



***COMPREHENSIVE***  
***ANNUAL FINANCIAL REPORT***  
***Year Ended December 31, 2012***



**Town Board**  
**Frank P. Petrone, Supervisor**  
  
**Susan A. Berland, Councilwoman**  
**Eugene Cook, Councilman**  
**Mark A. Cuthbertson, Councilman**  
**Mark Mayoka, Councilman**





**Town of Huntington, New York**  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2012**

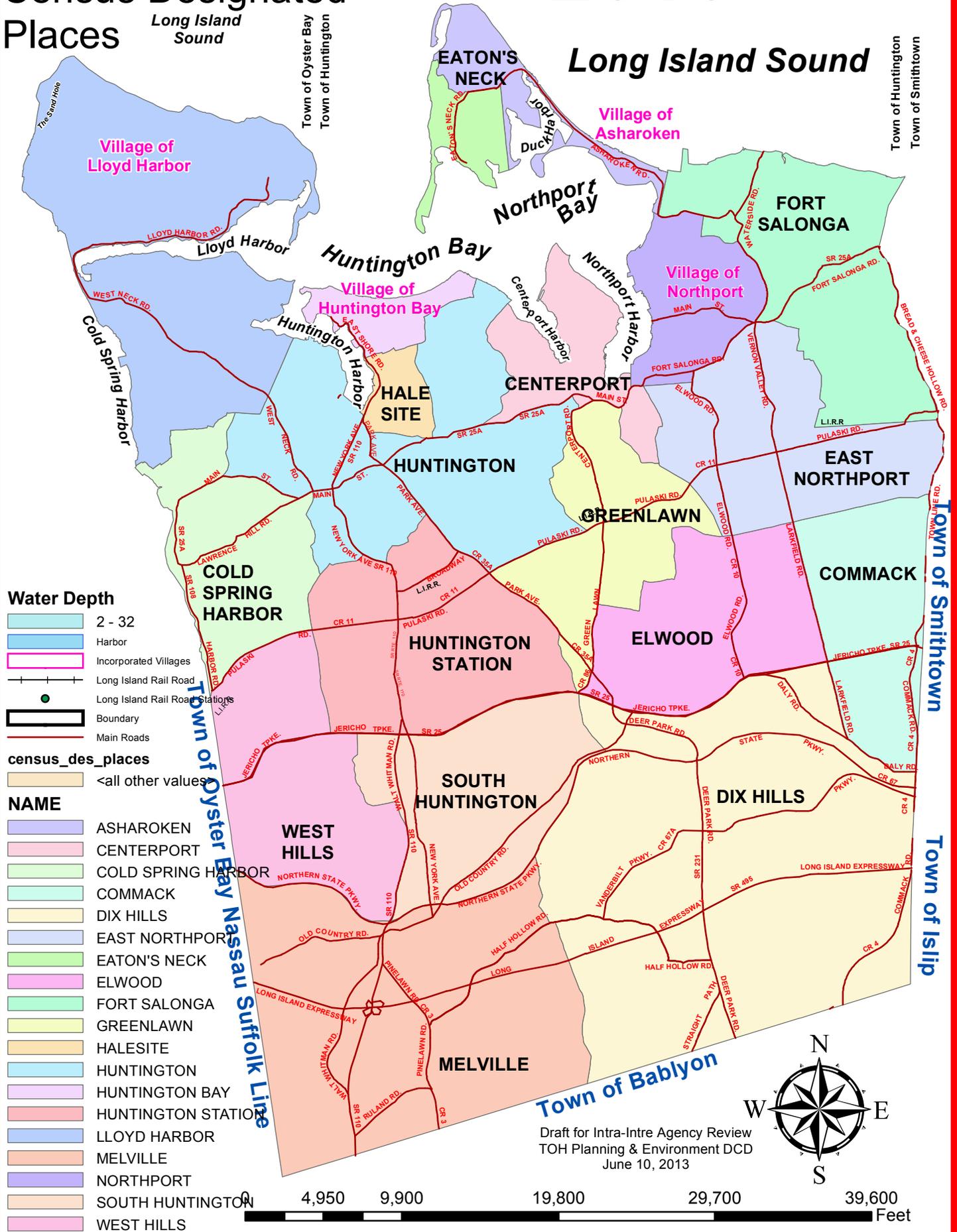
Prepared by:  
*Department of Audit & Control*

Peggy Karayianakis, CPA  
Interim Director of Audit & Control

Peter Leodis  
Interim Deputy Director of Audit & Control

# Town of Huntington Census Designated Places

# 2013

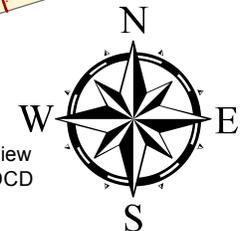


- Water Depth**
- 2 - 32
  - Harbor
  - Incorporated Villages
  - Long Island Rail Road
  - Long Island Rail Road Stations
  - Boundary
  - Main Roads

**census\_des\_places**  
 <all other values>

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

Draft for Intra-Intre Agency Review  
 TOH Planning & Environment DCD  
 June 10, 2013



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**TOWN OF HUNTINGTON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2012**  
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**INTRODUCTORY  
SECTION**



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**FRANK P. PETRONE**  
*Supervisor*

September 25, 2013

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, 2012. The financial statements have been audited by the accounting firm selected by the Town Board, Israeloff Trattner & Co., P.C. The independent auditors' unqualified opinion is included in this report.

In each of the past fourteen 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, 2012 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 2012 presented many challenges, however, through sound fiscal management, operating results were better than anticipated. We will continue to monitor the Town's 2013 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,



FRANK P. PETRONE  
Supervisor





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**AUDIT & CONTROL**  
Peggy Karayianakis, CPA  
Interim Director

September 25, 2013

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, 2012. 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 Israeloff, Trattner & Co. P.C. was selected by the Town Board to perform an independent audit of the Town’s financial statements as of December 31, 2012, and to provide reasonable assurance that the financial statements are free from material misstatement. The auditors’ unqualified 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 second bond act of \$30 million to purchase and preserve open space, fund neighborhood improvements and rehabilitate recreational facilities; sponsorship of a third bond act of \$15 million to purchase and preserve open space, improve park facilities, fund neighborhood improvements, and support green energy efficient projects. The Town has implemented clean energy initiatives by purchasing natural gas garbage trucks, hybrid buses and vehicles; began the installation of energy saving light fixtures, began the installation of solar energy at Town Hall and municipal parking lots, progressed Huntington Station revitalization by purchasing a condemned building for development, maintained programs to enhance care for children and seniors; completed construction of a new state-of-the-art ice skating rink adjacent to the existing rink in Dix Hills; continued the "American Dream" Program providing down payment assistance to first-time home buyers; continued the "Take Back the Blocks Program" to purchase and rehabilitate homes that are sold as affordable housing units with accessory apartments, and renegotiated an extension for refuse disposal at the resource recovery plant at a significant savings to taxpayers.

Median family income (\$101,746) and housing values (\$496,400) 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.

### **Local Economy (continued)**

Long Island has started to show signs of economic improvement in 2012. Job growth continued in 2012 mainly in construction, wholesale trade, administrative and support services and arts and entertainment. Housing demand continued to strengthen in 2012. Home prices remained stable with an increase of 3.4% in a continued tight lending market.

Huntington's unemployment rate has remained low at 6.5% as of December of 2012, below the Suffolk County rate of 8.2%, New York State of 9.3% and the nation's rate of 8.2%.

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-four (54) residential subdivisions that will ultimately result in the development of approximately two-hundred and fifty-five (255) 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 and Hilltop Homes in Centerport with nine (9) units. In addition, the Oheka Castle condominium project, totaling one hundred ninety (190) luxury housing units, was approved by Town Board in 2012. Site plans have recently been submitted to the Planning Board for the Oheka project and the project review is underway.

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, Sbarro's Headquarters, Leviton Corporation and the Capital One Bank Corporate Center.

The construction of the first phase of the 900,000 square foot Canon USA North American Headquarters, approved in March 2010, was completed February 2013. The first phase includes the construction of 700,000 square feet of office and research space with parking garages for approximately three-thousand (3,000) cars. Canon USA expects to employ 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 should begin construction in 2014.

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.

### **Local Economy (continued)**

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 began construction of a 74,000 square foot expansion of its existing 1.2 million square foot Walt Whitman Mall on Route 110 in 2012, and is near completion, Target Corporation has purchased a 150,000 square foot retail location that was originally earmarked for Lowes Home Center on Jericho Turnpike and is scheduled to open 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.

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. Another new important development in Huntington Village is the planned boutique hotel that will provide first class lodging to visitors to the region. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington village features a considerable stock of rental units and smaller, more affordable single-family homes.

### **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 2012 including \$10.8 million of road resurfacing, reconstruction, drainage, equipment 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, and more recently, to promote continued economic recovery in the aftermath of a struggling national economy. In order to attract interest to the districts, events such as Wednesday night classic car shows, a Halloween Parade and trick or treating event of downtown shops, sidewalk sales and jazz festivals have been planned. In 2012 Huntington Station held its third annual "Huntington Awareness Day" emphasizing the theme "Unity in the Community" and culminating in a day-long fair in the Town's commuter parking lot in Huntington Station. It attracted thousands and generated much attention and good will for the community. The fourth annual event was held on September 7, 2013 and had an even larger turnout. 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.

## **Major Initiatives (continued)**

- The Dix Hills Ice Rink expansion was completed in 2010. The new facility added a total of 43,232 square feet to the existing structure of 36,554 square feet and includes a second ice surface. The new and expanded portion was constructed on the existing rink's parking lot. A new parking area containing 70 spaces was built just to the west of the new facility, in the vicinity of the former driveway circle. This new parking area has been designed to enhance traffic flow and to minimize clearing of vegetation. A new and enhanced pedestrian walkway from the rink to the large pool parking area was completed to provide access to the recreation areas.
- The Town of Huntington through the Huntington Community Development Agency (CDA) administers \$1.2 in program funding annually. This includes: a Home Improvement program designed to help elderly and limited-income residents remain in their homes; a Down Payment Assistance program that assists eligible first time buyers achieve the dream of homeownership; and "Take Back the Blocks" that purchases and renovates derelict properties and converts them to owner-occupied affordable housing. CDA spearheads development programs to stimulate economic development and job growth in low-income areas and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG).
- In accordance with Town policy and Federal Energy Efficiency and Conservation (EEC) Block Grant program goals, Huntington has developed an EEC strategy to help the Town and its residents reduce fossil energy use, cut energy costs and improve the environment. An energy audit of the Town's ten highest energy consuming facilities took place in 2011 and recommendations were implemented in 2012. On-going key elements include the replacement of high-pressure sodium street lighting fixtures with energy efficiency Induction lighting fixtures, and the implementation of Huntington EECO Homes, a residential energy efficiency assessment, education, retrofit program that is bringing energy saving practices and technology directly to homeowners. Huntington is also converting its public transit bus fleet to hybrid-electric diesel and constructing a charging station for Electric Vehicles (EVs) at the LIRR station in Huntington to accommodate next generation zero-emission short-trip vehicles.

## **Economic Development**

The Town of Huntington continues to advance its efforts Town-wide to improve and enhance economic development, facilitate the creation of jobs, cultivate retention and growth of business, and promote tourism. The Supervisor's Office 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 after the Town issued a Request for Proposals for a private developer to assist the municipality with the next phase of Huntington Station's revitalization. In April 2012, the Town of Huntington, the Town of Huntington Economic Development Corporation, and Renaissance Downtowns, LLC officially entered into contract for this engagement. The agreement calls for the Town, developer and community to co-create a Huntington Station Revitalization Development Strategy in the first 12 months. These strategies are to work toward a comprehensive approach to the ongoing revitalization effort. Accordingly, the Master Developer will look for avenues and other investors that will open the door for widespread simultaneous improvements of both private properties and public properties within the project area. As a result, Renaissance Downtowns, Inc. is in the process of completing plans for a 165 room boutique hotel on property next to the LIRR train station along with a number of other revitalization projects. They work directly with the local community through "Source the Station" website and also hold community meetings.

## **Economic Development (continued)**

- Town of Huntington Economic Development Corporation and the Huntington Station Business Improvement District, have partnered to offer 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.
  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.

## **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 2013 final budget was adopted on November 15, 2012.

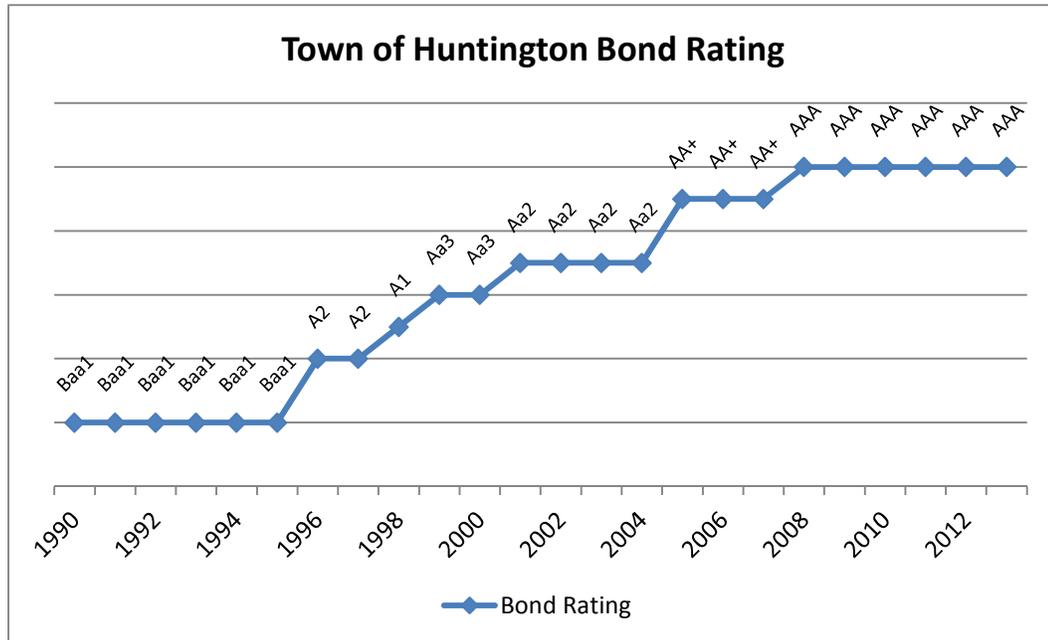
The Town establishes budgetary controls to ensure compliance with legal provisions in the annual appropriated budgets approved by the Town Board. The Supervisor submits a proposed operating budget for the General, Debt and Special Revenue Funds for the fiscal year commencing on January 1. The operating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

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

## Debt Administration

The Town has achieved the highest bond rating of AAA from all three rating agencies, Standard & Poor's, Fitch Rating Agency and Moody's Investors Service on the 2010, 2011, 2012 and 2013 bond issues, placing Huntington among the best fiscally managed Towns in New York State. These ratings have been upheld for all previously issued bonds as well. This achievement reflects the Town's consistently solid financial position and a low debt with manageable additional capital needs.

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



## Financial Policies

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

## Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Huntington for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2011. 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, Israeloff, Trattner & Company, P.C. I would like to extend my appreciation to all members of the department who assisted and contributed to its preparation.

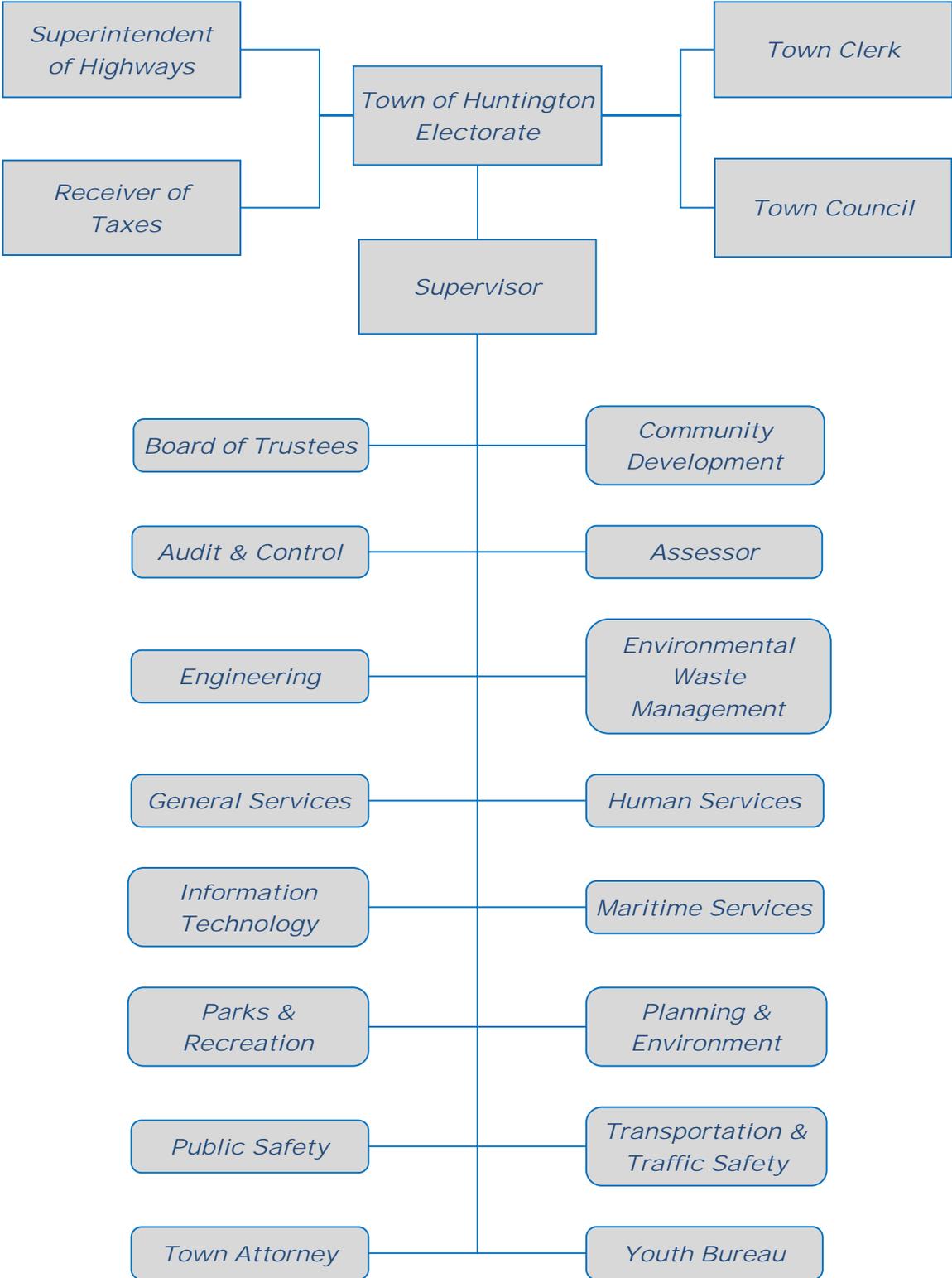
Finally, I would like to thank the Supervisor and the members of the Town Board for continued interest and support in planning and conducting the financial operations of the Town of Huntington in a responsible and progressive manner.

Respectfully submitted,



Peggy Karayianakis  
Town of Huntington  
Interim Comptroller

# Town of Huntington Organizational Chart



# Town of Huntington

## Principal Officials

### **Town Board:**

Town Supervisor  
Councilwoman  
Councilman  
Councilman  
Councilman

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

### **Town Clerk:**

Jo-Ann Raia

### **Receiver of Taxes:**

Ester Bivona

### **Superintendent of Highways:**

William Naughton

### **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

# 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, 2011

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



*Christopher P. Morinell*

President

*Jeffrey R. Emer*

Executive Director

**FINANCIAL  
SECTION**



# Israeloff, Trattner & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • FINANCIAL CONSULTANTS

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

Other Office  
New York, NY

## INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor and Town Board  
Town of Huntington  
Huntington, NY

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York (the "Town"), as of December 31, 2012, and for the year then ended, 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 discretely presented component units, which as combined, represent 18%, 21% and 8%, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Huntington as of December 31, 2012, and the respective changes in financial position and the respective budgetary comparison for the applicable major funds for the year then ended in conformity 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 management's discussion and analysis and budgetary comparison information on pages 19–29 and 78–86 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 consider 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of the Town's management and were derived from and relate 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 by us 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. In our opinion, based on our audit, the combining and individual nonmajor fund

financial statements are 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 September 25, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

**Change in Accounting Principle**

As discussed in Note 6 to the Financial Statements, in 2012, the Town adopted New Accounting Guidance, Governmental Accounting Standards Board Statement No. 63 on *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion was not modified with respect to this matter.

*Israeloff, Tzattner & Co. P.C.*

Garden City, New York  
September 25, 2013

**REQUIRED SUPPLEMENTARY INFORMATION**

**Management's Discussion and Analysis**

**TOWN OF HUNTINGTON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012

## **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, 2012. 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 Pronouncement – The Town implemented Government Accounting Standard Board ("GASB") statement number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in fiscal year 2012. This standard provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. The reader will notice a change in terminology from "net assets" to "net position."

## **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.

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.

**TOWN OF HUNTINGTON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012

**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.

**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.

**TOWN OF HUNTINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

**Financial Analysis of the Town as a Whole**

**Net Position**

Total assets and deferred inflows of the Town on December 31, 2012, were \$443.2 million, an increase of \$24.0 million over the prior year. Total liabilities and deferred inflows were \$208.6 million, an increase of \$30.1 million over the prior year. This results in a net position balance of \$234.6 million, a decrease of \$6.1 million over the prior year. Of the Town's net position, \$245.7 million was net investment in capital assets, while \$15.2 million were restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. Unrestricted net position was (\$26.4) million a decrease of (\$4.0) million as a result of the recording of the Other Post-Employment Benefits liability (OPEB).

