



Crab Meadow Beach

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2010

Town Board

Frank P. Petrone, Supervisor

Mark A. Cuthbertson, Councilman

Susan A. Berland, Councilwoman

Glenda A. Jackson, Councilwoman

Mark Mayoka, Councilman



Town of Huntington, New York
Comprehensive Annual Financial Report
Year Ended December 31, 2010

Prepared by:
Department of Audit & Control

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TOWN OF HUNTINGTON
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**INTRODUCTORY
SECTION**



Town of Huntington

Long Island, New York

FRANK P. PETRONE
Supervisor

June 29, 2011

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

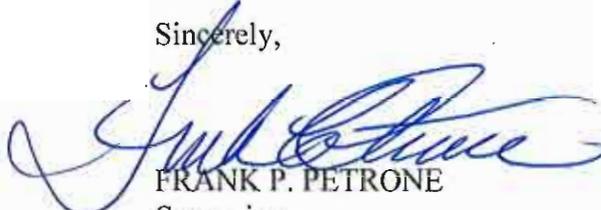
I am pleased to present the Comprehensive Annual Financial Report of the Town of Huntington, New York for the year ended December 31, 2010. The financial statements have been audited by the accounting firm selected by the Town Board, Israeloff, Trattner & Co., P.C. The independent auditors' unqualified opinion is included in this report.

In each of the past twelve 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, 2010 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 2010 presented many challenges, however, through sound fiscal management, operating results were better than anticipated. We will continue to monitor the Town's 2011 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,



FRANK P. PETRONE
Supervisor



TOWN OF HUNTINGTON

FRANK P. PETRONE, Supervisor

TRACY YOGMAN

**Director of Audit & Control
Comptroller**

June 29, 2011

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, 2010. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the Town.

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

The accounting firm of Israeloff, Trattner & Co. P.C. was selected by the Town Board to perform an independent audit of the Town's financial statements as of December 31, 2010, and for its year then ended to provide reasonable assurance that the financial statements are free from material misstatement. The auditors' unqualified opinion on the basic financial statements and combining and individual fund statement and schedules are included in the financial section of this report.

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

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

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

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General and Historical Information

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

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

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

The Town provides the following services:

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

Town Government

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

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

Town Government (continued)

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

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

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

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

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

Local Economy

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

Median family income (\$114,705) and housing values (\$500,000) exceed figures for other Suffolk County towns as well as New York City suburban averages. Income growth within the Town has remained stagnant but is significantly higher than the state and county averages and recent economic indicators demonstrate that the Town continues to be an economically vibrant community.

The Long Island economy fortunately has started to show signs of growth in 2010, an improvement over the stagnate economy of 2009. For the first time in nearly two years, Long Island had job growth during the year, stable home value prices and an increase in home sales and a tight lending market in 2010.

Economists are predicting that the local economy will likely recover over the next four years as Long Island continues to show signs of job growth and stabilizing home values.

On the positive side, Huntington's unemployment rate has improved and remains low at 6.2% as of December of 2010, below the Suffolk County rate of 7.3%, New York State of 8.0 and the nation's rate of 9.4%. The local job market shrunk by 3,000 jobs in 2010. Only a few sectors had continued job growth including educational and health services confirming that Long Island is experiencing growth in moderate to low paying jobs. The average rental rate remained relatively stagnant in 2010 at \$23.38 per square foot, however, the vacancy rate for Long Island office space has improved from 10.7% in 2009 to 10.0% in 2010.

The Town of Huntington is a mature suburban community. Its capacity for new large-scale residential development is limited. In the future, new housing construction will largely occur predominantly as in-fill development within existing neighborhoods. This is already the trend and has resulted in a modest boost in population and tax base. The Town Planning Department is currently processing sixty-one (61) residential subdivisions that will ultimately result in the development of approximately three hundred and thirteen (313) new single-family homes. In addition two (2) large developments, one hundred and seventeen (117) residences at the Sanctuary at Ruland Road and one hundred and fifty-five (155) units at Matinecock Court in East Northport were approved this past year.

The strength of the local housing market is also evidenced by the projects currently under Planning Department review and/or proposed residential zone changes. Avalon Bay Communities has submitted a revised proposal with a mix of rental and equity housing totaling three hundred and seventy nine (379) units of affordable and market rate housing adjacent to LIRR terminal in Huntington Station. The Town recently approved the Kensington Estates zone change, which will result in the development of eighty-three (83) luxury townhouse units in West Hills. Directly across from this project on approximately one hundred and sixty (160) units of high-end residential condominiums are being proposed on the Cold Springs Harbor Golf Course. Several senior housing projects are under consideration, including, Schmitt Farms Housing Development with approximately three hundred (300) units and Old Bayliss Green, a rental community with fifty-two (52) units. Two major projects have recently broken ground, Timber Ridge Residential Development and DML Properties projects; together they will yield fifty-six (56) housing units.

Commercial and industrial development expansion and improvement remains steady. Over the past five (5) years, over two (2) million square feet of Class A office space has been constructed or renovated, including projects by Rubies Corporation, OSI Pharmaceuticals, Air Techniques, Henry Schein, Honeywell Corporation, Sbarro's Headquarters and the Northfork (Capital One) Bank Corporate Center.

Canon USA plans for construction of its 700,000 square foot North American Headquarters was approved in March 2010, and construction is underway. It is anticipated that the project will be completed in the Spring of 2012. Canon USA expects to employ approximately 1,300 people at this location by 2015 and 2,060 by 2020. A regional economic analysis estimates that Canon construction will inject approximately \$459.1 million into the local economy. Secondary economic impacts are expected to generate an additional \$350.0 million.

Vacant commercial and industrial land, like the Canon site, is limited. However, many sites zoned for such uses are under-utilized and excellent candidates for site redevelopment, an emerging trend that is fully supported and encouraged by Huntington officials, who have identified existing commercial corridors and industrial sites throughout the Town, and the Melville Employment Center in particular, as the Town's primary focus in its 2008 Comprehensive Plan Update "Horizons 2020". In fact, a new six-story 170,000 square foot corporate center has been proposed on a property that formerly housed a one-story aging commercial building. This office site is directly to the east of the Canon site and should begin construction in early 2012.

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

A similar trend is occurring in other corridors as evidenced by the increasing number of applications to the Town's Planning and Zoning boards for expansion of existing business uses. Shopping centers are upgrading to compete with the "box" stores and outlet centers. Simon Properties is planning an 80,000 square foot expansion of its existing 1.1 million square foot Walt Whitman Mall on Route 110, and the

Lowe's Corporation has recently broke ground on a new 150,000 square foot Home Center on Jericho Turnpike. Consumer expenditures per capita by Huntington households are among the highest in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future.

Finally, Huntington is home to several thriving "downtown" business districts. Huntington village is one of Long Island's finest, boasting a performing arts theater, an Art Museum, a park with free concerts, an independent cinema arts theater, a commercial movie theater, about 50 restaurants and retail 200 stores. In addition, a performing Arts Center in the Village is currently undergoing a major expansion, increasing its seating capacity from 700 to approximately 2,000 seats. Another new important development in Huntington Village is the planned boutique hotel that will provide first class lodging to visitors to the region. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington village features a considerable stock of rental units and smaller, more affordable single-family homes. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington village features a considerable stock of rental units and smaller, more affordable single-family homes. As a result, Long Islanders voted Huntington the best downtown on Long Island for a fifth year. A below average vacancy rate continues to indicate the health and vibrancy of Huntington's downtown area and conveys a sense of stability and community health.

Long-range Financial Planning

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

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

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

Major Initiatives

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

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

- Huntington's three Business Improvement Districts, Huntington Village, Huntington Station and Cold Spring Harbor continue to work in tandem with the Town to enhance the Town's various downtown shopping environments. 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 2010 Huntington Station launched the first annual "Huntington Awareness Day" emphasizing the theme "unity in the community culminating in a day-long fair in the Town's commuter parking lot in Huntington Station. It attracted thousands and generated much attention and good will to the community. Plans are underway for

Major Initiatives (continued)

Huntington Station's second annual event on September 17, 2011, expected to be an even greater success. 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.

- Acquisition of land, park improvements and neighborhood enhancements as part of its Open Space Programs. To date, the Town has completed the acquisition of 31 land projects encompassing 239.2 protected acres. At the close of 2010 the Town was pursuing land in several additional projects for purchase through the Town EOSPA Program. The Town Board has also authorized park improvement funding for 66 Town-wide parks including, but not limited to, six new park developments, new handicapped-accessible enhancements, new and updated playgrounds and playground equipment at 26 parks and numerous additional recreational facilities, including new fields, courts, restrooms, fitness trails, trees and landscaping, all designed to improve and/or update opportunities, appeal and usefulness of Town-wide parks. Neighborhood enhancement funding has been allocated toward fifteen projects, including support for streetscape improvements and lighting, walkways to enhance safety, traffic calming, landscaping, public areas, façade enhancements, and community garden improvements. Twelve of the projects were supported with additional outside funding.
- The Dix Hills Ice Rink expansion was completed in 2010. Renovations to the existing rink are anticipated to begin in 2011. The new facility added a total of 43,232 square feet to the existing structure of 36,554 square feet and includes a second ice surface. The new and expanded portion was constructed on the existing rink's parking lot. A new parking area containing 70 spaces was built just to the west of the new facility, in the vicinity of the former driveway circle. This new parking area has been designed to enhance traffic flow and to minimize clearing of vegetation. A new and enhanced pedestrian walkway from the rink to the large pool parking area was completed to provide access to the recreation areas
- The Town of Huntington through the Huntington Community Development Agency (CDA) administers \$12.4 in program funding annually. This includes: a Home Improvement program designed to help elderly and limited-income residents remain in their homes; a Down Payment Assistance program that assists eligible first time buyers achieve the dream of homeownership; and "Take Back the Blocks" that purchases and renovates derelict properties and converts them to owner-occupied affordable housing. CDA spearheads development programs to stimulate economic development and job growth in low-income areas and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG).
- In accordance with Town policy and federal Energy Efficiency and Conservation (EEC) Block Grant program goals, Huntington has developed an EEC strategy to help the Town and its residents reduce fossil energy use, cut energy costs and improve the environment. Key elements include replacing high-pressure sodium street lighting fixtures with energy efficiency Induction lighting fixtures, installation of solar electric generation systems at two town facilities and the successful implementation of Huntington EECO Homes, a residential energy efficiency assessment, education, retrofit program that is bringing energy saving practices and technology directly to homeowners. Huntington is also converting its public transit bus fleet to hybrid-electric diesel and constructing a charging station for Electric Vehicles (EVs) at the LIRR station in Huntington to accommodate next generation zero-emission short-trip vehicles.

Economic Development

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

Economic Development (continued)

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

- **Huntington Station Plaza**
This project involves the transformation of a 17,000 sq. ft. New York State right of way area at the intersection of New York Avenue and Olive Street into a pedestrian friendly, aesthetically pleasing pedestrian plaza. The plaza's design and engineering work is completed. The plaza's engineering plans remain under final review by the New York State Department of Transportation; approval is expected shortly. Meanwhile the Town and State are discussing a mechanism for the transfer of the plaza area property to the Town. It is expected that the Town will send the plaza plans out to bid during second quarter 2011 for anticipated construction by the end of the year.
- **1000 New York Avenue Redevelopment**
In October 2010, the Town acquired 1000 New York Avenue in Huntington Station to facilitate redevelopment of this long blighted property in the Town's revitalization area. Eminent domain became necessary after the Town was unable to reach an agreement with the former owners to redevelop the decade long eyesore. On March 11, 2011, the building was razed and an RFP to purchase and redevelop the property was issued. The Town secured a grant from New York State in the amount of \$1,170,000 to cover demolition and reconstruction of a new 10,800 sq. ft. mixed-use building. The successful and expedient redevelopment of 1000 New York Avenue is integral to the Town's revitalization efforts, as it directly anchors the pedestrian plaza project described above.
- **Northridge Property Redevelopment**
This project involves the Town's redevelopment of a long vacant Town-owned parcel in the center of what was once vibrant downtown Huntington Station. All pre-development work, including engineering, site plan development, zoning board and planning approvals are in place, together with the issuance of a building permit to make this a true shovel-ready construction project. After waiting out the worst of the recession and associated downturn in the real estate market, the Town is preparing to issue an RFP to redevelop the property in accordance with plans described above.

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 2011 budget was adopted on November 4, 2010.

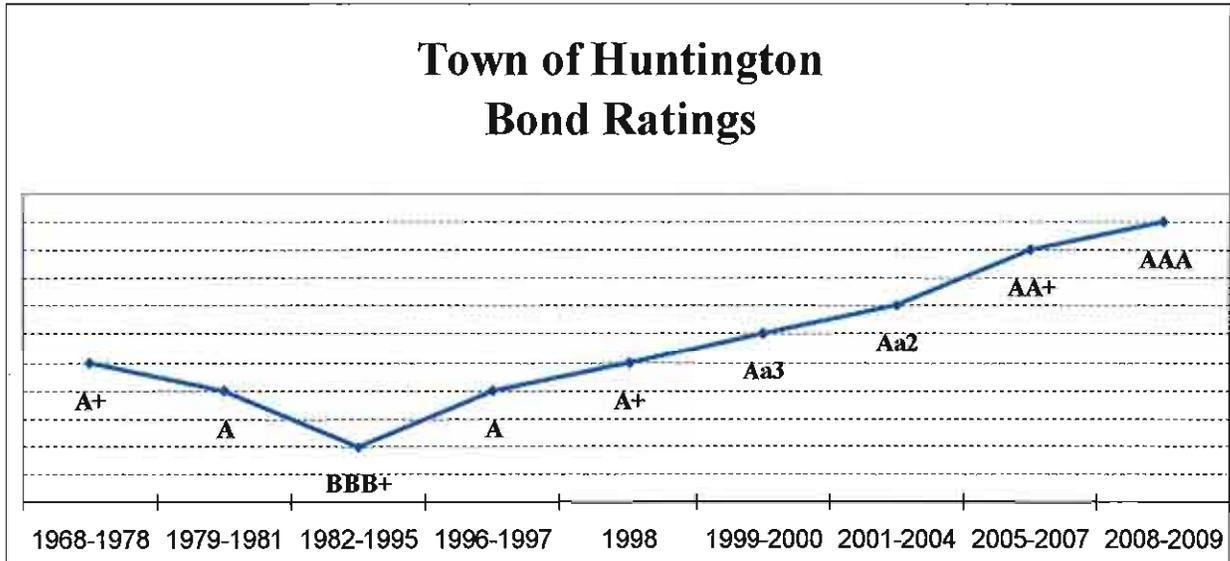
The Town establishes budgetary controls to ensure compliance with legal provisions in the annual appropriated budgets approved by the Town Board. The Supervisor submits a proposed operating budget for the General, Debt and Special Revenue Funds for the fiscal year commencing on January 1. The operating 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.

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 bond issue, placing Huntington among the best fiscally managed Towns in New York State. These ratings have been upheld for all previously issued bonds as well. This achievement reflects the Town's consistently solid financial position and a low debt with manageable additional capital needs.

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



Financial Policies

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Huntington for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. This was the twelfth 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.

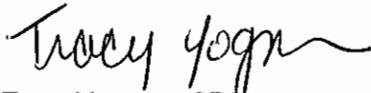
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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.

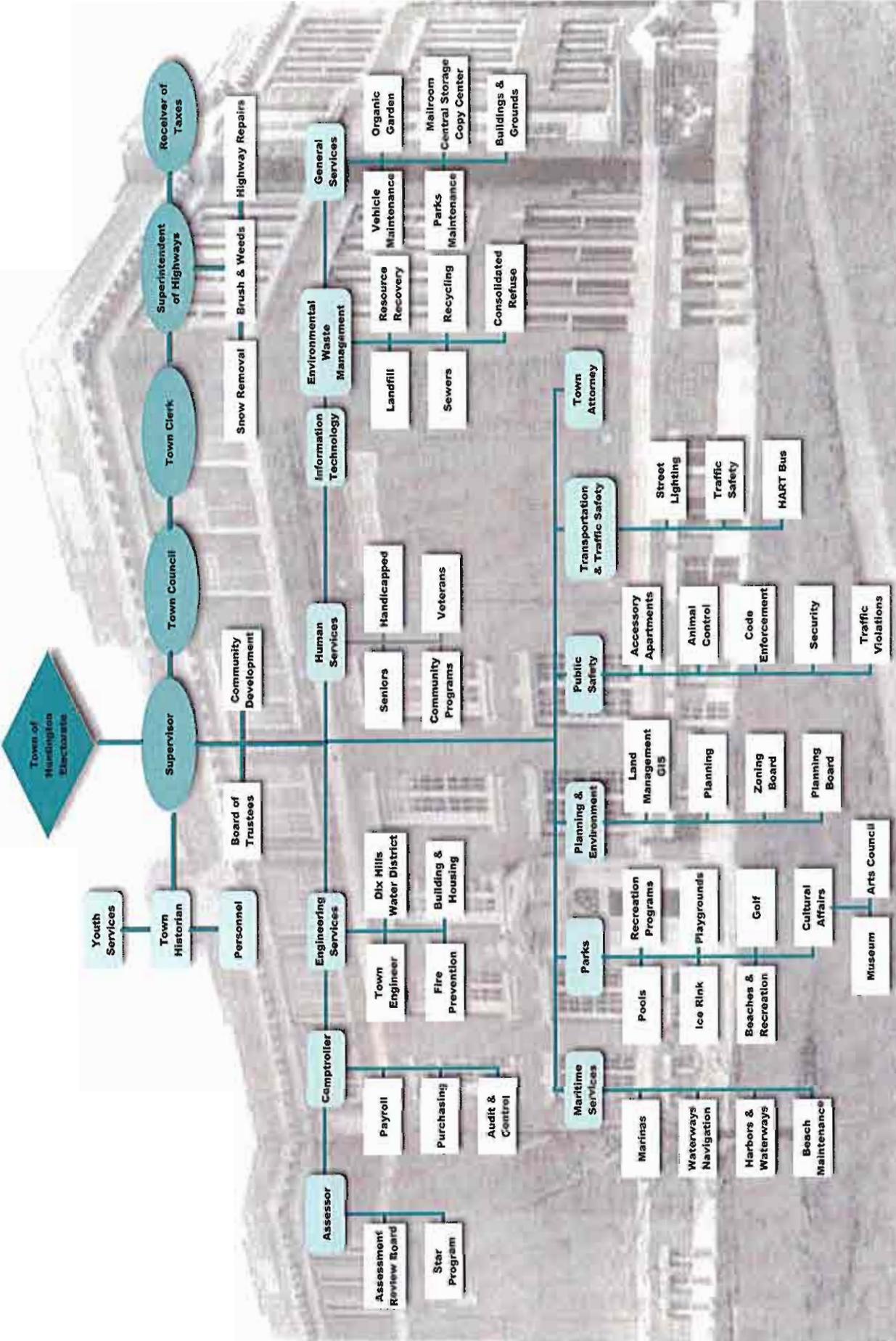
Finally, I would like to thank the Supervisor and the members of the Town Board for continued interest and support in planning and conducting the financial operations of the Town of Huntington in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink that reads "Tracy Yogman". The signature is written in a cursive style with a long, sweeping tail.

Tracy Yogman, CPA
Town of Huntington
Comptroller

Town of Huntington Organizational Chart



TOWN OF HUNTINGTON, NEW YORK
PRINCIPAL OFFICIALS
December 31, 2010

Town Board:

Supervisor
Councilman
Councilwoman
Councilwoman
Councilman

Frank P. Petrone
Mark A. Cuthbertson
Susan A. Berland
Glenda A. Jackson
Mark Mayoka

Town Clerk:

Jo-Ann Raia

Receiver of Taxes:

Ester Bivona

Superintendent of Highways:

William Naughton

Town Attorney:

John Leo

Comptroller:

Tracy Yogman

Director of Youth Bureau:

Maria E. Georgiou

Director of General Services:

Thomas Boccard

Director of Human Services:

Jillian Guthman-Abadom

Director of Parks & Recreation:

Donald McKay

Director of Planning:

Anthony J. Aloisio

Director of Community Development:

Doug Aloise

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Huntington
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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.



