUNTINGTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year Ended December 31,	Population¹	Personal Income (millions of dollars)	Per Capita Income³	Unemployment Rate²	Year-Round Households Estimate⁴	Average Household Size Estimates⁴	Population Density Per Square Mile⁴
2013	203,264	11,378	55,975	4.5%	69,311	2.89	2,162
2012	203,055	10,008	49,286	6.2%	69,311	2.89	2,160
2011	203,055	9,735	47,944	6.3%	69,311	2.89	2,160
2010	205,944	9,605	46,638	6.2%	69,165	2.93	2,191
2009	204,784	10,154	49,582	6.3%	68,940	2.92	2,179
2008	203,977	9,819	48,138	5.3%	68,696	2.92	2,170
2007	203,834	9,526	46,736	3.5%	68,713	2.92	2,168
2006	202,767	9,201	45,375	2.8%	68,528	2.91	2,157
2005	201,679	8,819	43,730	3.5%	68,164	2.91	2,145
2004	199,551	8,402	42,107	3.3%	67,388	2.91	2,123
2003	197,626	8,037	40,666	3.8%	66,642	2.92	2,102

Sources:

¹ Bureau of the Census/Long Island Regional Planning Board/Long Island Almanac LIPA Survey

² Bureau of Economic Analysis/State Department of Labor

³ Long Island Regional Planning Board

⁴ Long Island Business News - Doing Business on Long Island/LIPA Survey

**TOWN OF HUNTINGTON
PRINCIPAL EMPLOYERS
CURRENT YEAR**

2013					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,057	2.0%
2	Northport Veterans Affairs Medical Center	Northport	Healthcare	2,000	1.9%
3	Newsday	Melville	Newspaper	1,800	1.7%
4	Estee Lauder, Inc.	Melville	Cosmetics	1,629	1.6%
5	Canon	Melville	Imaging Products	1,400	1.4%
6	Western Suffolk Boces	Dix Hills	Education	1,276	1.2%
7	Marchon Eyewear	Melville	Healthcare	994	1.0%
8	Bae	Greenlawn	Technology	750	0.7%
9	Henry Schein, Inc	Melville	Medical & Dental Supplies	700	0.7%
10	Town of Huntington	Huntington	Government	700	0.7%

Source: Audit & Control

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

Full-time Equivalent Employees as of December 31,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Function										
General government support	248	253	270	263	275	288	295	309	296	289
Public safety	81	78	82	79	78	80	84	80	77	75
Health	4	5	5	5	5	4	4	5	4	4
Transportation	215	218	230	230	230	235	237	230	227	234
Economic assistance and opportunity	27	27	28	30	26	29	33	29	27	28
Culture and recreation	151	149	167	160	145	136	150	158	159	158
Home and community services	146	142	150	157	163	178	173	181	169	170
Total	<u>872</u>	<u>872</u>	<u>932</u>	<u>924</u>	<u>923</u>	<u>950</u>	<u>976</u>	<u>992</u>	<u>959</u>	<u>958</u>

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF HUNTINGTON
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2013	2012	2011	2010
Function				
Public Safety				
Building				
Residential building permits issued	2,325	1,756	2,170	2,100
Commercial building permits issued	330	767	353	225
Building inspections	11,871	11,405	11,388	10,558
Fire Prevention				
Fire inspections*		1,225	1,203	1,835
Transportation				
Public Transportation				
Average daily ridership	966	870	869	880
Streetlighting				
Energy Efficient Streetlights	1,886	9,000		
Public Safety				
Parking violations	24,879	14,000	9,104	9,801
Accessory apartment permits	1,689	1,667	1,555	1,494
Highways and streets				
Street resurfacing (miles)	30	35	28	32
Number of trees planted	160	450	340	456
Number of trees removed	858	2,400	1,900	750
Culture and Recreation				
Beach permits issued	19,676	10,529	10,453	10,922
Rounds of golf	71,120	73,299	66,242	72,223
Recreation program registrations	10,892	11,109	10,906	10,818
Home and Community Services				
Sanitation				
Refuse collected (tons/day)	271.3	302.0	273.0	263.5
Recyclables collected (tons/yr)	13,699	35,520	39,528	40,518
Water				
Water main breaks	13	13	8	10
Average daily consumption (thousands of gallons)	5,940	5,496	5,512	6,504
Sewer Usage				
Average daily sewage treatment (millions of gallons)	1.9	2.5	2.5	2.4
Wastewater				
Average daily sewage treatment (thousands of gallons)	50	53	44	45

Source: Various government departments of the Town of Huntington

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
2,312	2,506	2,436	3,130	3,100	3,566
213	301	572	246	270	271
11,670	14,621	15,470	16,812	16,304	18,028
3,820	4,309	4,216	4,739	4,869	4,659
912	929	880	863	803	853
10,065	13,087	13,262	15,905	7,708	8,358
1,827	1,747	1,958	1,978	1,969	1,977
30	40	49	50	45	50
445	312	154	438	-0-	250
710	800	676	610	670	700
10,479	10,846	7,877	8,405	9,135	9,771
73,350	79,030	79,654	81,422	82,927	81,522
15,116	13,673	14,467	11,323	11,083	10,792
268.7	283.8	301.0	311.2	314.3	315.7
40,542	40,351	39,252	47,133	47,712	51,477
8	10	16	4	11	11
4,648	5,247	6,259	5,366	5,876	4,914
2.1	2.0	2.0	2.0	1.9	2.0
46	47	50	45	54	60

TOWN OF HUNTINGTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2013	2012	2011	2010	2009
Function					
General Government					
Municipal Building	1	1	1	1	1
Public safety					
Vehicles	37	37	37	38	45
Transportation					
Public Transportation					
Buses	24	24	24	20	20
Highways and streets					
Streets (miles)	802.0	802.0	802.0	802.0	802.0
Streetlighting					
Traffic signals	239	239	239	238	236
Culture and recreation					
Parks	40	40	40	40	40
Beaches	9	9	9	9	9
Boat launch ramps	5	5	5	5	5
Golf Courses	2	2	2	2	2
Ice Rinks	1	1	1	1	1
Marinas	3	3	3	3	3
Rifle Ranges	0	0	-0-	-0-	-0-
Rollerblading Parks	3	3	3	3	3
Skateboarding Parks	2	2	2	2	1
Swimming pools	1	1	1	1	1
Home and Community Services					
Sanitation					
Collection trucks	26	26	26	26	26
Resource Recovery Plants	1	1	1	1	1
Maximum daily capacity (tons burned per day)	750	750	750	750	750
Water					
Fire hydrants	1285	1285	1,284	1,284	1,284
Water mains (miles)	169	169	169	169	169
Maximum daily capacity (millions of gallons)	33.3	33.3	33.3	33.3	33.3
Sewer					
Sanitary sewers (miles)	26	26	26.0	26.0	26.0
Maximum daily treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5

Source: Various government departments of the Town of Huntington

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1	1	1	1	1
42	42	41	40	40
21	23	23	23	23
796.7	796.7	796.7	796.7	796.7
233	234	223	219	215
40	40	40	40	40
9	9	9	9	9
5	5	5	5	5
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
-0-	-0-	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
25	26	26	27	27
1	1	1	1	1
750	750	750	750	750
1,284	1,284	1,284	1,284	1,284
169	169	169	169	169
33.3	33.3	33.3	33.3	33.3
26.0	26.0	26.0	26.0	26.0
2.5	2.5	2.5	2.5	2.5