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

	<b>2012</b>	<b>2011</b>
<b><u>Assets and Deferred outflows</u></b>		
Current and other assets	\$ 122,029,195	\$ 95,029,557
Capital assets	320,750,477	323,800,373
Deferred outflows of resources	435,665	394,348
Total assets and deferred outflows	443,215,337	419,224,278
<b><u>Liabilities and Deferred inflows</u></b>		
Current and other liabilities	37,547,796	25,055,421
Non-current liabilities	153,558,351	145,841,804
Deferred inflow of resources	17,512,495	7,645,137
Total liabilities and deferred inflows	208,618,642	178,542,362
<b><u>Net Position</u></b>		
Net investment in capital assets	245,737,404	245,685,683
Restricted	15,237,323	17,385,877
Unrestricted	(26,378,032)	(22,389,644)
Total net position	\$ 234,596,695	\$ 240,681,916

The Town's bonded indebtedness was \$90.0 million, which included issuances of \$7.6 million in Town bonds to finance road construction, improvements to Town facilities, parking and infrastructure.

**Changes in Net Position**

The Town's program revenues for the year ended December 31, 2012 were \$52.5 million, a decrease of \$.8 million and general revenues were \$127.3 million, an increase of \$4.8 million over the prior year, for total revenues of \$179.9 million, an increase of \$4.0 million. The expenses for the year ended December 31, 2012 of the Town were \$185.9 million, an increase of \$9.8 million. As a result of expenses exceeding revenues, the change in net position for the year ended December 31, 2012 was a decrease of \$6.1 million. Revenues and expenses of the Town's governmental activities are detailed on the next page.

**TOWN OF HUNTINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

**Financial Analysis of the Town as a Whole (continued)**

**Governmental Activities**

The governmental activities decreased the Town's net position by \$6.1 million for the year ended December 31, 2012 and the key elements of the variances are as follows:

- Charges for Services have decreased by \$6.8 million as a result of Super Storm Sandy in 2012.
- Operating Grant funding has increased by \$12.6 million as a result of federal funding from the Federal Emergency Management Agency for the damage relating to the Super Storm Sandy in 2012.
- Investment income increased by \$1.1 million a result of improved interest rates.
- Home and Community Services decreased by \$5.4 million in 2012 as a net result of a decrease of \$.3 million for Community Development Housing projects, a savings of \$3.0 million for contractual expenses of the Town's resource recovery plant, a decrease in capital expenses of \$2.0 million.
- Transportation increased by \$9.2 million as result of the clean-up efforts from Super Storm Sandy in 2012. The Town expects to receive full reimbursement of these expenses from FEMA and New York State.

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

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 29,633,601	\$ 36,464,676
Operating grants & contributions	21,469,143	8,869,297
Capital grants & contributions	1,407,987	8,009,856
General Revenues:		
Property taxes	113,181,079	107,674,455
Mortgage taxes	6,742,019	6,651,563
Other taxes	390,204	484,626
Unrestricted grants & contributions	-	9,176
Interest and investment income	2,014,266	952,643
State aid – unrestricted	1,067,256	1,067,256
Miscellaneous	<u>3,948,106</u>	<u>5,705,282</u>
Total revenues	<u>179,853,661</u>	<u>175,888,830</u>
<b>Expenses</b>		
General government support	41,391,051	38,574,450
Public safety	13,800,053	11,979,597
Health	3,302,682	3,047,126
Transportation	59,810,512	50,570,381
Economic assistance and opportunity	3,394,231	3,292,539
Culture and recreation	20,374,655	18,693,348
Home and community services	40,672,616	46,119,663
Interest and debt	<u>3,193,082</u>	<u>3,903,598</u>
Total expenses	<u>185,938,882</u>	<u>176,180,702</u>
(Decrease) Increase in net position	(6,085,221)	(291,872)
Net position, January 1	<u>240,681,916</u>	<u>240,973,788</u>
Net position, December 31	<u>\$ 234,596,695</u>	<u>\$ 240,681,916</u>

**TOWN OF HUNTINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

**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,

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General government support	\$ 41,391,051	\$ 38,574,450	\$ 33,355,762	\$ 27,232,269
Public safety	13,800,053	11,979,597	12,482,428	10,748,766
Health	3,302,682	3,047,126	2,910,572	2,603,194
Transportation	59,810,512	50,570,381	42,699,991	41,079,434
Economic assistance and opportunity	3,394,231	3,292,539	2,829,408	2,767,044
Culture and recreation	20,374,655	18,693,348	11,165,929	9,455,065
Home and community services	40,672,616	46,119,663	24,790,979	25,047,503
Interest on debt	<u>3,193,082</u>	<u>3,903,598</u>	<u>3,193,082</u>	<u>3,903,598</u>
Total	<u>\$ 185,938,882</u>	<u>\$ 176,180,702</u>	<u>\$ 133,428,151</u>	<u>\$ 122,836,873</u>

**Governmental Funds**

Total assets in the Town's General fund were \$50.2 million. Receivables reported were \$3.4 million, consisting of \$2.2 million in waste management fees, and \$.9 million in franchise fees and \$.3 million of various small revenue receivables. Due from federal, state and other governments were \$2.5 million of which \$.8 million is due from FEMA and \$1.7 million from other granting agencies.

Total liabilities and deferred inflow of resources in the Town's General fund were \$11.3 million. Accrued liabilities of \$3.0 million were the result of payroll accruals and waste management fees, accounts payable of \$3.0 million and deferred inflow of resources of \$5.0 million from the 2012-2013 tax warrant.

In addition to the General fund, all Town Special Revenue funds exclusive of the Fire Protection District and the Ambulance District have deferred inflow of resources. These balances are also derived from the 2012-2013 tax warrant.

As of December 31, 2012 governmental funds reported an overall fund balance of \$77.3 million. The unreserved fund balances in the General Fund is \$11.4 million. Fund balances in the Highway and Refuse and Garbage funds are recorded as restricted funds in accordance with the new Governmental Accounting Standards Board Statement No. 54.

In the General Fund, the fund balance had increased by \$3.2 million. Expenditures and other financing uses decreased approximately \$4.3 million from the prior year and revenues decreased by \$3.4 million. The General Fund was budgeted to use \$1.4 million of fund balance however fund balance increased as a result of successful cost controls and the use of debt reserves based on conservative budgeting practices.

In the Highway Fund, the fund balance had increased by \$2.9 million. Overall, revenues increased by \$13.5 million from the prior year and expenditures and other financing uses increased by \$9.8 million largely attributable to Super Storm Sandy in 2012.

**TOWN OF HUNTINGTON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012

**Financial Analysis of the Town as a Whole (continued)**

**Governmental Funds (continued)**

In the Refuse and Garbage Fund, the fund balance had increased \$.4 million. Overall, revenues increased by \$.3 million and total expenditures and other financing uses decreased by \$.8 million.

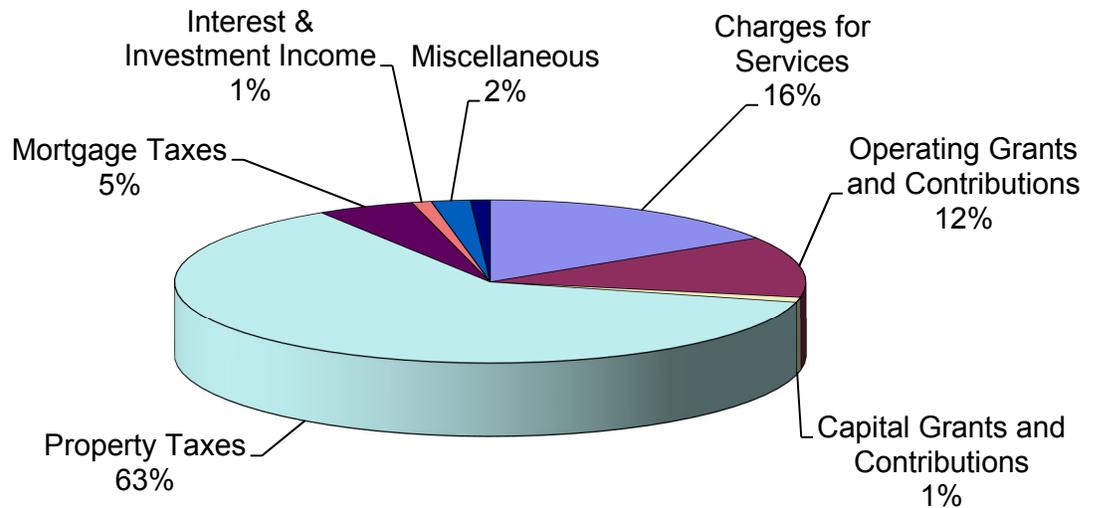
The Capital Projects fund had a decrease in fund balance of \$1.4 million. This is due to the timing of when revenues are recorded from the issuance of long-term debt, and when the expenditures for the related projects are incurred.

There was an overall decrease to the fund balance in the Town Outside Village fund of \$.4 million. Overall revenue increased \$.8 million while total expenditures and other financing uses increased \$.9 million.

In the Street Lighting fund, there was an increase of \$.08 million in fund balance. Savings on utility costs attributed to the increase in fund balance.

In the Water District fund, there was an increase of \$.3 million in fund balance. The increase is the result of higher than expected water meter sales.

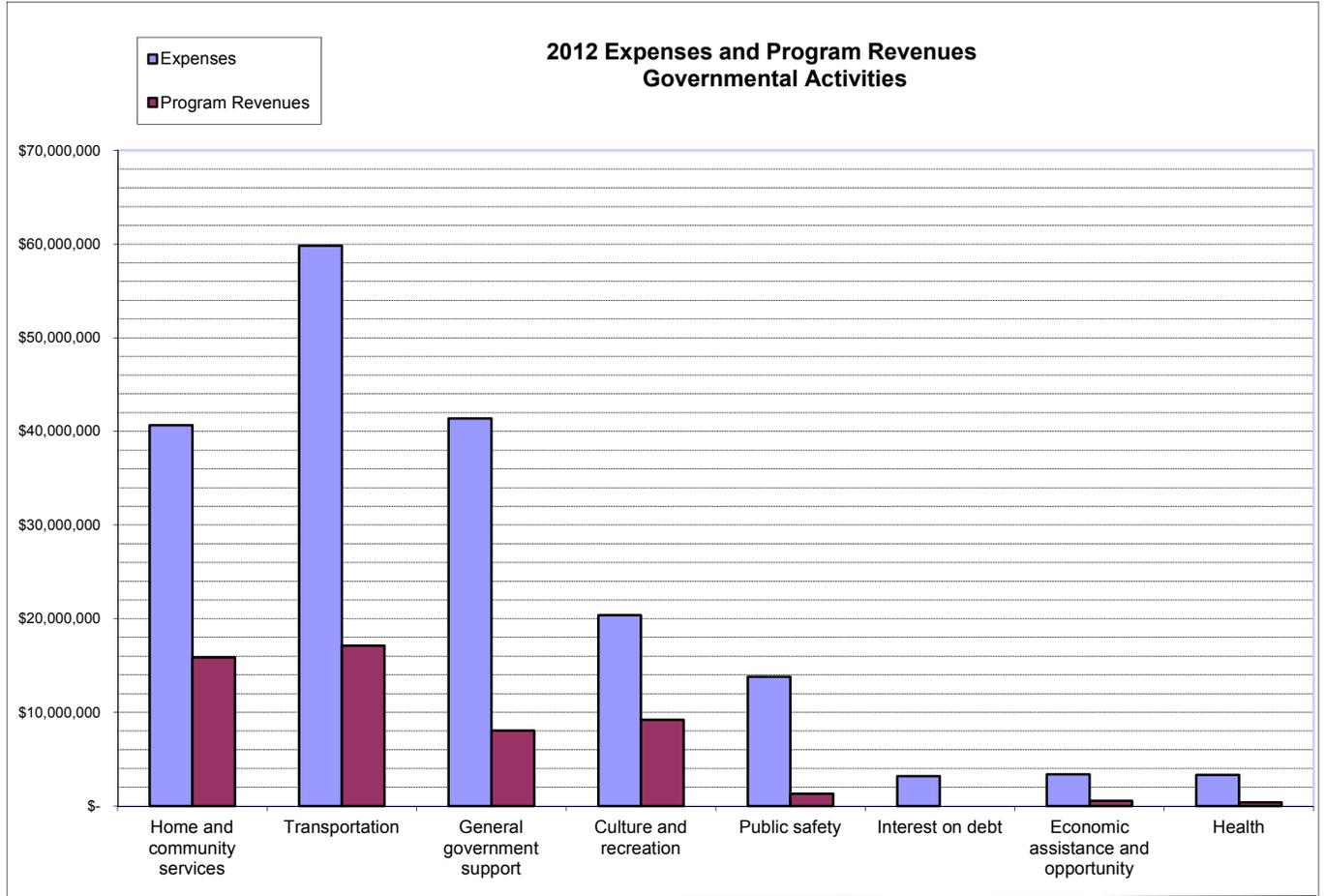
**Revenue by Source  
Governmental Activities  
For the Year Ended December 31, 2012**



**TOWN OF HUNTINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2012

**Financial Analysis of the Town as a Whole (continued)**

**Governmental Funds (continued)**



**Budgetary highlights**

**Variations for the General Fund**

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

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

- Town Attorney original budget was amended during the year by approximately \$0.4 million in order to defend the Town against various lawsuits
- Various budgets were amended for encumbrances that have remained open in the prior year and require funding in the current year.

**TOWN OF HUNTINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2012

**Budgetary highlights (continued)**

**Variances for the General Fund (continued)**

- The Employee Benefits budget was amended by \$1.7 for the amortization of the New York State and Local Employee Retirement System costs and \$2 million for the workers compensation expenses due to the increase in medical and indemnity rates.
- The variance of \$2.2 million in the other financing uses is due to Capital Projects that were funded through General fund and Open Space appropriations and the amortization of the retirement system contribution.

**Other budgetary highlights**

In 2012, the economy showed signs of stabilizing as overall revenues exceeded the budget by \$14 million largely as a result of FEMA reimbursements offset by a decline in program revenue of \$6.6 million.

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

- The Town realized savings in both payroll and employee benefits due to various positions that were vacant due to retirements and attrition throughout the year which was offset by significant increases for healthcare benefits and pension costs.
- Debt reserve funds held by a third party restricted for the exclusive use of funding the remaining debt on the resource recovery plant was utilized in 2012 and achieved a \$10.6 million savings to the budget.
- The Environmental and Open Space Acquisition budget was not entirely spent in 2012 and remains in the reserve account restricted for this purpose.

**Capital Assets and Debt Administration**

**Capital Assets**

As of December 31, 2012, the Town had \$320.8 million in net capital assets, of which \$94.7 million was infrastructure. The Town's capital assets also include land, construction in progress, buildings, improvements other than buildings and machinery and equipment. The details of capital assets are shown in Note C.3 to the financial statements.

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

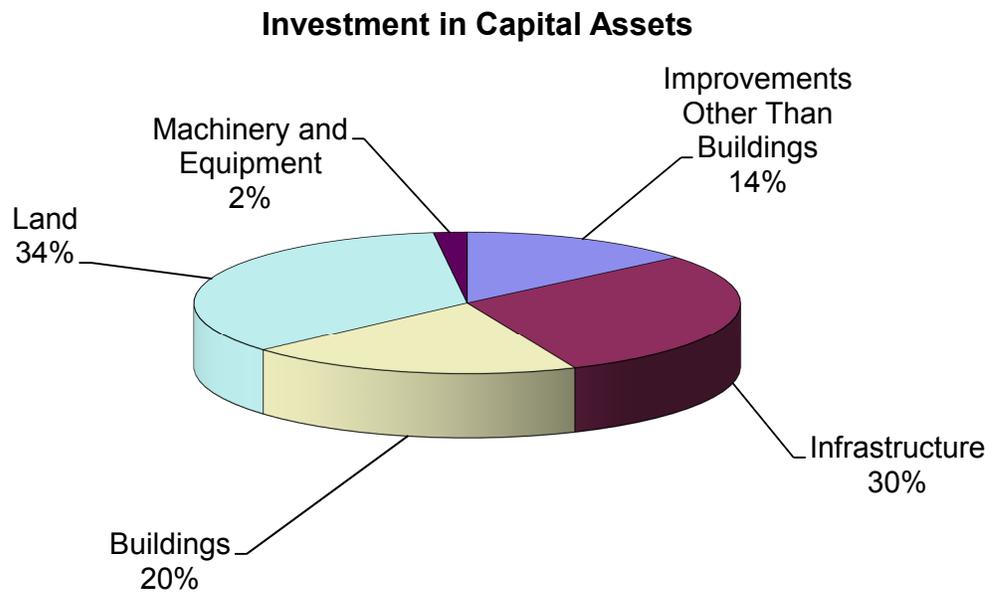
	<u>2012</u>	<u>2011</u>
Land	\$ 113,614,627	\$ 113,595,367
Construction in progress	-	33,205,346
Buildings	63,213,891	32,122,191
Improvements other than buildings	43,386,767	44,349,067
Machinery and equipment	5,791,230	6,600,478
Infrastructure	<u>94,743,962</u>	<u>93,927,924</u>
Total net capital assets	<u>\$ 320,750,477</u>	<u>\$ 323,800,373</u>

**TOWN OF HUNTINGTON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012

**Capital Assets and Debt Administration**

**Capital Assets (continued)**

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



**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 2012, the Town of Huntington issued \$7.6 million in general obligation bonds to finance road reconstruction, improvements to the South Street parking garage, 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.

**TOWN OF HUNTINGTON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012

## **Capital Assets and Debt Administration**

### **Debt Administration (continued)**

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, 2012 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$112.6 million. Of this amount \$90 million was subject to the constitutional debt limit and represented approximately 3.13% of the statutory debt limit.

### **Union Contracts**

The Town employs approximately 695 full-time employees as of December 31, 2012. The Civil Service Employees Association covers approximately 197 employees. Local 342, Long Island Service Employees, United Marine Division, and International Longshoremen's Association, covers approximately 412 of the Town's employees and is divided into two units. The supervisory unit covers 78 employees and the labor unit covers 334 employees. The Civil Service Employees Association contract expired on December 31, 2012 and all other contracts expire on December 31, 2015.

**TOWN OF HUNTINGTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2012

**Factors and Next Year's Budgets and Rates**

**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 2013. Operating revenues in the General Fund Budget include approximately 6% to be derived from State Aid. The largest allotment of State Aid is derived from Mortgage Tax Collections. Although the real estate market remains weak, revenues from the mortgage tax collections are expected to meet the budget projection.

**Employee Benefits**

Employee benefits continue to increase placing pressure on the Town's Budget. The New York State and Local Employee Retirement System costs increase approximately 35% in 2012. To ease the burden on the Town's finance, the Board has elected to amortize the 2012 invoice amount of \$3,905,184 over 10 years.

**Utility and Fuel Costs**

The Town address the unstable energy market by implementing energy efficiency programs to reduce its consumption. The 2013 Budget includes certain increases for heating and electricity and the Town will continue to monitor these expenses closely to limit its financial exposure.

**Tax Collection**

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

(in thousands)					
	<u>As of</u>	<u>Total</u>	<u>To Town</u>	<u>To</u>	<u>Uncollected/Returned</u>
	<u>May 31</u>	<u>Tax Levy</u>	<u>Supervisor</u>	<u>County Treasurer</u>	
2012		918,665	791,328	127,337	22,907
2011		879,998	761,109	118,889	24,069
2010		862,061	747,421	114,640	24,964
2009		851,271	737,499	113,772	25,462
2008		812,219	707,768	104,451	21,146

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

**Contacting the Town's Financial Management**

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

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

## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF HUNTINGTON**  
GOVERNMENT-WIDE FINANCIAL STATEMENT  
STATEMENT OF NET POSITION  
December 31, 2012

	Primary Governmental Activities	Component Units
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 93,261,123	\$ 17,836,013
Accounts receivable	4,346,381	1,456,192
Due from federal, state and other governments	19,933,510	64,961
Inventory of material and supplies	-	374,907
Prepays	4,488,181	158,742
Total Current Assets	122,029,195	19,890,815
<b>Non-Current Assets</b>		
Non-depreciable capital assets	113,614,627	4,263,563
Depreciable capital assets, net of depreciation	207,135,850	53,304,198
Total Non-Current Assets	320,750,477	57,567,761
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred charges, net of accumulated amortization	435,665	358,087
Total Deferred Outflow of Resources	435,665	358,087
Total Assets and Deferred Outflow	\$ 443,215,337	\$ 77,816,663
<b>LIABILITIES AND NET POSITION</b>		
<b>Current Liabilities</b>		
Accounts payable and other		
current liabilities	\$ 16,442,675	\$ 1,387,833
Accrued liabilities	5,905,019	387,485
Accrued interest payable	1,152,109	178,600
Retained percentages	922,348	-
Due to other governments	927,969	-
Non-current liabilities:		
Due within one year	12,197,676	2,257,773
Total Current Liabilities	37,547,796	4,211,691
<b>Non-Current Liabilities:</b>		
Due in more than one year	153,558,351	23,877,223
Total Non-Current Liabilities	153,558,351	23,877,223
Total Liabilities	191,106,147	28,088,914
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred revenues	16,276,854	-
Deferred gain on old outstanding debt	1,235,641	211,429
Total Deferred Inflow of Resources	17,512,495	211,429
<b>NET POSITION</b>		
Net Investment in capital assets	245,737,404	40,540,371
Restricted for:		
Debt service	663,624	-
Capital Projects	14,742,027	2,942,812
Community Development	(168,328)	-
Unrestricted (deficit)	(26,378,032)	6,033,137
Total Net Position	234,596,695	49,516,320
Total Liabilities, Deferred Inflows and Net Position	\$ 443,215,337	\$ 77,816,663

See notes to the financial statements.