President

Executive Director

**FINANCIAL
SECTION**



Israeloff, Trattner & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • FINANCIAL CONSULTANTS

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

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

INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Town Board
Town of Huntington
Huntington, NY

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2010, and for the year then ended, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of the two discretely presented component units which represent 15.2%, 16.7% and 9.2%, respectively, as the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A to the financial statements, the Town adopted the provisions of GASB authoritative guidance on *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2011, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

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

The management's discussion and analysis and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United State of America and the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on its.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huntington, New York basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory or statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Israloff, Trattner & Co., PC

Garden City, New York
June 29, 2011

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REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Management's Discussion and Analysis

The following is a discussion and analysis of the Town of Huntington's financial performance, providing an overview of the Town's financial activities for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our letters of transmittal, which can be found on pages 1 through 10 of this report as well as in the Town's basic financial statements.

Overview of the Financial Statements

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

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

Reporting on the Town as a Whole

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

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

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

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

Governmental Activities

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



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Component Units

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

Reporting on the Town's Most Significant Funds

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

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

Governmental Funds

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

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

Fiduciary Funds

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

Financial Analysis of the Town as a Whole

Net Assets

Total assets of the Town on December 31, 2010, were \$423.1 million, an increase of \$2.5 million over the prior year. Total liabilities were \$182.1 million, an increase of \$5.5 million over the prior year. This results in a net asset balance of \$240.9 million, a decrease of \$3.0 million from the prior year. Of the Town's net assets, \$237.7 million were invested in capital assets, net of related debt, while \$22.2 million were restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. Unrestricted net assets were (\$18.9) million a decrease of \$7.7 as a result of the recording of the Other Post Employment Benefits liability (OPEB).

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2010

Financial Analysis of the Town as a Whole (continued)

Condensed Statement of Net Assets		
Governmental Activities		
As of December 31,		
	2010	2009
Assets		
Current and Other Assets	\$ 108,133,970	\$ 128,255,781
Noncurrent Assets	504,170	514,419
Capital Assets	314,453,177	291,851,541
Total Assets	423,091,317	420,621,741
Liabilities		
Current and Other Liabilities	40,919,878	46,264,076
Non-Current Liabilities	141,197,651	130,377,055
Total Liabilities	182,117,529	176,641,131
Net Assets		
Investment in Capital Assets, Net of Related Debt	237,683,547	223,896,536
Restricted	22,238,564	31,253,835
Unrestricted	(18,948,323)	(11,169,761)
Total Net Assets	\$ 240,973,788	\$ 243,980,610

The Town's bonded indebtedness was \$99.0 million, which included issuances of \$11.2 million in Town bonds to finance road construction, new construction of curbs and sidewalks, ice rink expansion, recreational facility improvements and other improvements to Town facilities.

Changes in Net Assets

The Town's program revenues for the year ended December 31, 2010 were \$47.2 million, an increase of \$6.1 million and general revenues were \$124.0 million, a decrease of \$1.7 million over the prior year, for total revenues of \$171.2 million, an increase of \$4.4 million. The expenses for the year ended December 31, 2010 of the Town were \$174.2 million, an increase of \$3.1 million. As a result of expenses exceeding revenues, the change in net assets for the year ended December 31, 2010 was a decrease of \$3.0 million. Revenues and expenses of the Town's governmental activities are detailed on the next page.

Governmental Activities

The governmental activities decreased the Town's net assets by \$3.0 million for the year ended December 31, 2010 and the key elements of the variances are as follows:

- Operating Grant funding has increased by \$1.8 million as a result of funding received for the progression of Community Development projects.
- Capital Grant funding has increased by \$5.0 million in 2010 from the federal government stimulus funding.
- Mortgage Tax revenue declined by \$1.2 million as a result of the housing decline.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Financial Analysis of the Town as a Whole (continued)

- Investment income decreased in 2010 as a result of low interest rates to \$1.5 million, a decrease of \$1.0 million to the prior year.
- Home and Community Services decreased by \$1.4 million in 2010 as a net result of an increase of \$1.8 million for Community Development Housing projects offset by a savings of \$3.2 million for contractual expenses of the Town's resource recovery plant.
- Transportation increased by \$2.5 million as result of stimulus funding received for roadway projects.
- Increases in all other expenses of \$2.0 million are attributable to employee benefit increases

Changes in Net Assets Governmental Activities For the Years Ended December 31,		
	2010	2009
Revenues		
Program Revenues:		
Charges for Services	\$ 33,003,399	\$ 33,568,864
Operating Grants & Contributions	6,159,015	4,427,799
Capital Grants & Contributions	8,076,450	3,121,355
General Revenues:		
Property Taxes	108,462,698	108,148,199
Mortgage Tax	6,948,509	8,072,023
Other Taxes	442,311	421,475
Unrestricted Grants & Contributions	26,126	12,975
Interest & Investment Income	1,464,479	2,462,846
State Aid - Unrestricted	1,089,037	1,159,105
Miscellaneous	5,594,003	5,400,515
Total Revenues	171,266,027	166,795,156
Expenses		
General Government Support	39,790,531	38,857,392
Public Safety	11,478,518	11,038,050
Health	3,232,195	3,148,777
Transportation	41,901,282	39,357,751
Economic Assistance & Opportunity	3,262,356	2,977,427
Culture & Recreation	18,136,110	18,292,698
Home & Community Services	52,446,101	53,781,830
Interest on Debt	4,025,756	3,717,197
Total Expenses	174,272,849	171,171,122
(Decrease) Increase in Net Assets	(3,006,822)	(4,375,966)
Net Assets, January 1	243,980,610	248,356,576
Net Assets, December 31	\$ 240,973,788	\$ 243,980,610

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Financial Analysis of the Town as a Whole (continued)

Net Cost of the Town's Governmental Activities				
For Years Ended December 31,				
	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
General Government Support	\$ 39,790,531	\$ 38,857,392	\$ 34,093,222	\$ 33,203,048
Public Safety	11,478,518	11,038,050	10,329,813	9,868,558
Health	3,232,195	3,148,777	2,570,044	2,693,608
Transportation	41,901,282	39,357,751	31,837,906	36,027,563
Economic Assistance & Opportunity	3,262,356	2,977,427	2,771,135	2,464,775
Culture & Recreation	18,136,110	18,292,698	10,025,260	8,438,203
Home & Community Services	52,446,101	53,781,830	31,380,849	33,640,152
Interest on Debt	4,025,756	3,717,197	4,025,756	3,717,197
Total	\$ 174,272,849	\$ 171,171,122	\$ 127,033,985	\$ 130,053,104

Financial Analysis of the Town's Funds

Governmental Funds

Total assets in the Town's General fund were \$46.9 million. Receivables reported were \$3.4 million, consisting of \$2.1 million in waste management fees, \$0.9 million in franchise fees and \$0.4 million of various small revenue receivables. Due from federal, state and other governments were \$5.8 million of which \$3.2 million is mortgage tax revenue, \$2.1 million for waste management fees and \$0.5 million from other granting agencies.

Total liabilities in the Town's General fund were \$13.6 million. Accrued liabilities of \$7.7 million were the result of payroll accruals and waste management fees, accounts payable of \$2.4 million and the \$2.0 million for deferred revenues resulted from the 2010-2011 tax warrant.

In addition to the General fund, all Town Special Revenue funds exclusive of the Fire Protection District, Town Business Improvement District, and the Ambulance District have deferred revenue balances. These balances are also derived from the 2010-2011 tax warrant.

As of December 31, 2010 governmental funds reported overall fund balance of \$76.6 million. The undesignated fund balance in the General Fund is \$7.7 million. Fund balances in the Highway and Refuse and Garbage funds, except for certain funds related to prepaids that are reported as nonspendable and other funds reserved for the subsequent years budget that are reported as committed, are recorded as restricted funds in accordance with the new Governmental Accounting Standards Board authoritative guidance on *Fund Balance Reporting and Governmental Fund Type Definitions*.

In the General Fund, the total fund balance has decreased by \$6.7 million. Expenditures and other financing uses decreased approximately \$8.7 million from the prior year and revenues and other financing sources decreased by \$2.9 million. The overall decrease in fund balance is significantly less than budgeted due to successful cost controls, offset, however by a decrease in mortgage tax as a result of the housing market slow down.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Financial Analysis of the Town's Funds (continued)

In the Highway Fund, the fund balance has decreased by \$0.5 million. Overall, revenues decreased \$0.5 million from the prior year and expenditures and other financing uses increased \$0.6 million largely attributable to employee benefit increases.

In the Refuse and Garbage Fund, the fund balance has decreased \$1.0 million. Overall, revenues decreased by \$.4 million and total expenditures and other financing uses remained the same.

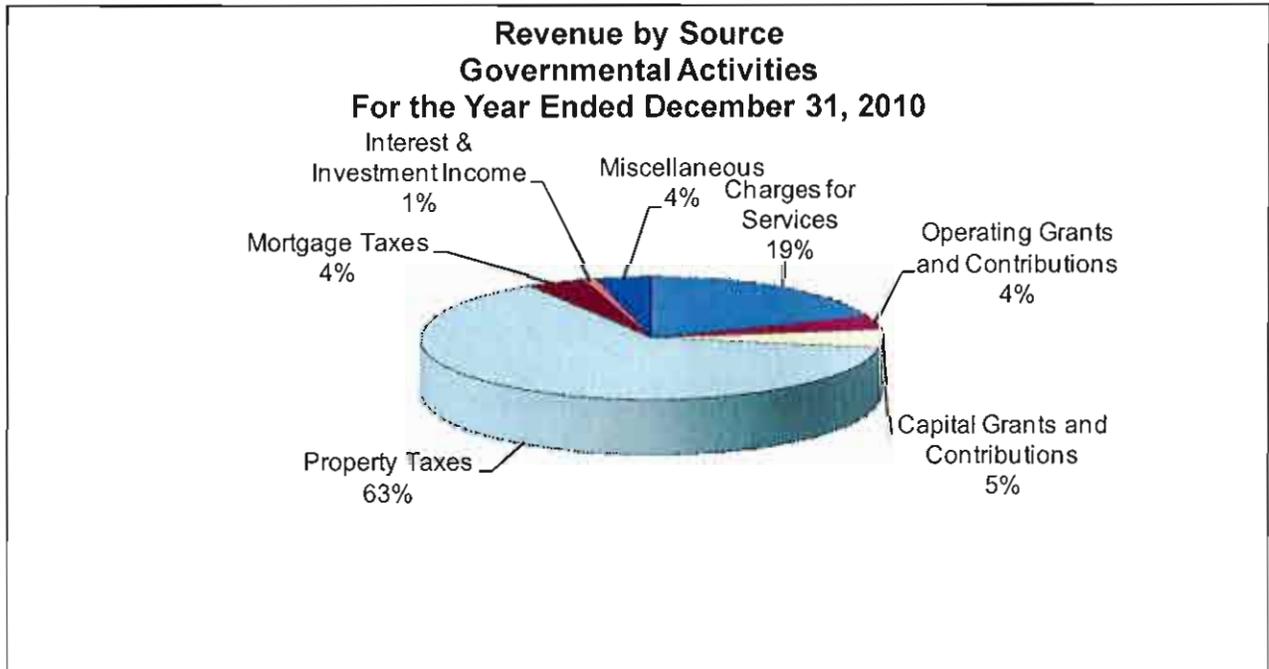
The Debt Service fund has a total fund balance of \$0.3 million, all of which is reserved for the payment of debt service. The net decrease in fund balance of \$0.4 million represents the amount that was used from restricted fund balance to pay down current year principal and interest.

The Capital Projects fund had a decrease in fund balance of \$8.5 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 \$0.5 million. The decrease is the result of an increase in revenue as a result of improving building fees; however, the increase was not enough to fund all expenses. These results have exceeded budget.

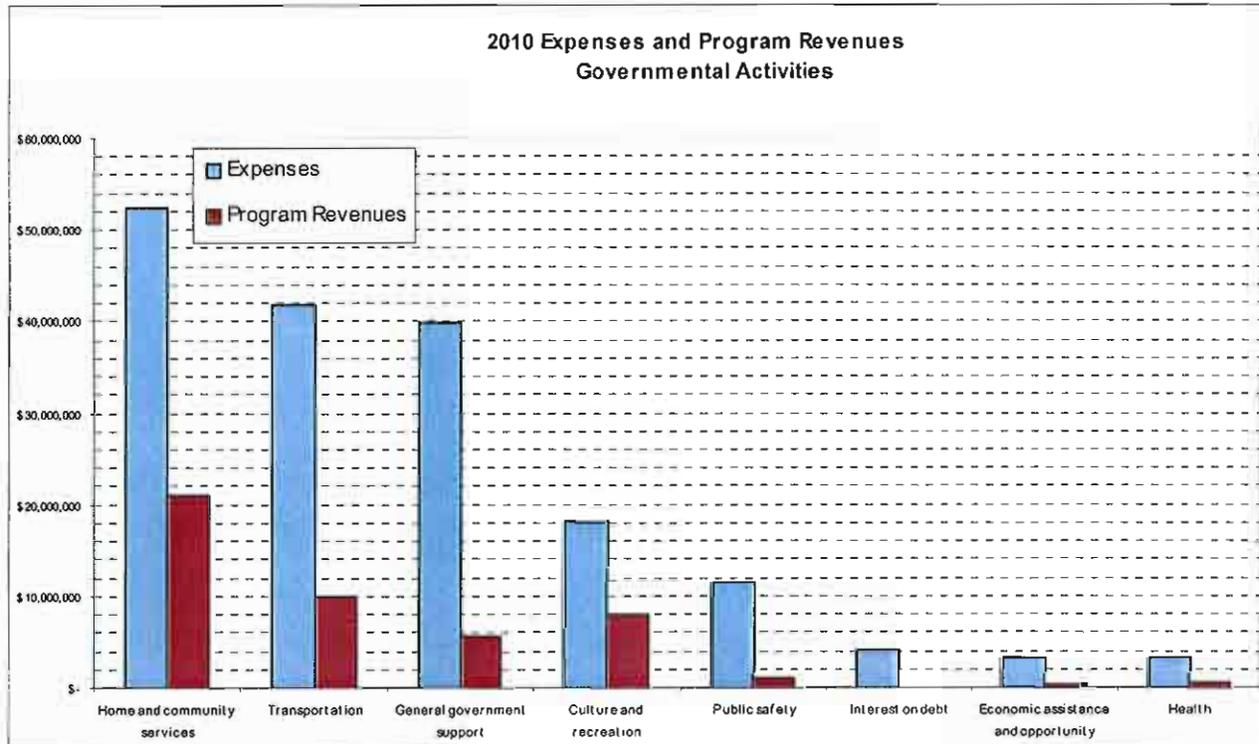
In the Street Lighting fund, there was an increase of \$0.5 million in fund balance. Savings on utility costs attributed to the increase in fund balance.

In the Water District fund, there was an increase of \$1.3 million in fund balance. The increase is the result of higher than expected water meter sales and a legal settlement.



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Financial Analysis of the Town's Funds (continued)



Budgetary Highlights

Variances 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 original expenditure budget showed several significant changes. These changes are as follows:

- Town Attorney original budget was amended during the year by approximately \$0.8 million in order to negotiate a major contract and defend the Town against various lawsuits
- The \$2.4 million budgetary decrease in the purchase of land and right of way line was required to transfer funds to the Capital Projects fund and record the purchase.
- Various budgets were amended for encumbrances that have remained open in the prior year and require funding in the current year.
- Various budgets were amended to fund the payouts of accrued time for those employees who elected to retire under the New York State and Local Government Early Retirement Incentive offered by the New York State and Local Employee Retirement System in August 2010.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Budgetary Highlights (continued)

- Transportation costs decreased by \$0.2 million as a result of vacancies, insurance savings and lower than anticipated fuel costs.
- The variance of \$4.3 million in the other financing uses – transfers out is due to Capital Projects that were funded through General fund appropriations.

In 2010, the economy showed signs of stabilizing as overall revenues exceeded the budget by \$0.2 million largely a result of improvement in fees of \$0.1 million. Mortgage tax receipts exceeded budget by \$0.4 million as a result of improving but slow home sales and interest revenue did not meet budget by \$0.3 million as a result of low interest rates.

Final expenditure budget compared to actual results showed 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.
- Anticipated fuel costs and utility costs were lower than expected resulting in a budget savings.
- The \$2.4 million budgetary decrease for the Purchase of Land and Right of Way was required to transfer funds to the Capital Projects fund to execute the purchase of land.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2010, the Town had \$314.5 million in net capital assets, of which \$92.6 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.

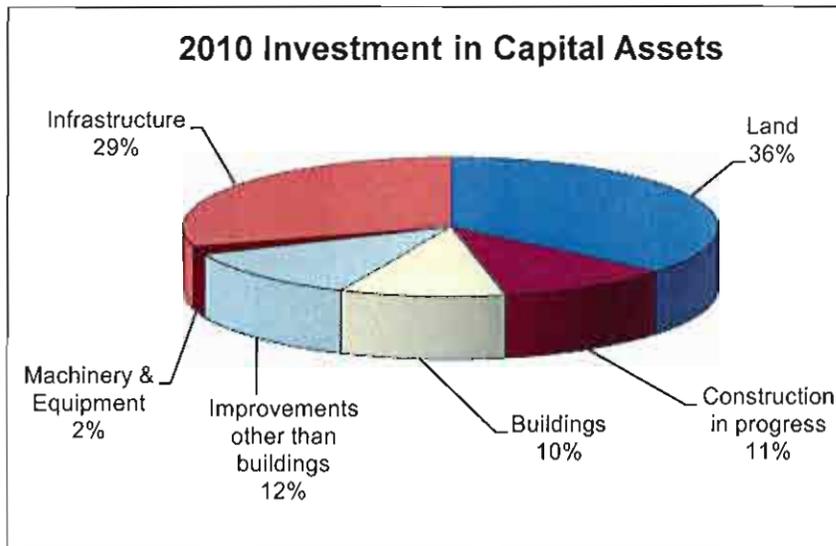
Capital Assets - Net of Depreciation		
As of December 31,		
	Governmental Activities	
	2010	2009
Land	\$ 113,595,367	\$ 113,183,713
Construction in progress	33,377,882	29,523,610
Buildings	31,606,225	23,356,452
Improvements other than buildings	37,009,923	32,441,806
Machinery & Equipment	6,289,918	6,222,097
Infrastructure	92,573,862	87,123,863
Total Net Capital Assets	\$ 314,453,177	\$ 291,851,541

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

The Capital Budget Program is a long range financing guide and is not a definitive plan. The Town Board must authorize each appropriation before any project is initiated. Each project may be financed by 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 been making 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 previously mentioned reductions in debt service.



Debt Administration

The Town of Huntington issues both general obligation bonds and bond anticipation notes. The Town may contract indebtedness only for a Town purpose and pledges its full faith and credit for the payment of principal and interest. Standard & Poor's Fitch Rating Agency affirmed the Town's 'AAA' bond rating, reflecting the town's strong local economy, a diverse and continually expanding local employment base, consistently solid financial position with healthy unreserved fund balances and a low debt burden on a market value basis. Moody's Investors Service upgraded the Town's bond rating to Aaa, placing Huntington among the best fiscally managed Towns in New York State. During fiscal year 2010, the Town of Huntington issued \$11.2 million in general obligation bonds to finance road reconstruction, new construction of curbs and sidewalks, ice rink expansion, recreational facility improvements and other improvements to Town facilities. Note C.4 to the financial statements shows the details on the Town's long-term liabilities.

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

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.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Capital Assets and Debt Administration (continued)

Debt Administration (continued)

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

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

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

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

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

At December 31, 2010 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$122.2 million. Of this amount \$81.3 million was subject to the constitutional debt limit and represented approximately 2.85 of the statutory debt limit.

Union Contracts

The Town employs approximately 710 full-time employees as of December 31, 2010. The Civil Service Employees Association covers approximately 204 employees. Local 342, Long Island Service Employees, United Marine Division, International Longshoremen's Association, covers approximately 418 of the Town's employees and is divided into two units. The supervisory unit covers 81 employees and the labor unit covers 337 employees. The Civil Service Employees Association contracts expire on December 31, 2011 and all other contracts expire December 31, 2010. Negotiations are in progress with all unions.

