

OFFICIAL STATEMENT

SERIAL BONDS BOOK-ENTRY-ONLY BONDS

RATING – MOODY’S INVESTOR SERVICE: “Aaa”
See “Bond Rating”, herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivision, including The City of New York. See “TAX MATTERS” herein.

The Town will NOT designate the Bonds as “qualified tax-exempt obligations” pursuant to the provision of Section 265(b)(3) of the Code.

TOWN OF HUNTINGTON SUFFOLK COUNTY, NEW YORK (the “Town”)

\$19,600,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2022 SERIES A (the “Series A Bonds”)

\$5,765,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2022 SERIES B (the “Series B Bonds” together with the Series A Bonds, the “Bonds”)

Dated: Date of Delivery

Principal and Interest Due: As shown on inside cover

SEE BOND MATURITY SCHEDULE HEREIN

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

Prior Redemption: The Series A Bonds maturing on June 15, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Town, on June 15, 2028 and thereafter on any date, in accordance with terms described herein. (See “*Optional Redemption of the Series A Bonds*”, herein). The Series B Bonds are not subject to redemption prior to maturity.

Form and Denomination: The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Bonds. Individual purchases of the Bonds may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. (See “*DESCRIPTION OF BOOK-ENTRY SYSTEM*”, herein).

Payment: Payment of the principal of and interest on the Bonds will be made by the Town to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. (See “*DESCRIPTION OF BOOK-ENTRY SYSTEM*”, herein).

The Bonds are offered subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Town, and certain other conditions. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC on or about July 28, 2022 in New York, New York.

FOR A DESCRIPTION OF THE TOWN’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION, SEE “DISCLOSURE UNDERTAKING” HEREIN.

July 14, 2022

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

\$19,600,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2022 SERIES A

BOND MATURITY SCHEDULE

**Principal Due: June 15, 2023-2037 inclusive
Interest Due: June 15, 2023, December 15, 2023 and semi-annually thereafter on June 15 and December 15 in each year to maturity**

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
June 15, 2023	\$ 630,000	5.000%	1.270%	446457F57
June 15, 2024	955,000	5.000	1.590	446457F65
June 15, 2025	1,045,000	5.000	1.710	446457F73
June 15, 2026	1,100,000	5.000	1.830	446457F81
June 15, 2027	1,155,000	5.000	1.890	446457F99
June 15, 2028	1,215,000	5.000	2.030	446457G23
June 15, 2029	1,270,000	4.000	2.250	446457G31
June 15, 2030	1,320,000*	4.000	2.310	446457G49
June 15, 2031	1,375,000*	4.000	2.400	446457G56
June 15, 2032	1,430,000*	4.000	2.500	446457G64
June 15, 2033	1,485,000*	4.000	2.700	446457G72
June 15, 2034	1,545,000*	4.000	2.800	446457G80
June 15, 2035	1,610,000*	4.000	3.100	446457G98
June 15, 2036	1,680,000*	4.000	3.200	446457H22
June 15, 2037	1,745,000*	4.000	3.400	446457H30

*Subject to prior redemption.

RBC CAPITAL MARKETS, LLC

\$5,765,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2022 SERIES B

BOND MATURITY SCHEDULE

**Principal Due: September 1, 2022-2028 inclusive
Interest Due: September 1, 2022, and semi-annually thereafter on March 1 and September 1 in each year to maturity**

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
September 1, 2022	\$ 60,000	5.000%	1.400%	446457H48
September 1, 2023	835,000	5.000	1.410	446457H55
September 1, 2024	880,000	5.000	1.670	446457H63
September 1, 2025	930,000	5.000	1.780	446457H71
September 1, 2026	970,000	5.000	1.880	446457H89
September 1, 2027	1,020,000	5.000	1.970	446457H97
September 1, 2028	1,070,000	5.000	2.110	446457J20

JANNEY MONTGOMERY SCOTT LLC

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

Town Hall
100 Main Street
Huntington, New York 11743
Telephone: 631/351-3000
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TOWN BOARD

Edmund J. Smyth, Town Supervisor

Dr. Dave Bernardo
Joan A. Cergol
Eugene Cook
Salvatore Ferro

Jillian Guthman, Receiver of Taxes
Andre Sorrentino, Superintendent of Highway
Andrew P. Raia, Town Clerk
Deborah N. Misir, Town Attorney
Peggy Karayianakis, CPA, Town Comptroller

* * *

Bond Counsel

Hawkins Delafield & Wood LLP
New York, New York

* * *

Prepared with the Assistance of

MUNICIPAL ADVISOR



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

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OFFICIAL STATEMENT
TOWN OF HUNTINGTON
SUFFOLK COUNTY, NEW YORK

\$19,600,000 PUBLIC IMPROVEMENT SERIAL BONDS – 2022 SERIES A
AND
\$5,765,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2022 SERIES B
[BOOK-ENTRY-ONLY BONDS]

This Official Statement and the appendices hereto present certain information relating to the Town of Huntington, in the County of Suffolk, in the State of New York (the “Town,” “County” and “State,” respectively) in connection with the sale of \$19,600,000 Public Improvement Serial Bonds – 2022 Series A (the “Series A Bonds”) and \$5,765,000 Public Improvement Refunding Serial Bonds – 2022 Series B (the “Series B Bonds”) of the Town. The Series A and Series B Bonds are collectively referred to herein as the “Bonds”.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town’s overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See “MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE” and “IMPACT OF COVID-19” herein.)

THE SERIES A BONDS

Description of the Series A Bonds

The Series A Bonds will be dated July 28, 2022 and will mature on June 15, in each of the years 2023 to 2037, inclusive, in the principal amounts as set forth on the inside cover page hereof.

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

Interest on the Series A Bonds will be payable on June 15, 2023, December 15, 2023, and semiannually thereafter on June 15 and December 15 in each year to maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series A Bonds, as described herein. The Series A Bonds may be transferred in the manner described on the Series A Bonds and as referenced in certain proceedings of the Town referred to therein. (See “*Description of Book-Entry System*”, herein).

The Record Date of the Series A Bonds will be the last day of the calendar month immediately preceding each interest payment date.

The Town Clerk will act as Fiscal Agent for the Series A Bonds. Paying agent fees, if any, will be paid by the purchaser. The Town’s contact information is as follows: Peggy Karayianakis, CPA, Town Comptroller, Town of Huntington, 100 Main Street, Huntington, New York 11743, Phone (631) 351-3038, Fax (631) 351-2898 and email: pkarayianakis@huntingtonny.gov.

Optional Redemption of the Series A Bonds

The Series A Bonds maturing on or before June 15, 2028 will not be subject to redemption prior to maturity. The Series A Bonds maturing on June 15, 2029 and thereafter, will be subject to redemption, prior to maturity, at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after June 15, 2028, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Town may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the Town shall determine to be in the best interest of the Town at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Authorization and Purpose on the Series A Bonds

The Series A Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Town Law, and various bond resolutions duly adopted by the Town Board, authorizing the following purposes:

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Amount to</u> <u>be Issued^a</u>
5/10/2022	LIRR Cameras	1,250,000	1,250,000
3/15/2022	Vehicle & Equipment Replacement	500,000	500,000
3/15/2022	Resurface Courts	500,000	500,000
3/15/2022	Parking Lot Repaving	500,000	500,000
3/15/2022	Townwide Fencing	100,000	100,000
3/15/2022	Town Hall Rehabilitation	100,000	100,000
3/15/2022	Halesite Bulkhead	1,500,000	1,500,000
3/15/2022	Al Walker Park	560,000	560,000
3/15/2022	Roadway Improvements and Markings	4,500,000	4,500,000
3/15/2022	Concrete Curbs, Sidewalk, Pedestrian Ramps	300,000	300,000
3/15/2022	Drainage Improvement Program	1,000,000	1,000,000
3/15/2022	Highway Equipment	500,000	500,000
5/10/2022	Packer Trucks-purchase 2 rear loading	500,000	500,000
5/10/2022	Greenlawn Water District	5,385,000	2,385,000
5/10/2022	South Huntington Water District	6,100,000	6,100,000
		<u>23,295,000</u>	<u>20,295,000</u>

a. A portion of the amount to be issued will be financed by \$695,000 of premium that the Town received.

Underwriting for the Series A Bonds

The Town of Huntington sold the 2022 Series A Bonds at public sale to RBC Capital Markets, LLC at a price of \$21,065,507.20 (equal to the par amount of the 2022 Series A Bonds, less Underwriter's discount of \$98,000, plus original issue premium of \$1,456,507.20).

THE SERIES B BONDS

Description of the Series B Bonds

The Series B Bonds will be dated July 28, 2022 and will mature on September 1, in each of the years 2022 to 2028, inclusive, in the principal amounts as set forth on the inside cover page hereof.

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

Interest on the Series B Bonds will be payable on September 1, 2022, and semiannually thereafter on March 1 and September 1 in each year to maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series B Bonds, as described herein. The Series B Bonds may be transferred in the manner described on the Series B Bonds and as referenced in certain proceedings of the Town referred to therein. (See "*Description of Book-Entry System*", herein).

The Record Date of the Series B Bonds will be the fifteenth business day of the calendar month immediately preceding each interest payment date.

The Town Clerk will act as Fiscal Agent for the Series B Bonds. Paying agent fees, if any, will be paid by the purchaser. The Town's contact information is as follows: Peggy Karayianakis, CPA, Town Comptroller, Town of Huntington, 100 Main Street, Huntington, New York 11743, Phone (631) 351-3038, Fax (631) 351-2898 and email: pkarayianakis@huntingtonny.gov.

No Optional Redemption of the Series B Bonds

The Series B Bonds will not be subject to redemption prior to maturity.

Authorization and Purpose for the Series B Bonds

The Series B Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Town Law and a refunding bond resolution duly adopted by the Town Board on March 15, 2022, (the "Refunding Bond Resolution"), authorizing the refunding of all or a part of the Town's Public Improvement Serial Bonds - 2013. The amounts expected to be refunded are set forth below:

Summary of Refunded Bonds (the "Refunded Bonds")

Public Improvements Serial Bonds-2013 <u>Maturity Date</u>	<u>Amount to Be Refunded*</u>	<u>Interest Rate</u>	<u>Date of Redemption</u>	<u>Call Price</u>	<u>CUSIP Numbers</u>
09/01/2023	\$ 955,000	3.000%	09/01/2022	100.00%	446457UY7
09/01/2024	985,000	3.125	09/01/2022	100.00	446457UZ4
09/01/2025	1,020,000	3.375	09/01/2022	100.00	446457VA8
09/01/2026	1,050,000	3.500	09/01/2022	100.00	446457VB6
09/01/2027	1,090,000	4.000	09/01/2022	100.00	446457VC4
09/01/2028	<u>1,130,000</u>	4.000	09/01/2022	100.00	446457VD2
Total:	<u>\$6,230,000</u>				

*Preliminary, subject to change.

Refunding Financial Plan

Pursuant to the Town's Refunding Financial Plan, as referred to in the Refunding Bond Resolution, the Series B Bonds are being issued to effect the refunding of the Refunded Bonds maturing on their respective principal payment dates as set forth herein. The Refunding Financial Plan will permit the Town to realize, as a result of the issuance of the Series B Bonds, cumulative dollar and present-value debt service savings.

The net proceeds of the Series B Bonds (after payment of the underwriting fee and other costs of issuance relating to the Series B Bonds), will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Series B Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by Manufacturers and Traders Trust Company (the "Escrow Holder"), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Town and the Escrow Holder, dated as of the delivery date of the Series B Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premiums, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Town and Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all cash on deposit in the Escrow Fund. Upon payment by the Escrow Holder to the fiscal agent for the Refunded Bonds of amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds to be paid from the Escrow Fund, including interest and redemption premium, if any, payable with respect thereto, and payment of all expenses incidental to the issuance of the Series B Bonds, such Escrow Contract shall terminate.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the Town and will continue to be payable from *ad valorem* taxes on all taxable real property in the Town. However, inasmuch as the funds held in the Escrow Fund together with interest earnings thereon and cash held in the Escrow Fund shall be sufficient to meet all required payments of principal of, interest on the premium payable with respect to the Refunded Bonds, it is not anticipated that other sources of payment will be utilized.

Sources and Uses of Bond Proceeds

Sources:	
Par Amount of Bonds	\$ 5,765,000.00
Original Issue Premium	625,704.80
Total.....	<u>\$ 6,390,704.80</u>
Uses:	
Escrow Deposit.....	\$ 6,328,779.48
Underwriter's Discount	7,500.44
Allowance for Costs of Issuance and Contingency	4,424.88
Total.....	<u>\$6,390,704.80</u>

DESCRIPTION OF BOOK-ENTRY SYSTEM

DTC will act as Securities Depository for any Bonds issued as book-entry bonds. Such Bonds will be issued as fully registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of each series of the Bonds and deposited with DTC.

DTC is limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants") and together with Direct Participant, the ("Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC), and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof.

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

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS; (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

CERTIFICATED BONDS

If the Bonds are issued as book-entry bonds registered in the name of Cede & Co., DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that such book-entry system is discontinued, the following provisions will apply: The Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Town as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

NATURE OF OBLIGATION

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See "*Tax Levy Limit Law*", herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. However, Chapter 97 of the New York Laws of 2011, as amended (the "*Tax Levy Limit Law*"), imposes a statutory limitation upon the Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in *Tax Levy Limit Law*, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

The Town's credit rating could be affected by circumstances beyond the Town's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of the holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the Town is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see “*Tax Matters*” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Bonds. (See “*Tax Levy Limit Law*” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town could impair the financial condition of such entities, including the Town and the ability of such entities, including the Town, to pay debt service on the Bonds.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*State Aid*” herein) (See “*Impacts of COVID-19*” herein).

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Town default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the Town and the owners for which the faith and credit of the Town are pledged and while remedies for enforcement of payment are not expressly included in the Town’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Town subject to taxation by the Town, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Town, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MUNICIPAL BANKRUPTCY

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a financial control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

No current state law purports to create any priority for holders of the Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity by the Governor reciting facts which in the judgment of the Governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of a local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

No Past Due Debt

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

THE TOWN

There follows in this Official Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

General Information

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

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

The Town encompasses an area of approximately 94 square miles and has a population of 201,205 according to the 2020 Census estimates. There are four incorporated villages in the Town: Northport, Asharoken, Lloyd Harbor and Huntington Bay. In addition, there are several prominent unincorporated areas in the Town including Cold Spring Harbor, Elwood, Huntington, Huntington Station, South Huntington, Melville, East Northport, Halesite, Dix Hills, Centerport, Greenlawn and Fort Salonga.

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

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

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

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

Walt Whitman Shops, located within the Town, has completed construction on an expansion of 72,000 square feet. Major nationally known retail chains that currently anchor the Walt Whitman Shops are Bloomingdales, Lord & Taylor, Macy’s, and Saks Fifth Avenue. The mall encompasses over 1.2 million sq. ft. and includes approximately 100 satellite stores. The Town is home to a thriving downtown which hosts an art museum, movie theatre, about 50 restaurants and 200 retail stores.

Government

The Town was established in 1653. Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board. The Town Board consists of five members, including the Supervisor. The Supervisor is the chief executive officer of the Town and is elected for a term of two years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two councilmembers are elected every two years. All the Town Board members are elected at large and there is no limitation to the number of years that all elected officials may serve.

The Supervisor is also the chief fiscal officer of the Town. Additional Town officers are the Deputy Supervisor, the Town Clerk, (elected at large for a four-year term), the Receiver of Taxes, who is responsible for the collection of taxes (elected at large for a four-year term), the Superintendent of Highways (elected at large for a four-year term), the Assessor, the Town Attorney, and the Comptroller, all of whom are appointed by the Town Board.

Eight independently governed school districts are located wholly or partially within the Town. These school districts rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town’s assessment roll as their basis for taxation of property located within the Town.

Utilities and Other Services

Electricity and natural gas is supplied to the Town by the Long Island Power Authority and National Grid. The Town supplies water to various special assessment water districts and is responsible for the financing and construction of water transmission lines as well as maintenance of the necessary facilities in such areas. The Suffolk County Water Authority also supplies water to various parts of the Town. Police protection is provided by the Suffolk County Police Department and various Village Police Departments, and fire protection is provided by eleven volunteer Fire Districts that operate within the Town.

Employees

The Town employs approximately 675 full-time employees. The employees in collective bargaining agreement are shown below:

<u>Name of Union</u>	<u>Expiration Date of Contract</u>	<u>Approx. No. of Members</u>
Civil Service Employees Association.....	12/31/22	189
Long Island Service Employees, ILA, Labor Unit.....	12/31/22	311
Long Island Service Employees, ILA, Supervisory Unit .	12/31/22	74

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The population of the Town, County and the State is represented below:

<u>Year</u>	<u>Town of Huntington</u>	<u>Suffolk County</u>	<u>State of New York</u>
1990	191,474	1,321,864	17,990,455
2000	195,269	1,419,369	18,976,457
2010	203,264	1,493,350	19,378,102
2020	201,205	1,481,364	19,514,849

Source: U.S. Bureau of the Census.

Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Huntington	\$24,810	\$36,390	\$46,862	\$61,103
County of Suffolk	18,481	26,577	35,755	46,466
State of New York	16,501	23,389	30,791	40,898

	<u>Median Family Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of Huntington	\$65,820	\$90,606	\$116,478	\$151,720
County of Suffolk	53,244	72,112	96,220	123,117
State of New York	32,965	43,393	55,603	87,270

Source: United State Bureau of the Census.

a. Based on American Community Survey Three-Year Estimates (2016-2020).