**TOWN OF HUNTINGTON**  
GOVERNMENT-WIDE FINANCIAL STATEMENT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2012

GOVERNMENTAL FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government support	\$ 41,391,051	\$ 4,428,836	\$ 3,074,192	\$ 532,261
Public safety	13,800,053	1,317,625	-	-
Health	3,302,682	208,700	183,410	-
Transportation	59,810,512	462,488	15,785,279	862,754
Economic assistance and opportunity	3,394,231	309,956	254,867	-
Culture and recreation	20,374,655	8,205,323	990,431	12,972
Home and community services	40,672,616	14,700,673	1,180,964	-
Interest on debt	3,193,082	-	-	-
<b>Total Primary Government</b>	<b>\$ 185,938,882</b>	<b>\$ 29,633,601</b>	<b>\$ 21,469,143</b>	<b>\$ 1,407,987</b>
<b>Component Units:</b>				
Home and community services	\$ 12,707,043	\$ 6,322,732		

**General Revenues**

Property taxes
Mortgage tax
Other taxes
Interest and investment income
State aid - unrestricted
Miscellaneous
Total General Revenues
Change in net position
<b>Net position - Beginning of year</b>
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
\$ (33,355,762)	
(12,482,428)	
(2,910,572)	
(42,699,991)	
(2,829,408)	
(11,165,929)	
(24,790,979)	
(3,193,082)	
<u>\$ (133,428,151)</u>	

\$ (6,384,311)

\$ 113,181,079	\$ 6,002,276
6,742,019	-
390,204	-
2,014,266	473,349
1,067,256	-
3,948,106	949,502
<u>127,342,930</u>	<u>7,425,127</u>
(6,085,221)	1,040,816
<u>240,681,916</u>	<u>48,475,504</u>
<u>\$ 234,596,695</u>	<u>\$ 49,516,320</u>

**TOWN OF HUNTINGTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2012

Major Governmental Funds

	General	Highway	Debt Service	Refuse and Garbage
<b>ASSETS</b>				
Cash and cash equivalents	\$ 41,896,846	\$ 14,651,044	\$ -	\$ 7,757,517
Accounts receivable, net	3,419,029	5,325	-	118,744
Due from federal, state and other governments	2,495,494	14,323,804	-	360,395
Due from other funds	1,317,202	1,847	-	10,125
Prepays	1,038,259	355,787	-	108,794
Total Assets	<u>\$ 50,166,830</u>	<u>\$ 29,337,807</u>	<u>\$ -</u>	<u>\$ 8,355,575</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and other				
current liabilities	\$ 3,028,887	\$ 10,202,467	\$ -	\$ 854,981
Accrued liabilities	2,982,417	1,276,276	-	862,228
Retained percentages	-	-	-	-
Due to other governments	248,379	-	-	-
Due to other funds	38,646	459,640	-	417,196
Total Liabilities	<u>6,298,329</u>	<u>11,938,383</u>	<u>-</u>	<u>2,134,405</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred revenue	4,997,312	4,700,000	-	3,667,217
Total Deferred Inflows	<u>4,997,312</u>	<u>4,700,000</u>	<u>-</u>	<u>3,667,217</u>
<b>FUND BALANCES</b>				
Non-Spendable				
Prepays	1,038,259	355,787	-	108,794
Restricted for:				
Open space land preservation	16,160,548	-	-	-
Debt service	40,570	531,378	-	1
Snow and ice removal/road repair	465,432	1,172,115	-	-
Workers' compensation	305,406	-	-	-
Judgments and claims	1,823,912	-	-	-
Retirement contribution	68,479	495,237	-	69,936
General Capital reserve	2,515,079	566,337	-	-
Post retirement benefits	2,377,498	416,122	-	178,607
Highway	-	7,402,477	-	-
Refuse District	-	-	-	1,784,864
Town Outside Village	-	-	-	-
Community Development	-	-	-	-
Local Development Corporation	-	-	-	-
Fire Protection	-	-	-	-
Streetlighting	-	-	-	-
Ambulance Services	-	-	-	-
Sewer Services	-	-	-	-
Water Services	-	-	-	-
Committed to:				
Subsequent year's budget	2,640,211	1,759,971	-	411,751
Capital projects fund balance	-	-	-	-
Unassigned:				
General fund	11,435,795	-	-	-
Total Fund Balances	<u>38,871,189</u>	<u>12,699,424</u>	<u>-</u>	<u>2,553,953</u>
al Liabilities, Deferred Inflows and Fund Balances	<u>\$ 50,166,830</u>	<u>\$ 29,337,807</u>	<u>\$ -</u>	<u>\$ 8,355,575</u>

See notes to the financial statements.

Capital Projects	Nonmajor Governmental Funds	Total
\$ 16,362,226	\$ 12,593,490	\$ 93,261,123
175,000	631,333	4,349,431
773,179	432,816	18,385,688
3,710	46,451	1,379,335
-	295,286	1,798,126
<u>\$ 17,314,115</u>	<u>\$ 13,999,376</u>	<u>\$ 119,173,703</u>

\$ 1,639,508	\$ 716,832	\$ 16,442,675
10,206	773,892	5,905,019
922,348	-	922,348
-	679,590	927,969
26	463,827	1,379,335
<u>2,572,088</u>	<u>2,634,141</u>	<u>25,577,346</u>

-	2,912,325	16,276,854
	<u>2,912,325</u>	<u>16,276,854</u>

-	295,286	1,798,126
-	-	-
-	-	16,160,548
-	91,675	663,624
-	-	1,637,547
-	-	305,406
-	-	1,823,912
-	258,488	892,140
-	85,451	3,166,867
-	866,317	3,838,544
-	-	7,402,477
-	-	1,784,864
-	672,183	672,183
-	(168,328)	(168,328)
-	199,914	199,914
-	65,890	65,890
-	2,385,855	2,385,855
-	26,838	26,838
-	591,092	591,092
-	3,082,249	3,082,249
-	-	4,811,933
14,742,027	-	14,742,027
-	-	11,435,795
<u>14,742,027</u>	<u>8,452,910</u>	<u>77,319,503</u>
<u>\$ 17,314,115</u>	<u>\$ 13,999,376</u>	<u>\$ 119,173,703</u>

**TOWN OF HUNTINGTON**

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
As of December 31, 2012

**Total Fund Balances - Governmental Funds** \$ 77,319,503

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	113,614,627	
Capital Assets - Depreciable	631,394,372	
Accumulated Depreciation	<u>(424,258,522)</u>	
		320,750,477

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. 2,690,055

Deferred gain on old outstanding debt, net of amortization, is the result of defeased debt. The difference between the old bond obligations and the new bonds issued, amortized over the remaining life of the new bond issuance against interest expensed. (1,235,641)

Deferred charges included in the Statement of Activities, net of amortization 435,665

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds. 1,544,772

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	(90,017,918)	
Employees retirement incentive	(93,876)	
Due to Employee Retirement System	(3,905,184)	
Other post-employment benefits payable	(49,151,926)	
Other Agency Liabilities- LOSAP	(746,105)	
Compensated absences	(12,905,393)	
Claims and judgments	(8,185,774)	
Estimated liability for landfill closure and post-closure care costs	(577,005)	
Installment purchase debt	<u>(172,846)</u>	
		(165,756,027)

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. (1,152,109)

**Net Position of Governmental Activities** \$234,596,695

See notes to the financial statements.

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**TOWN OF HUNTINGTON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
Year ended December 31, 2012

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
<b>REVENUES</b>				
Real property taxes	\$ 33,493,480	\$ 31,693,663	\$ -	\$ 23,099,153
Other real property tax items	297,112	24,413	-	453
Non-property tax items	3,818,185	-	-	-
Departmental income	27,350,259	-	-	5,291
Intergovernmental charges	137,183	-	-	94,975
Use of money and property	1,532,249	111,290	-	46,638
Licenses and permits	749,232	101,400	-	-
Fines and forfeitures	760,548	-	-	-
Sale of property and compensation for loss	340,370	9,346	-	472,795
Miscellaneous local sources	889,636	135,182	-	30,235
Interfund revenues	4,279,359	-	-	-
State aid	9,357,002	3,194,629	-	44,393
Federal aid	1,690,638	13,554,057	-	247,071
Total Revenues	<u>84,695,253</u>	<u>48,823,980</u>	<u>-</u>	<u>24,041,004</u>
<b>EXPENDITURES</b>				
Current:				
General government support	23,516,867	111,079	-	2,024,139
Public safety	4,393,125	-	-	-
Health	644,352	-	-	-
Transportation	4,559,666	31,413,631	-	-
Economic assistance and opportunity	2,112,812	-	-	-
Culture and recreation	13,850,124	-	-	-
Home and community services	12,668,154	-	-	19,024,686
Employee benefits	18,100,686	7,509,861	-	2,716,115
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	10,654,320	-
Interest	-	-	3,264,926	-
Total Expenditures	<u>79,845,786</u>	<u>39,034,571</u>	<u>13,919,246</u>	<u>23,764,940</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,849,467</u>	<u>9,789,409</u>	<u>(13,919,246)</u>	<u>276,064</u>
<b>Other Financing Sources (Uses)</b>				
Amortization of retirement system contribution	2,190,729	813,489	-	261,296
Debt issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	614,619	-	13,919,246	-
Transfers out	(4,455,136)	(7,702,068)	-	(170,096)
Refunding bonds issued	-	-	15,481,635	-
Payments to refunded bond escrow agent	-	-	(15,481,635)	-
Total Other Financing Sources (Uses)	<u>(1,649,788)</u>	<u>(6,888,579)</u>	<u>13,919,246</u>	<u>91,200</u>
<b>Net Change in Fund Balances</b>	3,199,679	2,900,830	-	367,264
<b>Fund Balances at Beginning of Year</b>	35,671,510	9,798,594	-	2,186,689
Fund Balances at End of Year	<u>\$ 38,871,189</u>	<u>\$ 12,699,424</u>	<u>\$ -</u>	<u>\$ 2,553,953</u>

See notes to the financial statements.

	Nonmajor	
Capital	Governmental	
Projects	Funds	Total
\$ -	\$ 20,768,305	\$ 109,054,601
-	38,226	360,204
-	144,701	3,962,886
-	7,445,748	34,801,298
-	-	232,158
2,014	322,076	2,014,267
-	744,144	1,594,776
-	-	760,548
-	18,325	840,836
714,093	522,290	2,291,436
-	-	4,279,359
785,566	59,645	13,441,235
622,427	1,132,387	17,246,580
<u>2,124,100</u>	<u>31,195,847</u>	<u>190,880,184</u>
-	4,438,369	30,090,454
-	3,641,277	8,034,402
-	2,492,128	3,136,480
-	2,976,001	38,949,298
-	-	2,112,812
-	-	13,850,124
-	10,014,188	41,707,028
-	6,094,806	34,421,468
10,814,930	-	10,814,930
-	-	10,654,320
-	-	3,264,926
<u>10,814,930</u>	<u>29,656,769</u>	<u>197,036,242</u>
<u>(8,690,830)</u>	<u>1,539,078</u>	<u>(6,156,058)</u>
-	639,670	3,905,184
7,600,000	-	7,600,000
18,987	-	18,987
307,679	-	14,841,544
(614,619)	(1,899,625)	(14,841,544)
-	-	15,481,635
-	-	(15,481,635)
<u>7,312,047</u>	<u>(1,259,955)</u>	<u>11,524,171</u>
(1,378,783)	279,123	5,368,113
16,120,810	8,173,787	71,951,390
<u>\$ 14,742,027</u>	<u>\$ 8,452,910</u>	<u>\$ 77,319,503</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, 2012

**Net Change in Fund Balance** \$ 5,368,113

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	\$ 10,311,229	
Depreciation Expense	<u>(13,222,355)</u>	(2,911,126)

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

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	687,452	
Deferred bond issuance cost	151,137	
Amortization of deferred bond issuance costs	(109,820)	
Amortization of deferred gain on old debt	26,290	

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (1,402)

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	(7,600,000)	
Repayment of bond principal	10,654,320	
Employees retirement incentive	135,399	
Due to Employee Retirement System	(3,905,184)	
Other post-employment benefits payable	(7,579,537)	
Other Agency Liabilities- LOSAP	(115,032)	
Compensated absences	(511,171)	
Claims and judgments	(445,612)	
Estimated liability for landfill closure and post-closure care costs	44,385	
Installment purchase debt	(18,987)	
Accrued interest payable	<u>45,554</u>	(9,295,865)

**Change in Net Position of Governmental Activities** \$ (6,085,221)

See notes to the financial statements.

**TOWN OF HUNTINGTON**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
December 31, 2012

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 111,325,303
Other assets	<u>692,876</u>
Total Assets	<u><u>\$ 112,018,179</u></u>
<b>LIABILITIES</b>	
<b>Liabilities:</b>	
Due to school districts	\$ 50,811,713
Due to other governments	50,811,713
Agency fund liabilities	<u>10,394,753</u>
Total Liabilities	<u><u>\$ 112,018,179</u></u>

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**TOWN OF HUNTINGTON**  
**INDEX FOR NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

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**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 GASB Statement No. 14, *The Financial Reporting Entity*.

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

The Huntington Community Development Agency ("HCDA") is a separate public benefit corporation created by state legislation to promote the safety, health and welfare of the Town's inhabitants and to promote the sound growth and development of the Town. The 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 component 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 component unit of the Town and is reported in the special revenue fund.

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**1. REPORTING ENTITY** (continued)

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

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

South Huntington Water District  
13<sup>th</sup> Street & 5<sup>th</sup> 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; and unrestricted.

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

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, 2012

**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.

**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, 2012

**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 – 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.

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

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

Special District Funds – are used to account for taxes or other revenue sources which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts which are administered by the Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts and a 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, 2012

**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.

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.

**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.

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. ASSETS, LIABILITIES AND FUND EQUITY (continued)**

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding of debt results from difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 two items that are reported as deferred inflows of resources. Deferred revenue represents collections of the 2013 tax warrant. (1) The property taxes collected are applicable to the 2013 fiscal and thus are not available for use at year end. (2) Under existing standards, in a transaction involving current refundings or advance refundings resulting in defeasance of debt, any difference between the reacquisition price and the net carrying amount of the old debt is referred to as the deferred gain or loss on refunding and amortized over the shorter of the life of the refunded or refunding debt.

**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.

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. ASSETS, LIABILITIES AND FUND EQUITY (continued)**

**LONG-TERM OBLIGATIONS**

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

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

**EQUITY CLASSIFICATIONS**

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

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**5. REVENUES AND EXPENDITURES**

**REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES**

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

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

**INTERFUND TRANSACTIONS**

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

a) **Interfund Revenues**

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

b) **Transfers**

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

**COMPENSATED ABSENCES**

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

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

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**5. REVENUES AND EXPENDITURES (continued)**

**OTHER POST-EMPLOYMENT BENEFITS**

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

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

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, 2012, the Town has adopted the following Governmental Accounting Standards Board (GASB) authoritative guidance:

- GASB Statement No.62 on *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedures. This statement also supersedes GAS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election for enterprise funds and business-type activities to apply post-November 30, 1989 FASB and AICPA pronouncements that do not conflict with or contradict GASB pronouncements.
- GASB Statement No.63 on *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* which standardizes the presentation of deferred balances and their effects on a government's net position. The statement also provides guidance on the presentation format of the statement of net position. This differs from the composition previously required by Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, which requires the presentation of assets, liabilities and net assets in a statement of financial position.

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**6. NEW ACCOUNTING PRINCIPLES** (continued)

- GASB Statement No.64 on *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB No. 53, Accounting and Financial Reporting for Derivative Instruments* (GASB64), established that when a government enters into a swap and the swap counterparty or counterparty credit support provider commits or experiences an act of default or a termination event, that government does not terminate hedge accounting if the counter party is replaced by another counterparty and the rest of the terms of the swap remain the same (assignment or in-substance assignment). Thereby, the government continues to report changes in fair values of the swap as either deferred inflows or outflows and does not recognize an investment income or expense. There was no impact on the Town's financial statement as a result of the adoption of GASB 64 as the Town does not use derivative instruments.

**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.

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**1. BUDGETARY DATA (continued)**

- 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.

**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 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, 2012

**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 non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

**COMMITTED FUND BALANCE**

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

The 2013 Preliminary Budget submitted by the Supervisor became the Adopted Budget by default on November 15, 2012. The 2013 adopted budget contained a projected use of \$1,948,000 of fund balance which is consequently reported as Committed 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 \$14,742,027 is reported as Committed Fund Balance.

**ENCUMBRANCES**

All encumbrances at December 31, 2012 are reported as Restricted or Committed Fund Balances:

General Fund	\$ 692,210
Part Town Fund	54,106
Highway	202,971
Capital Projects Fund	6,225,039
Street Lighting	94,073
Refuse District	34,751
Sewer District	11,865
Water District	<u>99,519</u>
<b>Total</b>	<b><u>\$7,414,534</u></b>
<b>Encumbrances</b>	

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 derivatives 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.

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

Cash with the Town Supervisor	\$ 93,261,123
Cash with the Town Receiver of Taxes	<u>111,325,303</u>
	<u>\$ 204,586,426</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

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**1. CASH AND INVESTMENTS (continued)**

At December 31, 2012 the Town's bank deposit balances were \$204,783,068. Of these balances, \$2,548,754 was covered by the Federal Deposit Insurance Corporation; \$121,536,608 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name; \$88,950,323 was collateralized with securities held by the pledging financial institution, or its trust, in the name of the Town and no funds were uncollateralized.

At December 31, 2012, the Town's component units' bank balances were \$17,836,013. Of these balances, \$1,727,844 was covered by the Federal Deposit Insurance Corporation and \$16,194,785 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.

**2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances for the primary government at December 31, 2012 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

	<u>Amount</u> <u>Receivable</u>	<u>Amount</u> <u>Payable</u>
<b>Primary Government</b>		
<u>Major Funds</u>		
General Fund	\$ 1,317,202	\$ 38,646
Highway Fund	1,847	459,640
Refuse and Garbage Fund	10,125	417,196
Capital Projects Fund	3,710	26
Debt Service	-	
<u>Nonmajor Funds:</u>		
Town Outside Village	34,057	124,390
Street Lighting District	1,367	13,242
Ambulance District	-	33,500
Sewer Districts	8,410	288,256
Water Districts	<u>2,617</u>	<u>4,439</u>
	<u>\$ 1,379,335</u>	<u>\$ 1,379,335</u>

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

Interfund transfer balances for the primary government at December 31, 2012 represent primarily the receipt and payment of general obligation bond principal and interest and funding of capital project expenditures and are stated as follows:

	Transfer In	Transfer Out
<b>Primary Government</b>		
<u>Major Funds:</u>		
General Fund	\$ 614,619	\$ 4,455,136
Highway Fund	-	7,702,068
Debt Service Fund	13,919,246	-
Capital Projects Fund	307,679	614,619
Refuse and Garbage Fund	-	170,096
<u>Nonmajor Funds</u>		
Town Outside Village	-	117,873
Street Lighting District	-	49,337
Sewer Districts	-	804,901
Water Districts	-	927,514
	<u>\$ 14,841,544</u>	<u>\$ 14,841,544</u>

**3. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance 1/1/12	Additions	Deletions	Balance 12/31/12
<u>Primary government</u>				
Capital assets not being depreciated:				
Land	\$ 113,595,367	\$ 19,260	\$ -	\$ 113,614,627
Construction in progress	33,205,346	-	33,205,346	-
Total non-depreciable capital assets	146,800,713	19,260	33,205,346	113,614,627
Depreciable capital assets:				
Buildings	62,979,191	33,109,244	-	96,088,435
Improvements other than buildings	81,159,627	1,834,547	-	82,994,174
Machinery and equipment	41,593,152	1,285,051	1,203,299	41,674,904
Infrastructure	403,507,157	7,129,702	-	410,636,859
Total depreciable capital assets	589,239,127	43,358,544	1,203,299	631,394,372
Less accumulated depreciation				
Buildings	30,857,000	2,017,544	-	32,874,544
Improvements other than buildings	36,810,560	2,796,847	-	39,607,407
Machinery and equipment	34,992,674	2,094,299	1,203,299	35,883,674
Infrastructure	309,579,232	6,313,665	-	315,892,897
Total accumulated depreciation	412,239,466	13,222,355	1,203,299	424,258,522
Total net depreciable assets				<u>207,135,850</u>
Total net capital assets				<u>\$ 320,750,477</u>

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**3. CAPITAL ASSETS (continued)**

Depreciation expense was charged to government functions as follows:

General government support	\$1,355,787
Public safety	800,216
Transportation	6,278,924
Economic assistance and opportunity	48,151
Culture and recreation	2,292,252
Home and community services	<u>2,447,025</u>

Total government activities depreciation expense \$ 13,222,355

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, 2012, the Town has not recorded any such impairment losses.