Factors and Next Year's Budgets and Rates

State Aid

The Town receives financial assistance from the State of New York. In the 2011 Budget for the General Fund budget, approximately 6% of the operating revenues are to be received in the form of State aid. The largest portion of State Aid is Mortgage Tax collections. The real estate market in the Town appears to be stabilizing and the first half of the 2011 mortgage tax collection has exceeded the budget projection. The State is not constitutionally obligated to maintain or continue State aid to the Town.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2010

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

Employee Benefits

Employee benefits have increased significantly placing pressure on the Town budget. 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. As a result, fifty-one Town employees elected to retire under this incentive in 2010. New York State and Local Employee Retirement System costs are expected to increase by 47% and will require cost saving measures to be implemented to fund such an onerous increase.

Utility and Fuel Costs

In 2010, costs stabilized for heating and electricity and generated a surplus through conservative budgeting. The Town is addressing the unstable energy market by implementing energy efficiency programs to reduce its consumption. The 2011 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)				
As of May	Total Tax	To Town	To County	Uncollected
31	Levy	Supervisor	Treasurer	/Returned
2010	862,061	747,421	114,640	24,964
2009	851,271	737,499	113,772	25,462
2008	812,198	707,768	104,451	21,146
2007	792,608	682,659	109,949	18,268
2006	757,314	650,960	106,354	18,435

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.

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BASIC FINANCIAL STATEMENTS

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET ASSETS
December 31, 2010

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 87,586,553	\$ 18,622,125
Prepays	2,910,429	115,972
Accounts receivable, net of allowance	4,096,210	1,281,722
Due from federal, state and other governments	13,540,778	
Inventory of material and supplies		378,932
Total Current Assets	108,133,970	20,398,751
Non-Current Assets		
Deferred charges, net of accumulated amortization	504,170	384,376
Non-depreciable capital assets	146,973,249	7,202,314
Depreciable capital assets, net of depreciation	167,479,928	48,305,799
Total Non-Current Assets	314,957,347	55,892,489
Total Assets	423,091,317	76,291,240
LIABILITIES		
Current Liabilities		
Accounts payable and other current liabilities	8,530,029	1,035,984
Accrued liabilities	11,277,106	728,312
Accrued interest payable	960,994	189,721
Retained percentages	954,578	
Due to other governments	320,040	
Unearned revenue	6,872,384	
Non-current liabilities:		
Due within one year	12,004,747	1,958,906
Total Current Liabilities	40,919,878	3,912,923
Non-Current Liabilities:		
Due in more than one year	141,197,651	23,927,981
Total Non-Current Liabilities	141,197,651	23,927,981
Total Liabilities	182,117,529	27,840,904
NET ASSETS		
Investment in capital assets, net of related debt	237,683,547	38,781,156
Restricted for:		
Debt Service	263,725	
Community Development	(40,224)	
Capital Projects	22,015,063	1,502,407
Unrestricted	(18,948,323)	8,166,773
Total Net Assets	\$ 240,973,788	\$ 48,450,336

See notes to the financial statements.

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2010

GOVERNMENTAL FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government support	\$ 39,790,531	\$ 5,149,354	\$ 79,932	\$ 468,023
Public safety	11,478,518	1,148,705		
Health	3,232,195	203,810	458,341	
Transportation	41,901,282	500,861	2,317,021	7,245,494
Economic assistance and opportunity	3,262,356	259,887	231,334	
Culture and recreation	18,136,110	7,222,427	888,423	
Home and community services	52,446,101	18,518,355	2,183,964	362,933
Interest on debt	4,025,756			
Total Primary Government	\$ 174,272,849	\$ 33,003,399	\$ 6,159,015	\$ 8,076,450
Component Units:				
Home and community services	\$ 12,420,428	\$ 6,217,286		

General Revenues

Property taxes
Mortgage tax
Other taxes
Premium on defeasance issue
Unrestricted grants and contributions
Interest and investment income
State aid - unrestricted
Miscellaneous
Special item - loss on asset disposal
Total General Revenues
Change in net assets
Net assets - Beginning of year
Net assets - Ending of year

See notes to the financial statements.

Net (Expense) Revenue and and Changes in Net Assets	
Primary	
Governmental Activities	Component Units
\$ (34,093,222)	
(10,329,813)	
(2,570,044)	
(31,837,906)	
(2,771,135)	
(10,025,260)	
(31,380,849)	
(4,025,756)	
<u>\$ (127,033,985)</u>	
	<u>\$ (6,203,142)</u>
\$ 108,462,698	\$ 5,608,345
6,948,509	
442,311	
99,571	
26,126	
1,464,479	510,033
1,089,037	
6,474,156	5,081,139
(979,724)	
<u>124,027,163</u>	<u>11,199,517</u>
(3,006,822)	4,996,375
<u>243,980,610</u>	<u>43,453,961</u>
<u>\$ 240,973,788</u>	<u>\$ 48,450,336</u>

TOWN OF HUNTINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
ASSETS				
Cash and cash equivalents	\$ 36,291,010	\$ 14,233,847	\$ 263,725	\$ 6,222,384
Prepays	793,306	313,925		100,746
Accounts receivable, net	3,434,553			100,038
Due from federal, state and other governments	5,779,105	183,056		
Due from other funds	599,326	14,081		725
Total Assets	\$ 46,897,300	\$ 14,744,909	\$ 263,725	\$ 6,423,893
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and other				
current liabilities	\$ 2,375,051	\$ 857,063		\$ 288,401
Accrued liabilities	7,719,605	1,011,739		1,507,380
Retained percentages				
Due to other governments	18,993			
Due to other funds	1,480,868	213,900		137,175
Deferred revenue	1,991,648	2,117,647		1,587,170
Total Liabilities	13,586,165	4,200,349		3,520,126
FUND BALANCES				
Non-Spendable				
Prepays	793,306	313,925		100,746
Restricted for:				
Open space land preservation	8,222,127			
Bond retirement			263,725	
Debt service	334,193	1,170,810		940
Snow and ice removal/road repair	461,505	1,461,836		
Workers' compensation	1,631,023			
Judgments and claims	2,103,420			
Retirement contribution	366,751	977,384		109,493
General Capital reserve	2,963,020	560,548		
Post retirement benefits	3,534,641	736,744		329,643
Highway		4,973,313		
Refuse District				1,051,445
Town Outside Village				
Community Development				
Fire Protection				
Streetlighting				
Ambulance Services				
Sewer Services				
Water Services				
Committed to:				
Subsequent year's budget	5,237,708	350,000		1,311,500
Capital projects fund balance				
Unassigned:				
General fund	7,663,441			
Total Fund Balances	33,311,135	10,544,560	263,725	2,903,767
Total Liabilities and Fund Balances	\$ 46,897,300	\$ 14,744,909	\$ 263,725	\$ 6,423,893

See notes to the financial statements.

Capital Projects	Nonmajor Governmental Funds	Total
\$ 20,641,339	\$ 9,934,248	\$ 87,586,553
	258,094	1,466,071
44,743	516,876	4,096,210
5,120,187	318,455	11,400,803
1,642,585	228,423	2,485,140
<u>\$ 27,448,854</u>	<u>\$ 11,256,096</u>	<u>\$ 107,034,777</u>
\$ 4,289,549	\$ 719,965	\$ 8,530,029
	1,038,382	11,277,106
954,578		954,578
	301,047	320,040
130,064	523,133	2,485,140
59,600	1,116,319	6,872,384
<u>5,433,791</u>	<u>3,698,846</u>	<u>30,439,277</u>
	258,094	1,466,071
		8,222,127
		263,725
	91,047	1,596,990
		1,923,341
		1,631,023
		2,103,420
	257,430	1,711,058
	84,550	3,608,118
	1,125,888	5,726,916
		4,973,313
		1,051,445
	588,148	588,148
	(47,281)	(47,281)
	62,822	62,822
	1,920,189	1,920,189
	37,013	37,013
	207,994	207,994
	2,302,956	2,302,956
	668,400	7,567,608
22,015,063		22,015,063
		7,663,441
<u>22,015,063</u>	<u>7,557,250</u>	<u>76,595,500</u>
<u>\$ 27,448,854</u>	<u>\$ 11,256,096</u>	<u>\$ 107,034,777</u>

TOWN OF HUNTINGTON
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
 As of December 31, 2010

Total Fund Balances - Governmental Funds \$ 76,595,500

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

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

Capital Assets - Non-Depreciable	146,973,249	
Capital Assets - Depreciable	567,752,514	
Accumulated Depreciation	<u>(400,272,586)</u>	314,453,177

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 currently available resource and is not reported in the funds. 1,444,358

Deferred charges included in the Statement of Activities, net of amortization 504,170

Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds. 2,139,975

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	(99,003,913)	
Employees retirement incentive	(469,236)	
Other post-employment benefits payable	(34,156,420)	
Other Agency Liabilities- LOSAP	(781,857)	
Compensated absences	(11,917,838)	
Claims and judgments	(5,956,201)	
Estimated liability for landfill closure and post-closure care costs	(631,983)	
Installment purchase debt	<u>(284,950)</u>	(153,202,398)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However these liabilities are included in the Statement of Net Assets. (960,994)

Net Assets of Governmental Activities \$ 240,973,788

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, 2010

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
REVENUES				
Real property taxes	\$ 33,840,759	\$ 31,498,107		\$ 22,836,318
Other real property tax items	279,896	10,740		1,514
Non-property tax items	3,588,230			
Departmental income	28,939,118			23,381
Intergovernmental charges	190,286	21,731		
Use of money and property	1,214,251	275,286	\$ 1,318	114,242
Licenses and permits	783,700	138,375		
Fines and forfeitures	655,849			
Sale of property and compensation for loss	833,281	6,945		392,521
Miscellaneous local sources	1,105,697	38,532		6,887
Interfund revenues	5,609,839			
State aid	9,589,925	1,345,379		
Federal aid	617,414	147,349		
Total Revenues	<u>87,248,245</u>	<u>33,482,444</u>	<u>1,318</u>	<u>23,374,863</u>
EXPENDITURES				
Current:				
General government support	23,599,805	104,113		3,480,520
Public safety	4,468,068			
Health	741,243			
Transportation	4,409,272	19,024,630		
Economic assistance and opportunity	2,127,168			
Culture and recreation	13,424,653			
Home and community services	21,847,825			18,931,419
Employee benefits	15,415,510	5,692,745		1,794,831
Capital outlay				
Debt service:				
Principal			10,707,885	
Interest			3,750,762	
Total Expenditures	<u>86,033,544</u>	<u>24,821,488</u>	<u>14,458,647</u>	<u>24,206,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,214,701</u>	<u>8,660,956</u>	<u>(14,457,329)</u>	<u>(831,907)</u>
Other Financing Sources (Uses)				
Debt issued				
Capital leases				
Transfers in	181,505		14,100,272	
Transfers out	(8,142,382)	(9,210,063)		(209,856)
Total Other Financing Sources (Uses)	<u>(7,960,877)</u>	<u>(9,210,063)</u>	<u>14,100,272</u>	<u>(209,856)</u>
Net Change in Fund Balances	(6,746,176)	(549,107)	(357,057)	(1,041,763)
Fund Balances at Beginning of Year	40,057,311	11,093,667	620,782	3,945,530
Fund Balances at End of Year	<u>\$ 33,311,135</u>	<u>\$ 10,544,560</u>	<u>\$ 263,725</u>	<u>\$ 2,903,767</u>

See notes to the financial statements.

Capital Projects	Nonmajor Governmental Funds	Total
	\$ 20,199,884	\$ 108,375,068
	70,280	362,430
	144,701	3,732,931
	7,408,924	36,371,423
		212,017
\$ 2,082	601,405	2,208,584
	628,468	1,550,543
		655,849
	1,127,026	2,359,773
1,123,899	104,482	2,379,497
		5,609,839
784,262	312,490	12,032,056
<u>6,215,573</u>	<u>1,838,881</u>	<u>8,819,217</u>
<u>8,125,816</u>	<u>32,436,541</u>	<u>184,669,227</u>
	4,356,901	31,541,339
	3,217,669	7,685,737
	2,356,383	3,097,626
	2,511,222	25,945,124
		2,127,168
		13,424,653
	11,334,964	52,114,208
	5,181,655	28,084,741
33,582,051		33,582,051
		10,707,885
		3,750,762
<u>33,582,051</u>	<u>28,958,794</u>	<u>212,061,294</u>
<u>(25,456,235)</u>	<u>3,477,747</u>	<u>(27,392,067)</u>
11,160,000		11,160,000
15,752		15,752
6,081,283	80,830	20,443,890
<u>(262,335)</u>	<u>(2,619,254)</u>	<u>(20,443,890)</u>
<u>16,994,700</u>	<u>(2,538,424)</u>	<u>11,175,752</u>
(8,461,535)	939,323	(16,216,315)
30,476,598	6,617,927	92,811,815
<u>\$ 22,015,063</u>	<u>\$ 7,557,250</u>	<u>\$ 76,595,500</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, 2010

Net Change in Fund Balance \$ (16,216,315)

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	\$ 35,357,894	
Depreciation Expense	<u>(11,651,513)</u>	23,706,381

Gains and losses on disposals of equipment are not reported by the governmental funds, but are included in the Statement of Activities. (979,724)

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		525,488
Deferred charges		<u>(10,249)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 297,837

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	(11,160,000)	
Repayment of bond principal	10,707,885	
Employees retirement incentive	4,773	
Other post-employment benefits payable	(8,860,903)	
Other Agency Liabilities- LOSAP	247,460	
Compensated absences	(822,854)	
Claims and judgments	(462,131)	
Estimated liability for landfill closure and post-closure care costs	306,276	
Installment purchase debt	(15,752)	
Accrued interest payable	<u>(274,994)</u>	<u>(10,330,240)</u>

Change in Net Assets of Governmental Activities \$ (3,006,822)

See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2010

	<u>Total Agency Funds</u>
ASSETS	
Cash	\$ 97,989,287
Other assets	<u>454,332</u>
Total Assets	<u><u>\$ 98,443,619</u></u>
LIABILITIES	
Liabilities:	
Due to school districts	\$ 43,850,565
Due to other governments	43,850,565
Agency fund liabilities	<u>10,742,489</u>
Total Liabilities	<u><u>\$ 98,443,619</u></u>

See notes to the financial statements.

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TOWN OF HUNTINGTON
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December 31, 2010

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TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. REPORTING ENTITY

The financial reporting entity consists of: (a) the primary government, which is the Town of Huntington; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB authoritative guidance on the *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 authoritative guidance on the *Reporting Entity* including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of Huntington's reporting entity.

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

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functional categories (general government support, public safety, health, transportation, home and community services, etc.), which are otherwise supported by general government revenues (property, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants to produce the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.).

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

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

Fund Financial Statements

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

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. The Board of Trustees Fund activity is consolidated in to the General Fund for 2010.

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 debt principal, interest, and related costs.

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

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

Additionally, the Town reports the following nonmajor funds:

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

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

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

Town Business Improvement District – is used to account for the Town's Business Improvement Districts.

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

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

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

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

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, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

DEFERRED CHARGES

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

CAPITAL ASSETS

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

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

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

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

DEFERRED REVENUE/UNEARNED REVENUE

Deferred revenues/uneared revenues are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met. Such amounts have been deemed to be "measurable" but not "available" pursuant to GAAP. The deferred revenue/uneared revenue at December 31, 2010 represents 2011 property taxes collected in advance. Accordingly, the amount has been recorded as deferred revenue in the funds statement and unearned revenue in the government-wide statements.

LONG-TERM OBLIGATIONS

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

EQUITY CLASSIFICATIONS

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

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

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

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Further clarification of fund balance reporting is presented in Note B.2.

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

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

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

OTHER POST-EMPLOYMENT BENEFITS

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. NEW ACCOUNTING PRINCIPLES

Effective with this financial report for the year ended December 31, 2010, the Town has adopted Governmental Accounting Standards Board (GASB) issued authoritative guidance on *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a government entity must use for financial reporting purposes.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES

FUND BALANCE CLASSIFICATION

The Governmental Accounting Standards Board (GASB) issued authoritative guidance on *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

The guidance requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

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 Town Board adopted the 2011 budget on November 4, 2010 via resolution number 2010-542. The 2011 adopted budget contained a projected use of \$7,567,608 of fund balance. Consequently, this amount is 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 \$22,015,063 is reported as Committed Fund Balance.

ENCUMBRANCES

All encumbrances are reported as Unrestricted, Restricted, or Committed fund balances:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Committed</u>
<u>2010 Encumbrances:</u>			
General Fund	\$ 732,439		
Part Town Fund		\$ 103,871	
Highway Fund		90,042	
Capital Projects Fund			\$10,770,227
Street Lighting District		50,913	
Refuse and Garbage Fund		2,058	
Sewer Districts		19,452	
Water Districts		37,831	
	<u> </u>	<u> </u>	<u> </u>
Total Encumbrances	<u>\$ 732,439</u>	<u>\$ 304,167</u>	<u>\$10,770,227</u>

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

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

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

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.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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	\$ 97,589,029
Cash with the Town Receiver of Taxes	87,701,773
	<u>\$ 185,290,802</u>

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

Governmental Accounting Standards Board authoritative guidance directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At December 31, 2010 the Town's bank deposit balances were \$187,340,498. Of these balances, \$6,662,709 was covered by the Federal Deposit Insurance Corporation; \$170,270,860 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name; \$10,406,929 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, 2010, the Town's component units' bank balances were \$19,440,692. Of these balances, \$6,870,037 was covered by the Federal Deposit Insurance Corporation and \$12,570,655 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 – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2010 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
Primary Government		
<u>Major Funds:</u>		
General Fund	\$ 599,326	\$ 1,480,868
Highway Fund	14,081	213,900
Refuse and Garbage Fund	725	137,175
Capital Projects Fund	1,642,585	130,064
<u>Nonmajor Funds:</u>		
Town Outside Village	1,584	49,469
Street Lighting District	57	6,744
Sewer Districts	223,713	289,645
Water Districts	<u>3,069</u>	<u>177,275</u>
	<u>\$ 2,485,140</u>	<u>\$ 2,485,140</u>

Interfund transfer balances for the primary government at December 31, 2010 represent primarily the receipt and payment of general obligation bond principal and interest and funding of capital project expenditures and are stated as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Primary Government		
<u>Major Funds:</u>		
General Fund	\$ 181,505	\$ 8,142,382
Highway Fund		9,210,063
Debt Service Fund	14,100,272	
Capital Projects Fund	6,081,283	262,335
Refuse and Garbage Fund		209,856
<u>Nonmajor Funds:</u>		
Town Outside Village		72,856
Street Lighting District		118,322
Sewer Districts	80,830	1,070,194
Water Districts		<u>1,357,882</u>
	<u>\$ 20,443,890</u>	<u>\$ 20,443,890</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Balance</u> <u>1/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/10</u>
<u>Primary government</u>				
Capital assets not being depreciated:				
Land	\$ 113,183,713	\$ 411,654		\$113,595,367
Construction in progress	<u>29,523,610</u>	<u>9,156,727</u>	<u>\$ 5,302,455</u>	<u>33,377,882</u>
Total non-depreciable capital assets	<u>142,707,323</u>	<u>9,568,381</u>	<u>5,302,455</u>	<u>146,973,249</u>
Depreciable capital assets:				
Buildings	50,924,018	9,806,635		60,730,653
Improvements other than buildings	64,328,110	7,020,679	94,583	71,254,206
Machinery and equipment	39,638,645	1,978,900	1,821,436	39,796,109
Infrastructure	<u>386,671,550</u>	<u>12,292,451</u>	<u>2,992,455</u>	<u>395,971,546</u>
Total depreciable capital assets	<u>541,562,323</u>	<u>31,098,665</u>	<u>4,908,474</u>	<u>567,752,514</u>
Less accumulated depreciation:				
Buildings	27,567,566	1,556,862		29,124,428
Improvements other than buildings	31,886,304	2,357,979		34,244,283
Machinery and equipment	33,416,548	2,020,475	1,930,832	33,506,191
Infrastructure	<u>299,547,687</u>	<u>5,847,913</u>	<u>1,997,916</u>	<u>303,397,684</u>
Total accumulated depreciation	<u>392,418,105</u>	<u>11,783,229</u>	<u>3,928,748</u>	<u>400,272,586</u>
Total net depreciable assets				<u>167,479,928</u>
Total net capital assets				<u>\$314,453,177</u>

Depreciation expense was charged to government functions as follows:

General government support	\$ 1,310,750
Public safety	657,597
Transportation	6,161,126
Economic assistance and opportunity	47,285
Culture and recreation	1,832,423
Home and community services	<u>1,774,048</u>
Total government activities depreciation expense	<u>\$ 11,783,229</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

The Town of Huntington evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2010, the Town has not recorded any such impairment losses.