Summary of Building Activity
(Number of Building Permits Issued)

The chart below represents the level of building permit activity for the five most recently completed fiscal years. The figures include residential and commercial activity and with most of the activity coming from additions and renovations to existing homes and facilities. It also includes demolitions, installation of fences, swimming pools, fences, accessory buildings, etc.

<u>Classification</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
One Family	322	292	288	171	274
Commercial/Industrial	261	203	71	24	57
Alt & Adds (Res.)	843	751	690	471	693
Alt & Adds (Other)	307	271	246	143	195
Demolish Various Bldgs.	288	265	264	184	191
Other	1,388	1,276	1,445	1,240	1,517
Totals	3,409	3,058	3,004	2,233	2,927

Unemployment Rate Statistics

<u>Annual Averages:</u>	<u>Town of Huntington (%)</u>	<u>County of Suffolk (%)</u>	<u>New York State (%)</u>
2017	4.3	4.8	5.1
2018	3.4	3.9	4.1
2019	3.3	3.7	4.0
2020	7.9	8.5	10.0
2021	4.5	4.9	7.2
2022 (4 Months)	3.1	3.6	5.0

Source: Department of Labor, State of New York.

Selected Listing of Larger Employers (2022)

<u>Name</u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
Huntington Hospital	Hospital	2,785
Canon	Imaging Products	2,497
Half Hollow Hills School District	Education	1,900
Northport Veterans Affairs Medical Center	Healthcare	1,700
Henry Schein, Inc.	Medical & Dental Supplies	1,300
Northport-East Northport UFSD	Education	978
Western Suffolk BOCES	Education	941
South Huntington UFSD	Education	933
Huntington UFSD	Education	842
Town of Huntington	Government	752

Source: Town of Huntington Audit & Control.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

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

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the 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 and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

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

The following pages set forth certain details with respect to the indebtedness of the Town.

Trend of Town Indebtedness

	December 31:				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
Bonds	\$108,460,000	\$107,300,000	\$104,450,000	\$109,555,000	\$118,995,000
Bond Anticipation Notes	500,000	0	0	0	0
Installment Purchase Debt	0	0	421,490	0	0
Totals	<u>\$108,960,000</u>	<u>\$107,300,000</u>	<u>\$104,871,490</u>	<u>\$109,555,00</u>	<u>\$118,995,000</u>

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Town has no short-term outstanding debt.

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of July 5, 2022)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	Full <u>Valuation</u>
2018	\$323,515,483	0.84	\$38,513,747,976
2019	322,626,518	0.80	40,328,314,750
2020	322,829,176	0.76	42,477,523,158
2021	320,597,772	0.74	43,324,023,243
2022	317,063,143	0.74	<u>42,846,370,676</u>
Total Five Year Full Valuation			\$207,489,979,803
Average Five Year Full Valuation			41,497,995,961
Debt Limit - 7% of Average Full Valuation			2,904,859,717
Inclusions:			
Outstanding Bonds:			
General Purpose Bonds			87,796,976
Water Debt			27,008,024
Bond Anticipation Notes			<u>0</u>
Total Inclusions			<u>114,805,000</u>
Exclusions:			
Appropriations for Bonds			6,196,148
Water Debt			<u>27,008,024</u>
Total Exclusions			<u>33,204,172</u>
Total Net Indebtedness Before Issuing the Series A Bonds			<u>81,600,828</u>
The Series A Bonds			20,295,000
Less: BANs Being Redeemed by the Series A Bonds			0
Less: Water Debt Included in the Series A Bonds			<u>8,485,000</u>
Net Effect of the Series A Bonds			<u>11,810,000</u>
Total Net Indebtedness After Issuing the Bonds			<u>93,410,828</u>
Net Debt Contracting Margin			<u>2,811,448,889</u>
Percent of Debt Limit Exhausted			3.22%

Debt Service Requirements – Outstanding Bonds and Refunding Bonds

Fiscal Year Ending <u>December 31:</u>	<u>Outstanding Debt Service</u>	<u>Refunding Debt Service</u>	<u>Sub-total</u>	<u>Less: Debt Service to be Refunded</u>	<u>Net After Issuance of Refunding Bonds</u>
2022	\$ 16,826,770	\$ 86,423	\$ 16,913,193	\$ 109,703	\$ 16,803,490
2023	15,572,668	1,120,250	16,692,918	1,174,406	15,518,512
2024	14,055,825	1,123,500	15,179,325	1,175,756	14,003,568
2025	12,977,831	1,129,500	14,107,331	1,179,975	12,927,356
2026	11,727,950	1,123,000	12,850,950	1,175,550	11,675,400
2027	10,941,219	1,124,500	12,065,719	1,178,800	10,886,919
2028	10,353,769	1,123,500	11,477,269	1,175,200	10,302,069
2029	9,184,247	0	9,184,247	0	9,184,247
2030	8,499,025	0	8,499,025	0	8,499,025
2031	7,449,528	0	7,449,528	0	7,449,528
2032	6,379,169	0	6,379,169	0	6,379,169
2033	5,319,916	0	5,319,916	0	5,319,916
2034	4,414,725	0	4,414,725	0	4,414,725
2035	3,232,750	0	3,232,750	0	3,232,750
2036	1,823,050	0	1,823,050	0	1,823,050
	<u>\$ 138,758,441</u>	<u>\$ 6,830,673</u>	<u>\$ 145,589,114</u>	<u>\$ 7,169,391</u>	<u>\$ 138,419,724</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Suffolk	03/21/2022	15.63	\$223,833,761	\$181,213,555
Villages	05/31/21 or Later	Var.	4,394,580	4,394,580
School Districts	06/30/21 or Later	Var.	175,072,574	125,967,676
Fire Districts	12/31/20 or Later	Var.	10,513,467	10,513,467
Library Districts	06/30/21 or Later	Var.	13,799,146	13,799,146
			<u>\$427,613,528</u>	<u>\$335,888,424</u>
Totals				

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

Debt Ratios
(As of July 5, 2022)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$106,514,999	\$529	0.249
Net Direct Debt	75,885,794	377	0.177
Total Direct & Applicable Total Overlapping Debt	534,128,527	2,655	1.247
Net Direct & Applicable Net Overlapping Debt	411,774,218	2,047	0.961

a. The current estimated population of the Town is 201,205.

b. The full valuation of taxable real property in the Town for 2021-22 is \$42,846,370,676.

Authorized And Unissued Debt
(As of July 5, 2022)

As of the date of this Statement, the Town has authorized but unissued debt in the aggregate amount of \$27,685,000 as follows:

Various Public Improvements	\$ 6,400,000
Highway Projects.....	6,300,000
Special Districts.....	<u>14,985,000</u>
Total	<u>\$ 27,685,000^a</u>

a. \$20,295,000 of such amount will be financed by the Series A Bonds.

Resource Recovery Facilities

In September 1989, the Town Board closed the Town's sixty year old landfill, and thereafter entered into an agreement with the neighboring Town of Smithtown. This agreement, executed in December 1989, provided that until such time as the Town's waste-to-energy facility was constructed, the Town would share the use of Cells 5 and 6 in Smithtown's State-approved landfill for the disposal of its solid waste. For the reserving of capacity and the transfer of a fee interest in Cell 5, the Town paid the Town of Smithtown a charge of approximately \$33.30 per ton of solid waste deposited therein. For its use of Cell 6, which was constructed to receive solid waste upon Cell 5 being filled to capacity, the Town agreed to pay the Town of Smithtown a fee equal to a portion of the capital and usage costs associated with that cell. Included in the capital costs was a general obligation bond issued by the Town of Smithtown to finance the construction of the Cell 6. Cell 6 has since been capped.

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

Industrial Development Bonds are not general obligations of the Town and do not constitute any indebtedness of or charge against the general credit of the Town. However, the Town has entered into a Service Agreement with Covanta Huntington, LP pursuant to which the Town has certain obligations with respect to the delivery of waste to the facility and the payment of related service fees, which when combined with revenue from the sale of facility-generated electricity, is expected to pay both the operating expenses and debt service of the facility. The Service Agreement had an initial term of twenty-five years. In September 2018, the Town exercised the option to extend the Service Agreement until the year 2024 amending the financial provisions in the extension.

As further consideration for allowing the Town to use Cell 6 at the Smithtown landfill, the agreement grants the Town of Smithtown the right to deliver its processible solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement. The Town of Smithtown is responsible for approximately 37% of the landfill costs. As of December 31, 2021, the total amount paid by the Town under this agreement to Covanta is \$23,092,695 of which \$8,705,946 was reimbursed by the Town of Smithtown.

Town Landfill

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

Capital Project Plans

The Town is generally responsible for providing certain services to the citizens, as required, on a Town-wide basis. The Town maintains a Town road system necessitating a regular road resurfacing and improvement program and the acquisition of machinery and equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. The Town is also primarily responsible for the financing and construction of surface and storm water drainage improvements, and the Town is regularly acquiring and improving recreation facilities. The Town generally has provided the financing for water facilities for certain areas of the Town through several water districts and maintains primary responsibility for this function in those areas. Additionally, the Town finances park and community center improvements, and technology infrastructure. In general, needs for capital financing for the above described projects for which the Town has responsibility are anticipated to continue in similar amounts that have been issued in the past. The Town maintains a formal capital improvement plan that includes the priority, cost, and method of financing for each project.

Capital Budget Summary 2022-2026

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Dix Hills Water District	\$1,040,000	\$1,120,000	\$530,000	\$1,530,000	\$1,175,000	\$5,395,000
Engineering	1,605,000	5,000,000	9,900,000			16,505,000
Parks and Recreation	2,500,000	900,000	1,500,000		1,200,000	6,100,000
Environmental Waste Management	1,095,000	1,401,000	1,193,000	1,381,000	1,249,000	6,319,000
General Services	3,830,000	2,350,000	2,200,000	1,450,000	1,450,000	11,280,000
Highway	7,000,000	7,000,000	8,500,000	7,000,000	7,000,000	36,500,000
Information Technology	100,000	200,000	200,000			500,000
Maritime	1,430,000					1,430,000
Public Safety	3,035,000	35,000				3,070,000
Planning	75,000					
Transportation and Safety	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>2,000,000</u>
Totals	<u><u>\$22,110,000</u></u>	<u><u>\$18,406,000</u></u>	<u><u>\$24,423,000</u></u>	<u><u>\$11,761,000</u></u>	<u><u>\$12,474,000</u></u>	<u><u>\$89,099,000</u></u>

FINANCES OF THE TOWN

Independent Audit Procedures

The financial statements of the Town are audited annually by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2021, and is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller ("OSC") to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2017-2021 fiscal years.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following major governmental funds: General Fund, Highway, Debt Service, Refuse and Garbage and the Capital Projects Fund. Non-Major Funds consists of the Town Outside Village Fund, Special Grant, Local Development Corporation and Special District Funds. Fiduciary funds consist of a Custodial Fund. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems, which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and (2) un-matured interest on general long-term debt, which is recognized when due.

Budgetary Procedures

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer (Supervisor) on or before September 20th of each year. The Town takes a multi-year approach to the budgetary process in order to help with future planning. Estimates for each fire district and certain special districts situated within the Town must also be filed with the budget officer by this date. After reviewing these estimates, the budget officer prepares a tentative budget which includes his or her recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before October 5th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications as are approved by the Board, if any, become the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is generally required to be held on the Thursday immediately following the general election. At such hearing, any person may express his or her opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor who is assisted in this area by the Town Comptroller. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board. A summary of the budgeted revenues and expenditures for the current fiscal year and the previous fiscal year may be found in Appendix A.

Financial Operations

The Town Supervisor functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out under the supervision of the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. During the absence of the Supervisor, the Deputy Supervisor may generally exercise the Supervisor's powers.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and the issuance of bonded debt. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

Town finances are operated primarily through the General and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water districts and sewer districts, which are accounted for within separate funds. The primary source of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Investment Policy

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

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

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

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

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financings sources for the five most recently completed fiscal years for which financial statements are available may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information," herein.

State Aid

Based on the audited financial reports of the Town, the Town received approximately 17.28% of its total General Fund operating revenue (predominantly mortgage tax revenues) from State aid in 2021 and budgeted approximately 10.58% for 2022. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

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

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. Due to the outbreak of COVID-19, the State declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions or infusions of Federal aid. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "*Impacts of COVID-19*" herein.)

The State's 2020-2021 Adopted Budget authorized the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. Specifically, the legislation provided that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provided that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature failed to approve its own plan, the Budget Director's reductions take effect automatically.

On April 25, 2020 the New York State Division of the Budget (the "DOB") announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projected a \$13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. On August 13, 2020, the DOB issued its first quarterly update to the Financial Plan (the "Updated Financial Plan") which noted that the DOB began withholding 20% of most local aid payments in June due to the absence of Federal action. Depending on the size and timing of any new Federal aid, all or a portion of such withheld funds may become permanent reductions. The Updated Financial Plan includes \$8.2 billion in recurring local aid reductions and that, in the absence of unrestricted Federal aid, the DOB will continue to withhold a range of payments through the second quarter of the State's 2021 fiscal year. On October 30, 2020, the DOB issued its midyear update to the Financial Plan (the "Midyear Update") which projected a \$14.9 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the State 2020-21 Budget forecast released in February, creating a total loss of nearly \$63 billion through FY 2024 as a direct consequence of the COVID-19 pandemic. In the absence of Federal funding to offset this revenue loss, the Midyear Update shows the State reduced spending through September by \$4.3 billion compared to FY 2020 spending over the same period by freezing hiring, new contracts and pay raises, and temporarily holding back 20% of most payments, including payments to municipalities and school districts.

The State's revenue picture improved in the final quarter of fiscal year 2021, with tax collections exceeding expectations. On March 1, 2021 the Executive and Legislature reached consensus that cumulative tax receipts over fiscal year 2021 and fiscal year 2022 would be at least \$2.5 billion higher than estimated in the Executive Budget Financial Plan. Collections through the end of fiscal year 2021 were even more favorable, providing the basis for the substantial upward revision to tax receipts. The State finished fiscal year 2021 in a stronger overall position in comparison to the Executive Budget Financial Plan. Results reflected both strong tax receipts and disbursements that fell substantially below budgeted levels.

On March 11, 2021 the Federal American Rescue Plan Act (ARPA) was enacted. The ARPA is a \$1.9 trillion economic stimulus bill intended to contain the COVID-19 pandemic and accelerate the nation's economic recovery. The ARPA provides the State with \$12.6 billion in general aid ("recovery aid"), as well as \$17.2 billion in categorical aid for schools, universities, childcare, housing and other purposes. (See "*Impact of COVID-19*", herein). The enacted 2021-22 State budget provides for an increase in All Funds spending of 9.7% over 2020-21, relying on a combination of the new federal funding and revenue-raising initiatives to avoid cuts and support additional investments. According to the State, the budget deploys the first \$5.5 billion of the \$12.6 billion provided for under ARPA.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 pandemic.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth the percentage of the Town’s General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021 and as budgeted, for 2022.

Fiscal Year Ending December 31:	Total General Fund Revenue	State Aid	Real Property Taxes to Revenues (%)
2017	101,434,819	11,912,773	11.74
2018	103,877,897	11,836,886	11.39
2019	109,356,709	10,677,159	9.76
2020	107,916,401	13,462,085	12.47
2021	116,450,103	20,116,906	17.28
2022 (Budgeted)	111,804,733	11,832,902	10.58

Source: Audited financial statements 2017 through 2021, and the adopted budget for 2022. The 2022 budgeted revenues include appropriation of fund balance.

The State Comptroller’s Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as “No Designation”. (Fiscal Score: 0.0%; Environmental Score: 3.3%).

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

In addition, the Office of the State Comptroller helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released in May, 2013. The purpose of such audit was to review internal controls over the Town’s payroll and legal services practices for the period January 1, 2011 to May 31, 2012. The complete report, along with the Town’s response, may be found on the State Comptroller’s official website. Reference to this website implies no warranty of accuracy of information therein.

Pension Systems

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (“ERS” or “Retirement System”). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for “Tier 6” employees, as discussed below, whose benefits vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired

on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, a new Tier 5 was created, which was effective for new ERS employees hired between January 1, 2010 and March 31, 2012. New ERS employees in Tier 5 contribute 3% of their salaries to the pensions. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

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

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

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

Due to significant capital market declines in the past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings in certain years. As a result of the foregoing, the employer contribution rate for the State’s Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

The Town’s contribution to the System was 100 percent of the contributions required for years ending December 31, 2013 through 2021. For the year ending December 31, 2012, the Town elected to amortize \$3,905,184 of its required pension contribution over a ten-year period at an interest rate of 3%. The balance remaining at December 31, 2021 was \$444,675.

The Town is required to contribute an actuarially determined rate. The required contributions for the six most recently completed fiscal years are as follows:

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>Amount of Contribution</u>
2017	\$8,764,939
2018	8,698,228
2019	8,531,934
2020	8,603,374
2021	9,815,703

Other Post-Employment Benefits

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

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the Town adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2018, the Town implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The Town’s total OPEB liability at December 31, 2021 is as follows:

Total OPEB Liability at Dec 31, 2020	\$320,681,013
Charges for the Year:	
Service Cost	9,436,002
Interest	7,131,626
Difference between expected and actual experience	16,892,798
Changes in Assumptions or Other Inputs	(2,094,998)
Benefit Payments	(10,344,503)
Net Changes	21,020,925
Total OPEB Liability at Dec 31, 2021	\$341,701,938

The Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both. There is no authority in the State to establish a reserve fund for the liability at this time.