	<u>Balance</u> <u>1/1/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/12</u>
Discretely presented component units				
Capital assets not being depreciated:				
Land	\$ 1,306,746	\$ -	\$ -	\$ 1,306,746
Construction in progress	<u>4,351,755</u>	<u>2,339,413</u>	<u>3,734,351</u>	<u>2,956,817</u>
Total non-depreciable capital assets	<u>5,658,501</u>	<u>2,339,413</u>	<u>3,734,351</u>	<u>4,263,563</u>
Depreciable capital assets				
Buildings and improvements	22,530,986	2,293,593	-	24,824,579
Machinery and equipment	15,012,260	1,364,534	46,704	16,330,090
Infrastructure	<u>64,026,420</u>	<u>1,029,633</u>	<u>1,300</u>	<u>65,054,753</u>
Total depreciable capital assets	<u>101,569,666</u>	<u>4,687,760</u>	<u>48,004</u>	<u>106,209,422</u>
Less accumulated depreciation				
Buildings and improvements	7,067,276	590,502	-	7,657,778
Machinery and equipment	11,297,819	821,065	46,704	12,072,180
Infrastructure	<u>32,004,605</u>	<u>1,171,961</u>	<u>1,300</u>	<u>33,175,266</u>
Total accumulated depreciation	<u>50,369,700</u>	<u>2,583,528</u>	<u>48,004</u>	<u>52,905,224</u>
Total net depreciable assets				<u>53,304,198</u>
Total net capital assets				<u>\$ 57,567,761</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 2012.

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG TERM DEBT**

Summary of changes in long term debt transactions for the year ended December 31, 2012 is as follows:

	Balance <u>1/1/12</u>	<u>Increases</u>	<u>Reductions</u>	Balance <u>12/31/12</u>	Non-current Liabilities due <u>Within one year</u>	Non-current <u>Liabilities</u>
<b>Primary Government:</b>						
General obligation bonds	\$ 94,334,169	23,081,635	\$ 27,397,886	\$ 90,017,918	\$ 10,704,822	\$ 79,313,096
Employees retirement Incentive	229,275	139,188	274,587	93,876	64,434	29,442
Due to employee Retirement system	-	3,905,184	-	3,905,184	341,913	3,563,271
Other Long-term liability- GASB 45	41,572,389	14,137,473	6,557,936	49,151,926	-	49,151,926
Net pension obligation- LOSAP	631,073	511,686	396,654	746,105	425,577	320,528
Compensated absences	12,394,222	4,898,980	4,387,809	12,905,393	511,170	12,394,223
Claims and adjustments	7,740,163	4,679,281	4,233,670	8,185,774	-	8,185,774
Estimated liability for landfill closure and post-closure care costs	621,390	-	44,385	577,005	40,350	536,655
Installment purchase debt	295,679	18,987	141,820	172,846	109,410	63,436
	<u>\$ 157,818,360</u>	<u>\$ 51,372,414</u>	<u>\$ 43,434,747</u>	<u>\$ 165,756,027</u>	<u>\$ 12,197,676</u>	<u>\$ 153,558,351</u>
<b>Component Units:</b>						
General obligation bonds	\$ 24,915,837	\$ 4,308,365	\$ 6,702,120	\$ 22,522,082	\$ 2,150,177	\$ 20,371,905
Other long-term liability- GASB 45	2,439,345	713,963	182,614	2,970,694	-	2,970,694
Compensated absences	715,962	21,891	95,633	642,220	107,596	534,624
	<u>\$ 28,071,144</u>	<u>\$ 5,044,219</u>	<u>\$ 6,980,367</u>	<u>\$ 26,134,996</u>	<u>\$ 2,257,773</u>	<u>\$ 23,877,223</u>

**General Obligation Bonds** – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.00% to 7.2% and have maturity dates in 2013 through 2027. The original amount of borrowed debt currently outstanding is \$200,999,321. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG TERM DEBT (continued)**

	<u>Balance 1/1/12</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 12/31/12</u>
<b>Primary Government:</b>				
General Fund	\$28,766,702	\$4,140,368	\$4,176,384	\$ 28,730,686
Town Outside Village	1,105,161	350,000	84,264	1,370,897
Highway Fund	51,352,120	15,037,673	18,322,634	48,067,159
Sewer Districts	6,159,109	1,632,673	2,071,236	5,720,546
Street Lighting District	99,111		15,541	83,570
Refuse and Garbage Fund	1,676,358	264,578	226,779	1,714,157
Water Districts	<u>5,175,608</u>	<u>1,656,343</u>	<u>2,501,048</u>	<u>4,330,903</u>
Total Primary Government	<u>94,334,169</u>	<u>23,081,635</u>	<u>27,397,886</u>	<u>90,017,918</u>
<b>Component Units:</b>				
Greenlawn Water District	2,479,877	1,791,365	2,261,965	2,009,277
South Huntington Water District	<u>22,435,960</u>	<u>2,517,000</u>	<u>4,440,155</u>	<u>20,512,805</u>
Total Component Units	<u>24,915,837</u>	<u>4,308,365</u>	<u>6,702,120</u>	<u>22,522,082</u>
Total General Obligation Bonds	<u>\$ 119,250,006</u>	<u>\$27,390,000</u>	<u>\$ 34,100,006</u>	<u>\$112,540,000</u>

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

**Primary Government:**

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2013	\$ 10,704,822	3,171,254	13,876,076
2014	10,606,328	2,815,421	13,421,749
2015	10,012,770	2,434,255	12,447,025
2016	9,202,537	2,066,680	11,269,217
2017	7,871,603	1,753,790	9,625,393
2018-2022	31,563,213	4,796,617	36,359,830
2023-2027	<u>10,056,645</u>	<u>656,257</u>	<u>10,712,902</u>
Primary Government Totals	<u>\$ 90,017,918</u>	<u>\$17,694,274</u>	<u>\$107,712,192</u>

**Component Units:**

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2013	2,150,177	789,130	2,939,307
2014	2,023,671	727,816	2,751,487
2015	2,057,231	661,410	2,718,641
2016	2,082,464	590,357	2,672,821
2017	2,143,397	516,845	2,660,242
2018-2022	8,871,787	1,469,465	10,341,252
2023-2027	<u>3,193,355</u>	<u>194,449</u>	<u>3,387,804</u>
Component Unit Totals	<u>\$ 22,522,082</u>	<u>\$ 4,949,472</u>	<u>\$ 27,471,554</u>

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG TERM DEBT (continued)**

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

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

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

Machinery and equipment	\$ 483,300
Less: accumulated depreciation	<u>(310,454)</u>
Net Value	<u>\$ 172,846</u>

The following is a schedule of future minimum payments as of December 31, 2012:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Year ending December 31, 2013	\$ 109,410	\$ 5,168	114,578
2014	60,802	1,328	62,130
2015	<u>2,634</u>	<u>30</u>	<u>2,664</u>
Totals	<u>\$ 172,846</u>	<u>\$ 6,526</u>	<u>\$ 179,372</u>

**Prior-Year Defeasance of Debt**

In prior years, the Town defeased certain general obligations and other bonds by placing the proceeds of the 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, 2012, the amount of defeased bonds outstanding was approximately \$29.5 million, of which approximately \$24.5 million was for general Town purposes and approximately \$5 million was for the component units.

**5. RETIREMENT SYSTEM**

Plan Description

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

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**5. RETIREMENT SYSTEM (continued)**

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.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and who have less than ten years of membership and less than ten years of credited service with a retirement system under provisions of article fourteen or fifteen of the 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.

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

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

	<u>Annual Required Contribution</u>
For the year ending December 31, 2012	\$ 10,760,219
2011	8,010,413
2010	5,777,432

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**5. RETIREMENT SYSTEM (continued)**

The Town's contribution to the System was 100 percent of the contributions required for years ending December 31, 2010 and 2011. 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%. Payment in the amount of \$459,502 is due annually beginning February 1, 2014. 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 2012, \$465,233 was charged to expenditures for these programs. The total unpaid liability at the end of the year was \$543,431, of which \$449,555, is reported in the various governmental funds as an accrued liability and the remaining \$93,876 is recorded as a non-current liability and is payable as follows:

Year ending December 31, 2013	\$ 64,434
2014	<u>29,442</u>
Total	<u>\$ 93,876</u>

**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

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**7. SERVICE AWARD PROGRAM (continued)**

**Funding Policy (continued)**

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 \$69,687 and the Huntington Community First Aid Squad of \$355,889 for the year ended December 31, 2011 was sufficient to satisfy current and future service award obligations upon eligibility for retirement. The Fiscal Year 2011 contribution was made in Fiscal Year 2012. Actuarial results for Fiscal Year 2012 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.

*Three Year Trend Information*

Commack Volunteer Ambulance Corps

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contribution</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Service Award Obligation (Benefit)</u>
12/31/12	Not available	\$ 69,687	100%	Not available
12/31/11	\$ 69,687	\$ 68,524	100%	\$ (81,401)
12/31/10	\$ 68,524	\$ 71,970	100%	\$ (91,704)
12/31/09	\$ 71,970	\$ 78,127	100%	\$ (34,100)
Annual required contribution (ARC)		\$ 69,687	\$ 68,524	\$ 71,970
Interest on net other post-employment benefits obligation		(5,960)	(2,216)	3,310
Adjustment to ARC		<u>15,100</u>	<u>(51,942)</u>	<u>(82,162)</u>
Annual OPEB cost (expense)		78,827	14,366	(6,882)
Less: Contribution for year ended December 31		<u>68,524</u>	<u>71,970</u>	<u>78,127</u>
Increase in net OPEB obligation		10,303	(57,604)	(85,009)
Net OPEB obligation – beginning of year		<u>(91,704)</u>	<u>(34,100)</u>	<u>50,909</u>
Net OPEB obligation – end of year		\$ <u>(81,401)</u>	\$ <u>(91,704)</u>	\$ <u>(34,100)</u>

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**7. SERVICE AWARD PROGRAM (continued)**

**Funding Policy (continued)**

The funded status of the plan as of December 31, 2011 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Actuarial Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/11	\$ 703,107	\$ 621,706	\$ (81,401)	113.1%	N/A	N/A
12/31/10	687,326	595,622	(91,704)	115.4%	N/A	N/A
12/31/09	565,236	531,136	(34,100)	106.4%	N/A	N/A

Huntington Community First Aid Squad

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contribution</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Service Award Obligation (Benefit)</u>
12/31/12	Not available	\$ 355,889	100%	Not available
12/31/11	\$ 355,889	328,130	100%	\$ 827,506
12/31/10	328,130	320,258	100%	722,777
12/31/09	320,258	330,474	100%	815,957

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution (ARC)	\$ 355,889	\$ 328,130	\$ 320,258
Interest on net other post-employment benefits obligation	46,981	53,037	63,597
Adjustment to ARC	<u>29,989</u>	<u>(154,089)</u>	<u>(215,832)</u>
Annual OPEB cost (expense)	432,859	227,078	168,023
Less: Contribution for year ended December 31	<u>328,130</u>	<u>320,258</u>	<u>330,474</u>
Increase in net OPEB obligation	104,729	(93,180)	(162,451)
Net OPEB obligation – beginning of year	<u>722,777</u>	<u>815,957</u>	<u>978,408</u>
Net OPEB obligation – end of year	\$ <u>827,506</u>	\$ <u>722,777</u>	\$ <u>815,957</u>

The funded status of the plan as of December 31, 2011 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Actuarial Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/11	\$ 2,700,107	\$ 3,527,613	\$ 827,506	76.5%	N/A	N/A
12/31/10	2,488,933	3,211,710	722,777	77.5%	N/A	N/A
12/31/09	2,095,658	2,911,615	815,957	72.0%	N/A	N/A

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**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, 2011
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, 2011
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)**

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

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, 2012

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

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

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

The Town currently pays for post employment health care benefits on a pay-as-you-go basis. GASB 45 does not require 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, 2012, the Town's annual other post-employment benefits, including component units, ARC cost (expenses) was \$15,011,436. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$6,914,128 for retirees and their beneficiaries, the result was an increase in the other post-employment benefits liability of \$8,097,308 for the year ended December 31, 2012.

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**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, 2012 are as follows:

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Annual required contribution (ARC)	\$15,218,926	\$14,483,463	\$ 735,463
Interest on net other post-employment benefits obligation	1,760,470	1,662,896	97,574
Adjustment to ARC	<u>(2,127,960)</u>	<u>(2,008,886)</u>	<u>(119,074)</u>
Annual OPEB cost (expense)	<u>14,851,436</u>	<u>14,137,473</u>	<u>713,963</u>
Less: contribution for year ended December 31	<u>6,740,550</u>	<u>6,557,936</u>	<u>182,614</u>
Increase in net OPEB obligation	8,110,886	7,579,537	531,349
Net OPEB obligation- beginning of year	<u>44,011,734</u>	<u>41,572,389</u>	<u>2,439,345</u>
Net OPEB obligation- end of year	<u>\$52,122,620</u>	<u>\$49,151,926</u>	<u>\$2,970,694</u>

The Town's annual other post-employment benefits cost, the percentage of annual other post-employment benefits cost contributed to the Plan and the net other post-employment benefits obligation for the year ended December 31, 2012:

	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
Town	\$14,483,463	46.4%	\$49,151,926
Component Units	<u>895,463</u>	<u>40.8%</u>	<u>2,957,116</u>
Total	<u>\$15,378,926</u>	46.1 %	<u>\$ 52,109,042</u>

Funded Status and Funding Progress:

The funded status of the plan as of January 1, 2012 is as follows:

	<u>Actuarial Percentage Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a% of Covered Payroll</u>
Town	1/1/11	\$ -0-	\$ 190,444,054	\$ 190,444,054	0%	\$55,167,523	345.2%
Component Units	1/1/11	\$ -0-	<u>11,399,817</u>	<u>11,399,817</u>	0%	2,328,445	489.7%
Total			<u>\$ 201,843,871</u>	<u>\$291,843,871</u>			

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

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

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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term liability in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Based on the Town's actuarial valuation as of January 1, 2011, the annual other post-employment benefits cost (expense) 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:

	Town	Component Units
Interest Rate	4.00%	4.00%
2011 Medical Rate Trends (Pre-65/Post-65)	10.0%/8.0%	10.0%/8.0%, 10.0%/7.0%
Ultimate Medical Trend Rate	5.00%	5.00%
Year Ultimate Trend Rates Reached (Pre-65/Post-65)	2016/2014	2016/2014-2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Remaining amortization period at 12/31/2011	25.42	25.51, 23.85
Annual Payroll Increase	2.50%	2.50%

**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.

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**C. DETAILED NOTES ON ALL FUNDS (continued)**

**9. COMPENSATED ABSENCES (continued)**

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 available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2012, the value of the accumulated vacation time and sick leave was \$12,905,393 for the primary government. The liability for compensated absences for the component units amounted to \$642,220.

	<u>Balance</u> <u>1/1/12</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>12/31/12</u>
<b>Primary Government:</b>				
General Fund	\$ 6,855,802	\$ 2,688,510	\$ 2,363,939	\$ 7,180,373
Town Outside Village	1,099,735	431,770	401,237	1,130,268
Highway Fund	2,456,171	1,113,366	1,010,329	2,559,208
Sewer Districts	311,490	85,190	114,315	282,365
Street Lighting District	83,915	134,998	73,101	145,812
Refuse and Garbage Fund	1,142,450	344,147	341,612	1,144,985
Water Districts	<u>444,659</u>	<u>100,999</u>	<u>83,276</u>	<u>462,382</u>
Total Primary Government	\$ <u>12,394,222</u>	\$ <u>4,898,980</u>	\$ <u>4,387,809</u>	\$ <u>12,905,393</u>
<b>Component Units:</b>				
Greenlawn Water District	\$ 187,301	\$ 21,891	\$ -	\$ 209,192
South Huntington Water District	<u>528,661</u>	<u>-</u>	<u>95,633</u>	<u>433,028</u>
Total Component Units	<u>715,962</u>	<u>21,891</u>	<u>95,633</u>	<u>642,220</u>
Total General Obligation Bonds	\$ <u>13,110,184</u>	\$ <u>4,920,871</u>	\$ <u>4,483,442</u>	\$ <u>13,547,613</u>

**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 \$8,188,774. 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.

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**D. COMMITMENTS AND CONTINGENCIES**

**1. RISK RETENTION**

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.

	Workers' Compensation		General Liability	
	2012	2011	2012	2011
Unpaid claims and claim adjustment expenditures at beginning of the year	<u>\$ 4,874,663</u>	<u>\$ 3,363,501</u>	<u>\$ 2,865,500</u>	<u>\$ 2,592,700</u>
Incurred claims and claim adjustment expenditures: Provision for insured events of the current year and increases in provision for insured events of prior years	<u>4,085,334</u>	<u>5,143,165</u>	<u>593,947</u>	<u>616,597</u>
Total incurred claims and claim adjustment expenditures	<u>4,085,334</u>	<u>5,143,165</u>	<u>593,947</u>	<u>616,597</u>
Payments:				
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>4,023,223</u>	<u>3,632,003</u>	<u>210,447</u>	<u>343,797</u>
Total payments	<u>4,023,223</u>	<u>3,632,003</u>	<u>210,447</u>	<u>343,797</u>
Total unpaid claims and claim adjustment expenditures at the end of the year	<u>\$ 4,936,774</u>	<u>\$ 4,874,663</u>	<u>\$ 3,249,000</u>	<u>\$ 2,865,500</u>

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 2012 amounted to \$11,014,027 of which \$4,097,705 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, 2012, the Town has recorded a liability of \$577,055, 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, 2012

**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 \$6,225,039 has been recorded as encumbrances in the Capital Projects Fund.

**5. POLLUTION REMEDIATION**

The Town adopted Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations in 2008*. This statement provides guidance on the accounting and financial reporting standards for the liability associated with pollution cleanup efforts. Pursuant to this accounting pronouncement, the Town owns one site that requires approximately \$2.2 million for pollution remediation. State Assistance Grant funds have been secured in the amount of \$1.8 million for up to 90% of the estimated cost. The project has also been awarded a Town Environmental Open Space Bond Grant in the amount of \$300,000 to cover additional costs. The Town's responsibility for the remaining pollution cleanup is approximately \$100,000 which the Town has funded. The project was completed in 2012 and all purchase orders have been closed.

**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, 2012:

**Condensed Statement of Net Position:**

	<u>South Huntington Water District</u>	<u>Greenlawn Water District</u>	<u>Total</u>
Current and other assets	\$ 12,732,578	\$ 7,158,237	\$ 19,890,815
Capital assets net of depreciation	40,516,470	17,051,291	57,567,761
Deferred outflow of resources	<u>358,087</u>	<u>                    </u>	<u>358,087</u>
Total	<u>\$ 53,607,135</u>	<u>\$ 24,209,528</u>	<u>\$ 77,816,663</u>
Current liabilities	\$ 3,461,952	\$ 749,739	\$ 4,238,973
Other long-term liabilities	20,735,853	3,352,799	24,061,370
Net investment in capital	25,498,357	15,042,014	40,540,371
Restricted	2,626,565	316,247	2,942,812
Unrestricted	<u>1,284,408</u>	<u>4,748,729</u>	<u>6,033,137</u>
Total	<u>\$ 53,607,135</u>	<u>\$ 24,209,528</u>	<u>\$ 77,816,663</u>

**TOWN OF HUNTINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS (continued)**

**Condensed Statement of Activities:**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>General Revenue</u>		<u>Net Position</u>		
		<u>Charges for Services</u>	<u>Net (Expense) Revenue</u>	<u>Property Tax</u>	<u>Other</u>	<u>Change</u>	<u>1/1/12</u>	<u>12/31/12</u>
South Huntington Water District	\$ 7,257,975	\$ 3,767,409	\$ (3,490,566)	\$ 3,699,776	\$ 1,274,572	\$ 1,483,782	\$ 27,925,548	\$29,409,330
Greenlawn Water District	<u>5,449,068</u>	<u>2,555,323</u>	<u>(2,893,745)</u>	<u>2,302,500</u>	<u>148,279</u>	<u>(442,966)</u>	<u>20,549,956</u>	<u>20,106,990</u>
	\$ <u>12,707,043</u>	\$ <u>6,322,732</u>	\$ <u>(6,384,311)</u>	\$ <u>6,002,276</u>	\$ <u>1,422,851</u>	\$ <u>1,040,816</u>	\$ <u>48,475,504</u>	\$ <u>49,516,320</u>

**F. SUBSEQUENT EVENTS**

The Town's management has evaluated subsequent events through September 25, 2013, the date the financial statements were available to be issued.

**G. NEW PRONOUNCEMENTS**

GASB Statement No.65 on *Items Previously Reported as Assets and Liabilities* ("GASB 65") amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly classify 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 inflows of resources (revenue). The Town is required to implement this authoritative guidance for the year ended December 31, 2013.

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS 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 Procnouncements*. The Town is required to implement this authoritative guidance for the year ended December 31, 2013.

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS Statement No. 67) on *Financial Reporting for Pension Plans*, which amends GASB Statement No. 25, *Financial Reporting for Defined Pension Plans and Note Disclosures for Defined Contributions Plans*. The objective of the statement is to improve financial reporting by state and local governmental pension plans. The Town is required to implement this authoritative guidance for the year ended December 31, 2014.

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

**TOWN OF HUNTINGTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**G. NEW PRONOUNCEMENTS** (continued)

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS 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.