	<u>Balance</u> <u>1/1/10</u>	<u>Additions</u>	<u>Deletions</u>		<u>Balance</u> <u>12/31/10</u>
<u>Discretely presented component units</u>					
Capital assets not being depreciated:					
Land	\$ 1,306,505	\$ 241			\$ 1,306,746
Construction in progress	<u>6,101,211</u>	<u>3,477,321</u>	<u>\$ 3,682,964</u>		<u>5,895,568</u>
Total non-depreciable capital assets	<u>7,407,716</u>	<u>3,477,562</u>	<u>3,682,964</u>		<u>7,202,314</u>
Depreciable capital assets:					
Buildings and improvements	19,624,135	2,143,205			21,767,340
Machinery and equipment	12,978,212	1,203,972			14,182,184
Infrastructure	<u>59,922,309</u>	<u>753,030</u>			<u>60,675,339</u>
Total depreciable capital assets	<u>92,524,656</u>	<u>4,100,207</u>			<u>96,624,863</u>
Less accumulated depreciation					
Buildings and improvements	5,929,714	601,204			6,530,918
Machinery and equipment	9,982,231	637,638			10,619,869
Infrastructure	<u>30,174,004</u>	<u>994,273</u>			<u>31,168,277</u>
Total accumulated depreciation	<u>46,085,949</u>	<u>2,233,115</u>			<u>48,319,064</u>
Total net depreciable assets					<u>48,305,799</u>
Total net capital assets					<u>\$ 55,508,113</u>

4. INDEBTEDNESS

SHORT TERM DEBT

Bond Anticipation Notes (BANs) – Liabilities for BANs are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. The town did not issue a BAN in 2010.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2010 is as follows:

	Balance 1/1/10	Increases	Reductions	Balance 12/31/10	Non-current Liabilities due within one year	Non-current Liabilities
Primary Government:						
General obligation bonds	\$ 98,551,800	\$ 11,160,000	\$ 10,707,887	\$ 99,003,913	\$ 11,049,746	\$ 87,954,167
Employees retirement incentive	474,010	395,100	399,874	469,236		469,236
Other post-employment benefits payable	25,295,517	13,916,823	5,055,920	34,156,420		34,156,420
Net Pension Obligation- LOSAP	1,029,317	161,141	408,601	781,857		781,857
Compensated absences	11,094,984	5,037,213	4,214,359	11,917,838	822,854	11,094,984
Claims and judgments	5,494,070	8,596,076	8,133,945	5,956,201		5,956,201
Estimated liability for landfill closure and post-closure care costs	938,256		306,273	631,983	38,302	593,681
Installment purchase debt	394,221	15,752	125,023	284,950	93,845	191,105
	<u>\$ 143,272,175</u>	<u>\$ 39,282,105</u>	<u>\$ 29,351,882</u>	<u>\$ 153,202,398</u>	<u>\$ 12,004,747</u>	<u>\$ 141,197,651</u>
Component Units:						
General obligation bonds	\$ 21,043,206	\$ 4,140,000	\$ 1,897,115	\$ 23,286,091	\$ 1,870,254	\$ 21,415,837
Other post-employment benefits payable	1,417,787	798,426	300,846	1,915,367		1,915,367
Compensated absences	686,464	96,699	97,734	685,429	88,652	596,777
	<u>\$ 23,147,457</u>	<u>\$ 5,035,125</u>	<u>\$ 2,295,695</u>	<u>\$ 25,886,887</u>	<u>\$ 1,958,906</u>	<u>\$ 23,927,981</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 2011 through 2025. The original amount of borrowed debt currently outstanding is \$252,396,340. 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.

	Balance 1/1/10	Issued	Redeemed	Balance 12/31/10
Primary Government:				
General Fund	\$ 26,509,351	\$ 6,749,000	\$ 3,146,149	\$ 30,112,202
Town Outside Village	473,218	600,000	42,498	1,030,720
Highway Fund	56,853,383	3,090,000	5,804,318	54,139,065
Sewer Districts	7,046,970		761,732	6,285,238
Street Lighting District	135,490		21,384	114,106
Refuse and Garbage Fund	701,845	721,000	52,848	1,369,997
Water Districts	6,831,543		878,958	5,952,585
Total Primary Government	<u>98,551,800</u>	<u>11,160,000</u>	<u>10,707,887</u>	<u>99,003,913</u>
Component Units:				
Greenlawn Water District	3,200,981		406,927	2,794,054
South Huntington Water District	17,842,225	4,140,000	1,490,188	20,492,037
Total Component Units	<u>21,043,206</u>	<u>4,140,000</u>	<u>1,897,115</u>	<u>23,286,091</u>
Total General Obligation Bonds	<u>\$119,595,006</u>	<u>\$15,300,000</u>	<u>\$12,605,002</u>	<u>\$ 122,290,004</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

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, 2011	\$ 11,049,746	\$ 3,668,078	\$ 14,717,824
2012	10,383,112	3,279,624	13,662,736
2013	10,000,775	2,903,426	12,904,201
2014	9,961,905	2,533,348	12,495,253
2015	9,411,890	2,163,264	11,575,154
2016-2020	34,325,495	6,239,338	40,564,833
2021-2025	<u>13,870,990</u>	<u>1,170,718</u>	<u>15,041,708</u>
Primary Government Totals	<u>\$ 99,003,913</u>	<u>\$ 21,957,796</u>	<u>\$ 120,961,709</u>

Component Units:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending December 31, 2010	\$ 1,870,254	\$ 835,041	\$ 2,705,295
2011	1,901,893	776,149	2,678,042
2012	1,969,224	714,310	2,683,534
2013	1,863,094	651,606	2,514,700
2014	1,908,111	588,887	2,496,998
201-2019	9,229,506	1,870,128	11,099,634
2020-2024	<u>4,544,009</u>	<u>419,382</u>	<u>4,963,391</u>
Component Unit Totals	<u>\$ 23,286,091</u>	<u>\$ 5,855,503</u>	<u>\$ 29,141,594</u>

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

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

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

Machinery and equipment	\$ 531,980
Less: accumulated depreciation	<u>(247,030)</u>
Net Value	<u>\$ 284,950</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

The following is a schedule of future minimum payments as of December 31, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Year ending December 31, 2011	\$ 93,845	\$ 11,050	\$ 104,895
2012	66,664	7,539	74,203
2013	68,645	4,373	73,018
2014	54,274	1,152	55,426
2015	<u>1,522</u>	<u>26</u>	<u>1,548</u>
Totals	<u>\$ 284,950</u>	<u>\$ 24,140</u>	<u>\$ 309,090</u>

Prior-Year Defeasance of Debt

In prior years, the Town of Huntington defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2010, the amount of defeased bonds outstanding was approximately \$12.7 million, of which approximately \$12.0 million was for general Town purposes and approximately \$0.7 million was for the component units.

5. RETIREMENT SYSTEM

Plan Description

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

Obligation of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the 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.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

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

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

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

	<u>Annual Required Contribution</u>
For the year ending December 31, 2010	\$ 5,777,432
2009	3,675,479
2008	4,165,774

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

6. EMPLOYEE RETIREMENT INCENTIVES

From 2004 to 2010, 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 2010 \$1,770,497 was charged to expenditures for these programs. The total unpaid liability at the end of the year was \$2,239,734, of which \$1,770,497 is reported in the various governmental funds as an accrued liability and the remaining \$469,236 is recorded as a non-current liability and is payable as follows:

Year ending December 31, 2011	\$ 278,589
2012	190,647
Total	<u>\$ 469,236</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 Plan is administered by Penflex, Inc. with all provisions and amendments subject to approval of the Town Board. None of the pension plans issue separate audited reports on the pension plans.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

7. SERVICE AWARD PROGRAM (continued)

Funding Policy

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

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

Pension expense is determined based on an annual actuarial calculation. The required contribution for the Plans consists of two components. The first component, the annual prior service cost which equals the level annual payment required to fund over the prior service funding period, the portion of the current participants' projected benefits at entitlement age which is based on the service credit ambulance workers earned before the effective date of the Service Award Program. The second component, the "normal cost," which is equal to the level annual payment required to fund the portion of the current participants' projected benefits based on their service credit earned after the effective date of the Service Award Program. Based upon accepted actuarial methods and the assumptions used, it has been determined that the contributions for the Commack Volunteer Ambulance Corps of \$71,970 and the Huntington Community First Aid Squad of \$320,258 for the year ended December 31, 2009 was sufficient to satisfy current and future service award obligations upon eligibility for retirement. The Fiscal Year 2009 contribution was made in Fiscal Year 2010. Actuarial results for Fiscal Year 2010 will not be available in time to report in this financial statement. The Annual Required Contribution and the Annual Contribution do not vary significantly from year to year and are not material to the financial statements as a whole.

Three Year Trend Information

Commack Volunteer Ambulance Corps.

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Annual Contribution	Net Service Award Obligation (Benefit)
12/31/10	Not Available	100%	\$ 71,970	Not Available
12/31/09	71,970	100%	78,127	(34,100)
12/31/08	78,127	100%	66,612	50,909
12/31/07	66,612	100%	74,698	(107,966)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual required contribution (ARC)	\$ 71,970	\$ 78,127	\$ 66,612
Adjustment to ARC	<u>(78,852)</u>	<u>147,360</u>	<u>(35,586)</u>
Annual OPEB cost (expense)	(6,882)	225,487	31,026
Less: Contribution for year ended December 31	<u>78,127</u>	<u>66,612</u>	<u>74,698</u>
Increase in net OPEB obligation	(85,009)	158,875	(43,672)
Net OPEB obligation – beginning of year	<u>50,909</u>	<u>(107,966)</u>	<u>(64,294)</u>
Net OPEB obligation – end of year	<u>\$ (34,100)</u>	<u>\$ 50,909</u>	<u>\$ (107,966)</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2009 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/09	\$565,236	\$531,136	\$(34,100)	106.4%	N/A	N/A
12/31/08	418,899	469,808	50,909	89.2%	N/A	N/A
12/31/07	517,572	409,606	(107,966)	126.4%	N/A	N/A

Huntington Community First Aid Squad

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Annual Contribution</u>	<u>Net Service Award Obligation (Benefit)</u>
12/31/10	Not Available	100%	\$320,258	Not Available
12/31/09	320,258	100%	330,474	815,957
12/31/08	330,474	100%	252,863	978,408
12/31/07	252,863	100%	248,749	285,737

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual required contribution (ARC)	\$ 320,258	\$ 330,474	\$ 252,863
Interest on net other post-employment benefits obligation	63,597	18,572	21,613
Adjustment to ARC	<u>(215,832)</u>	<u>596,488</u>	<u>(72,505)</u>
Annual OPEB cost (expense)	168,023	945,534	201,971
Less: Contribution for year ended December 31	<u>330,474</u>	<u>252,863</u>	<u>248,749</u>
Increase in net OPEB obligation	(162,451)	692,671	(46,778)
Net OPEB obligation – beginning of year	<u>978,408</u>	<u>285,737</u>	<u>332,515</u>
Net OPEB obligation – end of year	<u>\$ 815,957</u>	<u>\$ 978,408</u>	<u>\$ 285,737</u>

The funded status of the plan as of December 31, 2009 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>
12/31/09	\$2,095,658	\$2,911,615	\$815,957	72.0%	N/A	N/A
12/31/08	1,627,733	2,606,181	978,408	62.5%	N/A	N/A
12/31/07	2,077,729	2,363,466	285,737	87.9%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2009
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability Cost Method
Amortization Method	Level Dollar, open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	5 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return, including an inflation factor	6.5%

Huntington Community First Aid Squad

Valuation Date	December 31, 2009
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	4 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return Including an inflation factor	6.5%

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

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

In the government-wide financial statements, the cost of post employment healthcare benefits, like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid. 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 provide information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan Description:

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

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

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

Funding Policy:

The number participants as of January 1, 2009, the effective date of the biannual other post-employment benefits (OPEB) valuation, are as follows. There have been no significant changes in the number or type of coverage since that date.

	Total	Town	Component Units
Active employees	722	686	36
Retirees	582	559	23
Spouses of retired employees	303	292	11
Total	1,607	1,537	70

The Town currently pays for post employment health care benefits on a pay-as-you-go basis. GASB authoritative guidance does not require that the unfunded liability actually 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, 2010, the Town's annual other post-employment benefits, including component units, cost (expenses) were \$14,713,830. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$5,355,349 for retirees and their beneficiaries, the result was an increase in the other post-employment benefits liability of \$9,358,481 for the year ended December 31, 2010.

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, 2010 are as follows:

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

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

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Annual required contribution (ARC)	\$14,823,119	\$14,018,852	\$ 804,267
Interest on net other post-employment benefits obligation	1,080,132	1,005,284	74,848
Adjustment to ARC	<u>(1,189,421)</u>	<u>(1,107,313)</u>	<u>(82,108)</u>
Annual OPEB cost (expense)	14,713,830	13,916,823	797,007
Less: contribution for year ended December 31	<u>5,355,349</u>	<u>5,055,920</u>	<u>299,429</u>
Increase in net OPEB obligation	9,358,481	8,860,903	497,578
Net OPEB obligation- beginning of year	<u>26,713,306</u>	<u>25,295,517</u>	<u>1,417,789</u>
Net OPEB obligation- end of year	<u>\$36,071,787</u>	<u>\$34,156,420</u>	<u>\$ 1,915,367</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, 2010:

	<u>Annual OPEB Cost Paid</u>	<u>Percentage of Annual OPEB Cost</u>	<u>Net OPEB Obligation</u>
Town	\$ 13,916,823	36.3%	\$ 34,156,420
Component Units	<u>797,007</u>	<u>37.6%</u>	<u>1,915,367</u>
Total	<u>\$ 14,713,830</u>	36.4%	<u>\$ 36,071,787</u>

Funded Status and Funding Progress:

The funded status of the plan as of January 1, 2009 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>
Town	1/1/09	\$ -0-	\$178,809,136	\$178,809,136	0%	\$55,999,712	319.3%
Component Units	1/1/09	-0-	<u>10,133,710</u>	<u>10,133,710</u>	0%	2,147,830	471.8%
Total			<u>\$188,942,846</u>	<u>\$188,942,846</u>			

Actuarial Methods and Assumptions:

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Based on the Town's actuarial valuation as of January 1, 2009, 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) and level percentage of projected payroll of active plan members on a closed basis. Included coverage is "community-rated" and annual premiums for community-rated coverage was used with future trend increases without age adjustments.

The actuarial assumptions utilized a 4.0% discount rate and a 2.5% payroll growth rate. The valuation assumes a 8-10% healthcare cost trend increase for the year, reduced by decrements down to 5% in fiscal year 2014. The remaining amortization period at December 31, 2010 was twenty-eight years.

9. COMPENSATED ABSENCES

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the government-wide financial statements. Payment of vacation time and sick leave is dependent upon many factors, and therefore the timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2010, the value of the accumulated vacation time and sick leave was \$11,917,838 for the primary government. The liability for compensated absences for the component units amounted to \$685,429.

	<u>Balance</u> <u>1/1/10</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>12/31/10</u>
Primary Government:				
General Fund	\$ 6,340,076	\$ 2,421,438	\$ 2,239,342	\$ 6,522,172
Town Outside Village	1,149,395	366,714	406,493	1,109,616
Highway Fund	1,837,811	1,541,353	998,026	2,381,138
Sewer Districts	267,758	164,248	127,779	304,227
Street Lighting District	82,913	48,011	52,791	78,133
Refuse and Garbage Fund	976,940	455,985	318,484	1,114,441
Water Districts	<u>440,091</u>	<u>39,464</u>	<u>71,444</u>	<u>408,111</u>
Total Primary Government	<u>11,094,984</u>	<u>5,037,213</u>	<u>4,214,359</u>	<u>11,917,838</u>
Component Units:				
Greenlawn Water District	192,124	65,395	27,412	230,107
South Huntington Water District	<u>494,340</u>	<u>31,304</u>	<u>70,322</u>	<u>455,322</u>
Total Component Units	<u>686,464</u>	<u>96,699</u>	<u>97,734</u>	<u>685,429</u>
Total Compensated Absences	<u>\$ 11,781,448</u>	<u>\$ 5,133,912</u>	<u>\$ 4,312,093</u>	<u>\$ 12,603,267</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 estimated unsettled claims and litigation to be \$5,956,201. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

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

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

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

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

	Workers' Compensation		General Liability	
	2010	2009	2010	2009
Unpaid claims and claim adjustment expenditures at beginning of the year	\$ 2,990,570	\$ 4,346,962	\$ 2,503,500	\$ 1,814,750
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in provision for insured events of prior years	7,635,959	1,524,747	960,117	1,336,550
Total incurred claims and claim adjustment expenditures	7,635,959	1,524,747	960,117	1,336,550
Payments:				
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	7,263,028	2,881,139	870,917	647,800
Total payments	7,263,028	2,881,139	870,917	647,800
Total unpaid claims and claim adjustment expenditures at the end of the year	\$ 3,363,501	\$ 2,990,570	\$ 2,592,700	\$ 2,503,500

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 (formerly known as Ogden Martin Systems, Inc.), an affiliate of Covanta Energy, Inc. The facility is currently operating at full capacity.

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

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

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

As further consideration for allowing the Town of Huntington to use its landfill, the agreement grants the Town of Smithtown the right to deliver its processable solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town of Huntington under the Service Agreement with Covanta Huntington Limited Partnership. The total costs paid by the Town of Huntington under this service agreement during 2010 amounted to \$13,618,800 of which \$5,188,762 was reimbursed by the Town of Smithtown.

In accordance with New York State Department of Environmental Conservation Law, the landfill is at capacity and must be closed and capped. The cost for cap and closure is estimated to be \$7,500,000. Pursuant to the Municipal Cooperation Agreement with the Town of Smithtown, the Town of Huntington will fund 52.44% or \$3,933,000 of the cost of cap and closure. In 2004, a Solid Waste Management Reserve was established by the Town Board for this purpose. As of December 31, 2010 the project was completed and the Town's share of \$3,945,252 was paid in full.

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, 2010, the Town has recorded a liability of \$631,983, 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, 2010

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 \$10,770,227 has been recorded as encumbrances in the Capital Projects Fund.

5. POLLUTION REMEDIATION

The Town adopted Governmental Accounting Standards Board authoritative guidance on *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 an estimated \$1.5 million for remediation. State Assistance Grant funds have been secured in the amount of \$1.5 million for up to 90% of the estimated cost. The Town has also applied for a Brownsfield Remediation grant through the Environmental Protection Agency for an additional \$0.2 million and the Town would be responsible for approximately \$30,000 which has already been spent on the project. Therefore no liability has been recorded.

6. TAX CERTIORARI CLAIM

LIPA/National Grid currently pays 10% of the Town's tax levy. In October 2010, LIPA/National Grid filed a tax certiorari claim in Supreme Court, Suffolk County, seeking a significant reduction in the assessment of the Northport Power. The Town has filed a counter lawsuit for dismissal and damages. Any reduction in assessment ordered by the court would be permanently reapportioned among the Town's remaining real property tax base. Any prior year's tax refund will be a one-time "charge back" to residents issued in the post-settlement year. The Town is vigorously defending the tax certiorari claim in order to minimize or prevent the reduction in the Northport Power Plan assessment.