Actuarial Valuation will be required every two years for OPEB plans with more than two hundred members, or every three years if there are less than two hundred members. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

Legislation has been introduced in the State Legislature to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government's governing body which would serve as the trustee (unless trustee authority is delegated to the local government's chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with the written investment policy developed by the trustee and the written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust. Such legislation has not been approved at this time.

Length of Service Award Program

The Town sponsors two Volunteer Ambulance Workers Service Award Programs (the "Plans"): Commack Volunteer Ambulance Corporation, and Huntington Community First Aid Squad, Inc. All Plans are single-employer defined benefit plans covering the Town's volunteer ambulance workers.

Any volunteer ambulance worker who completes five years of service and attains age 65 is eligible for normal retirement benefits. Participants acquire a nonforfeitable right to a service award after being credited with five years of ambulatory service or upon attaining the program's entitlement age. In general, an active volunteer ambulance worker is credited with a year of ambulatory service for each calendar year after the establishment of the program in which he or she accumulated fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of service rendered prior to the establishment of the program.

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of ambulatory service. The number of years of ambulatory service used to compute the benefit cannot exceed forty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

The Town is required to retain an actuary to determine the amount of the Sponsor's contributions to the plan.

Pension contributions are determined based on an annual actuarial calculation. Based upon accepted actuarial methods and the assumptions used, it has been determined that the contributions for the Commack Volunteer Ambulance Corporation and Huntington Community First Aid Squad, Inc. of \$579,912 for the year ended December 31, 2021 were sufficient to satisfy current and future service award obligations upon eligibility for retirement.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a significant portion of its annual revenue from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein.) Property taxes accounted for approximately 40.11% of total budgeted General Fund revenues, for the fiscal year ended 2021. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. (See "*Tax Levy Limit Law*" herein).

The following table sets forth the percentage of the Town’s General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, and, as budgeted, for the year ending December 31, 2022.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2017	101,434,819	42,218,885	41.62
2018	103,877,897	43,033,219	41.43
2019	109,356,709	44,631,243	40.81
2020	107,916,401	45,707,019	42.35
2021	116,450,103	46,709,226	40.11
2022 (Budgeted)	111,804,733	47,689,232	42.65

Source: Audited financial statements 2017 through 2021, and the adopted budget for 2022. The 2022 budgeted revenues include appropriation of fund balance.

Tax Levy and Collection Record

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Tax Levy	\$1,042,572,430	\$1,070,127,499	\$1,108,453,781	\$1,119,088,111	\$1,132,222,276
Amount to Supervisor	895,604,546	921,369,255	953,576,579	971,462,242	982,277,718
Amount to County Treasurer	146,967,884	148,758,244	154,877,201	147,625,869	149,944,558
Uncollected (Returned)	23,879,194	25,658,988	40,645,630	28,617,981	N/A
Adjusted Percent Uncollected When Due	2.29%	2.40%	3.70%	2.56%	N/A

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

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

Tax Collection Procedure

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

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

Tax Rates Per \$1,000 of Assessed Valuation

<u>As of December 31:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Town-Wide	\$132.16	\$137.92	\$141.30	\$145.44	\$149.88
Highway Items and Part-Town	133.16	137.73	139.61	142.36	146.67

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two one-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Tax Levy Limit Law also provides for adjustments to be made to the Town's tax levy based upon changes in the assessed value of the taxable real property in the Town. Additionally, the Town will be permitted to carry forward a certain portion of its unused tax levy capacity from the prior year. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

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

The 2013-2016 and 2018-2022 Budgets did not exceed the tax levy limitation. Town did exceed the tax cap in 2017.

Selected Listing of Large Taxable Properties
2022 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
LIPA/Keyspan Energy Corp.	Utility	\$31,945,631
The Retail Property Trust	Real Estate	2,000,000
58/68 S. Service Road SPE LLC	Commercial	801,465
Avalon Bay Communities	Real Estate	764,975
Huntington Quadrangle	Real Estate	675,000
Estee Lauder	Cosmetics	469,700
Verizon	Utility	466,036
Avalon Huntington Former S Corp	Real Estate	455,000
Grandview Hotel Limited	Hotel	425,000
Iroquois Gas Terminal System	Utility	379,683
	Total ^a	\$38,382,490

a. Assessment Roll established in 2021 for levy and collection of taxes during 2022 Fiscal Year.

b. Represents 11.97% of the total taxable assessed valuation of the Town for 2022.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of Town taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. (See “*Tax Collection Procedure*” and “*LITIGATION*” herein.)

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial condition of the Town, in view of the Town’s ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The American Rescue Plan Act (“ARPA”) is a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The Town received approximately \$22 million in direct aid through the ARPA which was signed into law on March 11, 2021. The Town received 50% of its allocation in 2021 and expects to receive the remaining 50% in 2022. According to the ARPA, the Town must obligate the funds by December 31, 2024 and expend them by December 31, 2026. It is the intent of the Town, to the extent allowable under the ARPA, to use these funds for expenditures incurred as well as lost revenue related to COVID-19. The intended use of the remaining funds is still under discussion, but investment in the Town’s infrastructure is under consideration (pending further guidance under the ARPA).

Although the ARPA provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules. The Town will continue to monitor closely the 2021 economic environment and the global COVID-19 pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the Town.

TAX MATTERS

Opinion of Bond Counsel

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

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

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bond under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

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

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

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the

excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

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

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

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix C.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Town will provide an executed copy of its Undertaking to Provide Continuing Disclosure substantially as set forth in Appendix D.

BOND RATING

Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, has assigned a rating of "Aaa" to the Bonds. Such rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any downward revision or withdrawal of the rating assigned to the Bonds could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE SERIES B BONDS

Causey Demgen & Moore Inc. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Series B Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Series B Bonds contained in the provided schedules to be used by Hawkins Delafield & Wood LLP, as Bond Counsel to the Town for the Series B Bonds, in its determination that the interest on the Series B Bonds is excludable from gross income for Federal income tax purposes. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Series B Bonds.

The accuracy of the mathematical computations regarding the adequacy of the cash as deposit in the Escrow Fund, to pay, when due, the principal of and interest on the Refunded Bonds on the applicable payment date(s) will be verified by Causey Demgen & Moore, P.C. Such verification of the accuracy of the mathematical computation will be based, in part, upon factual information supplied by the Town and the Purchaser or the Municipal Advisor.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Peggy Karayianakis, CPA, Town Comptroller, Town of Huntington, 100 Main Street, Huntington, New York 11743, Phone (631) 351-3038, Fax (631) 351-2898 and email: pkarayianakis@huntingtonny.gov or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

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

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

The preparation and distribution of this Official Statement has been authorized by the applicable refunding bond resolution of the Town which delegates to the Supervisor the power to sell and issue the Bonds.

TOWN OF HUNTINGTON, NEW YORK

By: s/s EDMUND J. SMYTH
Supervisor and Chief Fiscal Officer
Town of Huntington
Huntington, New York

July 14, 2022

APPENDIX A

FINANCIAL INFORMATION

BALANCE SHEETS

FISCAL YEAR ENDING DECEMBER 31, 2021

	Select Governmental Funds			
	General	Highway	Town Refuse	Non-Major
<u>Assets</u>	<u>Fund</u>	<u>Funds</u>	<u>& Garbage</u>	<u>Funds</u>
Cash & Cash Equivalents	\$ 45,708,457	\$ 8,381,443	\$ 8,347,964	\$ 8,745,870
Restricted Cash	17,096,378	1,765,452	78,440	12,152,614
Accounts Receivable	3,402,632	27,116	3,492	603,153
Due From Federal, State, and Other Governments	3,166,199	6,541,340		4,019
Due From Other Funds	2,402,763	580	13,761	
Due From Other Governments				
Inventories				
Prepaid Charges	<u>1,747,489</u>	<u>553,007</u>	<u>219,719</u>	<u>119,985</u>
Total Assets	\$ <u>73,523,918</u>	\$ <u>17,268,938</u>	\$ <u>8,663,376</u>	\$ <u>21,625,641</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,799,165	\$ 667,871	\$ 819,986	\$ 446,403
Accrued Liabilities	8,646,057	603,034	2,440,307	213,569
Deposits	305,500			24,019
Unearned Revenues	11,104,505			
Due to Other Funds	<u>36,751</u>	<u>160,940</u>	<u>131,004</u>	<u>86,152</u>
Total Liabilities	<u>21,891,978</u>	<u>1,431,845</u>	<u>3,391,297</u>	<u>770,143</u>
<u>Deferred Inflows of Resources</u>				
Deferred Revenue	<u>2,007,782</u>	<u>2,000,000</u>		
<u>Fund Balance</u>				
Nonspendable	1,747,489	553,007	219,719	119,985
Restricted	17,096,378	1,765,452	78,440	12,152,614
Assigned	1,856,640	11,518,634	4,973,920	8,582,899
Unassigned	<u>28,923,651</u>			
Total Fund Balance	<u>49,624,158</u>	<u>13,837,093</u>	<u>5,272,079</u>	<u>20,855,498</u>
Total Liabilities and Fund Balances	\$ <u>73,523,918</u>	\$ <u>17,268,938</u>	\$ <u>8,663,376</u>	\$ <u>21,625,641</u>

Non-Major Governmental Funds include Special Grant (HDCA), Local Development Corporation (LDC), Town Business Improvement Districts and Special Districts

Sources: Audited Financial Statements of the Town (2021).

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUND

	Fiscal Years Ending December 31:				
	2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	\$ 42,218,885	\$ 43,033,219	\$ 44,631,243	\$ 45,707,019	\$ 46,709,226
Other Property Tax Items	417,834	365,518	413,758	431,775	503,160
Non-Property Tax items	4,887,765	4,852,415	5,452,789	4,601,052	4,658,022
Departmental Income	31,398,492	32,296,260	32,978,424	31,250,872	32,622,575
Intergovernmental Charges	216,782	142,415	163,048	132,516	138,647
Use of Money and Property	1,104,982	1,735,020	2,236,002	1,257,066	964,226
Licenses and Permits	1,023,016	1,050,988	1,149,331	635,293	693,517
Fines and Forfeitures	1,204,294	1,163,599	1,609,378	656,502	1,233,310
Sale of Property	305,069	470,177	1,988,108	485,625	1,599,112
Miscellaneous Local Sources	1,060,315	1,660,233	1,736,015	1,675,521	1,961,766
Interfund Revenues	4,763,246	4,482,286	4,558,953	4,686,461	4,855,761
State and Other Local Government Aid	11,912,773	11,836,886	11,744,316	13,462,085	20,116,906
Federal Aid	921,366	788,881	636,839	2,934,614	393,875
Total Revenues	101,434,819	103,877,897	109,298,204	107,916,401	116,450,103
Expenditures:					
General Government Support	25,344,163	26,080,545	26,990,336	26,945,185	28,502,539
Public Safety	5,281,060	5,292,953	5,564,167	5,388,128	5,611,701
Health	641,850	738,268	785,734	676,564	764,533
Transportation	4,953,653	4,967,828	5,001,925	4,873,894	5,162,098
Economic Assistance & Opportunity	2,237,607	2,278,756	2,303,917	2,306,867	2,273,748
Culture and Recreation	12,790,979	12,392,839	13,146,479	12,196,141	12,722,388
Home & Community Services	20,620,613	22,564,073	23,446,067	24,165,407	25,035,444
Employee Benefits	19,372,126	21,267,404	20,337,259	20,889,286	20,951,981
Debt Service	4,083		0	0	206,253
Total Expenditures	91,246,134	95,582,666	97,575,884	97,441,472	101,230,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,188,685	8,295,231	11,722,320	10,474,929	15,219,418
Other Financing Sources (Uses):					
Premiums on Obligations					155,539
Operating Transfers In	14,746	92,178	58,507		7,048
Other Transfers Out	(5,339,721)	(5,076,780)	(7,395,692)	(8,833,834)	(9,419,217)
Total Other Financing Sources (Uses)	(5,324,975)	(4,984,602)	(7,337,185)	(8,833,834)	(9,256,630)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,863,710	3,310,629	4,385,135	1,641,095	5,962,788
Fund Balance, Beginning of Year	25,326,564	30,190,274	33,500,903	37,886,038	39,527,133
Adjustment to Fund Balance Due to Accounting Changes					4,134,237
Fund Balance, Beginning of Year, as Restated	25,326,564	30,190,274	33,500,903	37,886,038	43,661,370
Fund Balance, End of Year	\$ 30,190,274	\$ 33,500,903	\$ 37,886,038	\$ 39,527,133	\$ 49,624,158

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

HIGHWAY FUND

	Fiscal Years Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 32,597,757	\$ 32,839,462	\$ 33,734,114	\$ 34,373,582	\$ 34,821,356
Other Property Tax Items	114,473	106,528	112,849	132,163	126,654
Departmental Income	205,709	364,220	445,482	405,978	998,278
Intergovernmental Charges	7,464	126,742	10,575	917	4,419
Use of Money and Property	133,709	311,753	559,123	203,583	53,227
Licenses and Permits	166,025	229,425	184,025	130,375	175,825
Sale of Property	140,413	186,681	164,568	184,282	170,059
Miscellaneous Local Sources	264,740	593,014	567,440	534,773	386,618
State and Other Local Government Aid	2,409,449	2,756,699	2,820,554	1,903,829	4,629,781
Federal Aid				5,035,547	431,615
Total Revenues	<u>36,039,739</u>	<u>37,514,524</u>	<u>38,598,730</u>	<u>42,905,029</u>	<u>41,797,832</u>
Expenditures:					
General Government Support	1,879,892	187,106	223,237	301,061	276,145
Transportation	20,137,929	19,454,126	22,047,448	24,197,547	23,107,034
Employee Benefits	8,245,262	8,653,816	8,544,981	8,453,317	9,467,155
Debt Service			0	0	0
Total Expenditures	<u>30,263,083</u>	<u>28,295,048</u>	<u>30,815,666</u>	<u>32,951,925</u>	<u>32,850,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,776,656	9,219,476	7,783,064	9,953,104	8,947,498
Other Financing Sources (Uses):					
Premiums on Obligations					174,388
Operating Transfers In	35,664	189,558	258		
Other Transfers Out	(6,874,999)	(6,884,338)	(6,624,305)	(6,484,917)	(7,105,809)
Total Other Financing Sources (Uses)	<u>(6,839,335)</u>	<u>(6,694,780)</u>	<u>(6,624,047)</u>	<u>(6,484,917)</u>	<u>(6,931,421)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,062,679)	2,524,696	1,159,017	3,468,187	2,016,077
Fund Balance, Beginning of Year	5,731,795	4,669,116	7,193,812	8,352,829	11,821,016
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>5,731,795</u>	<u>4,669,116</u>	<u>7,193,812</u>	<u>8,352,829</u>	<u>11,821,016</u>
Fund Balance, End of Year	\$ <u><u>4,669,116</u></u>	\$ <u><u>7,193,812</u></u>	\$ <u><u>8,352,829</u></u>	\$ <u><u>11,821,016</u></u>	\$ <u><u>13,837,093</u></u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

REFUSE AND GARBAGE FUND

	Fiscal Years Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 24,570,261	\$ 24,548,321	\$ 25,128,313	\$ 26,255,794	\$ 27,078,268
Other Property Tax Items	245	806	2,130	1,541	449
Departmental Income	11,528	12,815	8,055	6,240	6,600
Intergovernmental Charges	13,072	11,474	12,794	12,680	13,546
Use of Money and Property	104,113	244,742	363,088	144,085	32,884
Sale of Property	225,846	153,319	121,899	154,525	54,673
Miscellaneous Local Sources	58,603	112,489	119,428	118,704	114,839
State and Other Local Government Aid			103,619		60,673
Federal Aid					
Total Revenues	<u>24,983,668</u>	<u>25,083,966</u>	<u>25,859,326</u>	<u>26,693,569</u>	<u>27,361,932</u>
Expenditures:					
General Government Support	2,234,288	2,117,106	2,242,421	2,291,821	2,355,892
Home & Community Services	18,976,670	19,337,620	20,274,571	22,275,609	21,653,574
Employee Benefits	2,774,401	2,613,782	2,605,068	2,836,992	3,049,068
Debt Service			0	0	9,587
Total Expenditures	<u>23,985,359</u>	<u>24,068,508</u>	<u>25,122,060</u>	<u>27,404,422</u>	<u>27,068,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	998,309	1,015,458	737,266	-710,853	293,811
Other Financing Sources (Uses):					
Premiums on Obligations					11,156
Operating Transfers In					
Other Transfers Out	<u>(207,689)</u>	<u>(217,931)</u>	<u>(218,567)</u>	<u>(217,119)</u>	<u>(237,719)</u>
Total Other Financing Sources (Uses)	<u>(207,689)</u>	<u>(217,931)</u>	<u>(218,567)</u>	<u>(217,119)</u>	<u>(226,563)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	790,620	797,527	518,699	(927,972)	67,248
Fund Balance, Beginning of Year	4,025,957	4,816,577	5,614,104	6,132,803	5,204,831
Adjustment to Fund Balance Due to Accounting Changes					
Fund Balance, Beginning of Year, as Restated	<u>4,025,957</u>	<u>4,816,577</u>	<u>5,614,104</u>	<u>6,132,803</u>	<u>5,204,831</u>
Fund Balance, End of Year	<u>\$ 4,816,577</u>	<u>\$ 5,614,104</u>	<u>\$ 6,132,803</u>	<u>\$ 5,204,831</u>	<u>\$ 5,272,079</u>

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule NOT audited.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