## **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, 2012**

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 33,245,489	\$ 33,245,489	\$ 33,493,480	\$ 247,991
Total Real Property Taxes	33,245,489	33,245,489	33,493,480	247,991
<b>OTHER REAL PROPERTY TAXES</b>				
Payment In lieu of taxes	8,000	8,000	22,505	14,505
Interest and penalty on taxes	250,000	250,000	274,607	24,607
Total Other Real Property Taxes	258,000	258,000	297,112	39,112
<b>NON-PROPERTY TAX ITEMS</b>				
Franchises - cable TV	3,630,000	3,630,000	3,818,185	188,185
Total Non-Property Tax Items	3,630,000	3,630,000	3,818,185	188,185
<b>DEPARTMENTAL INCOME</b>				
Town clerk fees	275,000	275,000	369,580	94,580
Other general departmental income	2,500	2,500	9,918	7,418
Parking meter fees	245,000	245,000	232,149	(12,851)
Transportation	441,000	441,000	361,089	(79,911)
Charges - programs for the aging	270,500	270,500	316,668	46,168
Park and recreational charges	1,988,000	1,990,541	2,020,325	29,784
Recreational concessions	64,700	64,700	80,678	15,978
Special recreational facility charges	5,958,900	5,993,900	6,105,013	111,113
Refuse and garbage charges	17,909,103	17,909,103	17,854,839	(54,264)
Total Departmental Income	27,154,703	27,192,244	27,350,259	158,015
<b>INTERGOVERNMENTAL CHARGES</b>				
Information Technology - other governmen	-	-	35	35
Miscellaneous Revenue	27,000	27,000	33,425	6,425
Fuel charges - other governments	174,879	99,879	103,723	3,844
Total Intergovernmental Charges	201,879	126,879	137,183	10,304
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	367,400	367,400	848,922	481,522
Rental of real property	635,565	635,565	683,327	47,762
Total Use of Money and Property	1,002,965	1,002,965	1,532,249	529,284
<b>LICENSES AND PERMITS</b>				
Bingo licenses	15,000	15,000	13,980	(1,020)
Dog licenses	51,000	51,000	34,482	(16,518)
Other permits	553,000	579,320	700,770	121,450
Total Licenses and Permits	619,000	645,320	749,232	103,912
<b>FINES AND FORFEITURES</b>				
Fines	726,600	756,600	760,548	3,948
Total Fines and Forfeitures	726,600	756,600	760,548	3,948

(Continued)

**TOWN OF HUNTINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year ended December 31, 2012**

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Sales of scrap and excess material	18,000	18,000	6,356	(11,644)
Sales of refuse for recycling	8,800	8,800	44,500	35,700
Sales other	7,300	7,300	8,593	1,293
Sales of Real Property	-	-	13,500	13,500
Sales of equipment	15,000	15,000	-	(15,000)
Insurance recoveries	220,000	255,400	267,421	12,021
Total Sale of Property and Compensation for Loss	269,100	304,500	340,370	35,870
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Refund of prior year expenditures	-	-	13,950	13,950
Gifts and donations	-	33,624	35,384	1,760
Miscellaneous revenue	1,265,000	754,300	840,302	86,002
Total Miscellaneous Local Sources	1,265,000	787,924	889,636	101,712
<b>INTERFUND REVENUES</b>	4,279,359	4,279,359	4,279,359	-
<b>STATE AID</b>				
State Aid - revenue sharing	1,067,256	1,067,256	1,067,256	-
State Aid - mortgage tax	7,500,000	7,500,000	6,743,422	(756,578)
State Aid - other	-	-	8,806	8,806
State Aid - disaster assistance	-	39,875	117,539	77,664
State Aid - bus and other mass transit	806,500	806,500	805,111	(1,389)
State Aid - programs for aging	171,201	171,201	227,138	55,937
State Aid - youth program	525,913	531,809	315,653	(216,156)
State Aid - code enforcement	7,580	7,580	7,599	19
State Aid - other culture and recreation	48,675	48,675	44,615	(4,060)
State Aid - other home and community ser	-	-	19,863	19,863
Total State Aid	10,127,125	10,172,896	9,357,002	(815,894)
<b>FEDERAL AID</b>				
Federal Aid - programs for the aging	135,630	135,630	140,581	4,951
Federal Aid - youth program	634,551	707,188	686,480	(20,708)
Federal Aid - other home and community s	-	200,000	64,761	(135,239)
Federal Aid - federal emergency management assistance	-	757,632	772,893	15,261
Federal Aid - other culture and recreation	29,623	29,623	25,923	(3,700)
Total Federal Aid	799,804	1,830,073	1,690,638	(139,435)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	614,619	614,619	-
Total Other Financing Sources	-	614,619	614,619	-
Total Revenues	\$ 83,579,024	\$ 84,846,868	\$ 85,309,872	\$ 463,004

(Continued)

**TOWN OF HUNTINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year ended December 31, 2012

Function	Budgetary Amounts			Actual	Encum- brances	Variance with Final Budget
	Original	Adjustments	Final			
<b>CURRENT:</b>						
<b>GENERAL GOVERNMENT SUPPORT</b>						
Town board	\$ 617,591	\$ 85,856	\$ 703,447	\$ 691,802	\$ -	\$ 11,645
Traffic violations bureau	122,199	-	122,199	98,923	-	23,276
Supervisor	888,218	97,697	985,915	966,331	-	19,584
Comptroller	1,312,755	(149,458)	1,163,297	1,123,667	-	39,630
Tax collection	619,566	10,501	630,067	629,695	-	372
Purchasing	274,270	14,571	288,841	286,130	-	2,711
Assessment	834,896	37,107	872,003	828,591	1,275	42,137
Fiscal agent fees	35,000	(500)	34,500	27,958	-	6,542
Town clerk	1,027,441	37,861	1,065,302	993,522	14,144	57,636
Town attorney	2,311,513	568,637	2,880,150	2,762,923	68,493	48,734
Personnel	617,762	12,377	630,139	626,888	-	3,251
Engineer	744,453	56,949	801,402	714,841	54,615	31,946
General services	491,050	-	491,050	488,811	-	2,239
Operation of plant	9,635,712	748,664	10,384,376	10,234,242	17,087	133,047
Central storeroom	416,482	37,983	454,465	429,424	-	25,041
Central printing and mailing	414,426	(84,779)	329,647	301,530	-	28,117
Information Technology	1,689,935	265,625	1,955,560	1,659,619	272,041	23,900
Unallocated insurance	277,610	491	278,101	273,667	-	4,434
Municipal assessment dues	9,000	-	9,000	4,810	-	4,190
Judgments and claims	300,000	24,271	324,271	276,276	47,995	-
Purchase of land and right of way	4,500,000	(157,879)	4,342,121	-	-	4,342,121
Taxes and assessment on municipal property	98,900	(5,216)	93,684	89,866	-	3,818
Contractual	134,000	(113,251)	20,749	7,351	-	13,398
<b>Total General Government Support</b>	<b>27,372,779</b>	<b>1,487,507</b>	<b>28,860,286</b>	<b>23,516,867</b>	<b>475,650</b>	<b>4,867,769</b>
<b>PUBLIC SAFETY</b>						
Administration	2,541,386	280,739	2,822,125	2,715,104	61,280	45,741
Harbors and waterways	516,523	145,421	661,944	651,717	1,382	8,845
Control of dogs	860,077	(49,763)	810,314	769,222	1,000	40,092
Safety inspection	227,321	15,793	243,114	242,024	1,000	90
Civil defense	15,119	-	15,119	15,058	-	61
<b>Total Public Safety</b>	<b>4,160,426</b>	<b>392,190</b>	<b>4,552,616</b>	<b>4,393,125</b>	<b>64,662</b>	<b>94,829</b>
<b>HEALTH</b>						
Substance Abuse	858,733	(203,079)	655,654	644,352	-	11,302
<b>Total Health</b>	<b>858,733</b>	<b>(203,079)</b>	<b>655,654</b>	<b>644,352</b>	<b>-</b>	<b>11,302</b>
<b>TRANSPORTATION</b>						
Highway and street administration	806,982	(17,242)	789,740	779,418	1,587	8,735
Waterways Navigation	71,944	4,400	76,344	69,582	-	6,762
Public transportation	3,651,738	97,648	3,749,386	3,710,666	1,411	37,309
<b>Total Transportation</b>	<b>4,530,664</b>	<b>84,806</b>	<b>4,615,470</b>	<b>4,559,666</b>	<b>2,998</b>	<b>52,806</b>
<b>ECONOMIC ASSISTANCE AND OPPORTUNITY</b>						
Community action administration	72,533	3,700	76,233	71,415	-	4,818
Public Information	160,208	41,351	201,559	189,769	-	11,790
Veterans service	7,500	-	7,500	6,935	-	565
Programs for the aging	1,859,090	18,240	1,877,330	1,844,693	15,124	17,513
<b>Total Economic Assistance And Opportunity</b>	<b>2,099,331</b>	<b>63,291</b>	<b>2,162,622</b>	<b>2,112,812</b>	<b>15,124</b>	<b>34,686</b>

(Continued)

**TOWN OF HUNTINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year ended December 31, 2012

Function	Budgetary Amounts			Actual	Encumbrances	Variance with Final Budget
	Original	Adjustments	Final			
<b>CULTURE AND RECREATION</b>						
Council on the arts	125,000	22,500	147,500	147,500	-	-
Recreation administration	3,588,111	33,554	3,621,665	3,561,465	-	60,200
Playgrounds and recreation centers	1,392,583	6,908	1,399,491	1,281,378	-	118,113
Special recreation facility charges	4,096,688	97,740	4,194,428	4,009,003	4,457	180,968
Band concerts	71,596	84,650	156,246	156,228	-	18
Youth programs	505,244	9,332	514,576	512,576	-	2,000
Joint youth programs	2,426,804	39,337	2,466,141	2,466,141	-	-
Museums	698,040	168,474	866,514	814,754	45,250	6,510
Historian	52,796	541	53,337	47,605	-	5,732
Celebrations	10,000	(1,038)	8,962	8,962	-	-
Adult recreation	838,028	31,245	869,273	844,512	-	24,761
<b>Total Culture and Recreation</b>	<b>13,804,890</b>	<b>493,243</b>	<b>14,298,133</b>	<b>13,850,124</b>	<b>49,707</b>	<b>398,302</b>
<b>HOME AND COMMUNITY SERVICES</b>						
Refuse and garbage	11,753,167	(500,460)	11,252,707	11,248,873	-	3,834
Landfill Post Closure	74,000	(5,000)	69,000	51,703	-	17,297
Recycling	550,881	(32,894)	517,987	474,103	1,994	41,890
General natural resources	750,232	44,578	794,810	768,504	6,050	20,256
Miscellaneous	125,959	37,083	163,042	124,971	37,605	466
<b>Total Home and Community Services</b>	<b>13,254,239</b>	<b>(456,693)</b>	<b>12,797,546</b>	<b>12,668,154</b>	<b>45,649</b>	<b>83,743</b>
<b>EMPLOYEE BENEFITS</b>						
State employee retirement system	2,851,103	948,369	3,799,472	5,990,201	-	(2,190,729)
Social security	100,500	(55,288)	45,212	45,212	-	-
Workers' compensation	1,005,760	873,916	1,879,676	1,841,256	38,420	-
Life insurance	50,000	(6,663)	43,337	28,091	-	15,246
Unemployment insurance	120,000	10,201	130,201	130,201	-	-
Disability benefits	90,000	(30,824)	59,176	59,176	-	-
Hospital, medical and dental	10,485,500	(1,761,658)	8,723,842	8,723,842	-	-
Union welfare benefits	444,000	-	444,000	436,547	-	7,453
Other employee benefits	1,137,000	(287,982)	849,018	846,160	-	2,858
<b>Total Employee Benefits</b>	<b>16,283,863</b>	<b>(309,929)</b>	<b>15,973,934</b>	<b>18,100,686</b>	<b>38,420</b>	<b>(2,165,172)</b>
<b>Total Expenditures</b>	<b>82,364,925</b>	<b>1,551,336</b>	<b>83,916,261</b>	<b>79,845,786</b>	<b>692,210</b>	<b>3,378,265</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,214,099</b>	<b>-</b>	<b>930,607</b>	<b>5,464,086</b>	<b>(692,210)</b>	<b>3,841,269</b>
<b>Other Financing Sources (Uses)</b>						
Amortization of retirement system contribution	-	-	-	2,190,729	-	(2,190,729)
Transfers out	(4,232,099)	(227,879)	(4,459,978)	(4,455,136)	-	4,842
<b>Total Other Financing Sources (Uses)</b>	<b>(4,232,099)</b>	<b>(227,879)</b>	<b>(4,459,978)</b>	<b>(2,264,407)</b>	<b>-</b>	<b>(2,185,887)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,018,000)</b>	<b>-</b>	<b>\$ (3,529,371)</b>	<b>3,199,679</b>	<b>\$ (692,210)</b>	<b>\$ 1,655,382</b>
<b>Fund Balance at Beginning of Year</b>				<b>35,671,510</b>		
<b>Fund Balance at End of Year</b>				<b>\$ 38,871,189</b>		

**TOWN OF HUNTINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHWAY FUND**  
For the Year ended December 31, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 31,693,663	\$ 31,693,663	\$ 31,693,663	-
Total Real Property Taxes	<u>31,693,663</u>	<u>31,693,663</u>	<u>31,693,663</u>	<u>-</u>
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	8,500	8,500	23,791	\$ 15,291
Interest and penalties on taxes	-	-	622	622
Total Other Real Property Taxes	<u>8,500</u>	<u>8,500</u>	<u>24,413</u>	<u>15,913</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	175,000	175,000	111,290	(63,710)
Total Use of Money and Property	<u>175,000</u>	<u>175,000</u>	<u>111,290</u>	<u>(63,710)</u>
<b>LICENSES AND PERMITS</b>				
Licenses and permits	100,000	100,000	101,400	1,400
Total Licenses and Permits	<u>100,000</u>	<u>100,000</u>	<u>101,400</u>	<u>1,400</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Sales of scrap materials/equipment	4,000	4,000	5,078	1,078
Insurance recoveries	5,000	8,205	4,268	(3,937)
Total Sale of Property and Compensation for Loss	<u>9,000</u>	<u>12,205</u>	<u>9,346</u>	<u>(2,859)</u>
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous revenue	285,100	34,450	135,182	100,732
Total Miscellaneous Local Sources	<u>285,100</u>	<u>34,450</u>	<u>135,182</u>	<u>100,732</u>
<b>STATE AID</b>				
State aid - Consolidated highway aid	1,336,265	1,374,122	1,358,221	(15,901)
State Aid - State Emergency Management Office	-	716,190	1,836,408	1,120,218
Total State Aid	<u>1,336,265</u>	<u>2,090,312</u>	<u>3,194,629</u>	<u>1,104,317</u>
<b>FEDERAL AID</b>				
Federal Aid - Federal Emergency Management Assistance	-	13,607,614	13,554,057	(53,557)
Total Federal Aid	<u>-</u>	<u>13,607,614</u>	<u>13,554,057</u>	<u>(53,557)</u>
Total Revenues	<u>\$ 33,607,528</u>	<u>\$ 47,721,744</u>	<u>\$ 48,823,980</u>	<u>\$ 1,102,236</u>

(Continued)

**TOWN OF HUNTINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHWAY FUND**  
For the Year ended December 31, 2012

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>GENERAL GOVERNMENT SUPPORT</b>					
Insurance	\$ 91,590	\$ 91,590	\$ 77,460	\$ -	\$ 14,130
Bond and note issue expense	60,000	60,000	29,535	-	30,465
Employee training	9,000	9,416	4,084	-	5,332
Contingency	-	173,165	-	-	173,165
Total General Government Support	<u>160,590</u>	<u>334,171</u>	<u>111,079</u>	<u>-</u>	<u>223,092</u>
<b>TRANSPORTATION</b>					
Highway repairs	12,291,640	26,731,202	26,358,670	73,331	299,201
Capital highway improvements	1,336,265	1,384,956	1,358,221	26,735	-
Highway and machinery	2,232,363	2,288,234	2,194,380	10,992	82,862
Brush and weeds	445,000	458,500	350,329	91,913	16,258
Snow removal	2,740,146	2,346,740	1,152,031	-	1,194,709
Total Transportation	<u>19,045,414</u>	<u>33,209,632</u>	<u>31,413,631</u>	<u>202,971</u>	<u>1,593,030</u>
<b>EMPLOYEE BENEFITS</b>					
State employee retirement system	1,047,973	1,410,835	2,224,324	-	(813,489)
Social security	48,000	48,000	15,992	-	32,008
Workers Compensation	1,230,253	1,427,598	1,218,611	-	208,987
Life insurance	400	400	255	-	145
Unemployment insurance	87,000	87,000	37,411	-	49,589
Disability benefits	1,000	1,000	343	-	657
Hospital, medical and dental	4,416,000	3,786,303	3,610,817	-	175,486
Union welfare benefits	6,000	6,000	5,511	-	489
Other employee benefits	434,000	473,188	396,597	-	76,591
Total Employee Benefits	<u>7,270,626</u>	<u>7,240,324</u>	<u>7,509,861</u>	<u>-</u>	<u>(269,537)</u>
Total Expenditures	<u>26,476,630</u>	<u>40,784,127</u>	<u>39,034,571</u>	<u>202,971</u>	<u>1,546,585</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	7,130,898	6,937,617	9,789,409	(202,971)	2,648,821
<b>Other Financing Sources (Uses)</b>					
Amortization of retirement system contribu			813,489		(813,489)
Transfers in					
Transfers out	(7,888,898)	(7,888,898)	(7,702,068)	-	(186,830)
Total Other Financing Sources (Uses)	<u>(7,888,898)</u>	<u>(7,888,898)</u>	<u>(6,888,579)</u>	<u>-</u>	<u>(1,000,319)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (758,000)</u>	<u>\$ (951,281)</u>	<u>\$ 2,900,830</u>	<u>\$ (202,971)</u>	<u>\$ 1,648,502</u>
<b>Fund Balance at Beginning of Year</b>			<u>9,798,594</u>		
Fund Balance at End of Year			<u>\$ 12,699,424</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, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 23,099,153	\$ 23,099,153	\$ 23,099,153	\$ -
Total Real Property Taxes	23,099,153	23,099,153	23,099,153	-
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Interest and penalties on taxes	2,000	2,000	453	(1,547)
Total Other Real Property Tax Items	2,000	2,000	453	(1,547)
<b>DEPARTMENTAL INCOME</b>				
Refuse and garbage charges	5,200	5,200	5,291	91
Total Departmental Income	5,200	5,200	5,291	91
<b>INTERGOVERNMENT CHARGE</b>				
Refuse & Garbage Service, Other Government	19,165	19,165	94,975	75,810
Total Intergovernment Charge	19,165	19,165	94,975	75,810
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	103,000	103,000	46,638	(56,362)
Total Use of Money and Property	103,000	103,000	46,638	(56,362)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Sales of recycled materials	371,128	371,128	472,795	101,667
Minor sales, other				
Insurance recoveries	5,000	5,000	-	(5,000)
Total Sale of Property and Compensation for Loss	376,128	376,128	472,795	96,667
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous	90,000	11,280	30,235	18,955
Total Miscellaneous Local Sources	90,000	11,280	30,235	18,955
<b>STATE AID</b>				
State Aid - State Emergency Management Office	-	13,754	44,393	30,639
Total State Aid	-	13,754	44,393	30,639
<b>FEDERAL AID</b>				
Federal Aid - Federal Emergency Management Assista	-	261,325	247,071	(14,254)
Total Federal Aid	-	261,325	247,071	(14,254)
Total Revenues	\$ 23,694,646	\$ 23,891,005	\$ 24,041,004	\$ 149,999

(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, 2012

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
<b>EXPENDITURES</b>					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 30,945	\$ 42,341	\$ 42,341	\$ -	\$ -
Employee training	6,000	6,208	2,042	-	4,166
Other government support	1,979,451	1,980,451	1,979,756	-	695
Total General Government Support	<u>2,016,396</u>	<u>2,029,000</u>	<u>2,024,139</u>	<u>-</u>	<u>4,861</u>
HOME AND COMMUNITY SERVICES					
Refuse and garbage	19,497,494	19,245,123	19,024,686	34,751	185,686
Total Home and Community Services	<u>19,497,494</u>	<u>19,245,123</u>	<u>19,024,686</u>	<u>34,751</u>	<u>185,686</u>
EMPLOYEE BENEFITS					
State employee retirement system	349,324	453,186	714,482	-	(261,296)
Social security	23,000	22,000	5,937	-	16,063
Workers Compensation	291,028	758,540	758,540	-	-
Life insurance	500	500	85	-	415
Unemployment insurance	40,000	40,000	16,069	-	23,931
Disability insurance	500	500	114	-	386
Hospital, medical and dental	1,248,000	1,093,000	1,078,299	-	14,701
Union welfare benefits	2,000	2,000	1,837	-	163
Other employee benefits	172,000	195,090	140,752	-	54,338
Total Employee Benefits	<u>2,126,352</u>	<u>2,564,816</u>	<u>2,716,115</u>	<u>-</u>	<u>(151,299)</u>
Total Expenditures	<u>23,640,242</u>	<u>23,838,939</u>	<u>23,764,940</u>	<u>34,751</u>	<u>39,248</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>					
	54,404	52,066	276,064	(34,751)	189,247
<b>Other Financing Sources (Uses)</b>					
Amortization of retirement system	-	-	261,296	-	(261,296)
Transfers out	(172,345)	(172,345)	(170,096)	-	2,249
Total Other Financing Sources (Uses)	<u>(172,345)</u>	<u>(172,345)</u>	<u>91,200</u>		<u>(259,047)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (117,941)</u>	<u>\$ (120,279)</u>	<u>367,264</u>	<u>\$ (34,751)</u>	<u>\$ (69,800)</u>
<b>Fund Balance at Beginning of Year</b>			<u>2,186,689</u>		
<b>Fund Balance at End of Year</b>			<u>\$ 2,553,953</u>		