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, 2010:

Condensed Statement of Net Assets:

	Current and Other Assets	Capital Assets net of Depreciation	Current Liabilities	Other Long-Term Liabilities	Investment in Capital Assets, net of related debt	Restricted	Unrestricted
South Huntington Water District	\$ 13,229,547	\$ 37,065,165	\$ 2,822,713	\$ 20,324,146	\$ 23,132,264	\$ 1,239,723	\$ 2,775,866
Greenlawn Water District	7,553,580	18,442,948	1,090,210	3,603,835	15,648,892	262,684	5,390,907
	<u>\$ 20,783,127</u>	<u>\$ 55,508,113</u>	<u>\$ 3,912,923</u>	<u>\$ 23,927,981</u>	<u>\$ 38,781,156</u>	<u>\$ 1,502,407</u>	<u>\$ 8,166,773</u>

Condensed Statement of Activities:

	Program Revenue		General Revenue		Net Assets			
	Charges for Expenses	Net (Expense) Revenue	Property Tax	Other	Change	1/1/10	12/31/10	
South Huntington Water District	\$ 7,166,266	\$ 3,232,032	\$ (3,934,234)	\$ 3,305,845	\$ 3,550,883	\$ 2,922,494	\$ 24,225,359	\$ 27,147,853
Greenlawn Water District	5,254,162	2,985,254	(2,268,908)	2,302,500	2,040,289	2,073,881	19,228,602	21,302,483
	<u>\$ 12,420,428</u>	<u>\$ 6,217,286</u>	<u>\$ (6,203,142)</u>	<u>\$ 5,608,345</u>	<u>\$ 5,591,172</u>	<u>\$ 4,996,375</u>	<u>\$ 43,453,961</u>	<u>\$ 48,450,336</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2011, the date the financial statements were available for issuance

G. NEW PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) issued authoritative guidance on *Accounting and Financial Reporting for Service Concession Arrangements*, which improves financial reporting by addressing issues related to service concession arrangements (SCA) which are a type of public-private or public-public partnership. This statement applies to only those arrangements in which specific criteria are met. The Town is required to implement this authoritative guidance for the year ended December 31, 2012.

Governmental Accounting Standards Board (GASB) issued authoritative guidance on *The Financial Reporting Entity*, which modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. The Town is required to implement this authoritative guidance for the year ended December 31, 2012.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Notes to Required Supplementary Information

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

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

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 33,829,910	\$ 33,840,710	\$ 33,840,759	\$ 49
Total Real Property Taxes	33,829,910	33,840,710	33,840,759	49
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	7,000	7,000	7,252	252
Interest and penalty on taxes	250,000	250,000	272,644	22,644
Total Other Real Property Taxes	257,000	257,000	279,896	22,896
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	3,060,000	3,258,175	3,588,230	330,055
Total Non-Property Tax Items	3,060,000	3,258,175	3,588,230	330,055
DEPARTMENTAL INCOME				
Town clerk fees	275,000	275,000	200,419	(74,581)
Other general departmental income	1,900	1,900	5,539	3,639
Parking meter fees	245,000	245,000	240,825	(4,175)
Transportation	478,000	478,000	335,934	(142,066)
Charges - programs for the aging	343,600	259,600	267,246	7,646
Park and recreational charges	2,137,620	2,147,925	1,876,604	(271,321)
Recreational concessions	101,000	101,000	99,084	(1,916)
Special recreational facility charges	5,399,476	5,399,476	5,242,931	(156,545)
Refuse and garbage charges	19,614,024	20,671,075	20,670,536	(539)
Total Departmental Income	28,595,620	29,578,976	28,939,118	(639,858)
INTERGOVERNMENTAL CHARGES				
Information Technology - other governments	2,000	2,000	51	(1,949)
Miscellaneous Revenue	20,000	24,350	22,827	(1,523)
Fuel charges - other governments	165,926	165,926	167,408	1,482
Total Intergovernmental Charges	187,926	192,276	190,286	(1,990)
USE OF MONEY AND PROPERTY				
Interest and earnings	1,013,500	1,013,500	697,943	(315,557)
Rental of real property	457,498	457,498	516,308	58,810
Total Use of Money and Property	1,470,998	1,470,998	1,214,251	(256,747)
LICENSES AND PERMITS				
Bingo licenses	20,000	20,000	15,720	(4,280)
Dog licenses	35,310	35,310	46,626	11,316
Other permits	493,000	495,187	721,354	226,167
Total Licenses and Permits	548,310	550,497	783,700	233,203
FINES AND FORFEITURES				
Fines	865,200	908,000	655,849	(252,151)
Total Fines and Forfeitures	865,200	908,000	655,849	(252,151)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap and excess material	25,000	25,000	26,307	1,307
Sales of refuse for recycling	12,000	12,000	30,361	18,361
Sales other	2,000	2,000	20,708	18,708
Sales of Real Property			270,000	270,000
Sales of equipment	15,000	23,538	17,533	(6,005)
Insurance recoveries	310,000	329,000	468,372	139,372
	<hr/>			
Total Sale of Property and Compensation for Loss	364,000	391,538	833,281	441,743
<hr/>				
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures			120,526	120,526
Gifts and donations		15,000	26,126	11,126
Miscellaneous revenue	647,963	846,357	959,045	112,688
	<hr/>			
Total Miscellaneous Local Sources	647,963	861,357	1,105,697	244,340
<hr/>				
INTERFUND REVENUES	5,610,768	5,610,768	5,609,839	(929)
<hr/>				
STATE AID				
State Aid - revenue sharing	1,159,105	1,159,105	1,089,037	(70,068)
State Aid - mortgage tax	6,300,000	6,300,000	6,650,672	350,672
State Aid - other		5,600	5,538	(62)
State Aid - bus and other mass transit	886,000	886,000	819,869	(66,131)
State Aid - programs for aging	148,519	148,519	164,043	15,524
State Aid - youth program	792,230	770,801	790,244	19,443
State Aid - code enforcement	7,580	7,580	7,580	-
State Aid - other culture and recreation	47,155	47,155	39,677	(7,478)
State Aid - other home and community services		26,462	23,265	(3,197)
	<hr/>			
Total State Aid	9,340,589	9,351,222	9,589,925	238,703
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FEDERAL AID				
Federal Aid - programs for the aging	204,674	204,674	189,566	(15,108)
Federal Aid - youth program	503,467	503,467	395,769	(107,698)
Federal Aid - other home and community services		3,642	1,073	(2,569)
Federal Aid - other culture and recreation	29,623	29,623	31,006	1,383
	<hr/>			
Total Federal Aid	737,764	741,406	617,414	(123,992)
<hr/>				
OTHER FINANCING SOURCES				
Transfers in		180,666	181,505	839
	<hr/>			
Total Other Financing Sources		180,666	181,505	839
<hr/>				
Total Revenues	\$ 85,516,048	\$ 87,193,589	\$ 87,429,750	\$ 236,161

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2010

Function	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Town board	\$ 613,189	\$ 614,565	\$ 603,261	\$ 75	\$ 11,229
Traffic violations bureau	112,399	111,399	105,104	6,245	50
Supervisor	1,170,254	1,150,798	1,133,234		17,564
Comptroller	1,210,941	1,223,372	1,183,364		40,008
Tax collection	626,139	635,326	617,555		17,771
Purchasing	333,495	342,687	339,228		3,459
Assessment	828,919	817,221	799,964		17,257
Fiscal agent fees	35,000	35,000	34,549		451
Town clerk	1,014,484	1,070,948	1,013,098	1,067	56,783
Town attorney	2,627,716	3,360,825	3,094,197	250,329	16,299
Personnel	559,426	681,362	664,129	6,991	10,242
Engineer	827,147	899,732	877,201		22,531
General services	674,260	577,959	567,308		10,651
Operation of plant	9,924,865	9,797,712	9,591,343	36,452	169,917
Central storeroom	444,310	440,310	425,360		14,950
Central printing and mailing	348,591	360,035	355,173	2,461	2,401
Information Technology	1,377,050	1,757,234	1,522,396	230,351	4,487
Unallocated insurance	326,000	301,000	275,696		25,304
Municipal assessment dues	9,000	9,000	8,915		85
Judgments and claims	400,000	427,024	238,616	98,344	90,064
Purchase of land and right of way	4,500,000	2,128,089			2,128,089
Taxes and assessment on municipal property	143,878	139,418	131,012		8,406
Contractual	20,200	20,949	19,102	749	1,098
Contingency		3,255			3,255
Total General Government Support	28,127,263	26,905,220	23,599,805	633,064	2,672,351
PUBLIC SAFETY					
Administration	2,483,993	2,716,636	2,649,133	37,635	29,868
Harbors and waterways	613,283	665,354	664,120		1,234
Control of dogs	821,714	893,729	880,051	1,044	12,634
Safety inspection	217,463	224,699	222,426		2,273
Civil defense	16,119	59,271	52,338		6,933
Total Public Safety	4,152,572	4,559,689	4,468,068	38,679	52,942
HEALTH					
Substance Abuse	844,134	839,735	741,243		98,492
Total Health	844,134	839,735	741,243		98,492
TRANSPORTATION					
Highway and street administration	789,794	825,343	805,796		19,547
Waterways Navigation	56,573	70,758	65,953		4,805
Public transportation	3,887,131	3,604,279	3,537,523	2,962	63,794
Total Transportation	4,733,498	4,500,380	4,409,272	2,962	88,146

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2010

Function	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Community action administration	157,367	112,967	110,028		2,939
Public Information	120,810	128,635	125,068		3,567
Veterans service	7,500	22,500	21,469		1,031
Programs for the aging	1,928,310	1,939,634	1,870,603		69,031
Total Economic Assistance And Opportunity	2,213,987	2,203,736	2,127,168		76,568
CULTURE AND RECREATION					
Council on the arts	150,000	150,674	150,674		
Recreation administration	3,097,035	3,117,536	3,016,517	8,981	92,038
Playgrounds and recreation centers	1,509,664	1,391,159	1,252,859	8,849	129,451
Special recreation facility charges	4,299,708	4,271,941	4,197,894	195	73,852
Band concerts	155,546	174,439	174,439		
Youth programs	488,925	507,555	507,462		93
Joint youth programs	2,495,729	2,518,481	2,432,154		86,327
Museums	822,535	877,562	820,832	2,400	54,330
Historian	57,915	55,158	50,889	1,500	2,769
Celebrations	20,000	19,266	19,266		
Adult recreation	822,056	845,920	801,667		44,253
Total Culture and Recreation	13,919,113	13,929,691	13,424,653	21,925	483,113
HOME AND COMMUNITY SERVICES					
Refuse and garbage	19,138,398	20,152,737	20,138,612		14,125
Landfill Post Closure	81,960	107,064	80,939	3,670	22,455
Recycling	632,410	605,308	581,637	364	23,307
General natural resources	949,414	948,208	905,124	13,086	29,998
Miscellaneous	181,223	168,509	141,513	18,689	8,307
Total Home and Community Services	20,983,405	21,981,826	21,847,825	35,809	98,192
EMPLOYEE BENEFITS					
State employee retirement system	2,250,000	3,197,460	3,197,460		
Social security	100,177	77			77
Workers' compensation	1,469,000	2,335,454	2,335,454		
Life insurance	56,500	56,500	49,393		7,107
Unemployment insurance	60,500	101,792	101,292		500
Disability benefits	90,300	72,552	72,252		300
Hospital, medical and dental	8,449,300	7,753,005	7,753,005		
Union welfare benefits	280,000	270,000	259,534		10,466
Other employee benefits	858,000	1,655,396	1,647,120		8,276
Total Employee Benefits	13,613,777	15,442,236	15,415,510		26,726
Total Current	88,587,749	90,362,513	86,033,544	732,439	3,596,530

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year ended December 31, 2010

Function	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
DEBT SERVICE					
Interest	100,000				
Total Debt Service	100,000				
Total Expenditures	88,687,749	90,362,513	86,033,544	732,439	3,596,530
Excess (Deficiency) of Revenues Over Expenditures	(3,171,701)	(3,168,924)	1,396,206	(732,439)	3,832,691
Other Financing Sources (Uses)					
Transfers out	(3,847,415)	(8,142,382)	(8,142,382)		
Total Other Financing Sources (Uses)	(3,847,415)	(8,142,382)	(8,142,382)		
Net Change in Fund Balance	<u>\$ (7,019,116)</u>	<u>\$ (11,311,306)</u>	(6,746,176)	<u>\$ (732,439)</u>	<u>\$ 3,832,691</u>
Fund Balance at Beginning of Year			40,057,311		
Fund Balance at End of Year			<u>\$ 33,311,135</u>		

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 31,498,107	\$ 31,498,107	\$ 31,498,107	
Total Real Property Taxes	31,498,107	31,498,107	31,498,107	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	8,000	8,000	8,653	\$ 653
Interest and penalties on taxes			2,087	2,087
Total Other Real Property Taxes	8,000	8,000	10,740	2,740
INTERGOVERNMENTAL CHARGES				
General services			21,731	21,731
Total Intergovernmental Charges			21,731	21,731
USE OF MONEY AND PROPERTY				
Interest and earnings	512,600	512,600	275,286	(237,314)
Total Use of Money and Property	512,600	512,600	275,286	(237,314)
LICENSES AND PERMITS				
Licenses and permits	90,000	90,000	138,375	48,375
Total Licenses and Permits	90,000	90,000	138,375	48,375
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap materials	3,000	3,000	4,821	1,821
Insurance recoveries	25,000	25,000	2,124	(22,876)
Total Sale of Property and Compensation for Loss	28,000	28,000	6,945	(21,055)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	20,100	20,100	38,532	18,432
Total Miscellaneous Local Sources	20,100	20,100	38,532	18,432
STATE AID				
State aid - Consolidated highway aid	1,332,736	1,332,736	1,320,821	(11,915)
State aid - Other			24,558	24,558
Total State Aid	1,332,736	1,332,736	1,345,379	12,643
FEDERAL AID				
Emergency disaster assistance - snow removal costs			147,349	147,349
Total Federal Aid			147,349	147,349
Total Revenues	33,489,543	33,489,543	33,482,444	(7,099)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 90,000	\$ 90,000	\$ 76,690		\$ 13,310
Bond and note issue expense	65,000	65,000	19,255		45,745
Employee training	9,000	9,416	8,168	\$ 416	832
Contingency	1,003,000	691,283			691,283
Total General Government Support	1,167,000	855,699	104,113	416	751,170
TRANSPORTATION					
Highway repairs	12,726,086	11,911,110	11,668,454	10,138	232,518
Capital highway improvements	1,332,736	1,332,736	1,320,821		11,915
Highway and machinery	2,306,794	2,331,561	2,210,673	1,247	119,641
Brush and weeds	455,000	470,225	361,751	78,240	30,234
Snow removal	2,666,161	3,545,074	3,462,931		82,143
Total Transportation	19,486,777	19,590,706	19,024,630	89,625	476,451
EMPLOYEE BENEFITS					
State employee retirement system	933,561	1,218,634	1,218,634		
Social security	47,900	47,900			47,900
Life insurance	1,000	1,000	255		745
Unemployment insurance	50,000	50,000	49,833		167
Disability benefits	1,000	1,000	442		558
Hospital, medical and dental	3,309,000	3,253,882	3,165,067		88,815
Union welfare benefits	210,000	210,000	189,310		20,690
Other employee benefits	765,600	1,097,993	1,069,204		28,789
Total Employee Benefits	5,318,061	5,880,409	5,692,745		187,664
Total Current	25,971,838	26,326,814	24,821,488	90,041	1,415,285
DEBT SERVICE					
Interest	75,000				
Total Debt Service	75,000				
Total Expenditures	26,046,838	26,326,814	24,821,488	90,041	1,415,285
Excess (Deficiency) of Revenues Over Expenditures	7,442,705	7,162,729	8,660,956	(90,041)	1,408,186
Other Financing Sources (Uses)					
Transfers out	(8,090,105)	(9,227,567)	(9,210,063)		17,504
Total Other Financing Sources (Uses)	(8,090,105)	(9,227,567)	(9,210,063)		17,504
Net Change in Fund Balance	\$ (647,400)	\$ (2,064,838)	(549,107)	\$ (90,041)	\$ 1,425,690
Fund Balance at Beginning of Year			11,093,667		
Fund Balance at End of Year			\$ 10,544,560		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 22,836,318	\$ 22,836,318	\$ 22,836,318	
Total Real Property Taxes	22,836,318	22,836,318	22,836,318	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	15,000	15,000	1,514	\$ (13,486)
Total Other Real Property Tax Items	15,000	15,000	1,514	(13,486)
DEPARTMENTAL INCOME				
Refuse and garbage charges	25,526	25,526	23,381	(2,145)
Total Departmental Income	25,526	25,526	23,381	(2,145)
USE OF MONEY AND PROPERTY				
Interest and earnings	232,800	232,800	114,242	(118,558)
Total Use of Money and Property	232,800	232,800	114,242	(118,558)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of recycled materials	364,450	349,450	387,321	37,871
Minor sales, other			5,200	5,200
Insurance recoveries	15,000	15,000		(15,000)
Total Sale of Property and Compensation for Loss	379,450	364,450	392,521	28,071
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	8,500	8,500	6,887	(1,613)
	8,500	8,500	6,887	(1,613)
Total Revenues	23,497,594	23,482,594	23,374,863	(107,731)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 65,000	\$ 59,500	\$ 49,165		\$ 10,335
Employee training	4,500	4,708	4,084	\$ 208	416
Contingency		16,985			16,985
Other government support	3,424,640	3,430,140	3,427,271		2,869
Total General Government Support	3,494,140	3,511,333	3,480,520	208	30,605
HOME AND COMMUNITY SERVICES					
Refuse and garbage	19,628,431	19,377,359	18,931,419	1,850	444,090
Total Home and Community Services	19,628,431	19,377,359	18,931,419	1,850	444,090
EMPLOYEE BENEFITS					
State employee retirement system	265,000	389,746	389,746		
Social security	22,950	22,950			22,950
Life insurance	500	500	85		415
Unemployment insurance	20,000	25,660	25,660		
Disability insurance	500	500	172		328
Hospital, medical and dental	940,700	940,700	922,484		18,216
Union welfare benefits	68,000	65,038	62,480		2,558
Other employee benefits	272,100	401,809	394,204		7,605
Total Employee Benefits	1,589,750	1,846,903	1,794,831		52,072
Total Expenditures	24,712,321	24,735,595	24,206,770	2,058	526,767
Excess (Deficiency) of Revenues Over Expenditures	(1,214,727)	(1,253,001)	(831,907)	(2,058)	419,036
Other Financing Sources (Uses)					
Transfers out	(80,173)	(209,858)	(209,856)		2
Total Other Financing Sources (Uses)	(80,173)	(209,858)	(209,856)		2
Net Change in Fund Balance	\$ (1,294,900)	\$ (1,462,859)	(1,041,763)	\$ (2,058)	\$ 419,038
Fund Balance at Beginning of Year			3,945,530		
Fund Balance at End of Year			\$ 2,903,767		

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OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Town Outside Village	Special Grant (HCDA)	Town Business Improvement District
ASSETS			
Cash and cash equivalents	\$ 3,197,036	\$ 285,038	
Prepays	152,732	7,057	
Accounts receivable, net	117,311	12,583	
Due from federal, state and other governments	30,316	143,438	
Due from other funds	1,584		
Total Assets	<u>\$ 3,498,979</u>	<u>\$ 448,116</u>	
LIABILITIES			
Accounts payable and other current liabilities	\$ 46,993	\$ 167,577	
Accrued liabilities	670,990	13,468	
Due to other governments		301,047	
Due to other funds	49,469		
Deferred revenue	308,933	6,248	
Total Liabilities	<u>1,076,385</u>	<u>488,340</u>	
FUND EQUITY			
Non-Spendable			
Prepays	152,732	7,057	
Restricted for:			
Debt service			
Retirement contribution	20,090		
Capital reserve	84,550		
Post retirement benefits	1,001,574		
Town Outside Village	588,148		
Communtiy Development		(47,281)	
Fire Protection			
Streetlighting			
Ambulance Services			
Sewer Services			
Water Services			
Committed to:			
Subsequent year's budget	575,500		
Total Fund Equity	<u>2,422,594</u>	<u>(40,224)</u>	
Total Liabilities and Fund Equity	<u>\$ 3,498,979</u>	<u>\$ 448,116</u>	