	Fiscal Years Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real Property Taxes	\$ 18,374,208	19,439,002	19,373,768	11,390,692	11,501,288
Other Property Tax Items	37,100	31,462	47,449	16,155	15,063
Non-Property Tax items	144,701	144,701	144,701	144,701	144,701
Departmental Income	9,690,827	9,356,833	10,310,556	1,957,598	1,966,629
Intergovernmental Charges					
Use of Money and Property	1,389,416	581,284	768,637	1,618,749	1,487,734
Licenses and Permits	841,153	851,461	1,001,687		
Sale of Property	2,741,401	2,677,588	2,734,759	2,168,042	2,855,997
Miscellaneous Local Sources	1,567,626	3,847,951	2,199,656	114,662	116,073
State Aid			23,233	26,547	25,925
Federal Aid	590,958	636,632			28,450
Total Revenues	<u>35,377,390</u>	<u>37,566,914</u>	<u>36,604,446</u>	<u>17,437,146</u>	<u>18,141,860</u>
Expenditures:					
General Government Support	4,797,321	4,628,312	4,606,331	1,872,027	2,016,681
Public Safety	3,995,538	4,014,152	4,106,491	1,591,027	1,609,586
Health	2,500,369	3,147,439	3,323,506	3,248,498	3,302,312
Transportation	2,366,696	2,143,909	2,008,542	2,278,121	2,420,086
Economic Assistance and Opportunity	27,845	18,609	2,575	4,048	2,826
Home & Community Services	10,557,775	10,787,125	9,210,711	3,574,312	3,897,437
Employee Benefits	6,127,723	6,060,776	5,932,954	1,771,337	1,682,948
Debt Service					
Total Expenditures	<u>30,373,267</u>	<u>30,800,322</u>	<u>29,191,110</u>	<u>14,339,370</u>	<u>14,931,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,004,123	6,766,592	7,413,336	3,097,776	3,209,984
Other Financing Sources (Uses):					
Amortization of Retirement Systems					
Operating Transfers In	3,918	3,192			
Other Transfers Out	(2,010,125)	(2,309,805)	(3,133,109)	(1,263,638)	(1,048,030)
Total Other Financing Sources (Uses)	<u>(2,006,207)</u>	<u>(2,306,613)</u>	<u>(3,133,109)</u>	<u>(1,263,638)</u>	<u>(1,048,030)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,997,916	4,459,979	4,280,227	1,834,138	2,161,954
Fund Balance, Beginning of Year	5,906,576	15,186,811	19,646,790	22,947,567	22,827,781
Adjustment to Fund Balance Due to Accounting Changes	6,282,319 ⁽¹⁾		(979,450)	(1,953,924)	(4,134,237)
Fund Balance, Beginning of Year, as Restated	<u>12,188,895</u>	<u>15,186,811</u>	<u>18,667,340</u>	<u>20,993,643</u>	<u>18,693,544</u>
Fund Balance, End of Year	<u>\$ 15,186,811</u>	<u>19,646,790</u>	<u>22,947,567</u>	<u>22,827,781</u>	<u>20,855,498</u>

(1). The Town implemented GASB 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and amendments to Certain Provision of GASB Statements 67 and 68, in the fiscal year ended December 31, 2017. The implementation of the statement requires, among other things, that the Town present the benefits to volunteer ambulance personnel in the ambulance districts' funds. In addition, the statement requires that the Town record

its total length of service award liability in the government-wide financial statements. Accounting changes adopted to conform to the provisions of the statement are to be applied retroactively and reported as a restatement of beginning net position in the government-wide Statement of Net Position and the beginning fund balances of

Non-Major Governmental Funds include Town-Outside Village, Special Grant (HDCA), Local Development Corporation (LDC), Town Business Improvement Districts and Special Districts. The Special District Funds consist of a number of separate districts which are administered by the Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts, business improvement district and a water district

Sources: Audited Financial Reports of the Town (2017-2021)

NOTE: This Schedule NOT audited.

ADOPTED BUDGETS - GENERAL FUND

	Fiscal Years Ending December 31:	
	<u>2021</u>	<u>2022</u>
Revenues:		
Real Property Taxes	\$ 46,769,577	\$ 47,689,232
Other Property Tax Items	430,500	430,500
Non-Property Tax items	4,600,000	4,600,000
Departmental Income	34,789,300	35,304,300
Intergovernmental Charges	145,000	120,000
Use of Money and Property	1,129,425	1,128,825
Licenses and Permits	1,126,000	1,126,000
Fines and Forfeitures	1,555,000	1,305,000
Sale of Property	269,750	269,750
Miscellaneous Local Sources	1,320,000	1,395,000
Interfund Revenues	4,855,761	4,813,224
State and Other Local Government Aid	11,295,402	11,832,902
Federal Aid	390,000	690,000
Appropriated Fund Balance	100,000	1,100,000
	<u>108,775,715</u>	<u>111,804,733</u>
Total Revenues		
Expenditures:		
General Government Support	39,324,699	40,303,306
Public Safety	8,662,950	8,741,669
Health	872,249	872,249
Transportation	7,487,447	7,778,183
Economic Assistance & Opportunity	3,507,283	3,542,094
Culture and Recreation	17,695,714	17,696,328
Home & Community Services	25,825,373	27,320,904
Debt Service	5,400,000	5,550,000
Operating Transfers Out		
	<u>108,775,715</u>	<u>111,804,733</u>
Total Expenditures		

Source: Adopted Budgets of the Town of Huntington

TOWN OF HUNTINGTON

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Year Ended December 31, 2021



Town Board

Edmund J. Smyth, Supervisor

Dr. Dave Bennardo, Councilman

Joan Cergol, Councilwoman

Eugene Cook, Councilman

Salvatore Ferro, Councilman



Town of Huntington, New York
Annual Comprehensive Financial Report
Year Ended December 31, 2021

Prepared by:
Department of Audit & Control

Peggy Karayianakis, CPA
Director of Audit & Control

Peter Leodis
Deputy Director of Audit & Control

TOWN OF HUNTINGTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021
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**INTRODUCTORY
SECTION**



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

Phone: (631) 351-3030
Fax: (631) 424-7856
ESmyth@HuntingtonNY.gov

EDMUND J. SMYTH
Supervisor

June 28, 2022

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

I am pleased to present the Annual Comprehensive Financial Report of the Town of Huntington, New York for the year ended December 31, 2021. The financial statements have been audited by the accounting firm selected by the Town Board, PKF O'Connor Davies, LLP. The independent auditors' unmodified opinion is included in this report.

Every year for more than two decades, 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, 2021 Annual Comprehensive 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 efforts of the entire staff of the Comptroller's Office.

Fiscal Year 2021 presented many challenges, however, through sound fiscal management, operating results were generally better than anticipated. We will continue to monitor the Town's 2022 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,

Supervisor



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

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

AUDIT & CONTROL
Peggy Karayianakis, CPA
Director

June 28, 2022

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

The Office of the Comptroller is pleased to submit the Annual Comprehensive Financial Report of the Town of Huntington, New York (the “Town”) for the year ended December 31, 2021. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

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

The accounting firm of PKF O’Connor Davies, LLP was selected by the Town Board to perform an independent audit of the Town’s financial statements as of December 31, 2021, and to provide reasonable assurance that the financial statements are free from material misstatement. The auditors’ unmodified opinion on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

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

The Town is required to undergo an annual “single audit” in conformity with the provisions of the Federal Single Audit Act and the United States Office of Management and Budget’s issuance of Subpart F: *Audit Requirements, contained in 2 CFR Part 200, of the Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards (“Uniform Guidance”)*. 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 complements this letter of transmittal and should be read in conjunction with it.

General and Historical Information

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

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

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

The Town provides the following services:

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

Town Government

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

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

Town Government (continued)

The Town Board is the principal policy-making body of the Town. Its four members, in addition to the Supervisor, are elected to four-year terms. The terms are staggered so that every two years two Council Members run for election. There is a three term 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. The Town Clerk, the Receiver of Taxes and the Superintendent of Highways are elected for four-year terms and have a three term limitation.

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, Purchasing and Administrative Adjudication Bureau.

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 evaluation of costs and benefits require estimates and judgment by Town management.

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

Local Economy

The cornerstones of Huntington's desirability as an outstanding place to live, work, and raise a family have always been its people, quality of life, pristine waterfront and beaches, open spaces, historical charm and property tax stability. Despite the COVID-19 global pandemic that has affected Huntington over the past two years, the Town's finances are still on sound fiscal footing. The Town Board has undertaken numerous initiatives to deal with recent challenges and further enhance the Town's quality of life. These include: the continued funding of open space in order to purchase and preserve open space, improving park facilities, funding neighborhood improvements, and supporting green energy efficient projects. Additional Covid-safe outdoor procedures for implementing outdoor dining, such as street closures for pedestrians and parklets, have been implemented. The Town has undertaken clean energy initiatives by purchasing natural gas garbage trucks, clean diesel fuel buses and hybrid vehicles; installing energy saving light fixtures, solar energy at Town Hall and municipal parking lots, progressed with the continued partnership with a private developer to assist the municipality with the next phase of Huntington Station's revitalization, worked with Suffolk County on implementation of a bike share program, and maintained programs to enhance care for children and seniors

Median family income (\$131,519) and housing values (\$577,700) exceed figures for other Suffolk County towns as well as New York City suburban averages. Income within the Town is significantly higher than the state and county averages. Recent economic indicators demonstrate that the Town continues to be an economically vibrant community.

Long Island is showing signs of recovery from the economic challenges faced across the country due to COVID-19 in terms of current job growth in education and health services, construction, natural resources and mining. Housing demand also continues to strengthen in 2022. Home prices have increased in 2022 with a continued tight lending market.

Local Economy (continued)

As of March 2022, Huntington's unemployment rate has remained low at 3.0%, below the Suffolk County rate of 3.5%, New York City rate of 6.1%, New York State rate of 4.7%, and the national rate of 3.6%. Earlier during the COVID-19 pandemic, Huntington's unemployment rate had increased to 12.5%, as of May 2020 but this was still well below the Suffolk County rate of 14.1%, the New York State rate of 16.5% and the national rate of 13.3%. Huntington's unemployment rate is expected to continue to stay low as recovery continues.

The Town of Huntington is a mature suburban community. Although its capacity for new large-scale residential development on vacant land is limited, there continues to be a significant number of large-scale housing projects predominately resulting from the redevelopment of underutilized properties throughout the Town. In the future, new housing construction will generally occur as in-fill development on smaller parcels within existing neighborhoods, as mixed-use residential projects in commercial districts, or as major developments on large underutilized properties. This trend has and will continue to contribute to population and tax base growth in the future.

Interest in redeveloping land with new uses is increasing in the Town. From mid-2015 through mid-2022 the Town received fifty-eight (58) zone change applications, with the total applications exceeding that of the previous seven years combined. Assisted living facilities and senior housing condominium developments have been popular application types, representing one-quarter of the zone change applications in the last seven years

The strength of the local housing market is evidenced by projects either currently under Planning Department review, recently approved, under construction or completed. Since 2013, the Town has approved the construction of over 1,500 housing units of various building types and densities. Several major multi-family housing projects approved recently that are under construction or completed include Highland Green, a one hundred and nineteen (119) unit affordable limited equity cooperative, the Seasons at Elwood, a two-hundred and sixty-three (263) unit retirement community; the Club at Melville with two hundred and sixty-one (261) age-restricted affordable units; Avalon Huntington Station/Country Pointe, a three hundred seventy nine (379) rental project with seventy-six (76) for-sale condos; Harborfields Estates, a forty-seven (47) lot subdivision with homes priced from \$799,000; Northridge, a 16-unit mixed-use project by the LIRR; Gateway Plaza, a 66-unit project also located within walking distance to the LIRR, Northridge Square, a 16-unit mixed use project near the completed Northridge project, the Landmark at 1090 New York Ave, a two-building, 16-unit mixed use and 9-unit historic residence project near the LIRR, and Sunrise Senior Living, an assisted-living facility with 90 units. Pricing starts at \$499,000 for condos at Avalon/Country Pointe and \$318,000 at Club at Melville for income-restricted units. With respect to single-family residential subdivisions, the Town Planning Department is currently processing over 50 subdivision applications that will ultimately result in the development of approximately 254 new tax lots. One of the larger subdivisions under construction is Tuscan Estates, a thirty (30) lot subdivision approved in 2010 located in Dix Hills. It is also important to note that there are a number of significant residential projects not included within the town wide housing unit total that have received zone changes and are in various stages of site plan review. Included within this category is the Manors at Commack with eighty-eight (88) age-restricted units and Seasons at East Northport, a planned one-hundred and ninety (190) (including 36 affordable) unit retirement community. Downtown Huntington Village including the surrounding area by the LIRR also has over 200 potential apartments and condos in the pipeline or under construction.

Commercial and industrial development expansion and improvement remains steady. Over the past ten (10) years, over two (2) million square feet of Class A office space has been constructed or renovated in the Town's corporate center, the Melville Employment Center (MEC). The MEC is home to major corporations including Canon USA, Rubies Corporation, Air Techniques, Henry Schein, Honeywell Corporation, Leviton Corporation and the Capital One Bank Corporate Center. A second phase of the Canon project is projected in the near future, providing an additional 200,000 square feet of research and development space and 260 more employees, bringing the total employees to 2,060. Hartz Mountain has received approvals for the Newsday site in Melville, which will be redeveloped into two warehouse buildings with over 900,000 square feet on the 48-acre site. Estee Lauder is also proposing to open a multi-million-dollar engineering center in the MEC, next door to their current factory and research lab. The Huntington Quadrangle site has recently leased over 100,000 sq. ft. to a new tenant (Geico). A major hotel chain is also redeveloping a vacant site just south of the LIE into a brand-new, 127-room hotel with an outdoor pool, and that site plan application is now nearing approval after receiving a zone change approval in 2021.

Local Economy (continued)

Vacant commercial and industrial land, like the Canon site, is limited. However, many sites zoned for such uses are under-utilized and excellent candidates for site redevelopment. This is an emerging trend that is fully supported and encouraged by Huntington officials, who have identified existing commercial corridors and industrial sites throughout the Town, and the Melville Employment Center (MEC) in particular, as the Town's primary focus in its 2008 Comprehensive Plan Update "Horizons 2020". Many of the under-utilized industrial sites in Melville 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 as well as distribution centers will continue to spur redevelopment and result in increasing market values and commercial property tax revenues. For example, a new six-story 160,000 square foot corporate center is nearing final approval on a property on the LIE South Service Road that formerly housed a one-story aging commercial building. This office site is directly to the east of the Canon site and is currently under review. Besides the Hartz Mountain application, an Amazon proposal for a distribution center off Walt Whitman Road in the MEC close to the newly-expanded Walt Whitman Bridge off of the LIE was recently approved.

As noted, continuing the success of attracting new corporations to the MEC over the past thirty (30) years is a major goal of the Town. The Town recognizes the importance of the MEC to the Long Island region as a major economic generator and is taking the necessary steps to enable its continued growth. In 2015 the Town funded a \$200,000 plan and hired a consultant firm to prepare an integrated land use, circulation and infrastructure plan which will ensure that the MEC has the necessary land use policies and infrastructure to meet the future needs of corporate development. Following an 18-month planning process which included several public workshops, a Draft MEC Plan was completed in 2016 and is under final review by the Town Board. It includes recommendations to add a mix of uses, including retail and housing, to this important area. Infrastructure improvements on the Walt Whitman Bridge as well as sewer studies currently underway also reflect the continued desire to keep the MEC flourishing within the region. In addition to Melville, significant projects continue to be proposed in other locations to take advantage of the income and employment levels in the Town. For example, currently under review are proposals for a 36-unit senior housing development along Deer Park Avenue and Country Pointe Elwood with 385 age-restricted units along Jericho Turnpike. There is also an application under review at a former VA site in Northport called Freedoms Point, which would result in an 113,343 square foot assisted living facility on 10.09 acres.

Another important initiative happening within the Town is the Huntington Station revitalization. The Town has been working in partnership with the community and a master developer, Renaissance Downtowns. Since the adoption of the development strategy in 2013, Renaissance Downtowns has developed concept plans for four project sites on New York Avenue north of the Long Island Railroad (LIRR) tracks, which include the following uses: a boutique hotel, office space, retail space, apartments over storefronts, and potential artist residences. Two projects, Northridge and Gateway Plaza Development, resulted in a total of 82 new housing units within a half-mile of the Huntington LIRR Station. Another mixed-use development known as Northridge Square was recently approved which will add mixed-use retail space and sixteen (16) apartments along New York Avenue, and just south of that the Landmark at 1090 New York Avenue is under review for a two-building, 16-unit mixed-use and 9-unit historic residence project near the LIRR. An additional mixed-use development was recently submitted for review next to the Northridge site. Suffolk County has approved funding to connect the portion of Huntington Station south of the railroad tracks to the County's Southwest Sewer District. The Town also was recently awarded a grant from the New York State Department of State to match the Town and County contributions to fund the sewer project. The Town is currently waiting for the completion of the engineering design of the system. This would be of great assistance to potential Renaissance projects south of the tracks, where the lack of sewer availability is the most significant obstacle to redevelopment. Renaissance is looking at underutilized parcels in the area, including the underutilized Town-owned railroad parking lot on the west side of New York Avenue, which is currently generating no property tax revenue and is underutilized by commuters. A bus company also occupies a large property within walking distance of the train station and is a prime candidate for redevelopment.