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**OTHER SUPPLEMENTARY INFORMATION**

**Combining Fund Statements**

**TOWN OF HUNTINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2012

	Special Revenue Funds			
	Town	Special	Local	Town Business
	Outside Village	Grant (HCDA)	Development Corporation (LDC)	Improvement Districts
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,166,803	\$ 516,978	\$ 199,914	\$ 4
Prepays	174,023	7,876	-	-
Accounts receivable, net	32,758	17,567	-	-
Due from federal, state and other government	126,618	6,568	-	-
Due from other funds	34,057	-	-	-
Total Assets	<u>\$ 3,534,259</u>	<u>\$ 548,989</u>	<u>\$ 199,914</u>	<u>\$ 4</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 188,357	\$ 10,603	-	\$ -
Accrued liabilities	498,341	19,248	-	-
Due to other governments	-	679,590	-	-
Due to other funds	124,390	-	-	-
Total Liabilities	<u>811,088</u>	<u>709,441</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS</b>				
Deferred revenue	1,000,000	-	-	-
Total Deferred Inflows	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>				
Non-Spendable				
Prepays	174,023	7,876	-	-
Restricted for:				
Debt service	-	-	-	-
Retirement contribution	20,201	-	-	-
Capital reserve	85,451	-	-	-
Post retirement benefits	771,317	-	-	-
Town Outside Village	672,179	-	-	4
Community Development	-	(168,328)	-	-
Local Development Corporation	-	-	199,914	-
Fire Protection	-	-	-	-
Streetlighting	-	-	-	-
Ambulance Services	-	-	-	-
Sewer Services	-	-	-	-
Water Services	-	-	-	-
Total Fund Equity	<u>1,723,171</u>	<u>(160,452)</u>	<u>199,914</u>	<u>4</u>
Total Liabilities, Deferred Inflows & Fund Equity	<u>\$ 3,534,259</u>	<u>\$ 548,989</u>	<u>\$ 199,914</u>	<u>\$ 4</u>

<u>Special Districts</u>		<u>Total</u>	
\$	8,709,791	\$	12,593,490
	113,387		295,286
	581,008		631,333
	299,630		432,816
	12,394		46,451
<hr/>		<hr/>	
\$	9,716,210	\$	13,999,376
<hr/>		<hr/>	
\$	517,872	\$	716,832
	256,303		773,892
	-		679,590
	339,437		463,827
<hr/>		<hr/>	
	1,113,612		2,634,141
<hr/>		<hr/>	
	1,912,325		2,912,325
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	1,912,325		2,912,325
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	113,387		295,286
	91,675		91,675
	238,287		258,488
	-		85,451
	95,000		866,317
	-		672,183
	-		(168,328)
	-		199,914
	65,890		65,890
	2,385,855		2,385,855
	26,838		26,838
	591,092		591,092
	3,082,249		3,082,249
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	6,690,273		8,452,910
<hr/>		<hr/>	
\$	9,716,210	\$	13,999,376
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**TOWN OF HUNTINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2012**

	Special Revenue Funds			
	Town	Special	Local	Town Business
	Outside Village	Grant (HCDA)	Development Corporation (LCD)	Improvement Districts
<b>REVENUES</b>				
Real property taxes	\$ 4,649,809	\$ -	\$ -	\$ 186,500
Other real property tax items	3,675	-	-	4
Non-property tax items	-	-	-	-
Departmental income	3,889,674	-	201,480	-
Use of money and property	23,431	-	-	-
Licenses and permits	744,144	-	-	-
Compensation for loss	6,183	-	-	-
Miscellaneous local sources	110,939	340,312	-	-
State aid	38,869	-	-	-
Federal aid	99,406	878,870	-	-
Total Revenues	<u>9,566,130</u>	<u>1,219,182</u>	<u>201,480</u>	<u>186,504</u>
<b>EXPENDITURES</b>				
Current:				
General government support	2,091,836	-	-	-
Public safety	2,251,053	-	-	-
Health	240,208	-	-	-
Transportation	-	-	-	-
Home and community services	2,077,938	1,487,862	1,566	186,500
Employee benefits	3,567,581	-	-	-
Total Expenditures	<u>10,228,616</u>	<u>1,487,862</u>	<u>1,566</u>	<u>186,500</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	(662,486)	(268,680)	199,914	4
<b>Other Financing Sources (Uses)</b>				
Amortization of retirement system contributor	396,259	-	-	-
Transfers out	(117,873)	-	-	-
Total Other Financing Sources (Uses)	<u>278,386</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(384,100)	(268,680)	199,914	4
<b>Fund Balances at Beginning of Year</b>	<u>2,107,271</u>	<u>108,228</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,723,171</u>	<u>\$ (160,452)</u>	<u>\$ 199,914</u>	<u>\$ 4</u>

<u>Special Districts</u>	<u>Total</u>
\$ 15,931,996	\$ 20,768,305
34,547	38,226
144,701	144,701
3,354,594	7,445,748
298,645	322,076
-	744,144
12,142	18,325
71,039	522,290
20,776	59,645
154,111	1,132,387
<u>20,022,551</u>	<u>31,195,847</u>
2,346,533	4,438,369
1,390,224	3,641,277
2,251,920	2,492,128
2,976,001	2,976,001
6,260,322	10,014,188
2,527,225	6,094,806
<u>17,752,225</u>	<u>29,656,769</u>
2,270,326	1,539,078
243,411	639,670
<u>(1,781,752)</u>	<u>(1,899,625)</u>
<u>(1,538,341)</u>	<u>(1,259,955)</u>
731,985	279,123
<u>5,958,288</u>	<u>8,173,787</u>
<u>\$ 6,690,273</u>	<u>\$ 8,452,910</u>

**TOWN OF HUNTINGTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SPECIAL DISTRICT FUNDS**  
December 31, 2012

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
<b>ASSETS</b>			
Cash and cash equivalents	\$ 81,041	\$ 3,200,255	\$ 60,338
Prepays	-	20,655	-
Accounts receivable, net	-	280	-
Due from federal, state and other governments	-	71,859	-
Due from other funds	-	1,367	-
Total Assets	<u>\$ 81,041</u>	<u>\$ 3,294,416</u>	<u>\$ 60,338</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 15,151	\$ 186,873	\$ -
Accrued liabilities	-	61,325	-
Due to other funds	-	13,242	33,500
Total Liabilities	<u>15,151</u>	<u>261,440</u>	<u>33,500</u>
<b>DEFERRED INFLOWS</b>			
Deferred revenues	-	581,658	-
Total Deferred Inflows	<u>-</u>	<u>581,658</u>	<u>-</u>
<b>FUND EQUITY</b>			
Non-Spendable			
Prepays	-	20,655	-
Restricted for:			
Debt service	-	-	-
Retirement contribution	-	24,482	-
Postretirement benefits	-	20,326	-
Fire Protection	65,890	-	-
Streetlighting	-	2,385,855	-
Ambulance Services	-	-	26,838
Sewer Services	-	-	-
Water Services	-	-	-
Total Fund Equity	<u>65,890</u>	<u>2,451,318</u>	<u>26,838</u>
Total Liabilities, Deferred Inflows and Fund Equity	<u>\$ 81,041</u>	<u>\$ 3,294,416</u>	<u>\$ 60,338</u>

Sewer Districts	Water District	Total
\$ 1,477,518	\$ 3,890,639	\$ 8,709,791
54,192	38,540	113,387
342,288	238,440	581,008
205,882	21,889	299,630
8,410	2,617	12,394
<u>\$ 2,088,290</u>	<u>\$ 4,192,125</u>	<u>\$ 9,716,210</u>
\$ 187,550	\$ 128,298	\$ 517,872
119,057	75,921	256,303
288,256	4,439	339,437
<u>594,863</u>	<u>208,658</u>	<u>1,113,612</u>
<u>736,663</u>	<u>594,004</u>	<u>1,912,325</u>
<u>736,663</u>	<u>594,004</u>	<u>1,912,325</u>
54,192	38,540	113,387
91,675	-	91,675
13,335	200,470	238,287
6,470	68,204	95,000
-	-	65,890
-	-	2,385,855
-	-	26,838
591,092	-	591,092
-	3,082,249	3,082,249
<u>756,764</u>	<u>3,389,463</u>	<u>6,690,273</u>
<u>\$ 2,088,290</u>	<u>\$ 4,192,125</u>	<u>\$ 9,716,210</u>

**TOWN OF HUNTINGTON**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL DISTRICT FUNDS  
Year Ended December 31, 2012

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
<b>REVENUES</b>			
Real property taxes	\$ 1,482,472	\$ 3,782,502	\$ 2,780,335
Other real property tax items	29	2,750	2,049
Non-property tax items	-	-	-
Departmental income	-	-	-
Use of money and property	714	17,279	2,402
Compensation for loss			
Miscellaneous local sources	-	10,013	44,809
State Aid	-	6,138	-
Federal aid	-	67,890	-
Total Revenues	<u>1,483,215</u>	<u>3,886,572</u>	<u>2,829,595</u>
<b>EXPENDITURES</b>			
Current:			
General government support	92,270	484,644	177,465
Public safety	1,390,224	-	-
Health	-	-	2,251,920
Transportation	-	2,976,001	-
Home and community services	-	-	-
Employee benefits	-	350,588	425,577
Total Expenditures	<u>1,482,494</u>	<u>3,811,233</u>	<u>2,854,962</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	721	75,339	(25,367)
<b>Other Financing Sources (Uses)</b>			
Amortization of retirement system contribution	-	44,988	-
Transfers in	-	-	-
Transfers out	-	(49,337)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,349)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	721	70,990	(25,367)
<b>Fund Balances at Beginning of Year</b>	<u>65,169</u>	<u>2,380,328</u>	<u>52,205</u>
Fund Balances at End of Year	<u>\$ 65,890</u>	<u>\$ 2,451,318</u>	<u>\$ 26,838</u>

Sewer Districts	Water District	Total
\$ 4,687,148	\$ 3,199,539	\$ 15,931,996
29,652	67	34,547
144,701	-	144,701
1,485,598	1,868,996	3,354,594
14,841	263,409	298,645
12,142	-	12,142
12,071	4,146	71,039
9,443	5,195	20,776
63,828	22,393	154,111
<u>6,459,424</u>	<u>5,363,745</u>	<u>20,022,551</u>
909,534	682,620	2,346,533
-	-	1,390,224
-	-	2,251,920
-	-	2,976,001
3,368,089	2,892,233	6,260,322
1,124,308	626,752	2,527,225
<u>5,401,931</u>	<u>4,201,605</u>	<u>17,752,225</u>
1,057,493	1,162,140	2,270,326
118,874	79,549	243,411
		-
<u>(804,901)</u>	<u>(927,514)</u>	<u>(1,781,752)</u>
<u>(686,027)</u>	<u>(847,965)</u>	<u>(1,538,341)</u>
371,466	314,175	731,985
385,298	3,075,288	5,958,288
<u>\$ 756,764</u>	<u>\$ 3,389,463</u>	<u>\$ 6,690,273</u>

**TOWN OF HUNTINGTON**  
**FIDUCIARY FUND**  
**STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
Year ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>ASSETS</b>				
Cash	\$ 110,927,851	\$ 1,102,291,802	\$ 1,101,894,350	\$ 111,325,303
Other assets	277,772	161,189,439	160,774,335	692,876
Total Assets	<u>\$ 111,205,623</u>	<u>\$ 1,263,481,241</u>	<u>\$ 1,262,668,685</u>	<u>\$ 112,018,179</u>
<b>LIABILITIES</b>				
<b>Town Agency Fund</b>				
Agency fund liabilities	\$ 10,582,381	\$ 861,360,271	\$ 861,547,899	\$ 10,394,753
Total Liabilities - Town Agency Fund	<u>10,582,381</u>	<u>861,360,271</u>	<u>861,547,899</u>	<u>10,394,753</u>
<b>Town Receiver of Taxes Agency Fund</b>				
Due to school districts	50,311,621	670,175,795	669,675,703	50,811,713
Due to other governments	50,311,621	194,331,535	193,831,443	50,811,713
Total Liabilities - Town Receiver Agency Fund	<u>100,623,242</u>	<u>864,507,330</u>	<u>863,507,146</u>	<u>101,623,426</u>
Total Liabilities	<u>\$ 111,205,623</u>	<u>\$ 1,725,867,601</u>	<u>\$ 1,725,055,045</u>	<u>\$ 112,018,179</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, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 4,649,809	\$ 4,649,809	\$ 4,649,809	\$ -
Total Real Property Taxes	4,649,809	4,649,809	4,649,809	-
<b>OTHER REAL PROPERTY TAXES</b>				
Payment in lieu of taxes	1,200	1,200	3,495	\$ 2,295
Interest and penalties on taxes	2,000	2,000	180	(1,820)
Total Other Real Property Taxes	3,200	3,200	3,675	475
<b>DEPARTMENTAL INCOME</b>				
Building fees	3,250,000	3,250,000	3,328,997	78,997
Zoning board fees	100,000	100,000	116,843	16,843
Planning fees	110,000	110,000	153,631	43,631
Other fees	244,500	244,500	290,203	45,703
Total Departmental Income	3,704,500	3,704,500	3,889,674	185,174
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	43,000	43,000	23,431	(19,569)
Total Use of Money and Property	43,000	43,000	23,431	(19,569)
<b>LICENSES AND PERMITS</b>				
Building permits	1,045,000	973,600	744,144	(229,456)
Total Licenses and Permits	1,045,000	973,600	744,144	(229,456)
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Insurance recoveries	-	-	6,183	6,183
Total Sale of Property and Compensation for Loss	-	-	6,183	6,183
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous revenue	170,000	62,860	110,939	48,079
Total Miscellaneous Local Sources	170,000	62,860	110,939	48,079
<b>STATE AID</b>				
State Aid - State Emergency Management Office	30,316	35,131	38,869	3,738
Total State Aid	30,316	35,131	38,869	3,738
<b>FEDERAL AID</b>				
Federal Aid - Federal Emergency Management Assistance	-	91,487	99,406	7,919
Total Federal Aid	-	91,487	99,406	7,919
Total Revenues	\$ 9,645,825	\$ 9,563,587	\$ 9,566,130	\$ 2,543

(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, 2012

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>GENERAL GOVERNMENT SUPPORT</b>					
Government Support Administration	\$ 1,942,223	\$ 2,055,938	\$ 2,053,981	\$ -	\$ 1,957
Insurance	52,590	35,814	35,813	-	\$ 1
Other government support	6,000	6,208	2,042	-	4,166
Total General Government Support	<u>2,000,813</u>	<u>2,097,960</u>	<u>2,091,836</u>	<u>-</u>	<u>6,124</u>
<b>PUBLIC SAFETY</b>					
Traffic control	615,903	854,239	801,160	50,428	2,651
Safety inspection	1,325,963	1,452,740	1,449,893	1,801	1,046
Total Public Safety	<u>1,941,866</u>	<u>2,306,979</u>	<u>2,251,053</u>	<u>52,229</u>	<u>3,697</u>
<b>HEALTH</b>					
Registrar of vital statistics	232,040	240,584	240,208	-	376
Total Health	<u>232,040</u>	<u>240,584</u>	<u>240,208</u>	<u>-</u>	<u>376</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Zoning	163,449	177,305	170,594	377	6,334
Planning	1,868,666	1,777,586	1,764,106	1,500	11,980
Joint planning board	128,949	125,767	123,599	-	2,168
Beautification	21,598	4,675	3,323	-	1,352
Conservation	16,199	16,316	16,316	-	-
Total Home and Community Services	<u>2,198,861</u>	<u>2,101,649</u>	<u>2,077,938</u>	<u>1,877</u>	<u>21,834</u>
<b>EMPLOYEE BENEFITS</b>					
State employee retirement system	518,849	687,286	1,083,545	-	(396,259)
Social security	28,500	13,233	13,233	-	-
Workers Compensation	118,023	347,704	347,704	-	-
Life insurance	13,000	6,595	6,595	-	-
Unemployment insurance	7,000	7,000	3,318	-	3,682
Disability benefits	20,000	10,251	10,252	-	(1)
Hospital, medical and dental	2,243,000	1,795,487	1,791,329	-	4,158
Union welfare benefits	147,000	137,304	137,304	-	-
Other employee benefits	203,000	174,981	174,301	-	680
Total Employee Benefits	<u>3,298,372</u>	<u>3,179,841</u>	<u>3,567,581</u>	<u>-</u>	<u>(387,740)</u>
Total Expenditures	<u>9,671,952</u>	<u>9,927,013</u>	<u>10,228,616</u>	<u>54,106</u>	<u>(355,709)</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	(26,127)	(363,426)	(662,486)	(54,106)	(353,166)
<b>Other Financing Uses</b>					
Amortization of retirement system contributi	-	-	396,259	-	(396,259)
Transfers out	(117,873)	(117,873)	(117,873)	-	-
Total Other Financing Uses	<u>(117,873)</u>	<u>(117,873)</u>	<u>278,386</u>	<u>-</u>	<u>(396,259)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (144,000)</u>	<u>\$ (481,299)</u>	<u>(384,100)</u>	<u>\$ (54,106)</u>	<u>\$ (749,425)</u>
<b>Fund Balance at Beginning of Year</b>			<u>2,107,271</u>		
Fund Balance at End of Year			<u>\$ 1,723,171</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, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 186,500	\$ 186,500	\$ 186,500	\$ -
Total Real Property Taxes	186,500	186,500	186,500	-
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Interest and penalties on taxes	25	25	4	\$ (21)
Total Other Real Property Tax Items	25	25	4	(21)
Total Revenues	186,525	186,525	186,504	(21)
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>HOME AND COMMUNITY SERVICES</b>				
Contractual expenditures	186,525	186,525	186,500	25
Total Home and Community Services	186,525	186,525	186,500	25
Total Expenditures	186,525	186,525	186,500	25
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	4	<u>\$ 4</u>
<b>Fund Balance at Beginning of Year</b>			<u>                    </u>	
Fund Balance at End of Year			<u>\$ 4</u>	

**TOWN OF HUNTINGTON**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FIRE PROTECTION DISTRICT FUND  
For the Year ended December 31, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,482,472	\$ 1,482,472	\$ 1,482,472	\$ -
Total Real Property Taxes	1,482,472	1,482,472	1,482,472	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	29	\$ 29
Total Other Real Property Tax Items	-	-	29	29
USE OF MONEY AND PROPERTY				
Interest and earnings	1,000	1,000	714	(286)
Total Use of Money and Property	1,000	1,000	714	(286)
Total Revenues	1,483,472	1,483,472	1,483,215	(257)
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Insurance	-	1,717	1,717	-
Other government support	90,553	90,553	90,553	-
Total General Government Support	90,553	92,270	92,270	-
PUBLIC SAFETY				
Fire protection	1,392,919	1,391,202	1,390,224	978
Total Public Safety	1,392,919	1,391,202	1,390,224	978
Total Expenditures	1,483,472	1,483,472	1,482,494	978
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	721	<b>\$ 721</b>
<b>Fund Balance at Beginning of Year</b>			65,169	
Fund Balance at End of Year			<u>\$ 65,890</u>	

**TOWN OF HUNTINGTON**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STREET LIGHTING DISTRICT FUND  
For the Year ended December 31, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 3,782,502	\$ 3,782,502	\$ 3,782,502	\$ -
Total Real Property Taxes	3,782,502	3,782,502	3,782,502	-
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	1,000	1,000	2,676	\$ 1,676
Interest and penalties on taxes	-	-	74	74
Total Other Real Property Tax Items	1,000	1,000	2,750	1,750
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	19,500	19,500	17,279	(2,221)
Total Use of Money and Property	19,500	19,500	17,279	(2,221)
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous	12,000	1,240	10,013	8,773
Total Miscellaneous Local Sources	12,000	1,240	10,013	8,773
<b>STATE AID</b>				
State Aid - State Emergency Management Office	-	3,593	6,138	2,545
Total State Aid	-	3,593	6,138	2,545
<b>FEDERAL AID</b>				
Federal Aid - Federal Emergency Management Assistance	-	68,266	67,890	(376)
Total Federal Aid	-	68,266	67,890	(376)
Total Revenues	\$ 3,815,002	\$ 3,876,101	\$ 3,886,572	\$ 10,471