<u>Special Districts</u>	<u>Total</u>
\$ 6,452,174	\$ 9,934,248
98,305	258,094
386,982	516,876
144,701	318,455
226,839	228,423
<u>\$ 7,309,001</u>	<u>\$ 11,256,096</u>
\$ 505,395	\$ 719,965
353,924	1,038,382
	301,047
473,664	523,133
801,138	1,116,319
<u>2,134,121</u>	<u>3,698,846</u>
98,305	258,094
91,047	91,047
237,340	257,430
	84,550
124,314	1,125,888
	588,148
	(47,281)
62,822	62,822
1,920,189	1,920,189
37,013	37,013
207,994	207,994
2,302,956	2,302,956
92,900	668,400
<u>5,174,880</u>	<u>7,557,250</u>
<u>\$ 7,309,001</u>	<u>\$ 11,256,096</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Special Revenue Funds		
	Town Outside Village	Special Grant (HCDA)	Town Business Improvement District
REVENUES			
Real property taxes	\$ 4,312,875		\$ 186,500
Other real property tax items	1,469		12
Non-property tax items			
Departmental income	3,907,652	\$ 446,976	
Use of money and property	56,261	237,924	
Licenses and permits	628,468		
compensation for loss	21,339		
Miscellaneous local sources	57,646		
Interfund Revenues			
State aid	31,561	280,929	
Federal aid	7,469	1,831,412	
Total Revenues	<u>9,024,740</u>	<u>2,797,241</u>	<u>186,512</u>
EXPENDITURES			
Current:			
General government support	2,122,996		
Public safety	1,937,885		
Health	233,738		
Transportation			
Home and community services	2,183,189	2,993,918	186,512
Employee benefits	2,974,623		
Total Expenditures	<u>9,452,431</u>	<u>2,993,918</u>	<u>186,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(427,691)	(196,677)	
Other Financing Sources (Uses)			
Transfers in			
Transfers out	(72,856)		
Total Other Financing Sources (Uses)	<u>(72,856)</u>		
Net Change in Fund Balance	(500,547)	(196,677)	
Fund Balances at Beginning of Year	<u>2,923,141</u>	<u>156,453</u>	
Fund Balances at End of Year	<u>\$ 2,422,594</u>	<u>\$ (40,224)</u>	

Special Districts	Total
\$ 15,700,509	\$ 20,199,884
68,799	70,280
144,701	144,701
3,054,296	7,408,924
307,220	601,405
	628,468
1,105,687	1,127,026
46,836	104,482
	-
	312,490
	1,838,881
20,428,048	32,436,541
2,233,905	4,356,901
1,279,784	3,217,669
2,122,645	2,356,383
2,511,222	2,511,222
5,971,345	11,334,964
2,207,032	5,181,655
16,325,933	28,958,794
4,102,115	3,477,747
80,830	80,830
(2,546,398)	(2,619,254)
(2,465,568)	(2,538,424)
1,636,547	939,323
3,538,333	6,617,927
\$ 5,174,880	\$ 7,557,250

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
December 31, 2010

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
ASSETS			
Cash and cash equivalents	\$ 77,959	\$ 2,501,589	\$ 37,013
Prepays	812	15,593	
Accounts receivable, net			
Due from federal, state and other governments			
Due from other funds		57	
Total Assets	\$ 78,771	\$ 2,517,239	\$ 37,013
LIABILITIES			
Accounts payable and other current liabilities	\$ 15,137	\$ 211,559	
Accrued liabilities		47,604	
Due to other funds		6,744	
Deferred revenues		259,900	
Total Liabilities	15,137	525,807	
FUND EQUITY			
Non-Spendable			
Prepays	812	15,593	
Restricted for:			
Debt service			
Retirement contribution		24,382	
Postretirement benefits		20,268	
Fire Protection	62,822		
Streetlighting		1,920,189	
Ambulance Services			37,013
Sewer Services			
Water Services			
Committed to:			
Subsequent year's budget		11,000	
Total Fund Equity	63,634	1,991,432	37,013
Total Liabilities and Fund Equity	\$ 78,771	\$ 2,517,239	\$ 37,013

Sewer Districts	Water District	Total
\$ 927,020	\$ 2,908,593	\$ 6,452,174
49,878	32,022	98,305
32,796	354,186	386,982
144,701		144,701
223,713	3,069	226,839
<u>\$ 1,378,108</u>	<u>\$ 3,297,870</u>	<u>\$ 7,309,001</u>
\$ 162,630	\$ 116,069	\$ 505,395
209,391	96,929	353,924
289,645	177,275	473,664
315,933	225,305	801,138
<u>977,599</u>	<u>615,578</u>	<u>2,134,121</u>
49,878	32,022	98,305
91,047		91,047
13,265	199,693	237,340
6,425	97,621	124,314
		62,822
		1,920,189
		37,013
207,994		207,994
	2,302,956	2,302,956
31,900	50,000	92,900
<u>400,509</u>	<u>2,682,292</u>	<u>5,174,880</u>
<u>\$ 1,378,108</u>	<u>\$ 3,297,870</u>	<u>\$ 7,309,001</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
Year Ended December 31, 2010

	Special Revenue Funds		
	Fire Protection District	Street Lighting District	Ambulance Districts
REVENUES			
Real property taxes	\$ 1,356,420	\$ 3,857,774	\$ 2,584,228
Other real property tax items	90	1,272	2,094
Non-property tax items			
Departmental income			
Use of money and property compensation for loss	1,217	22,939	3,644
Miscellaneous local sources		735	41,077
Total Revenues	<u>1,357,727</u>	<u>3,882,720</u>	<u>2,631,043</u>
EXPENDITURES			
Current:			
General government support	78,730	504,672	145,933
Public safety	1,279,784		
Health			2,122,645
Transportation		2,511,222	
Home and community services			
Employee benefits		261,002	392,229
Total Expenditures	<u>1,358,514</u>	<u>3,276,896</u>	<u>2,660,807</u>
Excess (Deficiency) of Revenues Over Expenditures	(787)	605,824	(29,764)
Other Financing Sources (Uses)			
Transfers in			
Transfers out		(118,322)	
Total Other Financing Sources (Uses)		<u>(118,322)</u>	
Net Change in Fund Balance	(787)	487,502	(29,764)
Fund Balances at Beginning of Year	<u>64,421</u>	<u>1,503,930</u>	<u>66,777</u>
Fund Balances at End of Year	<u>\$ 63,634</u>	<u>\$ 1,991,432</u>	<u>\$ 37,013</u>

Sewer Districts	Water District	Total
\$ 4,702,279	\$ 3,199,808	\$ 15,700,509
65,122	221	68,799
144,701		144,701
964,892	2,089,404	3,054,296
27,703	251,717	307,220
7,683	1,098,004	1,105,687
3,809	1,215	46,836
<u>5,916,189</u>	<u>6,640,369</u>	<u>20,428,048</u>
794,669	709,901	2,233,905
		1,279,784
		2,122,645
		2,511,222
3,323,134	2,648,211	5,971,345
885,510	668,291	2,207,032
<u>5,003,313</u>	<u>4,026,403</u>	<u>16,325,933</u>
912,876	2,613,966	4,102,115
80,830		80,830
(1,070,194)	(1,357,882)	(2,546,398)
<u>(989,364)</u>	<u>(1,357,882)</u>	<u>(2,465,568)</u>
(76,488)	1,256,084	1,636,547
476,997	1,426,208	3,538,333
<u>\$ 400,509</u>	<u>\$ 2,682,292</u>	<u>\$ 5,174,880</u>

TOWN OF HUNTINGTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash	\$ 186,066,167	\$ 1,042,405,380	\$ 1,130,482,260	\$ 97,989,287
Other assets	285,388	177,987,326	177,818,382	454,332
Total Assets	<u>\$ 186,351,555</u>	<u>\$ 1,220,392,706</u>	<u>\$ 1,308,300,642</u>	<u>\$ 98,443,619</u>
LIABILITIES				
Town Agency Fund				
Agency fund liabilities	\$ 10,531,055	\$ 790,339,986	\$ 790,128,552	\$ 10,742,489
Total Liabilities - Town Agency Fund	<u>10,531,055</u>	<u>790,339,986</u>	<u>790,128,552</u>	<u>10,742,489</u>
Town Receiver of Taxes Agency Fund				
Due to school districts	87,910,250	641,968,390	686,028,075	43,850,565
Due to other governments	87,910,250	179,207,923	223,267,608	43,850,565
Total Liabilities - Town Receiver Agency Fund	<u>175,820,500</u>	<u>821,176,313</u>	<u>909,295,683</u>	<u>87,701,130</u>
Total Liabilities	<u>\$ 186,351,555</u>	<u>\$ 1,611,516,299</u>	<u>\$ 1,699,424,235</u>	<u>\$ 98,443,619</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
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,312,875	\$ 4,312,875	\$ 4,312,875	
Total Real Property Taxes	4,312,875	4,312,875	4,312,875	
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	1,000	1,000	1,184	\$ 184
Interest and penalties on taxes	3,000	3,000	285	(2,715)
Total Other Real Property Taxes	4,000	4,000	1,469	(2,531)
DEPARTMENTAL INCOME				
Building fees	3,106,229	3,106,229	3,403,795	297,566
Zoning board fees	100,000	100,000	126,867	26,867
Planning fees	182,500	182,500	173,180	(9,320)
Other fees	200,000	200,000	203,810	3,810
Total Departmental Income	3,588,729	3,588,729	3,907,652	318,923
USE OF MONEY AND PROPERTY				
Interest and earnings	82,000	82,000	56,261	(25,739)
Total Use of Money and Property	82,000	82,000	56,261	(25,739)
LICENSES AND PERMITS				
Building permits	761,000	761,000	628,468	(132,532)
Total Licenses and Permits	761,000	761,000	628,468	(132,532)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries		16,853	21,339	4,486
Total Sale of Property and Compensation for Loss		16,853	21,339	4,486
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	50,500	58,000	57,646	(354)
Total Miscellaneous Local Sources	50,500	58,000	57,646	(354)
STATE AID				
State Aid - State Emergency Management Office	30,316	30,316	31,561	1,245
Total State Aid	30,316	30,316	31,561	1,245
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance			7,469	7,469
Total Federal Aid			7,469	7,469
Total Revenues	8,829,420	8,853,773	9,024,740	170,967

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Operation of plant	\$ 2,123,554	\$ 2,195,776	\$ 2,096,512		\$ 99,264
Insurance	30,000	30,000	22,400		7,600
Other government support	4,500	4,708	4,084	\$ 208	416
Total General Government Support	2,158,054	2,230,484	2,122,996	208	107,280
PUBLIC SAFETY					
Traffic control	685,133	656,633	548,142	91,866	16,625
Safety inspection	1,401,925	1,428,826	1,389,743	1,962	37,121
Total Public Safety	2,087,058	2,085,459	1,937,885	93,828	53,746
HEALTH					
Registrar of vital statistics	218,549	237,527	233,738	109	3,680
Total Health	218,549	237,527	233,738	109	3,680
HOME AND COMMUNITY SERVICES					
Zoning	156,249	168,267	149,399	7,500	11,368
Planning	1,928,244	1,912,412	1,888,974	791	22,647
Joint planning board	123,449	123,449	106,819	1,435	15,195
Beautification	21,598	21,681	21,681		
Conservation	17,199	17,207	16,316		891
Total Home and Community Services	2,246,739	2,243,016	2,183,189	9,726	50,101
EMPLOYEE BENEFITS					
State employee retirement system	405,000	591,147	591,147		
Social security	27,877	17,547			17,547
Life insurance	11,000	11,000	10,060		940
Unemployment insurance	7,000	7,000	4,079		2,921
Disability benefits	20,000	20,000	14,664		5,336
Hospital, medical and dental	2,144,600	1,812,437	1,776,679		35,758
Union welfare benefits		500	330		170
Other employee benefits	496,000	642,611	577,664		64,947
Total Employee Benefits	3,111,477	3,102,242	2,974,623		127,619
Total Expenditures	9,821,877	9,898,728	9,452,431	103,871	342,426
Excess (Deficiency) of Revenues Over Expenditures	(992,457)	(1,044,955)	(427,691)	(103,871)	513,393
Other Financing Uses					
Transfers out	(58,543)	(75,396)	(72,856)		2,540
Total Other Financing Uses	(58,543)	(75,396)	(72,856)		2,540
Net Change in Fund Balance	\$ (1,051,000)	\$ (1,120,351)	(500,547)	\$ (103,871)	\$ 515,933
Fund Balance at Beginning of Year			2,923,141		
Fund Balance at End of Year			\$ 2,422,594		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN BUSINESS IMPROVEMENT DISTRICTS
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 186,500	\$ 186,500	\$ 186,500	
Total Real Property Taxes	<u>186,500</u>	<u>186,500</u>	<u>186,500</u>	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	125	125	12	\$ (113)
Total Other Real Property Tax Items	<u>125</u>	<u>125</u>	<u>12</u>	<u>(113)</u>
Total Revenues	<u>186,625</u>	<u>186,625</u>	<u>186,512</u>	<u>(113)</u>
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Contractual expenditures	186,625	186,625	186,512	113
Total Home and Community Services	<u>186,625</u>	<u>186,625</u>	<u>186,512</u>	<u>113</u>
Total Expenditures	<u>186,625</u>	<u>186,625</u>	<u>186,512</u>	<u>113</u>
Net Change in Fund Balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year				

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PROTECTION DISTRICT FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,356,420	\$ 1,356,420	\$ 1,356,420	
Total Real Property Taxes	<u>1,356,420</u>	<u>1,356,420</u>	<u>1,356,420</u>	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes			90	\$ 90
Total Other Real Property Tax Items			<u>90</u>	<u>90</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	8,200	8,200	1,217	(6,983)
Total Use of Money and Property	<u>8,200</u>	<u>8,200</u>	<u>1,217</u>	<u>(6,983)</u>
Total Revenues	<u>1,364,620</u>	<u>1,364,620</u>	<u>1,357,727</u>	<u>(6,893)</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Insurance	5,000	5,000	3,416	1,584
Other government support	75,314	75,314	75,314	
Total General Government Support	<u>80,314</u>	<u>80,314</u>	<u>78,730</u>	<u>1,584</u>
PUBLIC SAFETY				
Fire protection	1,284,306	1,284,306	1,279,784	4,522
Total Public Safety	<u>1,284,306</u>	<u>1,284,306</u>	<u>1,279,784</u>	<u>4,522</u>
Total Expenditures	<u>1,364,620</u>	<u>1,364,620</u>	<u>1,358,514</u>	<u>6,106</u>
Net Change in Fund Balance			(787)	\$ (787)
Fund Balance at Beginning of Year			64,421	
Fund Balance at End of Year			<u>\$ 63,634</u>	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,857,774	\$ 3,857,774	\$ 3,857,774	
Total Real Property Taxes	3,857,774	3,857,774	3,857,774	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,000	1,000	1,016	\$ 16
Interest and penalties on taxes			256	256
Total Other Real Property Tax Items	1,000	1,000	1,272	272
USE OF MONEY AND PROPERTY				
Interest and earnings	35,700	35,700	22,939	(12,761)
Total Use of Money and Property	35,700	35,700	22,939	(12,761)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	720	720	735	15
Total Miscellaneous Local Sources	720	720	735	15
Total Revenues	3,895,194	3,895,194	3,882,720	(12,474)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 12,000	\$ 12,000	\$ 9,150		\$ 2,850
Other government support	547,307	529,245	495,522		33,723
Total General Government Support	559,307	541,245	504,672		36,573
TRANSPORTATION					
Lighting	3,014,093	3,034,743	2,511,222	\$ 50,913	472,608
Total Transportation	3,014,093	3,034,743	2,511,222	50,913	472,608
EMPLOYEE BENEFITS					
State employee retirement system	43,210	56,272	56,272		
Social security	6,300	1,657			1,657
Life insurance	1,000	1,000	170		830
Unemployment insurance	5,000	2,810	524		2,286
Disability insurance	1,000	1,000	148		852
Hospital, medical and dental	144,600	146,790	146,470		320
Union welfare benefits	8,000	8,000	7,920		80
Other employee benefits	91,100	95,950	49,498		46,452
Total Employee Benefits	300,210	313,479	261,002		52,477
Total Expenditures	3,873,610	3,889,467	3,276,896	50,913	561,658
Excess (Deficiency) of Revenues Over Expenditures	21,584	5,727	605,824	(50,913)	549,184
Other Financing Sources (Uses)					
Transfers out	(26,584)	(118,324)	(118,322)		2
Total Other Financing (Uses)	(26,584)	(118,324)	(118,322)		2
Net Change in Fund Balance	\$ (5,000)	\$ (112,597)	487,502	\$ (50,913)	\$ 549,186
Fund Balance at Beginning of Year			1,503,930		
Fund Balance at End of Year			\$ 1,991,432		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE DISTRICTS FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,584,228	\$ 2,584,228	\$ 2,584,228	
Total Real Property Taxes	2,584,228	2,584,228	2,584,228	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,800	1,800	1,923	\$ 123
Interest and penalties on taxes	1,250	1,250	171	(1,079)
Total Other Real Property Tax Items	3,050	3,050	2,094	(956)
USE OF MONEY AND PROPERTY				
Interest and earnings	5,800	5,800	3,644	(2,156)
Total Use of Money and Property	5,800	5,800	3,644	(2,156)
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	50,000	50,000	41,077	(8,923)
Total Miscellaneous Local Sources	50,000	50,000	41,077	(8,923)
Total Revenues	2,643,078	2,643,078	2,631,043	(12,035)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	145,933	145,933	145,933	
Total General Government Support	145,933	145,933	145,933	
HEALTH				
Ambulance	2,122,645	2,122,645	2,122,645	
Total Health	2,122,645	2,122,645	2,122,645	
EMPLOYEE BENEFITS				
State employee retirement system	374,500	402,760	392,229	10,531
Total Employee Benefits	374,500	402,760	392,229	10,531
Total Expenditures	2,643,078	2,671,338	2,660,807	10,531
Net Change in Fund Balance		\$ (28,260)	(29,764)	\$ (1,504)
Fund Balance at Beginning of Year			66,777	
Fund Balance at End of Year			\$ 37,013	

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,702,279	\$ 4,702,279	\$ 4,702,279	
Total Real Property Taxes	4,702,279	4,702,279	4,702,279	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	22,000	22,000	64,810	\$ 42,810
Interest and penalties on taxes	2,000	2,000	312	(1,688)
Total Other Real Property Tax Items	24,000	24,000	65,122	41,122
NON-PROPERTY TAX ITEMS				
Local government assistance	144,701	144,701	144,701	
Total Non-Property Tax Items	144,701	144,701	144,701	
DEPARTMENTAL INCOME				
Sewer charges	782,284	963,968	964,892	924
Total Departmental Income	782,284	963,968	964,892	924
USE OF MONEY AND PROPERTY				
Interest and earnings	51,600	51,600	27,703	(23,897)
Total Use of Money and Property	51,600	51,600	27,703	(23,897)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Minor Sales			4,760	4,760
Insurance recoveries			2,923	2,923
Total Sale of Property and Compensation for Loss			7,683	7,683
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	2,250	2,250	3,809	1,559
Total Miscellaneous Local Sources	2,250	2,250	3,809	1,559
INTERFUND REVENUES				
Total Revenues	5,707,114	5,888,798	5,916,189	27,391