A similar redevelopment 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. Significant remodeling and upgrading projects underway throughout the Town include the "Big H" shopping center located between the Huntington Station LIRR and Huntington Village, which completed construction to remove large retaining walls to develop the lower level basement into retail and received approvals for the addition of a much-needed supermarket to the site, and Huntington Square Mall, which has been redeveloping the former Sears site in East Northport for a 54,000 square foot AMC movie theater, 39,000 square foot fitness club and 88,000 square foot retail space to include a Floor & Décor store. Nationally recognized businesses attracted to Huntington include the first QuickChek now open in Commack, three (3) new Starbucks locations; recently opened at the LA Fitness site in Huntington Station, proposed along Jericho Turnpike and under construction at the

Local Economy (continued)

Greenlawn Shopping Plaza; and a new Westy's Self-Storage facility in Huntington Station. Melville Mall along Route 110 has new retail pad sites under construction, and Trader Joe's in Commack recently invested in a move to a newly-renovated site nearby to increase square footage and parking availability. Consumer expenditures per capita by Huntington households are among the highest in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future. In addition, there has been an increasing trend with numerous projects underway for mixed use construction within downtown Huntington Village.

Healthcare and the medical industry have also been undergoing significant growth in the Town, as shown by Mt. Sinai Doctors Long Island recently completing a new state-of-the-art 80,000 square foot medical office complex located at 5 Cuba Hill Road in Greenlawn. Another medical building recently received site plan approval in Huntington Station along Route 110, and one is under construction at the corner of Park Avenue and Route 25A. There is also a proposal under review from Huntington Hospital for expansion to increase office space and provide for future medical use.

The Town of Huntington expects to receive benefits from two major capital projects underway by the LIRR. One is the East Side Access project, which will allow LIRR trains direct access to Grand Central Station in Manhattan for the first time. This will reduce the time and the hassle to reach many employment centers on the east side of Manhattan, such as the United Nations complex. The other project is the Third Track project, which will add a third railroad track between Floral Park and Hicksville, allowing for both additional trains to New York City for the conventional commute (which will also support the East Side Access project), and will make it easier for reverse commutes from the city to the Town of Huntington. Additional railroad capacity will be combined with two other local transit projects in the planning stages, the reopening of Republic Station on the LIRR's Ronkonkoma line and a bus rapid transit (BRT) system planned for the Route 110 corridor. Both of these projects are designed to serve the businesses and employees in the Melville Employment Center area, an area currently with limited transit options. The BRT service would also connect the LIRR Ronkonkoma line with the LIRR Babylon line at the Amityville station, providing the only express connection between the two railroad lines east of the Jamaica station, and allowing both railroad lines to provide a connection to Melville. Connection to the LIRR Port Jefferson line at Huntington station is already provided by Suffolk County Bus.

Finally, Huntington is home to several thriving downtowns, including Huntington Village, Cold Spring Harbor, Greenlawn and Northport Village. The three formal Business Improvement Districts (BIDs); Huntington Village; Huntington Station; and Cold Spring Harbor, as well as the active and well-represented chambers of commerce, including Huntington Chamber, East Northport Chamber and Melville Chamber, continue to work cooperatively with the Town to enhance the vibrant downtown business districts and corridors. These combined efforts are tied to stimulating economic activity through community events, business networking, ribbon cuttings of new businesses, recognition of the growth and enhancement of existing business and more. Events include street fairs, parades, sidewalk sales, tree and candle lightings, antique car shows, and jazz festivals. The Huntington Community Development Agency (CDA) also submits the applications to Suffolk County for the Downtown Revitalization Grants on behalf of community organizations, as well as to state agencies and elected officials, and oversees the projects and required documentation. The Town and CDA are continuing to work with the Greenlawn Civic Association on a historic lighting and parks improvement program, and the Cold Spring Harbor Chamber on a lit street crossing. Huntington Village is one of Long Island's premier destinations, boasting a 1,573-capacity live entertainment theater, an art museum, a park with free concerts and events year-round, an active historical society, an independent cinema arts theater, a commercial movie theater and over 50 restaurants and 200 retail stores. The Paramount Theater opened its doors in 2011 and offers live performances, attracting many to the downtown area. Other important developments in Huntington Village are a soon-to-open 81-room boutique hotel that will provide first class lodging to visitors to the region, as well as an increase in construction of mixed-use developments in the downtown area. An adaptive reuse project converting a vacant church near Huntington Village to a shared office space was also recently approved. Located within a mile of local beaches and the LIRR and served by the HART and Suffolk County Bus public transportation systems, Huntington Village also features a considerable stock of rental units and smaller single-family homes located within walking distance to the downtown. A Suffolk County initiative to bring bike share programs to the region now includes the Town of Huntington as a participating community, with five stations installed in the Village and near the Huntington Station LIRR, and a potential expansion to other areas of the Town in the future.

Major Initiatives

Through sound fiscal management, the Town has been able to fund and complete various major projects in 2021 including \$13.3 million of road resurfacing, reconstruction, drainage, equipment purchases, land purchases, land improvements, traffic signalization, recreational facility and building improvements.

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

- Huntington's three Business Improvement Districts (BIDs): Huntington Village; Huntington Station; and Cold Spring Harbor, as well as its active and well-represented chambers of commerce, including Huntington Chamber, East Northport Chamber and Melville Chamber, continue to work cooperatively with the Town to enhance the Town's downtown business districts and corridors. These combined efforts are tied to stimulating economic activity through community events, business networking, ribbon cuttings of new businesses, recognition of the growth and enhancement of existing business and more. Events include street fairs, parades, sidewalk sales, tree and candle lightings, antique car shows and jazz festivals. The Huntington Community Development Agency (CDA) also submits the applications to Suffolk County for the Downtown Revitalization Grants on behalf of community organizations, as well as to state agencies and elected officials, and oversees the projects and required documentation. The Town and CDA are continuing to work with the Greenlawn Civic Association on a historic lighting and parks improvement program, and the Cold Spring Harbor Chamber on a lit street crossing.
- The Town of Huntington, through the Huntington Community Development Agency (CDA), administers over \$1.1 million in program funding annually. This includes a Home Rehabilitation program designed to assist elderly and limited-income residents to remain in their homes, an emergency grant program for heating, septic and appliance repair, and a deferred loan program for home improvements. Construction was completed on a 14-unit condominium project in Huntington Station known as Columbia Terrace. This development offers preference to U.S. military veterans and serves to uplift the area currently under revitalization. A lottery was held on December 8, 2021 that yielded 136 lottery entries, of which 36 entries were fully submitted applications. The applications are currently being vetted to bring applicants to contract.
- CDA also spearheads development programs to stimulate economic development and job growth in low-income areas through the Huntington Opportunity Resource Center, and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG). Further, CDA administers the Town of Huntington's affordable housing program as provided under public policy. In April of 2020, the Town of Huntington was informed by the Department of Housing and Urban Development that it would receive \$510,000 under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through CDBG, in wake of the COVID-19 pandemic. The CDA solicited applications from nonprofit agencies in the community that have been providing assistance to families and individuals who have been impacted by the pandemic, and will be distributing funding to seven (7) service agencies; addressing food insecurity, health and safety issues, and providing shelter for those who are unable to shelter safely in place. In June of 2020, the Town was notified that it would receive an additional \$1.1 million in CARES funding. In this phase, funds have been dedicated to providing financial assistance to businesses that have struggled to retain employees during the pandemic, as well as for mortgage assistance, rapid COVID-19 testing, and service organizations. Due to the Pandemic the CDA was granted a waiver extension on CDBG program year 2020 and is currently administering both program years 2020 and 2021 simultaneously.
- In the wake of the coronavirus pandemic, the Community Development Agency has been overseeing the Emergency Rental Assistance Program (ERAP) on behalf of the Town. This program, issued through the US Department of the Treasury, has provided rental assistance to over 270 residents who have been impacted financially by the pandemic. The Town allocated portion was \$5.9 million, and was one of several municipalities partnering with the NYS Office of Temporary and Disability Assistance (OTDA) to disperse the funds, which will also help small landlords and homeowners.
- The Town of Huntington, the Town of Huntington Economic Development Corporation, and Renaissance Downtowns, LLC public-private partnership saw construction completed on the Northridge Project, a mixed used development in downtown Huntington Station that includes 6,200 square feet of commercial space and 16 one-bedroom apartments. The organizations are also working with the developer of this project to build another similar project which will include two affordable rental units and additional retail space.

Major Initiatives (continued)

- Construction has been completed on the Gateway Plaza Development project with 16,000 square feet of ground floor commercial and 66 rental apartments, comprised of studio and one-bedroom units. The CDA secured a \$1.4 million grant from Empire State Development Corporation and has been responsible for the oversight and reporting on this project as well.
- The Town is currently constructing a playground and spray park at Manor Field in Huntington Station, which has been in the planning stages for several years. The project thus far replaced the turf, and is providing recreation for many families in the area as the other phases move forward. Funding for this project has been made possible through CDBG funding, as it is in a low to moderate area and a grant from NYS that the CDA procured.
- The CDA has secured NYS grant funding on behalf of the Town for a new upgraded camera system in Huntington Station. By partnering with the Huntington Station BID, this will vastly improve coverage of the current antiquated system, and allow for a partnership between the businesses, Town and the Second Precinct.
- The Town of Huntington Local Development Corporation (LDC) secured the largest bond to date with Gurwin Housing Inc., for the purpose of constructing Fountaingate Gardens, a new senior community in Commack. This conduit financing bond, in the amount of over \$102 million, will bring in over \$200,000 in revenue to the Town during its term.
- With the New York State Energy Research and Development Authority (NYSERDA) Clean Energy Community (CEC) designation, the Town was able to apply for, and was awarded, a \$250,000 grant toward implementing energy efficiency measures. This implementation included LED lighting retrofits, steam trap repairs and replacement at Town Hall and the Flanagan Senior Center, and replacing HPS and metal halide lighting for outdoor lighting at various Town Facilities and Parks. This is an ongoing effort and involves working with PSEG Long Island to obtain any available PSEG rebates associated with these lighting retrofit and repair projects. A feasibility study for a geothermal system was conducted for work associated with the building of the James Conte Community Center in Huntington Station. The design has subsequently incorporated a geothermal system into this new construction. The Town is committed to increasing energy efficiency throughout the entire Town and will continue to pursue and incorporate energy reducing technology such as Electric Vehicle (EV) charging and Photovoltaic (PV) generation, geothermal, and other emerging energy-related technologies into future projects.

Economic Development

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

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

- Renaissance Downtowns, LLC as Master Developer for Huntington Station, continues to finalize its development programs for a series of new buildings on the west side of New York Avenue. These projects include a boutique hotel, office building, and artists' lofts. Since the aforementioned projects involve some state-owned land, Renaissance and The Town are in discussions with New York State DOT Region 10 to convey the land.
- Discussions continue regarding the possibility of developing 49 artist lofts on the west side of New York Avenue in Huntington Station's downtown and transportation hub.
- Town of Huntington Economic Development Corporation is continuing to interact and advise Renaissance Downtowns on the revitalization of Huntington Station and is seeking new areas, such as Melville and Halesite as hamlets ripe for economic opportunity.

Economic Development (continued)

- In the wake of the coronavirus pandemic, The Town established a Small Business Recovery Task Force, which acts as a liaison between local businesses and the Town, to assist in providing information on economic relief. The task force sponsored a “Masks on Main” event which bolstered food traffic throughout Huntington Village while encouraging residents and visitors to shop safely; secured the most photographed Holiday Tree on Long Island, located in Huntington Village, during the holiday season, ; and helped to implement a parklet program, increasing the dining capacity for local restaurants still facing occupancy restraints.
- The Huntington Opportunity Resource Center (HORC) was opened in June 2014 at 1264-1268 New York Avenue to provide an array of services to assist the unemployed and underemployed in the Town. The Town partnered with Suffolk County to bring the County’s Department of Social Services and Department of Labor to the Resource Center to assist residents in need. The Town/County partnership leverages shared resources that result in blanketing the community with a plethora of services, including resume writing, business software training, workshops, job search assistance and so much more. Due to the coronavirus pandemic, however, the HORC was forced to shut its doors to the public, creating a gap in services. The Town and the CDA are now partnering with the Family Service League, which provides many similar services, to occupy the space and continue the programs offered. This would also bring revenue to the CDA and reduce the expenses incurred in running the HORC.
- The CDA has received a \$25,000 grant from NYS Empire State Development for the purpose of conducting a feasibility study for downtown Huntington Station, and has worked with the County to secure funding to conduct a new engineering study for sewers on the west side of New York Avenue, where new development has been halted due to the current lack of a sewer system.

Long-range Financial Planning

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

The Town, over the years and as part of its long-range financial planning, has prudently built up reserves during periods of good times so that these funds can be strategically used to offset potential tax increases when times become tough, such as the current COVID-19 pandemic. This fiscal policy continues to be a major initiative for the Town.

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

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 2022 budget was adopted on November 18, 2021.

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 1st. The operating budgets include proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments on the proposed budgets. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. In the event that the budget is not adopted, the proposed operating budget becomes the final budget by default.

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

Financial Information (continued)

Debt Administration

The Town has achieved the highest bond rating of Aaa from Moody's Investor's Service from 2010 to 2021, 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, Timekeeping 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 Annual Comprehensive Financial Report for the year ended December 31, 2020. This was the twenty third 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 annual comprehensive financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Distinguished Budget Presentation Award to the Town of Huntington for the fiscal year beginning January 1, 2021. This was the tenth consecutive year that the Town of Huntington has received this prestigious award.

A Certificate of Achievement and Distinguished Budget Presentation Award are valid for a period of one year only. We believe both our current annual comprehensive financial report and our adopted budget continue to conform to their respective program requirements. We are submitting the 2021 Annual Comprehensive Financial Report to the GFOA to determine their 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, PKF O'Connor Davies, LLP. I would like to extend my appreciation to all members of the department who assisted and contributed to its preparation.

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

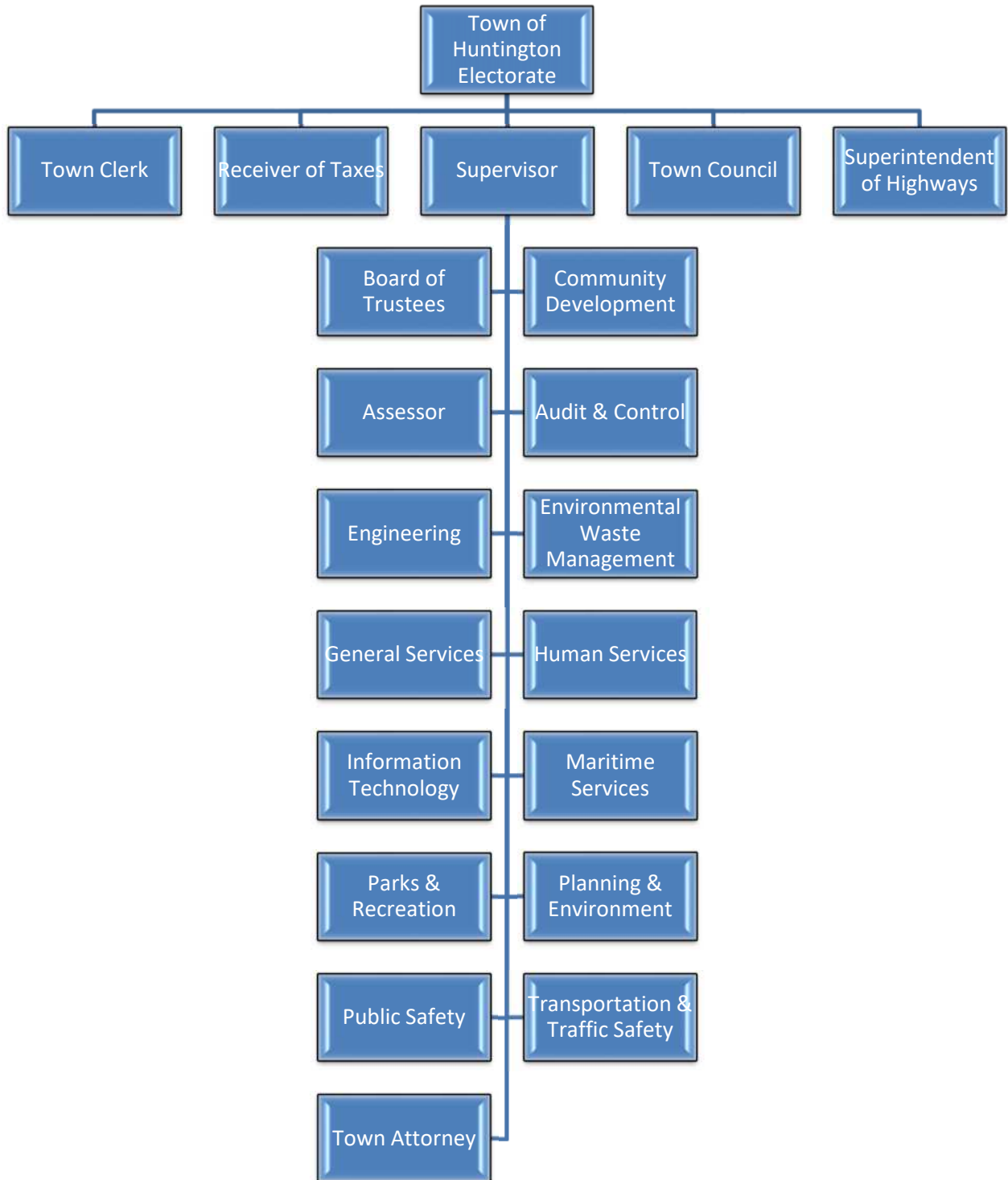
Respectfully submitted,



Peggy Karayianakis CPA
Town of Huntington
Comptroller

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Town of Huntington Organizational Chart



Town of Huntington Town Officials

Town Board



Edmund J. Smyth
Town Supervisor



Dr. Dave Bennardo
Councilman



Joan Cergol
Councilwoman



Eugene Cook
Councilman



Salvatore Ferro
Councilman

Town Clerk:

Andrew Raia

Receiver of Taxes:

Jillian Guthman

Superintendent of Highways:

Andre Sorrentino

Assessor:

Lisa Leonick

Director of Audit and Control:

Peggy Karayianakis

Interim Director of Engineering

James Ahrens

Director of Environmental Control:

John Clark

Director of General Services:

William Musto

Director of Human Services:

Carmen Kasper

Director of Information Technology

David Genaway

Interim Director of Maritime:

Fred Uvena

Director of Parks & Recreation:

Cable Todd Jamison

Director of Planning:

Anthony J. Aloisio

Director of Public Safety:

Joseph Cirigliano

Director of Transportation & Traffic Safety:

Scott R. Spittal

Town Attorney:

Deborah N. Misir

Town Historian:

Robert Hughes



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Huntington
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**



Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Huntington, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund, Highway, Refuse and Garbage, Town Outside Village, and Water District for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the two discretely presented component units, which represent 100% of the assets and revenues of the discretely presented component units as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units are based solely on the report of the other auditors. The financial statements of Greenlawn Water District, one of the discretely presented component units, was not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note B3 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (continued)

We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, other supplementary information section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures as described above and the reports of other auditors', the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 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 solely 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 effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Hauppauge, New York
June 28, 2022

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Huntington (the "Town"), we offer readers of the Town's financial statements this Management Discussion and Analysis ("MD&A") of the financial activities of the Town for the fiscal year ended December 31, 2021. The MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Reporting on the Town as a Whole

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

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

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

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

Primary Government

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 for services, and federal and state aid finance most of these activities.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Discretely Presented Major Component Units

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

Blended Component Units

Certain Component Units, being legally separated from the primary government, are reported as if they were part of the primary government because they provide services exclusively to the Town and thus are reported as if they were part of the primary government. The Blended Component Units, are Town of Huntington Community Development Agency (CDA) and Town of Huntington Local Development Corporation (LDC), CDA is a major fund while LDC is a non major fund.