(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, 2012

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
<b>EXPENDITURES</b>					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 4,330	\$ 6,398	\$ 6,398	\$ -	\$ -
Other government support	478,448	478,892	478,246	444	202
Total General Government Support	<u>482,778</u>	<u>485,290</u>	<u>484,644</u>	<u>444</u>	<u>202</u>
TRANSPORTATION					
Lighting	2,927,506	3,139,391	2,976,001	93,629	69,761
Total Transportation	<u>2,927,506</u>	<u>3,139,391</u>	<u>2,976,001</u>	<u>93,629</u>	<u>69,761</u>
EMPLOYEE BENEFITS					
State employee retirement system	63,670	78,010	122,998	-	(44,988)
Social security	7,250	7,250	395	-	6,855
Workers Compensation	195	5,364	5,364	-	-
Life insurance	300	300	149	-	151
Unemployment insurance	5,000	5,000	-	-	5,000
Disability insurance	1,000	1,000	114	-	886
Hospital, medical and dental	229,465	220,380	205,876	-	14,504
Union welfare benefits	2,000	2,000	1,837	-	163
Other employee benefits	76,500	72,651	13,855	-	58,796
Total Employee Benefits	<u>385,380</u>	<u>391,955</u>	<u>350,588</u>	<u>-</u>	<u>41,367</u>
Total Expenditures	<u>3,795,664</u>	<u>4,016,636</u>	<u>3,811,233</u>	<u>94,073</u>	<u>111,330</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>					
	<u>19,338</u>	<u>(140,535)</u>	<u>75,339</u>	<u>(94,073)</u>	<u>121,801</u>
<b>Other Financing Sources (Uses)</b>					
Amortization of retirement system contribution			44,988		44,988
Transfers out	(19,338)	(49,338)	(49,337)	-	1
Total Other Financing (Uses)	<u>(19,338)</u>	<u>(49,338)</u>	<u>(4,349)</u>	<u>-</u>	<u>44,989</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (189,873)</u>	70,990	<u>\$ (94,073)</u>	<u>\$ 166,790</u>
<b>Fund Balance at Beginning of Year</b>			<u>2,380,328</u>		
Fund Balance at End of Year			<u>\$ 2,451,318</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, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 2,780,335	\$ 2,780,335	\$ 2,780,335	\$ -
Total Real Property Taxes	<u>2,780,335</u>	<u>2,780,335</u>	<u>2,780,335</u>	<u>-</u>
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	1,900	1,900	1,994	\$ 94
Interest and penalties on taxes	350	350	55	(295)
Total Other Real Property Tax Items	<u>2,250</u>	<u>2,250</u>	<u>2,049</u>	<u>(201)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	2,500	2,500	2,402	(98)
Total Use of Money and Property	<u>2,500</u>	<u>2,500</u>	<u>2,402</u>	<u>(98)</u>
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous	46,300	46,300	44,809	(1,491)
Total Miscellaneous Local Sources	<u>46,300</u>	<u>46,300</u>	<u>44,809</u>	<u>(1,491)</u>
Total Revenues	<u>2,831,385</u>	<u>2,831,385</u>	<u>2,829,595</u>	<u>(1,790)</u>
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
<b>GENERAL GOVERNMENT SUPPORT</b>				
Other government support	177,465	177,465	177,465	-
Total General Government Support	<u>177,465</u>	<u>177,465</u>	<u>177,465</u>	<u>-</u>
<b>HEALTH</b>				
Ambulance	2,251,920	2,251,920	2,251,920	-
Total Health	<u>2,251,920</u>	<u>2,251,920</u>	<u>2,251,920</u>	<u>-</u>
<b>EMPLOYEE BENEFITS</b>				
State employee retirement system	402,000	427,889	425,577	2,312
Total Employee Benefits	<u>402,000</u>	<u>427,889</u>	<u>425,577</u>	<u>2,312</u>
Total Expenditures	<u>2,831,385</u>	<u>2,857,274</u>	<u>2,854,962</u>	<u>2,312</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	-	(25,889)	(25,367)	522
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (25,889.00)</u>	<u>(25,367)</u>	<u>\$ 522</u>
<b>Fund Balance at Beginning of Year</b>			<u>52,205</u>	
Fund Balance at End of Year			<u>\$ 26,838</u>	

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**TOWN OF HUNTINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEWER DISTRICTS FUND**  
For the Year ended December 31, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 4,687,148	\$ 4,687,148	\$ 4,687,148	\$ -
Total Real Property Taxes	4,687,148	4,687,148	4,687,148	-
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Payment in lieu of taxes	22,000	22,000	29,560	7,560
Interest and penalties on taxes	500	500	92	(408)
Total Other Real Property Tax Items	22,500	22,500	29,652	7,152
<b>NON-PROPERTY TAX ITEMS</b>				
Local government assistance	144,701	144,701	144,701	-
Total Non-Property Tax Items	144,701	144,701	144,701	-
<b>DEPARTMENTAL INCOME</b>				
Sewer charges	961,718	1,320,529	1,485,598	165,069
Total Departmental Income	961,718	1,320,529	1,485,598	165,069
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	19,500	19,500	14,841	(4,659)
Total Use of Money and Property	19,500	19,500	14,841	(4,659)
<b>SALE OF PROPERTY/COMPENSATION FOR LOSS</b>				
Insurance Recoveries	-	-	12,142	12,142
Total Sale of Property/Compensation for Loss	-	-	12,142	12,142
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous	38,500	6,450	12,071	5,621
Total Miscellaneous Local Sources	38,500	6,450	12,071	5,621
<b>STATE AID</b>				
State Aid - State Emergency Management Office	-	3,059	9,443	6,384
Total State Aid	-	3,059	9,443	6,384
<b>FEDERAL AID</b>				
Federal Aid - Federal Emergency Management Assistance	-	58,121	63,828	5,707
Total Federal Aid	-	58,121	63,828	5,707
Total Revenues	\$ 5,874,067	\$ 6,262,008	\$ 6,459,424	\$ 197,416

(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, 2012

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
<b>EXPENDITURES</b>					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 13,000	\$ 13,311	\$ 13,311	\$ -	\$ -
Other government support	897,297	877,472	896,223	-	(18,751)
Total General Government Support	<u>910,297</u>	<u>890,783</u>	<u>909,534</u>	<u>-</u>	<u>(18,751)</u>
HOME AND COMMUNITY SERVICES					
Sewer	3,200,657	3,496,780	3,368,089	11,865	116,826
Total Home and Community Services	<u>3,200,657</u>	<u>3,496,780</u>	<u>3,368,089</u>	<u>11,865</u>	<u>116,826</u>
EMPLOYEE BENEFITS					
State employee retirement system	154,113	206,200	325,074	-	(118,874)
Social security	16,887	5,419	595	-	4,824
Workers Compensation	16,667	237,000	237,000	-	-
Life insurance	1,000	1,000	-	-	1,000
Unemployment insurance	12,000	12,000	-	-	12,000
Disability benefits	1,000	1,000	-	-	1,000
Hospital, medical and dental	608,540	537,102	527,236	-	9,866
Union welfare benefits	-	-	-	-	-
Other employee benefits	118,500	61,500	34,403	-	27,097
Total Employee Benefits	<u>928,707</u>	<u>1,061,221</u>	<u>1,124,308</u>	<u>-</u>	<u>(63,087)</u>
Total Current	<u>5,039,661</u>	<u>5,448,784</u>	<u>5,401,931</u>	<u>11,865</u>	<u>34,988</u>
Total Expenditures	<u>5,039,661</u>	<u>5,448,784</u>	<u>5,401,931</u>	<u>11,865</u>	<u>34,988</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<u>834,406</u>	<u>813,224</u>	<u>1,057,493</u>	<u>(11,865)</u>	<u>232,404</u>
<b>Other Financing Sources (Uses)</b>					
Amortization of retirement system contribution			118,874		(118,874)
Transfers out	(834,406)	(834,406)	(804,901)	-	29,505
Total Other Financing Sources (Uses)	<u>(834,406)</u>	<u>(834,406)</u>	<u>(686,027)</u>	<u>-</u>	<u>(89,369)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (21,182)</u>	371,466	<u>\$ (11,865)</u>	<u>\$ 143,035</u>
<b>Fund Balance at Beginning of Year</b>			<u>385,298</u>		
Fund Balance at End of Year			<u>\$ 756,764</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, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>REAL PROPERTY TAXES</b>				
Ad valorem taxes	\$ 3,199,539	\$ 3,199,539	\$ 3,199,539	\$ -
Total Real Property Taxes	<u>3,199,539</u>	<u>3,199,539</u>	<u>3,199,539</u>	<u>-</u>
<b>OTHER REAL PROPERTY TAX ITEMS</b>				
Interest and penalties on taxes	-	-	67	67
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>67</u>	<u>67</u>
<b>DEPARTMENTAL INCOME</b>				
Metered water sales	1,600,000	1,600,000	1,675,404	75,404
Water rental arrears	100,000	100,000	193,592	93,592
Total Departmental Income	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,868,996</u>	<u>168,996</u>
<b>USE OF MONEY AND PROPERTY</b>				
Interest and earnings	22,000	22,000	17,912	(4,088)
Other general departmental income				
Tower rental	243,372	243,372	245,497	2,125
Total Use of Money and Property	<u>265,372</u>	<u>265,372</u>	<u>263,409</u>	<u>(1,963)</u>
<b>MISCELLANEOUS LOCAL SOURCES</b>				
Miscellaneous	22,800	2,100	4,146	2,046
Total Miscellaneous Local Sources	<u>22,800</u>	<u>2,100</u>	<u>4,146</u>	<u>2,046</u>
<b>STATE AID</b>				
State Aid - State emergency management Assistance	-	1,094	5,195	4,101
Total State Aid	<u>-</u>	<u>1,094</u>	<u>5,195</u>	<u>4,101</u>
<b>FEDERAL AID</b>				
Federal Aid - federal emergency management Assistance	-	20,794	22,393	1,599
Total Federal Aid	<u>-</u>	<u>20,794</u>	<u>22,393</u>	<u>1,599</u>
Total Revenues	<u>\$ 5,187,711</u>	<u>\$ 5,188,899</u>	<u>\$ 5,363,745</u>	<u>\$ 174,846</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, 2012

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
<b>GENERAL GOVERNMENT SUPPORT</b>					
Insurance	\$ 8,655	\$ 10,095	\$ 10,095	\$ -	\$ -
Other government support	674,549	685,108	672,525	-	12,583
Total General Government Support	<u>683,204</u>	<u>695,203</u>	<u>682,620</u>	<u>-</u>	<u>12,583</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Water	2,932,892	3,141,135	2,892,233	99,519	149,383
Total Home and Community Services	<u>2,932,892</u>	<u>3,141,135</u>	<u>2,892,233</u>	<u>99,519</u>	<u>149,383</u>
<b>EMPLOYEE BENEFITS</b>					
State employee retirement system	102,742	137,923	217,472	-	(79,549)
Social security	12,000	12,000	230	-	11,770
Worker's Compensation	60,021	60,021	4,272	-	55,749
Life insurance	300	300	170	-	130
Unemployment benefits	5,000	5,000	-	-	5,000
Disability benefits	500	500	195	-	305
Hospital, medical and dental	405,000	389,938	382,347	-	7,591
Union welfare benefits	4,000	4,000	3,215	-	785
Other employee benefits	99,000	34,000	18,851	-	15,149
Total Employee Benefits	<u>688,563</u>	<u>643,682</u>	<u>626,752</u>	<u>-</u>	<u>16,930</u>
Total Expenditures	<u>4,304,659</u>	<u>4,480,020</u>	<u>4,201,605</u>	<u>99,519</u>	<u>178,896</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>					
	883,052	708,879	1,162,140	(99,519)	353,742
<b>Other Financing Sources (Uses)</b>					
Amortization of retirement system contribution		-	79,549		(79,549)
Transfers out	(913,052)	(963,052)	(927,514)	-	35,538
Total Other Financing Sources (Uses)	<u>(913,052)</u>	<u>(963,052)</u>	<u>(847,965)</u>	<u>-</u>	<u>115,087</u>
<b>Net Change in Fund Balance</b>	<u>\$ (30,000)</u>	<u>\$ (254,173)</u>	314,175	<u>\$ (99,519)</u>	<u>\$ 468,829</u>
<b>Fund Balance at Beginning of Year</b>			<u>3,075,288</u>		
Fund Balance at End of Year			<u>\$ 3,389,463</u>		

**TOWN OF HUNTINGTON**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year ended December 31, 2012

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
USE OF MONEY AND PROPERTY				
Interest and earnings	\$ -	\$ -	\$ -	\$ -
Total Use of Money and Property	-	-	-	-
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Fiscal advisor fees	-	-	-	-
Total General Government Support	-	-	-	-
Total Current	-	-	-	-
DEBT SERVICE				
Principal	-	10,654,322	10,654,322	-
Interest	-	3,264,924	3,264,924	-
Total Debt Service	-	13,919,246	13,919,246	-
Total Expenditures	-	13,919,246	13,919,246	-
<b>(Deficiency) of Revenues</b>				
<b>(Under) Expenditures</b>	-	(13,919,246)	(13,919,246)	-
<b>Other Financing Sources</b>				
Transfers In	-	13,919,246	13,919,246	-
Refunding bonds issued	-	15,481,635	15,481,635	-
Payments to refunded bond escrow agent	-	(15,481,635)	(15,481,635)	-
Total Other Financing Sources	-	13,919,246	13,919,246	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>			-	
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, 2012

	South Huntington Water District	Greenlawn Water District	Totals
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 11,500,390	\$ 6,335,623	\$ 17,836,013
Accounts receivable, net	925,954	530,238	1,456,192
Due from federal, state and other governments	64,961	-	64,961
Inventory of materials and supplies	127,871	247,036	374,907
Prepays	113,402	45,340	158,742
Total Current Assets	<u>12,732,578</u>	<u>7,158,237</u>	<u>19,890,815</u>
<b>Non-Current Assets</b>			
Non-depreciable capital assets	3,418,607	844,956	4,263,563
Depreciable capital assets, net of depreciation	37,097,863	16,206,335	53,304,198
Total Non-Current Assets	<u>40,516,470</u>	<u>17,051,291</u>	<u>57,567,761</u>
<b>Deferred Outflow of Resources</b>			
Deferred charges, net of accumulated amortization	358,087	-	358,087
Total Deferred Outflow of Resources	<u>358,087</u>	<u>-</u>	<u>358,087</u>
Total Assets	<u>53,607,135</u>	<u>24,209,528</u>	<u>77,816,663</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	1,057,221	330,612	1,387,833
Accrued liabilities	370,877	16,608	387,485
Accrued interest payable	162,117	16,483	178,600
Non-current liabilities due within one year	1,871,737	386,036	2,257,773
Total Current Liabilities	<u>3,461,952</u>	<u>749,739</u>	<u>4,211,691</u>
<b>Non-Current Liabilities</b>			
Due in more than one year	20,524,424	3,352,799	23,877,223
Total Non-Current Liabilities	<u>20,524,424</u>	<u>3,352,799</u>	<u>23,877,223</u>
Total Liabilities	<u>23,986,376</u>	<u>4,102,538</u>	<u>28,088,914</u>
<b>Deferred Inflow of Resources</b>			
Deferred gain on old outstanding debt	211,429	-	211,429
Total Deferred inflow of Resources	<u>211,429</u>	<u>-</u>	<u>211,429</u>
<b>NET POSITION</b>			
Investment in capital assets, net of related debt	25,498,357	15,042,014	40,540,371
Nonspendable Fund Balance			
Restricted for:			
Capital Projects	2,626,565	316,247	2,942,812
Unrestricted	1,284,408	4,748,729	6,033,137
Total Net Position	<u>29,409,330</u>	<u>20,106,990</u>	<u>49,516,320</u>
Total Liabilities and Net Position	<u>\$ 53,607,135</u>	<u>\$ 24,209,528</u>	<u>\$ 77,816,663</u>

**TOWN OF HUNTINGTON**  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
For the Year ended December 31, 2012

	South Huntington Water District	Greenlawn Water District	Totals
<b>REVENUES</b>			
Charges for services	\$ 3,767,409	\$ 2,555,323	\$ 6,322,732
Real property taxes	3,699,776	2,302,500	6,002,276
Interest and investment income	434,743	38,606	473,349
Miscellaneous	839,829	109,673	949,502
Total Revenues	<u>8,741,757</u>	<u>5,006,102</u>	<u>13,747,859</u>
<b>EXPENDITURES</b>			
Current:			
Home and community services	7,257,975	5,449,068	12,707,043
Total Expenditures	<u>7,257,975</u>	<u>5,449,068</u>	<u>12,707,043</u>
Changes in Net Position	1,483,782	(442,966)	1,040,816
<b>Net Position at Beginning of Year</b>	<u>27,925,548</u>	<u>20,549,956</u>	<u>48,475,504</u>
Net Position at End of Year	<u>\$ 29,409,330</u>	<u>\$ 20,106,990</u>	<u>\$ 49,516,320</u>

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## STATISTICAL SECTION

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

	<u>Page</u>
<b>Financial Trends</b> These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.	117-124
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	125-130
<b>Debt Capacity</b> 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.	131-134
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the Reader understand the environment within which the government's Financial activities take place.	135-136
<b>Operating Information</b> 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.	137-142

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

<u>Year Ended December 31,</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Primary government				
Governmental activities				
Net Assets				
Invested in capital assets, net of related debt	\$ 245,737,404	\$ 245,685,682	\$ 242,979,302	\$ 223,896,536
Restricted	15,237,323	16,229,038	22,238,564	31,253,835
Unrestricted	<u>(26,378,032)</u>	<u>(22,650,385)</u>	<u>(18,948,323)</u>	<u>(11,169,761)</u>
Total primary governmental net position	<u>234,596,695</u>	<u>239,264,335</u>	<u>246,269,543</u>	<u>243,980,610</u>

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 206,681,526	\$ 196,497,063	\$ 176,353,725	\$ 162,352,975
28,468,496	35,100,108	29,249,213	25,303,973
13,048,556	18,812,542	29,542,899	25,817,346
<u>\$ 248,198,578</u>	<u>\$ 250,409,713</u>	<u>\$ 235,145,837</u>	<u>\$ 213,474,294</u>

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

Year Ended December 31,	2012	2011	2010
<b>Expenses</b>			
Governmental activities:			
General government support	\$ 41,391,051	\$ 39,036,309	\$ 39,790,531
Public safety	13,800,053	12,123,722	11,476,179
Health	3,302,681	3,052,675	3,222,943
Transportation	59,810,512	50,963,397	42,082,298
Economic assistance and opportunity	3,394,231	3,335,597	3,319,996
Culture and recreation	20,374,655	18,824,298	18,219,053
Home and community service	40,672,616	46,382,915	52,609,247
Interest on long-term debt	3,193,082	3,903,598	4,025,756
Total governmental activities expenses	<u>185,938,882</u>	<u>177,622,512</u>	<u>174,746,002</u>
Total primary government expenses	<u>\$ 185,938,882</u>	<u>\$ 177,622,512</u>	<u>\$ 174,746,002</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government support	\$ 4,428,836	\$ 8,177,246	\$ 5,149,354
Public safety	1,317,625	1,230,831	1,148,705
Health	208,700	210,970	203,810
Transportation	462,488	736,177	500,861
Economic assistance and opportunity	309,956	276,643	259,887
Culture and recreation	8,205,323	7,620,757	7,222,427
Home and community service	14,700,673	18,212,053	18,518,355
Operating grants and contributions	21,469,143	8,869,297	6,159,015
Capital grants and contributions	1,407,987	8,009,856	8,076,450
Total governmental activities program revenues	<u>52,510,731</u>	<u>53,343,830</u>	<u>47,238,864</u>
Total primary government program revenues	<u>\$ 52,510,731</u>	<u>\$ 53,343,830</u>	<u>\$ 47,238,864</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	<u>\$ (133,428,151)</u>	<u>\$ (124,278,682)</u>	<u>\$ (127,507,138)</u>
Total primary government net expense	<u>\$ (133,428,151)</u>	<u>\$ (124,278,682)</u>	<u>\$ (127,507,138)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities			
Real property taxes	\$ 113,181,079	\$ 107,674,455	\$ 108,462,698
Mortgage tax	6,742,019	6,678,915	6,948,509
Refunded Debt			99,571
Other taxes	390,204	484,626	442,311
Unrestricted grants and contributions	-	9,176	26,126
Interest earnings	2,014,266	949,519	1,464,479
State aid-unrestricted	1,067,256	1,067,256	1,089,037
Special Item	3,948,106		(979,724)
Miscellaneous		5,705,282	6,474,156
Total governmental activities	<u>127,342,930</u>	<u>122,569,229</u>	<u>124,027,163</u>
Total primary government	<u>\$ 127,342,930</u>	<u>\$ 122,569,229</u>	<u>\$ 124,027,163</u>
<b>Change in Net Assets</b>			
Governmental Activities	<u>\$ (6,085,221)</u>	<u>\$ (1,709,453)</u>	<u>\$ (3,479,975)</u>
Total primary government	<u>\$ (6,085,221)</u>	<u>\$ (1,709,453)</u>	<u>\$ (3,479,975)</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>	<u>2005</u>
\$ 38,857,392	\$ 38,494,761	\$ 37,510,058	\$ 29,032,433	\$ 25,749,083
11,038,050	11,066,396	10,827,569	8,977,952	7,261,650
3,148,777	3,003,556	2,957,496	3,704,774	2,750,317
39,357,751	38,092,747	35,401,854	31,821,414	33,141,746
2,977,427	2,850,847	2,720,148	2,482,726	2,433,841
18,292,698	18,226,501	16,454,187	18,543,175	18,152,031
53,781,830	49,874,168	55,433,797	49,478,528	56,314,042
3,717,197	3,900,344	3,795,661	3,662,193	3,693,437
<u>171,171,122</u>	<u>165,509,320</u>	<u>165,100,770</u>	<u>147,703,195</u>	<u>149,496,147</u>
<u>\$ 171,171,122</u>	<u>\$ 165,509,320</u>	<u>\$ 165,100,770</u>	<u>\$ 147,703,195</u>	<u>\$ 149,496,147</u>
\$ 4,313,478	\$ 4,390,671	\$ 4,460,228	\$ 4,767,764	\$ 5,308,062
1,169,492	1,121,825	1,251,949	1,261,930	864,919
193,270	203,200	219,040	201,090	185,680
690,742	490,646	361,563	337,082	365,648
276,579	329,830	304,113	260,312	249,661
7,202,512	7,105,367	7,107,158	6,850,466	6,710,947
19,722,791	19,793,208	18,979,836	17,959,144	19,742,420
4,427,799	5,355,625	4,797,541	4,375,487	4,705,274
3,121,355	337,856	8,949,883	973,950	
<u>41,118,018</u>	<u>39,128,228</u>	<u>46,431,311</u>	<u>36,987,225</u>	<u>38,132,611</u>
<u>\$ 41,118,018</u>	<u>\$ 39,128,228</u>	<u>\$ 46,431,311</u>	<u>\$ 36,987,225</u>	<u>\$ 38,132,611</u>
\$ (130,053,104)	\$ (126,381,092)	\$ (118,669,459)	\$ (110,715,970)	\$ (111,363,536)
<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>	<u>\$ (110,715,970)</u>	<u>\$ (111,363,536)</u>
\$ 108,148,199	\$ 104,553,579	\$ 104,268,372	\$ 102,076,056	\$ 99,760,934
310,923	8,440,815	15,242,969	17,244,476	19,465,088
8,493,498				
12,975	462,913	508,273	562,643	437,805
2,462,846	35,815	36,869	28,622	1,437
1,159,105	4,790,462	7,741,662	7,132,133	4,012,657
5,089,592	1,201,356	1,247,213	1,157,444	910,743
	4,843,015	4,887,977	4,186,139	4,622,937
<u>125,677,138</u>	<u>124,327,955</u>	<u>133,933,335</u>	<u>132,387,513</u>	<u>129,211,601</u>
<u>\$ 125,677,138</u>	<u>\$ 124,327,955</u>	<u>\$ 133,933,335</u>	<u>\$ 132,387,513</u>	<u>\$ 129,211,601</u>
\$ (4,375,966)	\$ (2,053,137)	\$ 15,263,876	\$ 21,671,543	\$ 17,848,065
<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>	<u>\$ 15,263,876</u>	<u>\$ 21,671,543</u>	<u>\$ 17,848,065</u>