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 20,000	\$ 15,181	\$ 14,238		\$ 943
Other government support	782,387	780,542	780,431	\$ 50	61
Total General Government Support	<u>802,387</u>	<u>795,723</u>	<u>794,669</u>	<u>50</u>	<u>1,004</u>
HOME AND COMMUNITY SERVICES					
Sewer	3,295,484	3,439,004	3,323,134	19,402	96,468
Total Home and Community Services	<u>3,295,484</u>	<u>3,439,004</u>	<u>3,323,134</u>	<u>19,402</u>	<u>96,468</u>
EMPLOYEE BENEFITS					
State employee retirement system	136,066	179,852	179,852		
Social security	12,400				
Life insurance	1,000	500			500
Unemployment insurance	10,000	5,382	5,382		
Disability benefits	1,000	500			500
Hospital, medical and dental	437,800	462,542	460,982		1,560
Union welfare benefits	31,000	28,970	28,490		480
Other employee benefits	161,100	211,315	210,804		511
Total Employee Benefits	<u>790,366</u>	<u>889,061</u>	<u>885,510</u>		<u>3,551</u>
Total Expenditures	<u>4,888,237</u>	<u>5,123,788</u>	<u>5,003,313</u>	<u>19,452</u>	<u>101,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>818,877</u>	<u>765,010</u>	<u>912,876</u>	<u>(19,452)</u>	<u>128,414</u>
Other Financing Sources (Uses)					
Transfers in		80,830	80,830		
Transfers out	(1,047,727)	(1,070,197)	(1,070,194)		3
Total Other Financing Sources (Uses)	<u>(1,047,727)</u>	<u>(989,367)</u>	<u>(989,364)</u>		<u>3</u>
Net Change in Fund Balance	<u>\$ (228,850)</u>	<u>\$ (224,357)</u>	<u>(76,488)</u>	<u>\$ (19,452)</u>	<u>\$ 128,417</u>
Fund Balance at Beginning of Year			<u>476,997</u>		
Fund Balance at End of Year			<u>\$ 400,509</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,199,808	\$ 3,199,808	\$ 3,199,808	
Total Real Property Taxes	3,199,808	3,199,808	3,199,808	
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes			221	\$ 221
Total Other Real Property Tax Items			221	221
DEPARTMENTAL INCOME				
Metered water sales	1,750,000	1,750,000	1,960,925	210,925
Water rental arrears	90,000	90,000	128,479	38,479
Total Departmental Income	1,840,000	1,840,000	2,089,404	249,404
USE OF MONEY AND PROPERTY				
Interest and earnings	57,200	57,200	23,923	(33,277)
Tower rental	217,904	217,904	227,794	9,890
Total Use of Money and Property	275,104	275,104	251,717	(23,387)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries			1,098,004	1,098,004
Total Sale of Property and Compensation for Loss			1,098,004	1,098,004
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous			1,215	1,215
Total Miscellaneous Local Sources			1,215	1,215
Total Revenues	5,314,912	5,314,912	6,640,369	1,325,457

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Encum- brances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 15,000	\$ 11,200	\$ 11,200		
Other government support	700,653	700,686	698,701	\$ 33	\$ 1,952
Total General Government Support	715,653	711,886	709,901	33	1,952
HOME AND COMMUNITY SERVICES					
Water	2,933,423	2,706,622	2,648,211	37,797	20,614
Total Home and Community Services	2,933,423	2,706,622	2,648,211	37,797	20,614
EMPLOYEE BENEFITS					
State employee retirement system	87,308	113,989	113,989		
Social security	11,350				
Life insurance	1,000	1,000	170		830
Unemployment benefits	5,000				
Disability benefits	500	500	258		242
Hospital, medical and dental	311,700	301,733	301,084		649
Union welfare benefits	16,000	16,000	13,090		2,910
Other employee benefits	131,100	239,700	239,700		
Total Employee Benefits	563,958	672,922	668,291		4,631
Total Expenditures	4,213,034	4,091,430	4,026,403	37,830	27,197
Excess (Deficiency) of Revenues Over Expenditures	1,101,878	1,223,482	2,613,966	(37,830)	1,352,654
Other Financing Sources (Uses)					
Transfers out	(1,148,678)	(1,357,883)	(1,357,882)		1
Total Other Financing Sources (Uses)	(1,148,678)	(1,357,883)	(1,357,882)		1
Net Change in Fund Balance	\$ (46,800)	\$ (134,401)	1,256,084	\$ (37,830)	\$ 1,352,655
Fund Balance at Beginning of Year			1,426,208		
Fund Balance at End of Year			\$ 2,682,292		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year ended December 31, 2010

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
USE OF MONEY AND PROPERTY				
Interest and earnings	\$ 20,000	\$ 20,000	\$ 1,318	\$ (18,682)
Total Use of Money and Property	20,000	20,000	1,318	(18,682)
Total Revenues	20,000	20,000	1,318	(18,682)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Fiscal advisor fees	2,500	2,500		2,500
Total General Government Support	2,500	2,500		2,500
Total Current	2,500	2,500		2,500
DEBT SERVICE				
Principal	345,000	10,707,887	10,707,887	
Interest	16,845	3,754,230	3,750,760	3,470
Total Debt Service	361,845	14,462,117	14,458,647	3,470
Total Expenditures	364,345	14,464,617	14,458,647	5,970
(Deficiency) of Revenues				
(Under) Expenditures	(344,345)	(14,444,617)	(14,457,329)	(12,712)
Other Financing Sources				
Transfers In		14,100,272	14,100,272	
Total Other Financing Sources		14,100,272	14,100,272	
Net Change in Fund Balance	<u>\$ (344,345)</u>	<u>\$ (344,345)</u>	(357,057)	<u>\$ (12,712)</u>
Fund Balance at Beginning of Year			620,782	
Fund Balance at End of Year			<u>\$ 263,725</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 ASSETS
December 31, 2010

	South Huntington Water District	Greenlawn Water District	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 11,940,989	\$ 6,681,136	\$ 18,622,125
Prepays	79,200	36,772	115,972
Accounts receivable, net	700,755	580,967	1,281,722
Inventory of materials and supplies	124,227	254,705	378,932
Total Current Assets	<u>12,845,171</u>	<u>7,553,580</u>	<u>20,398,751</u>
Non-Current Assets			
Deferred charges, net of accumulated amortization	384,376		384,376
Non-depreciable capital assets	2,499,332	4,702,982	7,202,314
Depreciable capital assets, net of depreciation	34,565,833	13,739,966	48,305,799
Total Non-Current Assets	<u>37,449,541</u>	<u>18,442,948</u>	<u>55,892,489</u>
Total Assets	<u>50,294,712</u>	<u>25,996,528</u>	<u>76,291,240</u>
LIABILITIES			
Current Liabilities			
Accounts payable and other current liabilities	401,185	634,799	1,035,984
Accrued liabilities	690,134	38,178	728,312
Accrued interest payable	164,221	25,500	189,721
Non-current liabilities due within one year	1,567,173	391,733	1,958,906
Total Current Liabilities	<u>2,822,713</u>	<u>1,090,210</u>	<u>3,912,923</u>
Non-Current Liabilities			
Due in more than one year	<u>20,324,146</u>	<u>3,603,835</u>	<u>23,927,981</u>
Total Non-Current Liabilities	<u>20,324,146</u>	<u>3,603,835</u>	<u>23,927,981</u>
Total Liabilities	<u>23,146,859</u>	<u>4,694,045</u>	<u>27,840,904</u>
NET ASSETS			
Investment in capital assets, net of related debt	23,132,264	15,648,892	38,781,156
Restricted for:			
Capital Projects	1,239,723	262,684	1,502,407
Unrestricted	<u>2,775,866</u>	<u>5,390,907</u>	<u>8,166,773</u>
Total Net Assets	<u>\$ 27,147,853</u>	<u>\$ 21,302,483</u>	<u>\$ 48,450,336</u>

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year ended December 31, 2010

	South Huntington Water District	Greenlawn Water District	Totals
REVENUES			
Charges for services	\$ 3,232,032	\$ 2,985,254	\$ 6,217,286
Real property taxes	3,305,845	2,302,500	5,608,345
Interest and investment income	467,272	42,761	510,033
Miscellaneous	3,083,611	1,997,528	5,081,139
Total Revenues	10,088,760	7,328,043	17,416,803
EXPENDITURES			
Current:			
Home and community services	7,166,266	5,254,162	12,420,428
Total Expenditures	7,166,266	5,254,162	12,420,428
Changes in Net Assets	2,922,494	2,073,881	4,996,375
Net Assets at Beginning of Year	24,225,359	19,228,602	43,453,961
Net Assets at End of Year	\$ 27,147,853	\$ 21,302,483	\$ 48,450,336

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STATISTICAL SECTION

This 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 that is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and may present data from outside of the Town's accounting records. This part of the Town of Huntington's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.	115-122
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	123-128
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	129-132
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand The environment within which the government's financial activities take place	133-134
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	135-140

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

<u>Year Ended December 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Primary government				
Governmental activities				
Net Assets				
Invested in capital assets, net of related debt	\$ 237,683,547	\$ 223,896,536	\$ 206,681,526	\$ 196,497,063
Restricted	22,238,564	31,253,835	28,468,496	35,100,108
Unrestricted	<u>(18,948,323)</u>	<u>(11,169,761)</u>	<u>13,206,556</u>	<u>18,812,542</u>
Total primary governmental net assets	<u>\$ 240,973,788</u>	<u>\$ 243,980,610</u>	<u>\$ 248,356,578</u>	<u>\$ 250,409,713</u>

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 176,353,725	\$ 162,352,975	\$ 143,988,636	\$ 145,613,425
29,249,213	25,303,973	18,468,413	14,677,495
<u>29,542,899</u>	<u>25,817,346</u>	<u>33,169,180</u>	<u>27,061,793</u>
<u>\$ 235,145,837</u>	<u>\$ 213,474,294</u>	<u>\$ 195,626,229</u>	<u>\$ 187,352,713</u>

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

Year Ended December 31,	2010	2009	2008	2007
Expenses				
Governmental activities:				
General government support	\$ 39,790,531	\$ 38,857,392	\$ 38,494,761	\$ 37,510,058
Public safety	11,478,518	11,038,050	11,066,396	10,827,569
Health	3,232,195	3,148,777	3,003,556	2,957,496
Transportation	41,901,282	39,357,751	38,092,747	35,401,854
Economic assistance and opportunity	3,262,356	2,977,427	2,850,847	2,720,148
Culture and recreation	18,136,110	18,292,698	18,226,501	16,454,187
Home and community service	52,446,101	53,781,830	49,874,168	55,433,797
Interest on long-term debt	4,025,756	3,717,197	3,900,344	3,795,661
Total governmental activities expenses	<u>174,272,849</u>	<u>171,171,122</u>	<u>165,509,320</u>	<u>165,100,770</u>
Total primary government expenses	<u>\$ 174,272,849</u>	<u>\$ 171,171,122</u>	<u>\$ 165,509,320</u>	<u>\$ 165,100,770</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 5,149,354	\$ 4,313,478	\$ 4,390,671	\$ 4,460,228
Public safety	1,148,705	1,169,492	1,121,825	1,251,949
Health	203,810	193,270	203,200	219,040
Transportation	500,861	690,742	490,646	361,563
Economic assistance and opportunity	259,887	276,579	329,830	304,113
Culture and recreation	7,222,427	7,202,512	7,105,367	7,107,158
Home and community service	18,518,355	19,722,791	19,793,208	18,979,836
Operating grants and contributions	6,159,015	4,427,799	5,355,625	4,797,541
Capital grants and contributions	8,076,450	3,121,355	337,856	8,949,883
Total governmental activities program revenues	<u>47,238,864</u>	<u>41,118,018</u>	<u>39,128,228</u>	<u>46,431,311</u>
Total primary government program revenues	<u>\$ 47,238,864</u>	<u>\$ 41,118,018</u>	<u>\$ 39,128,228</u>	<u>\$ 46,431,311</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (127,033,985)</u>	<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>
Total primary government net expense	<u>\$ (127,033,985)</u>	<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Real property taxes	\$ 108,462,698	\$ 108,148,199	\$ 104,553,579	\$ 104,268,372
Mortgage tax	6,948,509	8,072,023	8,440,815	15,242,969
Other taxes	442,311	421,475	462,913	508,273
Refunded Debt	99,571	310,923		
Unrestricted grants and contributions	26,126	12,975	35,815	36,869
Interest earnings	1,464,479	2,462,846	4,790,462	7,741,662
State aid-unrestricted	1,089,037	1,159,105	1,201,356	1,247,213
Special Item	(979,724)			
Miscellaneous	6,474,156	5,089,592	4,843,015	4,887,977
Total governmental activities	<u>124,027,163</u>	<u>125,677,138</u>	<u>124,327,955</u>	<u>133,933,335</u>
Total primary government	<u>\$ 124,027,163</u>	<u>\$ 125,677,138</u>	<u>\$ 124,327,955</u>	<u>\$ 133,933,335</u>
Change in Net Assets				
Governmental Activities	<u>\$ (3,006,822)</u>	<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>	<u>\$ 15,263,876</u>
Total primary government	<u>\$ (3,006,822)</u>	<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>	<u>\$ 15,263,876</u>

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

For the year 2003, the Town grouped mortgage tax revenues as part of Operating grants and contributions for the CAFR. For consistency and comparative purposes, the Town reclassified these amounts on this schedule.

	2006	2005	2004	2003
\$	29,032,433	\$ 25,749,083	\$ 30,796,826	\$ 31,511,086
	8,977,952	7,261,650	8,851,163	8,038,226
	3,704,774	2,750,317	2,821,142	2,713,115
	31,821,414	33,141,746	31,388,924	32,083,792
	2,482,726	2,433,841	2,486,364	2,428,474
	18,543,175	18,152,031	15,818,197	10,570,141
	49,478,528	56,314,042	55,155,882	53,367,871
	3,662,193	3,693,437	3,747,504	4,099,187
	<u>147,703,195</u>	<u>149,496,147</u>	<u>151,066,002</u>	<u>144,811,892</u>
\$	<u>147,703,195</u>	<u>\$ 149,496,147</u>	<u>\$ 151,066,002</u>	<u>\$ 144,811,892</u>
\$	4,767,764	\$ 5,308,062	\$ 4,781,914	\$ 4,890,868
	1,261,930	864,919	962,940	828,411
	201,090	185,680	152,440	132,755
	337,082	365,648	363,679	341,189
	260,312	249,661	257,202	256,949
	6,850,466	6,710,947	6,228,040	4,771,721
	17,959,144	19,742,420	18,245,814	17,639,782
	4,375,487	4,705,274	4,390,050	5,321,579
	973,950	-0-	395	1,896,716
	<u>36,987,225</u>	<u>38,132,611</u>	<u>35,382,474</u>	<u>36,079,970</u>
\$	<u>36,987,225</u>	<u>\$ 38,132,611</u>	<u>\$ 35,382,474</u>	<u>\$ 36,079,970</u>
\$	<u>(110,715,970)</u>	<u>\$ (111,363,536)</u>	<u>\$ (115,683,528)</u>	<u>\$ (108,731,922)</u>
\$	<u>(110,715,970)</u>	<u>\$ (111,363,536)</u>	<u>\$ (115,683,528)</u>	<u>\$ (108,731,922)</u>
\$	102,076,056	\$ 99,760,934	\$ 96,546,392	\$ 91,063,350
	17,244,476	19,465,088	19,433,388	17,635,220
	562,643	437,805	506,213	505,091
	28,622	1,437	9,575	10,584
	7,132,133	4,012,657	1,847,492	1,771,894
	1,157,444	910,743	877,825	877,825
				200,000
	4,186,139	4,622,937	4,736,159	5,124,189
	<u>132,387,513</u>	<u>129,211,601</u>	<u>123,957,044</u>	<u>117,188,153</u>
\$	<u>132,387,513</u>	<u>\$ 129,211,601</u>	<u>\$ 123,957,044</u>	<u>\$ 117,188,153</u>
\$	<u>21,671,543</u>	<u>\$ 17,848,065</u>	<u>\$ 8,273,516</u>	<u>\$ 8,456,231</u>
\$	<u>21,671,543</u>	<u>\$ 17,848,065</u>	<u>\$ 8,273,516</u>	<u>\$ 8,456,231</u>

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

<u>Year Ended December 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Nonspendable	\$ 793,306			
Restricted	19,616,680	\$ 7,121,674	\$ 9,389,555	\$ 6,878,603
Committed	5,237,708			
Unreserved	7,663,441	32,607,217	42,883,861	48,572,651
Total General Fund	<u>\$ 33,311,135</u>	<u>\$ 39,728,891</u>	<u>\$ 52,273,416</u>	<u>\$ 55,451,254</u>
All other governmental funds				
Nonspendable	\$ 672,765			
Restricted	18,266,637	\$ 22,477,968	\$ 7,731,365	\$ 8,886,865
Committed	24,344,963			
Unreserved, reported in:				
Special Revenue Funds		21,199,750	23,248,062	22,455,232
Capital Projects funds		9,405,208	21,259,956	26,753,294
Total all other governmental funds	<u>\$ 43,284,365</u>	<u>\$ 53,082,926</u>	<u>\$ 52,239,383</u>	<u>\$ 58,095,391</u>

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

2006	2005	2004	2003
\$ 6,937,753	\$ 5,553,453	\$ 6,213,866	\$ 4,904,300
46,995,197	43,303,311	41,778,414	34,667,311
<u>\$ 53,932,950</u>	<u>\$ 48,856,764</u>	<u>\$ 47,992,280</u>	<u>\$ 39,571,611</u>
\$ 5,726,455	\$ 5,512,492	\$ 7,276,327	\$ 7,599,953
18,245,579	16,434,551	17,267,646	17,311,562
18,465,620	18,388,898	14,393,748	15,725,214
<u>\$ 42,437,654</u>	<u>\$ 40,335,941</u>	<u>\$ 38,937,721</u>	<u>\$ 40,636,729</u>

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

<u>Year Ended December 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Real property taxes	\$ 108,375,068	\$ 108,050,206	\$ 104,482,088	\$ 104,268,372
Other real property tax items	362,430	302,597	342,356	363,569
Non-property taxes	3,732,931	3,418,102	3,219,166	2,977,294
Departmental income	36,371,423	37,131,273	37,932,147	37,550,785
Intergovernmental charges	212,017	230,523	198,017	182,185
Use of money and property	2,208,584	3,197,242	5,457,339	8,387,194
License and permits	1,550,543	1,588,318	1,412,228	1,447,023
Fines and forfeitures	655,849	748,601	676,093	755,113
Sale of property and compensation for loss	2,359,773	1,616,146	1,747,098	1,761,072
Miscellaneous and local sources	2,379,497	2,418,825	1,235,762	1,003,358
Interfund revenues	5,609,839	5,531,969	5,573,344	5,826,953
State aid	12,032,056	13,321,602	13,277,833	29,785,313
Federal aid	8,819,217	1,394,175	2,763,613	2,124,246
Total Revenues	<u>184,669,227</u>	<u>178,949,579</u>	<u>178,317,084</u>	<u>196,432,477</u>
Expenditures				
Current:				
General government support	31,541,339	31,419,001	30,989,879	30,845,576
Public safety	7,685,737	7,458,446	7,066,827	7,091,650
Health	3,097,626	3,043,546	2,890,720	2,829,372
Transportation	25,945,124	26,380,638	24,702,035	23,725,720
Economic assistance and opportunity	2,127,168	2,108,791	2,071,199	1,902,587
Culture and recreation	13,424,653	13,312,110	12,574,292	12,717,401
Home and community service	52,114,208	53,754,192	55,486,780	54,935,602
Employee benefits	28,084,741	24,303,462	24,581,780	23,398,787
Capital outlay	33,582,051	25,462,611	23,117,859	22,138,606
Debt Service:				
Principal	10,707,885	11,292,923	10,962,502	10,434,124
Interest	3,750,762	3,965,197	3,964,601	3,848,293
Total Expenditures	<u>212,061,294</u>	<u>202,500,917</u>	<u>198,408,474</u>	<u>193,867,718</u>
Excess of revenues over (under) expenditures	(27,392,067)	(23,551,338)	(20,091,390)	2,564,759
Other financing sources (uses)				
Bonds issued	11,160,000	11,443,000	10,900,000	14,565,000
Capital leases	15,752	313,082	157,544	46,282
Transfers in	20,443,890	28,859,469	20,050,066	24,072,181
Transfers out	(20,443,890)	(28,859,469)	(20,050,066)	(24,072,181)
Refunding bonds issued		10,637,460		
Premium on bonds issued		883,161		
Payments to refund bond escrow agent		(11,426,347)		
Total other financing sources (uses)	<u>11,175,752</u>	<u>11,850,356</u>	<u>11,057,544</u>	<u>14,611,282</u>
Net change in fund balances	<u>\$ (16,216,315)</u>	<u>\$ (11,700,982)</u>	<u>\$ (9,033,846)</u>	<u>\$ 17,176,041</u>
Debt service as a percentage of noncapital expenditures	8.44%	8.57%	8.71%	8.34%

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

2006	2005	2004	2003
\$ 102,076,056	\$ 99,760,934	\$ 96,647,904	\$ 91,145,199
337,132	293,105	266,521	289,180
2,684,496	2,607,474	2,469,502	2,282,090
37,291,254	38,233,441	37,306,735	35,383,942
349,191	184,947	178,780	175,989
7,661,795	4,432,647	2,173,653	2,102,988
1,421,451	1,668,268	1,598,079	1,668,184
710,146	454,641	571,300	479,230
707,995	1,030,197	983,740	588,456
1,309,444	1,479,274	2,003,171	2,396,259
5,419,337	8,918,045	7,906,466	7,804,274
22,256,489	21,577,180	23,735,772	21,819,459
1,806,370	2,377,250	1,378,503	4,407,118
<u>184,031,156</u>	<u>183,017,403</u>	<u>177,220,126</u>	<u>170,542,368</u>
30,471,034	31,683,885	29,491,722	29,416,381
6,710,902	6,170,010	5,916,745	5,698,116
2,808,167	2,657,621	2,739,251	2,614,212
22,460,334	23,555,508	21,664,791	22,371,414
1,936,096	1,890,491	1,926,176	1,935,012
12,776,569	12,360,638	11,291,756	10,236,642
52,060,539	54,824,903	52,619,757	52,859,037
21,467,337	23,113,747	22,031,071	19,682,219
26,283,625	20,677,779	17,127,917	16,000,027
11,203,370	10,712,578	10,328,448	10,514,435
3,724,456	3,718,941	3,855,228	4,307,550
<u>191,902,429</u>	<u>191,366,101</u>	<u>178,992,862</u>	<u>175,635,045</u>
(7,871,273)	(8,348,698)	(1,772,736)	(5,092,677)
14,935,000	10,495,000	8,320,000	8,860,000
101,006	114,022	452,927	
24,458,333	26,678,218	20,750,983	20,139,771
(24,458,333)	(26,678,218)	(20,750,983)	(20,139,771)
		18,314,481	7,143,069
13,166	2,380	(18,593,011)	(7,143,069)
<u>15,049,172</u>	<u>10,611,402</u>	<u>8,494,397</u>	<u>8,860,000</u>
<u>\$ 7,177,899</u>	<u>\$ 2,262,704</u>	<u>\$ 6,721,661</u>	<u>\$ 3,767,323</u>
9.12%	8.73%	8.73%	9.70%

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

Year Ended December 31,	Residential Property	Commercial Property	Vacant Property	Other	Less: Tax Exempt Real Property
2010	\$ 263,770,555	\$ 46,357,047	\$ 2,387,307	\$ 71,183,911	\$ 46,975,939
2009	265,575,827	46,286,235	2,354,454	71,118,730	47,455,305
2008	266,664,631	46,281,700	2,354,454	71,118,730	47,455,305
2007	266,185,449	46,901,830	2,825,488	70,878,314	48,261,051
2006	265,339,030	47,690,042	3,103,276	70,968,877	48,716,481
2005	264,079,140	48,466,141	3,012,788	70,944,975	49,171,601
2004	259,820,051	49,819,401	3,502,713	71,543,502	49,520,453
2003	257,266,727	50,534,545	3,887,938	71,555,294	49,881,231
2002	253,729,440	51,298,230	4,155,668	72,390,893	50,219,092
2001	251,169,021	51,494,251	3,724,198	72,735,519	50,554,711

Source: Town of Huntington Department of Information Technology

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

Detail of Assessed Value is not available prior to 1999.