Reporting on the Town's Most Significant Funds

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

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

Governmental Funds

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

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

Fiduciary Funds

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements this report contains required supplementary information other than management's discussion and analysis and other supplementary information immediately following the notes to the financial statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position

The December 31, 2021 net position has increased by \$9.1 million. Total assets and deferred outflows of the Town on December 31, 2021, were \$628.4 million, an increase of \$46.7 million from the prior year, due primarily to an increase in cash of \$41.7 million and deferred outflows of \$4.9 million. Total liabilities and deferred inflows were \$597.6 million, an increase of \$37.6 million from the prior year. This results in a net position balance of \$30.8 million, an increase of \$9.1 million from the prior year. Of the Town's net position, \$269.7 million was net investment in capital assets, while \$37.1 million was restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. The unrestricted net position (deficit) was (\$275.9) million, which is a decrease in the deficit from the prior year. The Town's bonded indebtedness was \$94.5 million, which included issuances in 2021 for \$18.8 million in Town bonds to finance road construction, improvements to Town facilities, parking and infrastructure and refunding of old outstanding bonds. See Note C.4 for more detail.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Net Position (continued)

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred outflows</u>		
Current and other assets	\$ 193,208,756	\$ 154,639,808
Capital assets	333,515,268	330,371,733
Total assets	<u>526,724,024</u>	<u>485,011,541</u>
Deferred outflow of resources	<u>101,658,289</u>	<u>96,714,714</u>
Total deferred outflows	<u>101,658,289</u>	<u>96,714,714</u>
Total assets and deferred outflows	<u>\$ 628,382,313</u>	<u>\$ 581,726,255</u>
<u>Liabilities and Deferred inflows</u>		
Current and other liabilities	\$ 56,727,549	\$ 46,804,236
Non-current liabilities	470,520,207	490,364,708
Total liabilities	<u>527,247,756</u>	<u>537,168,944</u>
Deferred inflow of resources	<u>70,325,382</u>	<u>22,816,700</u>
Total deferred inflows	<u>70,325,382</u>	<u>22,816,700</u>
Total liabilities and deferred inflows	<u>\$ 597,573,138</u>	<u>\$ 559,985,644</u>
<u>Net Position</u>		
Net investment in capital assets	\$ 269,657,297	\$ 267,102,385
Restricted	37,080,007	35,072,410
Unrestricted (deficit)	<u>(275,928,129)</u>	<u>(280,434,183)</u>
Total net position	<u>\$ 30,809,175</u>	<u>\$ 21,740,612</u>

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Changes in Net Position

The Town's program revenues for the year ended December 31, 2021 totaled \$51.6 million, an increase of \$4.0 million from the prior year. General revenues were \$162.0 million, an increase of \$7.5 million over the prior year, for total revenues of \$213.6 million, an increase of \$11.5 million. The general revenue increases were primarily from an increase in charges for services and mortgage tax. The expenses for the year ended December 31, 2021 of the Town were \$204.6 million, a decrease of \$15.1 million. Total net position for the year ended December 31, 2021 is an increase of \$9.1 million from the beginning net position.

Governmental Activities

During the current fiscal year, net position for governmental activities increased by \$9.1 million from the prior fiscal year for an ending balance of \$30.8 million. The increase in overall net position of governmental activities is due primarily to decreases in general government support expenses of \$5.9 million, transportation expenses of \$7.7 million, culture and recreation expenses of \$1.4 million from the previous year.

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TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Condensed Statement of Activities
Primary Government
For the Years Ended December 31st

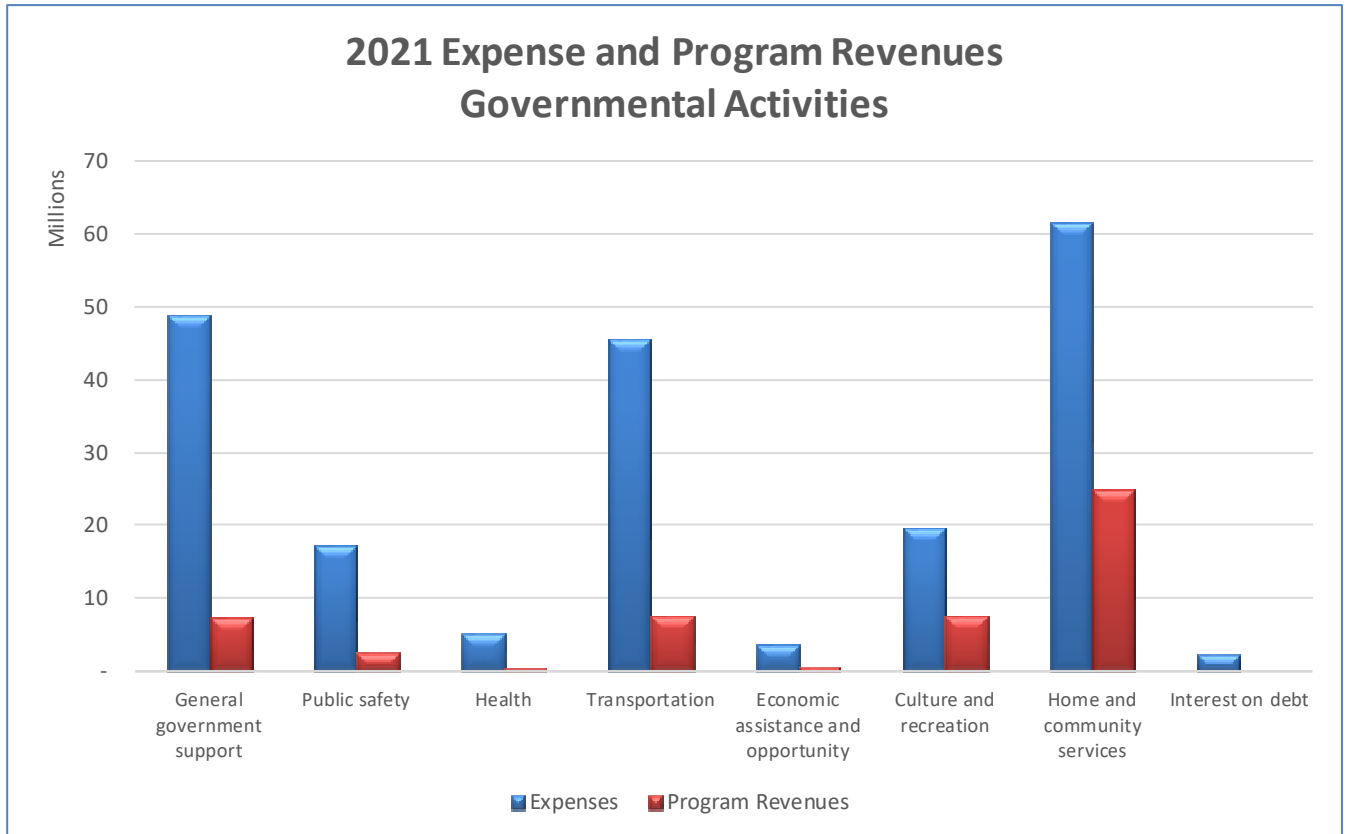
	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 39,258,164	\$ 34,206,288
Operating grants & contributions	12,137,779	12,503,750
Capital grants & contributions	233,120	921,642
General Revenues:		
Property taxes	128,055,357	125,620,454
Mortgage taxes	15,682,809	11,588,646
Other taxes	5,466,633	5,346,999
Interest and investment income	2,856,707	3,585,262
State aid - unrestricted	1,067,256	1,067,256
Miscellaneous	8,878,376	7,263,285
Total revenues	<u>213,636,201</u>	<u>202,103,582</u>
<u>Expenses</u>		
General government support	\$ 48,804,347	\$ 54,735,314
Public safety	17,352,094	18,223,276
Health	5,204,245	4,823,929
Transportation	45,606,999	53,260,082
Economic assistance & opportunity	3,833,381	4,304,635
Culture & recreation	19,580,932	20,980,927
Home & community services	61,751,807	61,223,017
Interest & debt	2,433,833	2,189,098
Total expenses	<u>204,567,638</u>	<u>219,740,278</u>
Increase (decrease) in net position	9,068,563	(17,636,696)
Net position, January 1st	<u>21,740,612</u>	<u>39,377,308</u>
Net position, December 31st	<u>\$ 30,809,175</u>	<u>\$ 21,740,612</u>

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Activities (continued)

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
General government support	\$ 48,804,347	\$ 54,735,314	\$ 41,315,942	\$ 49,214,219
Public safety	17,352,094	18,223,276	14,695,288	16,524,249
Health	5,204,245	4,823,929	4,609,109	4,283,381
Transportation	45,606,999	53,260,082	37,905,130	42,337,341
Economic assistance and opportunity	3,833,381	4,304,635	3,163,665	3,607,064
Culture and recreation	19,580,932	20,980,927	11,909,118	14,343,410
Home and community services	61,751,807	61,223,017	36,906,490	39,609,836
Interest on debt	2,433,833	2,189,098	2,433,833	2,189,098
Total	\$ 204,567,638	\$ 219,740,278	\$ 152,938,575	\$ 172,108,598



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Funds

Total assets in the Town's General Fund were \$73.5 million. Receivables reported were \$3.4 million, consisting of \$1.9 million in waste management fees, \$1.1 million in franchise fees and \$.4 million of various other miscellaneous receivables. Due from federal, state and other governments were \$3.2 million of which \$1.9 million is due from intermunicipal agreement for services provided by the resource recovery facility and \$1.3 million from federal and state granting agencies.

Total liabilities and deferred inflow of resources in the Town's General fund was \$23.9 million. Accrued liabilities of \$8.6 million were the result of payroll accruals and waste management fees. Accounts payable was \$1.8 million. Deferred inflows relate to the 2022 fiscal year property taxes collected in advance. In addition to the General Fund, Highway Fund, Town Outside Village fund, the Water Fund and Community Development have deferred inflow of resources which are derived largely from tax monies collected in advance for the 2021-2022 tax warrant and water billings collected.

As of December 31, 2021, governmental funds reported an overall fund balance of \$143.5 million. The unassigned fund balances in the General Fund is \$28.9 million. Fund balances in the Highway, Refuse and Garbage, Capital Projects, Community Development Fund and other non-major funds are recorded as assigned funds, with the exception of those funds with deficit fund balances, in accordance with Governmental Accounting Standards Board Statement No. 54.

In the General Fund, the fund balance has increased by \$6.0 million. The increase in the General Fund was primarily due to increases in revenues totaling \$8.5 million from real property taxes of \$1.0 million, state aid of \$6.7 million, departmental income of \$1.4 million, fines and forfeitures of \$.6 million offset by a decrease in federal aid of \$2.5 million. Expenditures increased offsetting the increase in fund balance by \$3.8 million this was largely due to an increase in General Government Support expenditures of \$1.6 million, \$.5 million increase in Culture and Recreation and \$.9 million in Home and Community services from the previous year.

In the Highway Fund, the 2021 fund balance increased by \$2.0 million. This increase was primarily due to expenses being under budget by \$2.2 million.

In the Refuse and Garbage Fund, the fund balance increased marginally due to revenue and expenses coming in as projected.

The Capital Projects fund had an increase in fund balance of \$10.0 million. This is due primarily 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.

In the Town Outside Village fund there was an increase in the fund balance of \$1.9 million, primarily due an increase of \$1.8 million Building permit revenue.

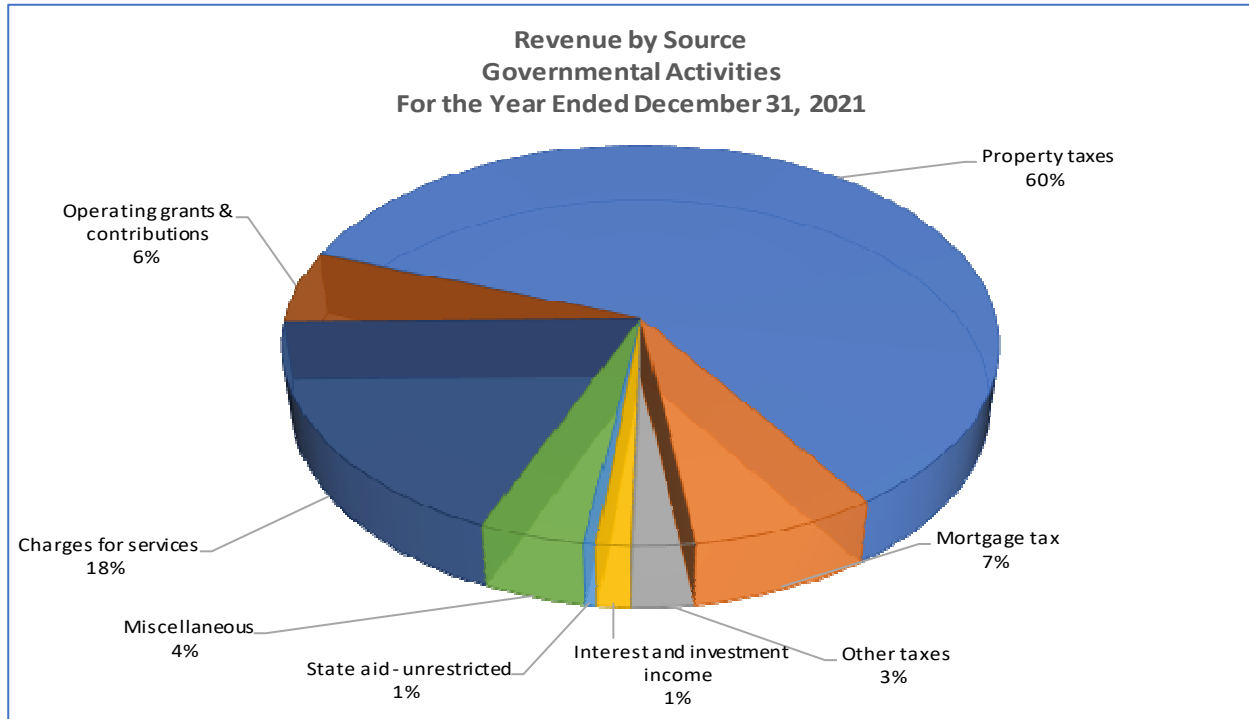
In the Water District fund, there was a slight increase in fund balance of \$.1 million due to a slight increase in Water Usage revenue.

The Community Development Fund had an increase in fund balance of \$1.9 million due to increase in revenues. This was due to increase in State Aid \$1.5 million, Federal Aid \$1.2 million and miscellaneous Local Aid offset by an increase in expenditures of \$.8 million.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Funds (continued)



BUDGETARY HIGHLIGHTS

Variations for the General Fund

In the current year, the General Fund's final revenue budget amounts compared to the original revenue budget amounts showed an increase of \$1.6 million. This increase was due primarily to an increase in state aid from what was originally budgeted. The actual revenue exceeded the final revenue budget by \$6.2 million. This was due to actual Mortgage Tax revenues exceeding the final revenue budget amount by \$7.7 million, and insurance recovery revenue exceeding budget by \$1.3 million. These revenues were offset by a shortfall in departmental income of \$2.2 million mostly from Parks and recreational charges, fines of \$.3 million, and parking permits of \$.4 million from the final budgeted amounts.