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

<u>Year Ended December 31,</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund				
Nonspendable	1,038,259	\$ 970,613	\$ 793,306	
Restricted	23,756,924	20,461,112	19,616,680	
Committed	2,640,211	3,018,000	5,237,708	
Reserved				\$ 7,121,674
Unassigned	11,435,795	11,221,787	7,663,441	39,728,891
Total General Fund	<u>\$ 38,871,189</u>	<u>\$ 35,671,512</u>	<u>\$ 33,311,135</u>	<u>\$ 46,850,565</u>
All other governmental funds				
Nonspendable	464,581	746,844	\$ 672,765	
Restricted	12,617,074	18,362,285	18,266,637	
Committed	16,913,749	17,170,751	24,344,963	
Reserved				\$ 17,120,920
Unassigned, reported in:				
Special Revenue Funds				19,281,358
Capital Projects funds				21,259,956
Total all other governmental funds	<u>\$ 29,995,404</u>	<u>\$ 36,279,880</u>	<u>\$ 43,284,365</u>	<u>\$ 57,662,234</u>

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 9,389,555	\$ 6,878,603	\$ 6,937,753	\$ 5,553,453
52,273,416	48,572,651	46,995,197	48,856,764
<u>\$ 61,662,971</u>	<u>\$ 55,451,254</u>	<u>\$ 53,932,950</u>	<u>\$ 54,410,217</u>

\$ 17,120,920	\$ 15,765,468	\$ 5,726,455	\$ 5,512,492
4,468,952	22,455,232	18,245,579	16,434,551
21,259,956	26,753,294	18,465,620	18,388,898
<u>\$ 42,849,828</u>	<u>\$ 64,973,994</u>	<u>\$ 42,437,654</u>	<u>\$ 40,335,941</u>

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

Year Ended December 31,	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Revenues</b>				
Real property taxes	\$ 109,054,601	\$ 107,552,908	\$ 108,375,068	\$ 108,050,206
Other real property tax items	360,204	334,396	362,430	302,597
Non-property taxes	3,962,886	3,885,051	3,732,931	3,418,102
Departmental income	34,801,298	35,902,822	36,371,423	37,091,352
Intergovernmental charges	232,158	235,671	212,017	230,523
Use of money and property	2,014,267	1,854,711	2,208,584	3,187,399
License and permits	1,594,776	1,754,907	1,550,543	1,588,318
Fines and forfeitures	760,548	646,834	655,849	748,601
Sale of property and compensation for loss	840,836	4,708,647	2,359,773	1,616,146
Miscellaneous and local sources	2,291,436	1,888,592	2,379,497	2,418,825
Interfund revenues	4,279,359	5,657,187	5,609,839	5,531,969
State aid	13,441,235	14,505,595	12,032,056	13,371,366
Federal aid	17,246,580	10,017,200	8,819,217	1,394,175
<b>Total Revenues</b>	<u>190,880,184</u>	<u>188,944,521</u>	<u>184,669,227</u>	<u>178,949,579</u>
<b>Expenditures</b>				
Current:				
General government support	30,090,454	30,374,952	31,541,339	31,324,727
Public safety	8,034,402	7,385,006	7,685,737	7,458,446
Health	3,136,480	3,086,042	3,097,626	3,043,546
Transportation	38,949,298	28,737,380	25,945,124	26,380,638
Economic assistance and opportunity	2,112,812	2,043,773	2,127,168	2,108,791
Culture and recreation	13,850,124	13,644,237	13,424,653	13,312,110
Home and community service	41,707,028	47,267,179	52,114,208	53,747,108
Employee benefits	34,421,468	30,302,386	28,084,741	24,303,462
Capital outlay	10,814,930	22,550,436	33,582,051	25,462,611
Debt Service:				
Principal	10,654,320	11,049,744	10,707,885	11,292,923
Interest	3,264,926	3,666,929	3,750,762	3,965,197
<b>Total Expenditures</b>	<u>197,036,242</u>	<u>200,108,064</u>	<u>212,061,294</u>	<u>202,399,559</u>
Excess of revenues over (under) expenditures	(6,156,058)	(11,163,543)	(27,392,067)	(23,449,980)
<b>Other financing sources (uses)</b>				
Amortization of retirement system contribution	3,905,184			
Bonds issued	7,600,000	6,380,000	11,160,000	11,443,000
Capital leases	18,987	139,431	15,752	313,082
Transfers in	14,841,544	17,660,108	20,443,890	28,859,469
Transfers out	(14,841,544)	(17,660,108)	(20,443,890)	(28,859,469)
Refunding bonds issued	15,481,635			
Premium on bonds issued	(15,481,635)			
Payments to refund bond escrow agent				
<b>Total other financing sources (uses)</b>	<u>11,524,171</u>	<u>6,519,431</u>	<u>11,175,752</u>	<u>11,756,082</u>
<b>Net change in fund balances</b>	<u>\$ 5,368,113</u>	<u>\$ (4,644,112)</u>	<u>\$ (16,216,315)</u>	<u>\$ (11,693,898)</u>
Debt service as a percentage of noncapital expenditures	8.64%	9.01%	9.21%	9.38%

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

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 104,482,088	\$ 104,268,372	\$ 102,076,056	\$ 99,760,934
342,356	363,569	337,132	293,105
3,219,166	2,977,294	2,684,496	2,607,474
37,932,147	37,550,785	37,291,254	38,233,441
198,017	182,185	349,191	184,947
5,457,339	8,387,194	7,661,795	4,432,647
1,412,228	1,447,023	1,421,451	1,668,268
676,093	755,113	710,146	454,641
1,747,098	1,761,072	707,995	1,030,197
1,235,762	1,003,358	1,309,444	1,479,274
5,573,344	5,826,953	5,419,337	8,918,045
13,277,833	29,785,313	22,256,489	21,577,180
2,763,613	2,124,246	1,806,370	2,377,250
<u>178,317,084</u>	<u>196,432,477</u>	<u>184,031,156</u>	<u>183,017,403</u>
30,989,879	30,845,576	30,471,034	31,683,885
7,066,827	7,091,650	6,710,902	6,170,010
2,890,720	2,829,372	2,808,167	2,657,621
24,702,035	23,725,720	22,460,334	23,555,508
2,071,199	1,902,587	1,936,096	1,890,491
12,574,292	12,717,401	12,776,569	12,360,638
55,486,780	54,935,602	52,060,539	54,824,903
24,581,780	23,398,787	21,467,337	23,113,747
23,117,859	22,138,606	26,283,625	20,677,779
10,962,502	10,434,124	11,203,370	10,712,578
3,964,601	3,848,293	3,724,456	3,718,941
<u>198,408,474</u>	<u>193,867,718</u>	<u>191,902,429</u>	<u>191,366,101</u>
(20,091,390)	2,564,759	(7,871,273)	(8,348,698)
10,900,000	14,565,000	14,935,000	10,495,000
157,544	46,282	101,006	114,022
20,050,066	24,072,181	24,458,333	26,678,218
(20,050,066)	(24,072,181)	(24,458,333)	(26,678,218)
		13,166	2,380
<u>11,057,544</u>	<u>14,611,282</u>	<u>15,049,172</u>	<u>10,611,402</u>
<u>\$ (9,033,846)</u>	<u>\$ 17,176,041</u>	<u>\$ 7,177,899</u>	<u>\$ 2,262,704</u>
9.54%	9.10%	10.03%	9.56%

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

<b>Year Ended December 31,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Vacant Property</b>	<b>Other</b>	<b>Less: Tax Exempt Real Property</b>
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
2003	257,266,727	50,534,545	3,887,938	71,555,294	49,881,231

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

<b>Total Net Assessed Value</b>	<b>Total Direct Tax Rate (a)</b>	<b>State Equalization Rate</b>	<b>Full Valuation</b>	<b>Assessed Value as a Percentage of Full Value</b>
\$ 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%
333,363,273	20.91	1.20%	\$ 27,780,272,750	1.38%

**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 <sup>1</sup>
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
2003	27,780,272,750	1.20%	333,363,273	91,145,199	20.91

Source: Town of Huntington Department of Information Technology

<sup>1</sup> Per \$100 of assessed value

Overlapping Rates

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County Tax Levy For Town	Total County Direct Rate <sup>1</sup>	School Levy	Total School Direct Rate <sup>1</sup>	Total Direct & Overlapping Rates
\$ 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
101,437,057	30.43	398,569,919	119.56	170.90

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

2012

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 37,239,550	11.23%
2	The Retail Property Trust	Real Estate	2,000,000	0.60%
3	Melville Industrial Associates	Office Building	922,000	0.28%
4	Huntington Quadrangle #1 Co.	Real Estate	850,000	0.26%
5	Reckson FS Limited Partnership	Commercial	801,465	0.24%
6	Verizon	Utility	779,487	0.24%
7	Tribune, LLC (Newsday)	Newspaper	551,000	0.17%
8	Avalon Bay Communities	Real Estate	532,400	0.16%
9	Estee Lauder	Cosmetics	494,750	0.15%
10	PD Long Island Hotel Associates LLC	Hotel	464,000	0.14%
Total			<u>\$ 44,634,652</u>	<u>13.47%</u>

2003

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (b)
1	Keyspan Energy Corp.	Utility	\$ 31,406,536	9.42%
2	LILCO/LIPA	Utility	4,575,477	1.37%
3	The Retail Property Trust	Real Estate	2,500,000	0.75%
4	Melville Industrial Associates	Office Buildings	1,305,000	0.39%
5	Verizon New York Inc.	Utility	1,274,410	0.38%
6	Greens @ Half Hollow LLC	Real Estate	1,077,335	0.32%
7	Reckson FS Limited Partnership	Commercial	787,000	0.24%
8	Estee Lauder Inc.	Cosmetic Manufacturer	709,750	0.21%
9	TMCT, LLC (Newsday)	Newspaper	688,000	0.21%
10	Grandview Hotel Limited	Hotel	666,000	0.20%
Total			<u>\$ 44,989,508</u>	<u>13.50%</u>

Source: Town of Huntington Department of Information Technology

(a) Total taxable assessed valuations per the Town's 2011 assessment roll for taxes levied in fiscal 2012 are \$331,665,948

(b) Total taxable assessed valuations per the Town's 2002 assessment roll for taxes levied in fiscal 2003 are \$333,363,273

**TOWN OF HUNTINGTON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

<b>Year Ended</b>	<b>Tax Levy</b>	<b>Total</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
<b>December 31,</b>	<b>For Town <sup>(a)</sup></b>	<b>Tax Levy <sup>(b)</sup></b>	<b>Collected <sup>(c)</sup></b>	<b>Collected for Town <sup>(d)</sup></b>	<b>Uncollected <sup>(c)</sup></b>	<b>Uncollected <sup>(d)</sup></b>
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%
2003	91,145,199	616,003,150	91,145,199	100.00%	-	0.00%
	<u>\$ 1,032,628,920</u>	<u>\$ 7,867,609,239</u>	<u>\$ 1,032,628,920</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**

<b>Year Ended</b>	<b>Governmental Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>
	<b>General Obligation Bonds</b>	<b>BANs</b>	<b>Capital Leases</b>			
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
2003	92,371,790	-0-	532,238	92,904,028	1.16%	470
2002	93,797,014	-0-	624,519	94,421,533	1.22%	480

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

<sup>1</sup> 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**

<b>Year Ended</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Full Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
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
2003	92,371,790	(2,790,637)	89,581,153	0.32%	453

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

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

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics

**TOWN OF HUNTINGTON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 December 31, 2012

<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>
<b>Direct:</b>			
Town of Huntington	\$ 90,017,918	100.00%	\$ 90,017,918
Component Units	22,522,082	100.00%	22,522,082
<b>Total direct Debt</b>			<u>112,540,000</u>
<b>Overlapping:</b>			
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
<b>Total overlapping debt</b>			<u>681,486,508</u>
<b>Total direct and overlapping debt</b>			<u>\$ 794,026,508</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, 2012

<u>Year Ended December 31,</u>	<u>Net Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
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
2008	\$ 338,964,210	0.77%	\$ 44,021,325,974
Total Five Year Full Valuation			\$ 205,222,427,332
Five Year Average Full Valuation of Taxable Real Property			\$ 41,044,485,466
Constitutional Debt Limit (7% of Average Full Valuation)			\$ 2,873,113,983
Outstanding Indebtedness at December 31st			\$ 112,540,000
Less: Water Bonds			22,522,082
Net Indebtedness Subject to Debt Limit			\$ 90,017,918
Net Debt Contracting Margin			\$ 2,783,096,065
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
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%
2003	1,514,072,841	109,637,230	24,055,493	85,581,737	1,428,491,104	94.35%

**TOWN OF HUNTINGTON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

<b>Year Ended December 31,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income (millions of dollars)</b>	<b>Per Capita Income<sup>3</sup></b>	<b>Unemployment Rate<sup>2</sup></b>	<b>Year-Round Households Estimate<sup>4</sup></b>	<b>Average Household Size Estimates<sup>4</sup></b>	<b>Population Density Per Square Mile<sup>4</sup></b>
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
2002	196,789	7,764	39,454	3.6%	67,708	2.92	2,166

Sources:

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

<sup>2</sup> Bureau of Economic Analysis/State Department of Labor

<sup>3</sup> Long Island Regional Planning Board

<sup>4</sup> Long Island Business News - Doing Business on Long Island/LIPA Survey

**TOWN OF HUNTINGTON**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR**

<b>2012</b>					
<b>Rank</b>	<b>Name</b>	<b>Headquarters</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>% of Total Town Employees</b>
1	Huntington Hospital	Huntington	Hospital	2,100	2.0%
2	Northport Veterans Affairs Medical Center	Northport	Healthcare	2,000	1.9%
3	Newsday	Melville	Newspaper	1,800	1.7%
4	Estee Lauder	Melville	Cosmetics	1,600	1.5%
5	Western Suffolk BOCES	Huntington	Education	1,200	1.2%
6	First Data	Melville	Credit Card Processing	1,000	1.0%
7	Marchon Eyewear	Melville	Healthcare	900	0.9%
8	Town of Huntington	Huntington	Government	900	0.9%
9	BAE	Greenlawn	Technology	750	0.7%
10	Henry Shein	Melville	Medical Supplies	700	0.7%

Source: Manta.com

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

	<u>Full-time Equivalent Employees as of December 31,</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>	<u>2003</u>
<b>Function</b>										
General government support	253	270	263	275	288	295	309	296	289	316
Public safety	78	82	79	78	80	84	80	77	75	84
Health	5	5	5	5	4	4	5	4	4	8
Transportation	218	230	230	230	235	237	230	227	234	246
Economic assistance and opportunity	27	28	30	26	29	33	29	27	28	32
Culture and recreation	149	167	160	145	136	150	158	159	158	167
Home and community services	142	150	157	163	178	173	181	169	170	176
<b>Total</b>	<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>	<u>1,029</u>

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**TOWN OF HUNTINGTON**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN YEARS**

<b>Year Ended December 31,</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Function</b>				
<b>Public Safety</b>				
Building				
Residential building permits issued	1,756	2,170	2,100	2,312
Commercial building permits issued	767	353	225	213
Building inspections	11,405	11,388	10,558	11,670
Fire Prevention				
Fire inspections*	1,225	1,203	1,835	3,820
<b>Transportation</b>				
Public Transportation				
Average daily ridership	870	869	880	912
Streetlighting				
Energy Efficient Streetlights	9,000			
Public Safety				
Parking violations	14,000	9,104	9,801	10,065
Accessory apartment permits		1,555	1,494	1,827
Highways and streets				
Street resurfacing (miles)	35	28	32	30
Number of trees planted	450	340	456	445
Number of trees removed	2,400	1,900	750	710
Energy Efficient Streetlights				
<b>Culture and Recreation</b>				
Beach permits issued	10,529	10,453	10,922	10,479
Rounds of golf	73,299	66,242	72,223	73,350
Recreation program registrations	11,109	10,906	10,818	15,116
<b>Home and Community Services</b>				
Sanitation				
Refuse collected (tons/day)	302.0	273.0	263.5	268.7
Recyclables collected (tons/yr)	35,520	39,528	40,518	40,542
Water				
Water main breaks	13	8	10	8
Average daily consumption (thousands of gallons)	5,496	5,512	6,504	4,648
Sewer Usage				
Average daily sewage treatment (millions of gallons)	2.5	2.5	2.4	2.1
Wastewater				
Average daily sewage treatment (thousands of gallons)	53	44	45	46

Source: Various government departments of the Town of Huntington

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
2,506	2,436	3,130	3,100	3,566	4,336
301	572	246	270	271	261
14,621	15,470	16,812	16,304	18,028	16,321
4,309	4,216	4,739	4,869	4,659	4,481
929	880	863	803	853	862
13,087	13,262	15,905	7,708	8,358	8,855
1,747	1,958	1,978	1,969	1,977	1,985
40	49	50	45	50	55
312	154	438	-0-	250	313
800	676	610	670	700	580
10,846	7,877	8,405	9,135	9,771	9,865
79,030	79,654	81,422	82,927	81,522	70,314
13,673	14,467	11,323	11,083	10,792	11,082
283.8	301.0	311.2	314.3	315.7	303.3
40,351	39,252	47,133	47,712	51,477	53,086
10	16	4	11	11	11
5,247	6,259	5,366	5,876	4,914	4,685
2.0	2.0	2.0	1.9	2.0	1.9
47	50	45	54	60	54

**TOWN OF HUNTINGTON**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN YEARS**

<b>Year Ended December 31,</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Function</b>				
<b>General Government</b>				
Municipal Building	1	1	1	1
<b>Public safety</b>				
Vehicles	37	37	38	45
<b>Transportation</b>				
Public Transportation				
Buses	24	24	20	20
Highways and streets				
Streets (miles)	802.0	802.0	802.0	802.0
Streetlighting				
Traffic signals	239	239	238	236
<b>Culture and recreation</b>				
Parks	40	40	40	40
Beaches	9	9	9	9
Boat launch ramps	5	5	5	5
Golf Courses	2	2	2	2
Ice Rinks	1	1	1	1
Marinas	3	3	3	3
Rifle Ranges	0	-0-	-0-	-0-
Rollerblading Parks	3	3	3	3
Skateboarding Parks	2	2	2	1
Swimming pools	1	1	1	1
<b>Home and Community Services</b>				
Sanitation				
Collection trucks	26	26	26	26
Resource Recovery Plants	1	1	1	1
Maximum daily capacity (tons burned per day)	750	750	750	750
Water				
Fire hydrants	1285	1,284	1,284	1,284
Water mains (miles)	169	169	169	169
Maximum daily capacity (millions of gallons)	33.3	33.3	33.3	33.3
Sewer				
Sanitary sewers (miles)	26	26.0	26.0	26.0
Maximum daily treatment capacity (millions of gallons)	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>	<u>2003</u>
1	1	1	1	1	1
42	42	41	40	40	36
21	23	23	23	23	23
796.7	796.7	796.7	796.7	796.7	796.7
233	234	223	219	215	210
40	40	40	40	40	40
9	9	9	9	9	9
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	3
-0-	-0-	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
25	26	26	27	27	27
1	1	1	1	1	1
750	750	750	750	750	750
1,284	1,284	1,284	1,284	1,284	1,284
169	169	169	169	169	169
33.3	33.3	33.3	33.3	33.3	29.3
26.0	26.0	26.0	26.0	26.0	26.0
2.5	2.5	2.5	2.5	2.5	2.5