N/A - Information not available

Total Net Assessed Value	Total Direct Tax Rate (a)	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
\$ 336,722,881	\$ 25.18	0.82%	\$ 41,063,765,976	0.93%
337,879,941	25.18	0.76%	\$ 44,457,886,974	0.87%
338,964,210	25.18	0.77%	\$ 44,021,325,974	0.88%
338,530,030	23.84	0.80%	\$ 42,316,253,750	0.91%
338,384,744	23.27	0.87%	\$ 38,894,798,161	1.00%
337,331,443	22.64	0.94%	\$ 35,886,323,723	1.08%
335,165,214	22.10	1.06%	\$ 31,619,359,811	1.22%
333,363,273	20.91	1.20%	\$ 27,780,272,750	1.38%
331,355,139	20.15	1.41%	\$ 23,500,364,468	1.62%
328,568,278	19.51	1.56%	\$ 21,062,069,103	1.80%

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

Town Direct Rates

Years Ended December 31,	Full Valuation	State Equalization Rate	Total Taxable Assessed Value	Tax Levy For Town	Total Town Direct Tax Rate ¹
2010	\$ 41,063,765,975	0.82%	\$ 336,722,881	108,334,219	25.37
2009	44,457,886,973	0.76%	337,879,941	108,012,342	25.18
2008	44,021,325,974	0.77%	338,964,210	104,452,838	25.18
2007	42,316,253,750	0.80%	338,530,030	104,245,539	23.84
2006	38,894,798,161	0.87%	338,384,744	102,072,056	23.27
2005	35,886,323,723	0.94%	337,331,443	99,711,559	22.64
2004	31,619,359,811	1.06%	335,165,214	96,546,392	22.10
2003	27,780,272,750	1.20%	333,363,273	91,063,350	20.91
2002	23,500,364,468	1.41%	331,355,139	88,743,492	20.15
2001	21,062,069,103	1.56%	328,568,278	86,532,646	19.51

Source: Town of Huntington Department of Information Technology

¹ Per \$100 of assessed value

County Tax Levy For Town	Total County Direct Rate ¹	School Levy	Total School Direct Rate ¹	Total Direct & Overlapping Rates
\$ 114,639,824	34.05	\$ 566,610,386	168.27	227.69
113,772,335	33.67	595,186,877	176.15	235.01
104,451,179	30.81	572,110,308	168.78	224.78
109,948,191	32.48	547,479,443	161.72	218.04
106,354,217	31.43	519,189,924	153.43	208.13
109,177,519	32.37	480,304,965	142.38	197.39
101,303,804	30.23	436,456,700	130.22	182.55
101,437,057	30.43	398,569,919	119.56	170.90
97,466,547	29.41	366,387,525	110.57	160.13
86,457,096	26.31	344,204,921	104.76	150.58

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

2010

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 36,386,692	10.81%
2	The Retail Property Trust	Real Estate	2,050,000	0.61%
3	Melville Industrial Associates	Office Building	922,000	0.27%
4	Verizon	Utility	961,197	0.29%
5	Huntington Quadrangle #1 Co.	Real Estate	850,000	0.25%
6	Reckson FS Limited Partnership	Commercial	801,465	0.24%
7	Tribune, LLC (Newsday)	Newspaper	571,000	0.17%
8	Grandview Hotel Limited	Hotel	550,000	0.16%
9	Avalon Bay Communities	Real Estate	532,400	0.16%
10	Hines Reit Three Huntington Quadrangle	Real Estate	500,000	0.15%
Total			<u>\$ 44,124,754</u>	<u>13.11%</u>

2001

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (b)
1	Marketspan Generation, LLC	Utility	\$ 30,298,100	9.22%
2	LIPA	Utility	4,932,639	1.50%
3	The Retail Property Trust	Real Estate	2,500,000	0.76%
4	Keyspan Energy Corporation	Utility	1,473,038	0.45%
5	Verizon	Utility	1,433,310	0.44%
6	Melville Industrial Associates	Office Building	1,305,000	0.40%
7	Reckson FS Limited Partnership	Commercial	1,045,800	0.32%
8	Reckson Operating Partnership	Commercial	900,915	0.27%
9	Estee Lauder	Cosmetic Manufacturer	709,750	0.22%
10	TMCT, LLC (Newsday)	Newspaper	688,000	0.21%
Total			<u>\$ 45,286,552</u>	<u>13.78%</u>

Source: Town of Huntington Department of Information Technology

(a) Total taxable assessed valuations per the Town's 2009 assessment roll for taxes levied in fiscal 2010 are \$336,722,881

(b) Total taxable assessed valuations per the Town's 2000 assessment roll for taxes levied in fiscal 2001 are \$328,568,488

TOWN OF HUNTINGTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ended December 31,	Tax Levy For Town ^(a)	Total Tax Levy ^(b)	Amount Collected ^(c)	Percent Collected ^(d)	Amount Uncollected ^(c)	Percent Uncollected ^(d)
2010	\$ 747,406,834	\$ 862,046,658	\$ 837,082,430	97.10%	\$ 24,964,228	2.90%
2009	737,498,921	851,271,257	825,809,214	97.01%	25,462,043	2.99%
2008	707,767,617	812,218,796	791,072,496	97.40%	21,146,300	2.60%
2007	682,659,324	792,607,515	774,339,607	97.70%	18,267,908	2.30%
2006	650,959,939	757,314,066	738,878,775	97.57%	18,435,291	2.43%
2005	607,656,637	716,834,156	702,243,556	97.96%	14,590,600	2.04%
2004	559,347,085	660,650,889	645,693,619	97.74%	14,957,270	2.26%
2003	514,566,093	616,003,150	601,044,767	97.57%	14,958,383	2.43%
2002	479,247,453	576,714,000	564,805,743	97.94%	11,908,257	2.06%
2001	454,397,513	540,854,609	526,787,700	97.40%	14,066,909	2.60%
	<u>\$ 6,141,507,416</u>	<u>\$ 7,186,515,096</u>	<u>\$ 7,007,757,907</u>		<u>\$ 178,757,189</u>	

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

^(a) Gross levy for Town purposes. (Includes all Town controlled funds, Water Districts, Fire Districts and School Districts).

^(b) Includes all Town and County taxes.

^(c) During year of levy.

^(d) Uncollected taxes are returned to the County for collection. The Town retains 100% of its levy. See "Tax Collection Procedures". All subsequent year tax collections are collected by the County.

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

Year Ended	Governmental Activities			Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Capital Leases	Total Primary Government		
2010	\$ 99,003,913	\$ 284,950	\$ 99,288,863	0.94%	482
2009	98,551,800	394,220	98,946,020	0.97%	483
2008	98,712,647	392,650	99,105,297	1.01%	486
2007	98,775,151	437,107	99,212,258	1.04%	487
2006	94,644,275	599,041	95,243,316	1.04%	470
2005	90,912,645	693,754	91,606,399	1.04%	454
2004	91,130,223	784,293	91,914,516	1.09%	461
2003	92,371,790	532,238	92,904,028	1.16%	470
2002	93,797,014	624,519	94,421,533	1.22%	480
2001	94,982,391	45,483	95,027,874	1.26%	484

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

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

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

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value ¹ of Property	Per Capita ²
2010	\$ 99,003,913	\$ (263,178)	\$ 98,740,735	0.24%	479
2009	98,551,800	(620,781)	97,931,019	0.22%	478
2008	98,712,647	(980,083)	97,732,564	0.22%	479
2007	98,775,151	(1,312,215)	97,462,936	0.23%	478
2006	94,644,275	(1,605,005)	93,039,270	0.24%	459
2005	90,912,645	(1,890,127)	89,022,518	0.25%	441
2004	91,130,223	(2,207,646)	88,922,577	0.28%	446
2003	92,371,790	(2,790,637)	89,581,153	0.32%	453
2002	93,797,014	(3,276,550)	90,520,464	0.39%	460
2001	94,982,391	(1,290,321)	93,692,070	0.44%	478

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

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

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

TOWN OF HUNTINGTON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2010

<u>Governmental Unit</u>	<u>Net Long-Term Debt</u>	<u>Percentage Applicable to the Town of Huntington</u>	<u>Town of Huntington Share of Debt</u>
Direct:			
Town of Huntington	\$ 99,003,913	100.00%	\$ 99,003,913
Component Units	23,286,091	100.00%	23,286,091
Total direct Debt			<u>122,290,004</u>
Overlapping:			
County	1,392,132,241	14.00%	194,898,514
Villages	9,083,347	100.00%	9,083,347
School Districts	416,629,928	65.26%	271,899,191
Fire Districts	9,405,112	100.00%	9,405,112
Total overlapping debt			<u>485,286,164</u>
Total direct and overlapping debt			<u>\$ 607,576,168</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, 2010

<u>Year Ended December 31,</u>	<u>Net Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2010	\$ 336,722,881	0.82%	\$ 41,063,765,976
2009	337,879,941	0.76%	\$ 44,457,886,974
2008	338,964,210	0.77%	44,021,325,974
2007	338,530,030	0.80%	42,316,253,750
2006	338,384,744	0.87%	38,894,798,161
Total Five Year Full Valuation			<u>\$ 210,754,030,834</u>
Five Year Average Full Valuation of Taxable Real Property			<u>\$ 42,150,806,167</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>\$ 2,950,556,432</u>
Outstanding Indebtedness at December 31st			\$ 99,003,913
Less: Water Bonds			<u>29,238,675</u>
Net Indebtedness Subject to Debt Limit			<u>\$ 69,765,238</u>
Net Debt Contracting Margin			<u>\$ 2,880,791,194</u>
Percentage of Net Debt Contracting Margin Available			97.64%
Percentage of Net Debt Contracting Power Exhausted			2.36%

Last Ten Years

<u>Year</u>	<u>Constitutional Debt Limit</u>	<u>Outstanding Indebtedness December 31</u>	<u>Less: Appropriations for Debt Principal</u>	<u>Indebtedness Subject to Debt Limit</u>	<u>Net Debt Contracting Margin</u>	<u>Percentage of Net Debt Contracting Margin Available</u>
2010	\$ 2,950,556,432	\$ 99,003,913	\$ 29,238,675	\$ 69,765,238	\$ 2,880,791,194	97.64%
2009	2,878,072,240	118,345,005	25,769,146	92,575,859	2,785,496,381	96.78%
2008	2,698,332,860	118,335,002	27,383,430	90,951,572	2,607,381,288	96.63%
2007	2,470,958,115	117,165,002	27,089,502	90,075,500	2,380,882,615	96.35%
2006	2,207,535,665	114,100,000	27,695,108	86,404,892	2,121,130,773	96.09%
2005	1,957,877,458	111,972,231	29,521,954	82,450,277	1,875,427,181	95.79%
2004	1,722,924,087	110,777,230	27,459,533	83,317,697	1,639,606,390	95.16%
2003	1,514,072,841	109,637,230	24,055,493	85,581,737	1,428,491,104	94.35%
2002	1,351,293,808	104,150,002	21,589,001	82,561,001	1,268,732,807	93.89%
2001	1,241,744,474	106,090,003	18,140,992	87,949,011	1,153,795,463	92.92%

TOWN OF HUNTINGTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year Ended December 31,	Population¹	Personal Income (millions of dollars)	Per Capita Income³	Unemployment Rate²	Year-Round Households Estimate⁴	Average Household Size Estimates⁴	Population Density Per Square Mile⁴
2010	205,944	10,518	51,070	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
2001	196,136	7,545	38,466	3.3%	66,192	2.92	2,156

Sources:

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

**TOWN OF HUNTINGTON
PRINCIPAL EMPLOYERS
CURRENT YEAR**

2010					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,023	2.0%
2	Estee Lauder	Melville	Cosmetics	1,629	1.6%
3	Northport Veterans Affairs Medical Center	Northport	Healthcare	1,600	1.5%
4	Newsday	Melville	Newspaper	1,568	1.5%
5	Marchon Eyewear, Inc	Melville	Healthcare	994	1.0%
6	Town of Huntington	Huntington	Government	923	0.9%
7	Arrow Electronics	Melville	Electronics	865	0.8%
8	Training Source through Western Suffolk BOCES	Huntington	Education	838	0.8%
9	BAE	Greenlawn	Technology	763	0.7%
10	Henry Schein	Huntington	Medical Supplies	700	0.7%

Source: Manta.com

Note: Information not available prior to 2005.

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

Full-time Equivalent Employees as of December 31,

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Function										
General government support	263	275	288	295	309	296	289	316	317	299
Public safety	79	78	80	84	80	77	75	84	88	87
Health	5	5	4	4	5	4	4	8	5	5
Transportation	230	230	235	237	230	227	234	246	233	232
Economic assistance and opportunity	8	26	29	33	29	27	28	32	29	29
Culture and recreation	160	145	136	150	158	159	158	167	170	161
Home and community services	157	163	178	173	181	169	170	176	179	180
Total	902	923	950	976	992	959	958	1,029	1,021	993

Source: Department of Information Technology

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TOWN OF HUNTINGTON
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2010	2009	2008	2007	2006
Function					
Public Safety					
Building					
Residential building permits issued	2,100	2,312	2,506	2,436	3,130
Commercial building permits issued	225	213	301	572	246
Building inspections	10,558	11,670	14,621	15,470	16,812
Fire Prevention					
Fire inspections	1,835	3,820	4,309	4,216	4,739
Transportation					
Public Transportation					
Average daily ridership	880	912	929	880	863
Public Safety					
Parking violations	9,801	10,065	13,087	13,262	15,905
Accessory apartment permits	1,494	1,827	1,747	1,958	1,978
Highways and streets					
Street resurfacing (miles)	32	30	40	49	50
Number of trees planted	456	445	312	154	438
Number of trees removed	750	710	800	676	610
Culture and Recreation					
Beach permits issued	10,922	10,479	10,846	7,877	8,405
Rounds of golf	72,223	73,350	79,030	79,654	81,422
Recreation program registrations	10,818	15,116	13,673	14,467	11,323
Home and Community Services					
Sanitation					
Refuse collected (tons/day)	263.45	268.7	283.8	301.0	311.2
Recyclables collected (tons/yr)	40,518	40,542	40,351	39,252	47,133
Water					
Water main breaks	10	8	10	16	4
Average daily consumption (thousands of gallons)	6,504	4,648	5,247	6,259	5,366
Sewer Usage					
Average daily sewage treatment (millions of gallons)	2.4	2.1	2.0	2.0	2.0
Wastewater					
Average daily sewage treatment (thousands of gallons)	45	46	47	50	45

Source: Various government departments of the Town of Huntington

Information regarding Street resurfacing is not available prior to 2002.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
3,100	3,566	4,336	4,037	2,930
270	271	261	240	248
16,304	18,028	16,321	13,129	12,411
4,869	4,659	4,481	4,431	3,844
803	853	862	902	964
7,708	8,358	8,855	18,194	13,765
1,969	1,977	1,985	1,971	1,613
45	50	55	50	N/A
-0-	250	313	403	421
670	700	580	640	750
9,135	9,771	9,865	9,900	9,909
82,927	81,522	70,314	82,837	84,598
11,083	10,792	11,082	11,160	11,604
314.3	315.7	303.3	290.2	280.7
47,712	51,477	53,086	47,887	50,745
11	11	11	9	10
5,876	4,914	4,685	6,090	6,066
1.9	2.0	1.9	1.8	1.8
54	60	54	67	67

TOWN OF HUNTINGTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2010	2009	2008	2007	2006
Function					
General Government					
Municipal Building	1	1	1	1	1
Public safety					
Vehicles	38	45	42	42	41
Transportation					
Public Transportation					
Buses	20	20	21	23	23
Highways and streets					
Streets (miles)	802.0	802.0	796.7	796.7	796.7
Streetlighting					
Traffic signals	238	236	233	234	223
Culture and recreation					
Parks	40	40	40	40	40
Beaches	9	9	9	9	9
Boat launch ramps	5	5	5	5	5
Golf Courses	2	2	2	2	2
Ice Rinks	1	1	1	1	1
Marinas	3	3	3	3	3
Rifle Ranges	-0-	-0-	-0-	-0-	1
Rollerblading Parks	3	3	3	3	3
Skateboarding Parks	2	1	1	1	1
Swimming pools	1	1	1	1	1
Home and Community Services					
Sanitation					
Collection trucks	26	26	25	26	26
Resource Recovery Plants	1	1	1	1	1
Maximum daily capacity (tons burned per day)	750	750	750	750	750
Water					
Fire hydrants	1,284	1,284	1,284	1,284	1,284
Water mains (miles)	169	169	169	169	169
Maximum daily capacity (millions of gallons)	33.3	33.3	33.3	33.3	33.3
Sewer					
Sanitary sewers (miles)	26.0	26.0	26.0	26.0	26.0
Maximum daily treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5

Source: Various government departments of the Town of Huntington

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
1	1	1	1	1
40	40	36	34	34
23	23	23	22	22
796.7	796.7	796.7	796.7	796.7
219	215	210	210	207
40	40	40	40	40
9	9	9	9	9
5	5	5	5	5
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
27	27	27	27	28
1	1	1	1	1
750	750	750	750	750
1,284	1,284	1,284	1,281	1,279
169	169	169	169	169
33.3	33.3	29.3	29.3	29.3
26.0	26.0	26.0	26.0	26.0
2.5	2.5	2.5	2.5	2.5