The final expenditure budget compared to the original expenditure budget showed an increase of \$3.5 million. These budget amendment increases were due primarily to increased Town Attorney costs of \$1 million. This increase was due to ongoing legal actions. The actual expenditures as compared to the final budget expenditures showed a favorable variance of \$4.9 million. This variance was due to the actual costs of government programs being less than the final budgeted expenditure as a result of cutbacks due to stringent monitoring of expenses.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

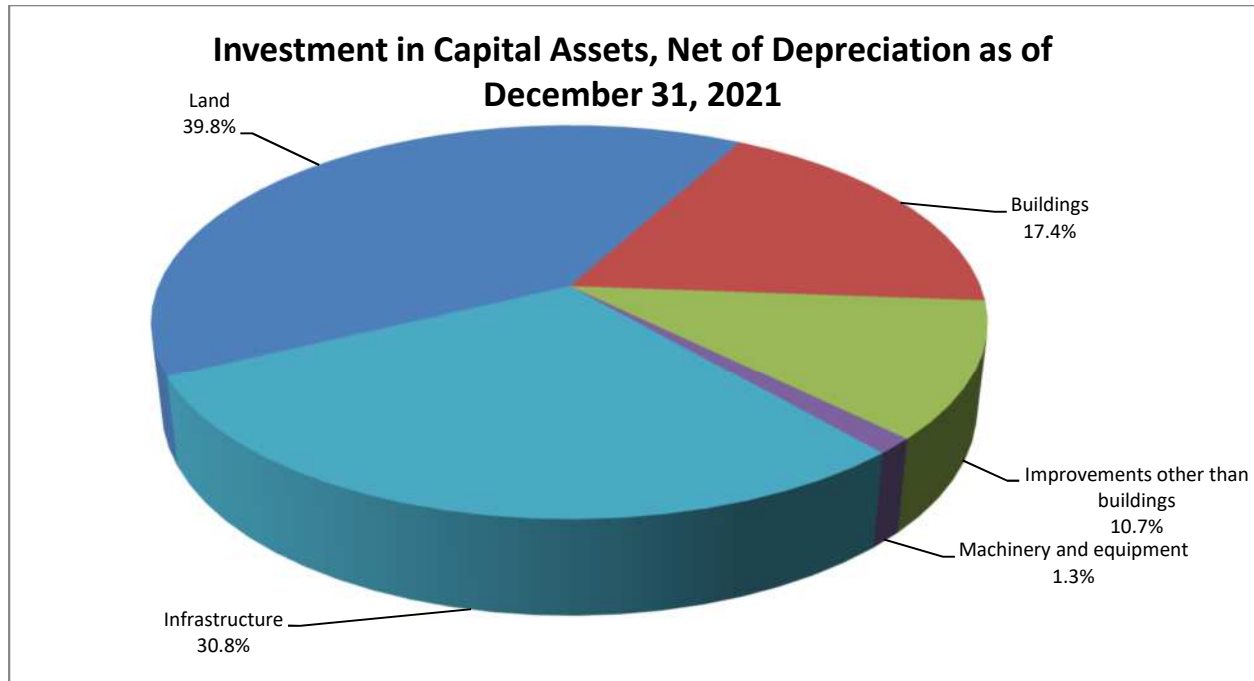
Capital Assets

As of December 31, 2021, the Town had \$333.5 million in net capital assets, of which \$102.6 million net was infrastructure. The Town's capital assets also include land, buildings, improvements other than buildings and machinery and equipment. The details of capital assets are shown in Note C.3 to the financial statements.

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

	2021	2020
Land	\$ 132,891,610	\$ 132,891,610
Buildings	57,987,182	59,986,975
Improvements other than buildings	35,555,465	37,064,775
Machinery and equipment	4,210,187	4,294,873
Infrastructure	102,870,824	96,133,500
Total net capital assets	\$ 333,515,268	\$ 330,371,733

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



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration

The Town of Huntington may issue both general obligation bonds and bond anticipation notes. The Town may contract indebtedness only for a Town purpose and pledges its full faith and credit for the payment of principal and interest. Moody's Investors Service affirmed the Town's bond rating to Aaa, 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.

During fiscal year 2021, the Town of Huntington, including discretely presented component units, issued \$22.6 million in general obligation bonds to finance the following: road reconstruction; improvements to the Water Districts; acquisition of equipment, and other improvements to Town infrastructure and facilities. Note C.4 to the financial statements shows the details of the Town's long-term liabilities. In addition, the Town of Huntington, including discretely presented component units, issued \$3.0 million in general obligation bonds to refund \$3.4 million of outstanding serial bonds resulting in a present value savings on the transaction of \$.4 million.

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

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

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

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

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

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, 2021 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$119 million. Of this amount \$87.2 million was subject to the constitutional debt limit and represented approximately 3.07% of the statutory debt limit.

FACTORS AND NEXT YEAR'S BUDGET AND RATES

Union Contracts

The Town employs approximately 661 full-time employees as of December 31, 2021. The Civil Service Employees Association covers approximately 191 employees. Local 342, Long Island Service Employees, United Marine Division, and International Longshoremen's Association, covers approximately 392 of the Town's employees and is divided into two units. The supervisory unit covers 73 employees and the labor unit covers 319 employees. The Civil Service Employees Association contract and the Long Island Service Employees, United Marine Division, and International Longshoremen's Association, contracts expire on December 31, 2022.

State Aid

The Town receives state aid from the State of New York. Operating revenues in the General Fund include approximately 17.3% to be derived from State Aid. The largest allotment of State Aid is derived from Mortgage Tax Collections. Mortgage tax revenue exceeded expectations in 2021 by \$7.5 million and the real estate market remains steady. Revenues from mortgage tax collections are expected to meet the budget projection for 2022.

Utility and Fuel Costs

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

Bond Rating

In July 2021, Moody's maintained its underlying rating of Aaa.

TOWN OF HUNTINGTON
MANAGEMENT’S DISCUSSION AND ANALYSIS
 December 31, 2021

FACTORS AND NEXT YEAR’S BUDGET AND RATES (continued)

Property Tax

Chapter 97 of the Laws of 2011 (“Tax Cap Law”) was enacted on June 24, 2011 and took effect for the 2012 budget year. The Tax Cap Law limits annual increases of the Town’s overall real property tax to no more than the lesser of 2.00% or the rate of inflation. Certain increases to the tax levy are excluded from the limitations imposed by the Tax Cap Law including exclusions for certain expenditures for retirement system contributions and tort judgments payable by the Town. In addition, the Town Board may override the limitations if the Town Board enacts, by vote of at least sixty percent of the voting power of the Town Board, a local law to override such limit for the upcoming budget year. The Tax Cap Law does not provide exclusion for debt service on general obligations issued by the Town.

The Town has a final budget for 2022 which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive and negative fund balances. The 2022 budget includes an overall increase in real property tax revenue from the prior year of 1.93% for the Town’s overall governmental activities.

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.

Tax Collection

<u>As of May 31st</u>	<u>Total Tax Levy</u>	<u>To Town Supervisor</u>	<u>To County Treasurer</u>	<u>Uncollected/ Returned</u>
2021	\$ 1,119,088,453	\$ 971,462,242	\$ 147,625,869	\$ 28,617,981
2020	1,108,453,781	953,576,579	154,877,202	40,645,630
2019	1,070,106,161	921,369,255	123,077,918	25,658,988
2018	1,042,572,431	895,604,546	120,729,803	23,879,194
2017	1,022,937,520	878,328,523	117,220,154	25,500,438
2016	1,005,781,356	863,060,764	115,987,057	24,555,382

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.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

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 POSITION
December 31, 2021

	<u>Primary Governmental Activities</u>	<u>Component Units</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 97,962,905	\$ 23,098,226
Cash - Restricted	66,904,358	3,877,005
Accounts receivable	4,885,739	2,488,202
Due from federal, state and other governments	14,120,269	48,023
Inventory of material and supplies	-	217,251
Prepays	5,408,755	314,203
Property held for resale	3,926,730	-
Total Current Assets	193,208,756	30,042,910
Non-Current Assets		
Non-depreciable capital assets	132,891,610	9,910,588
Depreciable capital assets, net of depreciation	200,623,658	55,782,728
Total Non-Current Assets	333,515,268	65,693,316
Total Assets	526,724,024	95,736,226
DEFERRED OUTFLOW OF RESOURCES		
Pensions	46,080,894	2,200,481
Other Post Employment Benefits	50,170,481	4,591,524
Length of Service Award Program	5,406,914	-
	101,658,289	6,792,005
	\$ 628,382,313	\$ 102,528,231

See notes to the financial statements.

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2021

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable and other current liabilities	\$ 8,417,024	\$ 1,209,705
Accrued liabilities	12,276,735	263,235
Accrued interest payable	626,770	64,157
Deposits	5,874,002	366,268
Unearned revenue	11,104,505	-
Non-current liabilities:		
Non-current liabilities due within one year	18,428,513	3,000,102
Total Current Liabilities	<u>56,727,549</u>	<u>4,903,467</u>

Non-Current Liabilities:

Due in more than one year	470,520,207	45,467,931
Total Non-Current Liabilities	<u>470,520,207</u>	<u>45,467,931</u>

Total Liabilities	<u>527,247,756</u>	<u>50,371,398</u>
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DEFERRED INFLOW OF RESOURCES

Deferred revenues	5,664,301	-
Pensions	54,045,069	2,572,396
Length of Service Award Program	1,563,087	-
Other Post Employment Benefits (OPEB)	9,052,925	1,460,930
	<u>70,325,382</u>	<u>4,033,326</u>

NET POSITION

Net investment in capital assets	269,657,297	49,255,851
Restricted for:		
Open space land preservation	9,235,442	-
Debt service	130,462	-
Snow and ice removal/road repair	1,453,314	-
Workers' compensation & Judgments and claims	2,316,052	-
Retirement	1,442,404	102,906
General Capital reserve	5,993,577	4,731,846
Length of service award program	12,079,055	-
Community Development	4,429,701	-
Unrestricted (deficit)	(275,928,129)	(5,967,096)
Total Net Position	<u>\$ 30,809,175</u>	<u>\$ 48,123,507</u>

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Governmental Functions/Programs	Expenses	Program Revenues			Net Cost and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
General government support	\$ 48,804,347	\$ 6,163,171	\$ 1,325,109	\$ 125	\$ (41,315,942)	
Public safety	17,352,094	2,656,806	-	-	(14,695,288)	
Health	5,204,245	273,820	321,316	-	(4,609,109)	
Transportation	45,606,999	1,567,690	5,901,184	232,995	(37,905,130)	
Economic assistance and opportunity	3,833,381	177,505	492,211	-	(3,163,665)	
Culture and recreation	19,580,932	6,707,870	963,944	-	(11,909,118)	
Home and community services	61,751,807	21,711,302	3,134,015	-	(36,906,490)	
Interest on debt	2,433,833	-	-	-	(2,433,833)	
Total Primary Government	<u>\$ 204,567,638</u>	<u>\$ 39,258,164</u>	<u>\$ 12,137,779</u>	<u>\$ 233,120</u>	<u>\$ (152,938,575)</u>	
Component Units:						
Home and community services	<u>\$ 16,526,227</u>	<u>\$ 7,507,744</u>	<u>\$ -</u>	<u>\$ 1,448,752</u>		<u>\$ (7,569,731)</u>
General Revenues						
Property taxes					\$ 128,055,357	\$ 6,866,950
Mortgage tax					15,682,809	-
Other taxes					5,466,633	-
Interest and investment income					2,856,707	1,309,499
State aid - unrestricted					1,067,256	-
Miscellaneous					8,878,376	2,555,581
Total General Revenues					<u>162,007,138</u>	<u>10,732,030</u>
Change in net position					9,068,563	3,162,299
Net position - Beginning of year					<u>21,740,612</u>	<u>44,961,208</u>
Net position - Ending of year					<u>\$ 30,809,175</u>	<u>\$ 48,123,507</u>

See notes to the financial statements.

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TOWN OF HUNTINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
Assets				
Cash and cash equivalents	\$ 45,708,457	\$ 8,381,443	\$ -	\$ 8,347,964
Cash - Restricted	17,096,378	1,765,452	-	78,440
Accounts receivable, net	3,402,632	27,116	-	3,492
Due from federal, state and other governments	3,166,199	6,541,340	-	-
Due from other funds	2,402,763	580	-	13,761
Prepays	1,747,489	553,007	-	219,719
Property held for resale	-	-	-	-
Total Assets	<u>\$ 73,523,918</u>	<u>\$ 17,268,938</u>	<u>\$ -</u>	<u>\$ 8,663,376</u>
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts payable and other current liabilities	\$ 1,799,165	\$ 667,871	\$ -	\$ 819,986
Accrued liabilities	8,646,057	603,034	-	2,440,307
Deposits	305,500	-	-	-
Due to other funds	36,751	160,940	-	131,004
Unearned Revenue	11,104,505	-	-	-
Total Liabilities	<u>21,891,978</u>	<u>1,431,845</u>	<u>-</u>	<u>3,391,297</u>
Deferred Inflows of Resources				
Deferred revenue	2,007,782	2,000,000	-	-
Total Deferred Inflows	<u>2,007,782</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
Fund Balances				
Non-Spendable				
Prepays	1,747,489	553,007	-	219,719
Restricted for:				
Open space land preservation	9,235,442	-	-	-
Debt service	60,692	4,645	-	22,327
Unspent bond proceeds	-	-	-	-
Snow and ice removal/road repair	495,353	957,961	-	-
Workers' compensation	325,996	-	-	-
Judgments and claims	1,990,056	-	-	-
Retirement contribution	845	101,739	-	26,473
General Capital reserve	4,351,980	562,911	-	-
Employee Benefit Accrual Liability Reserve	636,014	138,196	-	29,640
Community Development	-	-	-	-
Length of service award program	-	-	-	-
Assigned:				
Highway	-	11,289,621	-	-
Refuse District	-	-	-	4,677,702
Capital projects fund balance	-	-	-	-
Town Outside Village	-	-	-	-
Local Development Corporation	-	-	-	-
Fire Protection	-	-	-	-
Streetlighting	-	-	-	-
Ambulance Services	-	-	-	-
Sewer Services	-	-	-	-
Water Services	-	-	-	-
Subsequent year's budget	1,100,000	-	-	250,000
Purchases on order	756,640	229,013	-	46,218
Unassigned:				
General fund	28,923,651	-	-	-
Community Development Agency	-	-	-	-
Total Fund Balances	<u>49,624,158</u>	<u>13,837,093</u>	<u>-</u>	<u>5,272,079</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 73,523,918</u>	<u>\$ 17,268,938</u>	<u>\$ -</u>	<u>\$ 8,663,376</u>

See notes to the financial statements.

Capital Projects	Town Outside Village	Water District	Community Development	Nonmajor Governmental Funds	Total
\$ 13,254,287	\$ 11,479,595	\$ 1,817,090	\$ 228,199	\$ 8,745,870	\$ 97,962,905
33,751,081	1,462,171	95,251	502,971	12,152,614	66,904,358
-	200,149	615,765	33,432	603,153	4,885,739
446,027	-	-	48,761	4,019	10,206,346
-	17,263	9,608	-	-	2,443,975
-	247,768	59,403	7,458	119,985	2,954,829
-	-	-	3,926,730	-	3,926,730
<u>\$ 47,451,395</u>	<u>\$ 13,406,946</u>	<u>\$ 2,597,117</u>	<u>\$ 4,747,551</u>	<u>\$ 21,625,641</u>	<u>\$ 189,284,882</u>
\$ 4,158,838	\$ 158,875	\$ 215,142	\$ 150,744	\$ 446,403	\$ 8,417,024
-	248,527	125,241	-	213,569	12,276,735
-	4,988,740	532,961	22,782	24,019	5,874,002
25,000	49,851	6,638	1,947,639	86,152	2,443,975
-	-	-	-	-	11,104,505
<u>4,183,838</u>	<u>5,445,993</u>	<u>879,982</u>	<u>2,121,165</u>	<u>770,143</u>	<u>40,116,241</u>
-	629,350	1,004,215	22,954	-	5,664,301
-	629,350	1,004,215	22,954	-	5,664,301
-	247,768	59,403	7,458	119,985	2,954,829
-	-	-	-	-	9,235,442
-	-	6,059	-	36,739	130,462
33,751,081	-	-	-	-	33,751,081
-	-	-	-	-	1,453,314
-	-	-	-	-	325,996
-	-	-	-	-	1,990,056
-	253	53,701	-	8,324	191,335
-	1,078,686	-	-	-	5,993,577
-	383,232	35,491	-	28,496	1,251,069
-	-	-	4,429,701	-	4,429,701
-	-	-	-	12,079,055	12,079,055
-	-	-	-	-	11,289,621
-	-	-	-	-	4,677,702
9,516,476	-	-	-	-	9,516,476
-	5,564,700	-	-	-	5,564,700
-	-	-	-	473,915	473,915
-	-	-	-	32,999	32,999
-	-	-	-	3,445,256	3,445,256
-	-	-	-	1,293,769	1,293,769
-	-	-	-	2,952,602	2,952,602
-	-	528,778	-	-	528,778
-	-	-	-	250,000	1,600,000
-	56,964	29,488	-	134,358	1,252,681
-	-	-	-	-	28,923,651
-	-	-	(1,833,727)	-	(1,833,727)
<u>43,267,557</u>	<u>7,331,603</u>	<u>712,920</u>	<u>2,603,432</u>	<u>20,855,498</u>	<u>143,504,340</u>
<u>\$ 47,451,395</u>	<u>\$ 13,406,946</u>	<u>\$ 2,597,117</u>	<u>\$ 4,747,551</u>	<u>\$ 21,625,641</u>	<u>\$ 189,284,882</u>

TOWN OF HUNTINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
As of December 31, 2021

Total Fund Balances - Governmental Funds \$143,504,340

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

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

Capital Assets - Non-Depreciable	\$ 132,891,610	
Capital Assets - Depreciable	748,768,740	
Accumulated Depreciation	<u>(548,145,082)</u>	333,515,268

New York State Employees Retirement System annual contributions paid on an annual basis have been prepaid, creating a year-end asset. The asset is not a current available resource and is not reported in the funds.		2,453,926
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Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.		3,913,923
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Deferred outflows and inflows associated with participation in the state retirement systems, OPEB, and LOSAP are not current financial resources or uses and are not reported in the funds:

Deferred outflows of resources - employee's retirement system	46,080,894	
Deferred outflows of resources - length of service award program	5,406,914	
Deferred outflows of resources - other postemployment benefits	50,170,481	
Deferred inflows of resources - employees' retirement system	(54,045,069)	
Deferred inflows of resources - length of service award program	(1,563,087)	
Deferred inflows of resources - other postemployment benefits	<u>(9,052,925)</u>	36,997,208

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 Position:

General obligation bonds, net	(94,529,208)	
Premiums on general obligation bonds	(2,573,703)	
Net pension liability	(182,550)	
Due to Employee Retirement System	(444,675)	
Other post-employment benefits payable	(341,701,938)	
Net pension liability- LOSAP	(18,290,509)	
Compensated absences	(14,113,600)	
Claims and judgments	(16,259,406)	
Estimated liability for landfill closure and post-closure care costs	(216,528)	
Capital leases	<u>(636,603)</u>	(488,948,720)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position.		<u>(626,770)</u>
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Net Position of Governmental Activities \$ 30,809,175

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, 2021

	Major Governmental Funds			
	General	Highway	Debt Service	Refuse and Garbage
REVENUES				
Real property taxes	\$ 46,709,226	\$ 34,821,356	\$ -	\$ 27,078,268
Other real property tax items	503,160	126,654	-	449
Non-property tax items	4,658,022	-	-	-
Departmental income	32,622,575	998,278	-	6,600
Intergovernmental charges	138,647	4,419	-	13,546
Use of money and property	964,226	53,227	-	32,884
Licenses and permits	693,517	175,825	-	-
Fines and forfeitures	1,233,310	-	-	-
Sale of property and compensation for loss	1,599,112	170,059	-	54,673
Miscellaneous local sources	1,961,766	386,618	-	114,839
Interfund revenues	4,855,761	-	-	-
State aid	20,116,906	4,629,781	-	60,673
Federal aid	393,875	431,615	-	-
Total Revenues	<u>116,450,103</u>	<u>41,797,832</u>	<u>-</u>	<u>27,361,932</u>
EXPENDITURES				
Current:				
General government support	28,502,539	276,145	69,909	2,355,892
Public safety	5,611,701	-	-	-
Health	764,533	-	-	-
Transportation	5,162,098	23,107,034	-	-
Economic assistance and opportunity	2,273,748	-	-	-
Culture and recreation	12,722,388	-	-	-
Home and community services	25,035,444	-	-	21,653,574
Employee benefits	20,951,981	9,467,155	-	3,049,068
Capital outlay	-	-	-	-
Debt service:				
Principal	166,980	-	10,235,758	7,922
Interest	39,273	-	2,919,190	1,665
Total Expenditures	<u>101,230,685</u>	<u>32,850,334</u>	<u>13,224,857</u>	<u>27,068,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,219,418</u>	<u>8,947,498</u>	<u>(13,224,857)</u>	<u>293,811</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	7,048	-	13,154,948	-
Transfer out	(4,169,596)	(1,085,055)	-	-
Transfers out (Debt Service)	(5,249,621)	(6,020,754)	-	(237,719)
Issuance of refunding bonds	-	-	2,960,000	-
Premiums on obligations	155,539	174,388	489,909	11,156
Payment to refunded bonds escrow agent	-	-	(3,380,000)	-
Total Other Financing Sources (Uses)	<u>(9,256,630)</u>	<u>(6,931,421)</u>	<u>13,224,857</u>	<u>(226,563)</u>
Net Change in Fund Balances	5,962,788	2,016,077	-	67,248
Fund Balances at Beginning of Year as restated	43,661,370	11,821,016	-	5,204,831
Fund Balances at End of Year	<u>\$ 49,624,158</u>	<u>\$ 13,837,093</u>	<u>\$ -</u>	<u>\$ 5,272,079</u>

See notes to the financial statements.

Capital Projects	Town Outside Village	Water District	Community Development	Nonmajor Governmental Funds	Total
\$ -	\$ 5,085,443	\$ 2,859,776	\$ -	\$ 11,501,288	\$ 128,055,357
-	18,533	51	-	15,063	663,910
-	-	-	-	144,701	4,802,723
-	6,015,036	2,554,375	-	1,966,629	44,163,493
9,680	-	-	-	-	166,292
-	15,753	302,839	44	1,487,734	2,856,707
-	1,521,133	-	-	-	2,390,475
-	-	-	-	-	1,233,310
-	2,451	36,879	-	2,855,997	4,719,171
500,295	264,984	38,660	829,237	116,073	4,212,472
-	-	-	-	-	4,855,761
125,929	5,420	-	1,460,000	25,925	26,424,634
107,191	-	-	1,580,228	28,450	2,541,359
<u>743,095</u>	<u>12,928,753</u>	<u>5,792,580</u>	<u>3,869,509</u>	<u>18,141,860</u>	<u>227,085,664</u>
-	2,314,776	746,650	-	2,016,681	36,282,592
-	2,625,064	-	-	1,609,586	9,846,351
-	118,383	-	-	3,302,312	4,185,228
-	-	-	-	2,420,086	30,689,218
-	-	-	-	2,826	2,276,574
-	-	-	-	-	12,722,388
-	2,104,903	3,491,474	1,925,519	3,897,437	58,108,351
-	3,622,468	901,370	-	1,682,948	39,674,990
13,346,269	-	-	-	-	13,346,269
-	-	10,482	-	-	10,421,142
-	-	2,598	-	-	2,962,726
<u>13,346,269</u>	<u>10,785,594</u>	<u>5,152,574</u>	<u>1,925,519</u>	<u>14,931,876</u>	<u>220,515,829</u>
<u>(12,603,174)</u>	<u>2,143,159</u>	<u>640,006</u>	<u>1,943,990</u>	<u>3,209,984</u>	<u>6,569,835</u>
15,791,632	-	-	-	-	15,791,632
329,302	-	-	-	-	329,302
5,584,651	-	-	-	-	18,746,647
(7,048)	-	-	-	(330,000)	(5,591,699)
-	(265,914)	(662,910)	-	(718,030)	(13,154,948)
-	-	-	-	-	2,960,000
908,368	10,258	76,936	-	-	1,826,554
-	-	-	-	-	(3,380,000)
<u>22,606,905</u>	<u>(255,656)</u>	<u>(585,974)</u>	<u>-</u>	<u>(1,048,030)</u>	<u>17,527,488</u>
10,003,731	1,887,503	54,032	1,943,990	2,161,954	24,097,323
33,263,826	5,444,100	658,888	659,442	18,693,544	119,407,017
<u>\$ 43,267,557</u>	<u>\$ 7,331,603</u>	<u>\$ 712,920</u>	<u>\$ 2,603,432</u>	<u>\$ 20,855,498</u>	<u>\$ 143,504,340</u>

TOWN OF HUNTINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Net Change in Fund Balance \$ 24,097,323

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	\$ 18,842,832	
Depreciation Expense	<u>(15,646,030)</u>	
		3,196,802

Gains and losses on disposals of equipment are not reported by the governmental funds, but are included in the Statement of Activities. (53,267)

Prepaid charges 303,082

In the Statement of Activities, amortization of premiums related to refunding of bonds exceeded the amortization of deferred charges. 494,383

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 154,971

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 position.

Debt issued	(18,751,632)	
Capital lease issuance	(329,302)	
Repayment of bond principal	13,615,757	
Premium on bonds	(1,826,554)	
Pension Liability	4,578,539	
Due to Employee Retirement System	431,679	
Other post-employment benefits payable	(19,042,048)	
Other Agency Liabilities- LOSAP	(918,649)	
Compensated absences	(38,334)	
Claims and judgments	2,959,855	
Estimated liability for landfill closure and post-closure care costs	(23,937)	
Repayment of capital lease	185,385	
Accrued interest payable	<u>34,510</u>	
		<u>(19,124,731)</u>

Change in Net Position of Governmental Activities \$ 9,068,563

See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021

		<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents		\$ 88,164,547
	Total Assets	<u>\$ 88,164,547</u>
LIABILITIES		
Liabilities:		
Due to other governments		88,164,547
	Total Liabilities	<u>\$ 88,164,547</u>

TOWN OF HUNTINGTON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year ended December 31, 2021

ADDITIONS	
Real property taxes collected for other governments	\$ 1,063,799,217
DEDUCTIONS	
Payments of real property taxes to other governments	<u>1,063,799,217</u>
Net change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

TOWN OF HUNTINGTON
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December 31, 2021

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TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. REPORTING ENTITY

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

The decision to include a potential component unit in the Town of Huntington reporting entity is based on several criteria set forth in various GASB statements including legal standing, fiscal dependency, fiscal accountability, or management’s professional judgement on the nature and significance of a potential component units’ relationship with the Town. Based on the application of these criteria, the following is a summary of certain entities considered in determining the Town of Huntington’s reporting entity.

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

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

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

South Huntington Water District 13 th Street & 5 th Avenue South Huntington Station, N.Y. 11746	Greenlawn Water District 45 Railroad Street Greenlawn, N.Y. 11740
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Condensed financial statements of these components are presented in Note E.

2. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Government-wide Financial Statements (continued)

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

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

General Fund - is the principal operating fund of the Town. This fund is used to account for all financial resources except those required to be accounted for in other funds. The major sources of revenue are real property taxes and various departmental income.

Town Outside Village Fund – is used for revenues and expenditures for certain services provided to the area of the Town located outside of Incorporated Villages. The major sources of funding are real property taxes and building permits.

Highway Fund – is a Special Revenue Fund used to account for revenues and expenditures for highway purposes. The major source of revenue is real property taxes.

Debt Service Fund – is used to account for the accumulation of resources for the payment of principal, and interest on indebtedness. The major source of revenue is interfund transfers.

Refuse and Garbage Fund – is a Special Revenue Fund used to account for the pickup of garbage in the Town. The major source of income is real property taxes.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

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

Community Development Fund– is used to account for the Huntington Community Development Agency. This agency is used to account for Federal Aid from the Community Development Block Grant Program. The major source of revenue is federal funding.

Water District Fund – is a Special Revenue Fund used to provide water to the district. The major sources of income are real property taxes and metered water sales.

Additionally, the Town reports the following non-major 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:

- Local Development Corporation (LDC) – is used to account for sponsor conduit financing and earn a fee income to support its mission.
- Special District Funds – are used to account for taxes or other revenue sources which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts which are administered by the Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts and a town business improvement district.

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 statements because the resources of those funds are not available to support Town programs. The Town maintains only one type of fiduciary fund that is known as a Custodial Fund. The Town holds resources in this fund purely in a custodial capacity, primarily to account for real property taxes collected for other governments. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate government.

Because governmental funds statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' primary governmental activities column, reconciliations are presented that briefly explain the adjustments necessary to reconcile ending net position and the change in net position.

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.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

In the government-wide statements, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows and inflows 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 for ERS 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.

Because governmental funds statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements’ primary governmental activities column, reconciliations are presented that briefly explain the adjustments necessary to reconcile ending net position and the change in net position.

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

LENGTH OF SERVICE AWARD PROGRAM PLAN ASSETS

The Town sponsors length of service award program (“LOSAP”) to provide retirement like benefits for those volunteering time and services pertaining to ambulance services, in accordance with the plan documents. LOSAP plans have been established for each ambulance company providing services by taxing district. The Town is the sole sponsor of the LOSAP plans. The assets set-aside to fund the retirement like benefits have been invested in an external investment pool for all New York State ambulance LOSAP plans and the investments are managed by the New York State Comptroller and an administrative agency. The assets in the external investment pool are reported at fair value. The underlying assets of the investment pool includes money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

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 various 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. Prepays are recorded using the consumption method.

PROPERTY HELD FOR RESALE

As of December 31, 2021, the Huntington Community Development Agency (HCDA) owned one property totaling \$3,926,730 purchased through construction loan proceeds, local sources from the primary government, state and federal aid, for the purpose of resale to individuals in accordance with the affordable housing program. This property, known as Columbia Terrace, will have preference for veterans, and will provide fourteen new condo units for first time homebuyers. The Agency expects to sell the property in 2022 and therefore has classified the property for resale as a current asset.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category. The first item represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension system not included in pension expense and the Town's contributions to the pension system subsequent to the measurement date and changes of assumptions. The second item is other post-employment benefits (OPEB) which represents the changes of assumptions or other inputs. The third item is the recording of length of service award payments made subsequent to the measurement date.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four items that are reported as deferred inflow of resources. The first item relates to deferred revenue that represents collections of the 2021 tax warrant. The property taxes collected are applicable to the 2022 fiscal and thus are not available for use at year end. In the government-wide financial statements, the other items of deferred inflows of resources are associated with are pensions, length of service award programs and other postemployment benefits which consists of differences between the pension plan's expected and actual experience, changes in assumptions, net difference between projected and actual investment earnings and the changes in proportion and differences between the Town's contributions and proportionate share of contributions.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

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. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement shall be reported at acquisition value rather than fair value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage system, street lighting, water mains and sewer system are capitalized along with other capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

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

UNEARNED REVENUES

Unearned revenues arise when assets are recognized before recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$11,104,505 in American Rescue Plan Act funds received in advance in the General Fund.

PREMIUMS OF DEBT ISSUANCE

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of the general obligation bonds payable in the non-current liabilities.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, DEFERRED OUTLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (continued)

LONG-TERM OBLIGATIONS

The liabilities for long-term obligations consisting of general obligation bonds, employees' retirement, other post-employment benefits payable, compensated absences, claims and judgments, estimated liability for landfill closure and post closure costs, capitalized lease obligations, proportionate share of LOSAP and net pension liability 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NET POSITION AND EQUITY CLASSIFICATIONS

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

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

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

INTERFUND TRANSACTIONS

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

- a) **Interfund Revenues**
Interfund revenues in the General Fund represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefit of the service or facilities, are reflected as an expenditure of that fund.
- b) **Transfers**
Transfers represent primarily payments to the Debt Service Fund and Capital Projects Fund from the other funds for their appropriate share of the debt service and capital projects.

COMPENSATED ABSENCES

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

OTHER POST-EMPLOYMENT BENEFITS

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

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

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

6. LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITIES

The Town sponsors a length of service award program ("LOSAP"), a defined benefit service award program, for its volunteer ambulance workers of two different ambulance district companies. Both are single-employer plans and the Town reports the total LOSAP service award liability.

The LOSAP service award liability and proportionate share of the LOSAP service award liability have been measured as the actuarial present value of projected benefit payments. The contributions to the Plan are administered through a grantor/rabbi trust and, as such, the assets are subject to the claims of the Town's creditors, the LOSAP pension liability/proportionate share has not been reduced by the LOSAP plan assets set-aside for benefit payments.

7. USE OF ESTIMATES

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded for budgetary control purposes in order to reflect the unexpended 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 are re-appropriated in the ensuing year. Encumbrances are reported as restricted, committed or assigned 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.

All encumbrances are classified as assigned fund balance at December 31, 2021.

9. NEW ACCOUNTING PRINCIPLES

The Town has adopted all current Statements of the GASB that are applicable. As of December 31, 2021, the Town implemented the following new standard issued by GASB:

Governmental Accounting Standards Board (GASB) 98 issued authoritative guidance GASB Statement No. 98 *The Annual Comprehensive Financial Report*. The objective of this statement is to address references in authoritative literature to the term *comprehensive annual financial report*.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

1. BUDGETARY DATA (continued)

The 2022 budget reflects a 1.93% increase in real property tax revenue from the prior year for the Town's overall government activities, which is in compliance with the property tax cap imposed by New York State.

2. FUND BALANCES

FUND BALANCE CLASSIFICATION

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

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

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

ASSIGNED FUND BALANCE

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

The 2022 Preliminary Budget submitted by the Town Supervisor was adopted on November 18, 2021. The 2022 adopted budget contained a projected use of \$1,600,000 of fund balance.

3. RECLASSIFICATION OF PRIOR YEAR PRESENTATION

The Special Revenue Fund balance from the prior year was restated as of January 1, 2021 in the amount of \$4,134,237 and reclassified into the General Fund for \$4,134,237. This resulted in no changes to the government wide statements.

	General Fund		Special Revenue
Beginning of year, as reported	\$ 39,527,133	\$	4,134,237
Restatement of special revenue fund balance into general fund balance	4,134,237		(4,134,237)
Beginning of year, as restated	\$ 43,661,370	\$	-

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

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

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

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The Town does maintain cash and/or investments with CLASS.

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

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

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

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

Cash with the Town Supervisor	\$ 151,586,123
Cash with the Town Receiver of Taxes	88,164,547
Cash with HCDA and HLDC	1,202,085
LOSAP Investments	12,079,055
	<hr/>
	\$ 253,031,810

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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

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

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

At December 31, 2021 the Town’s bank deposit balances were \$239,034,277. Of these balances, \$2,143,105 was covered by the Federal Deposit Insurance Corporation; \$236,891,172 was covered by collateral held by the Town’s agent, a third-party financial institution, in the Town’s name. No funds were uncollateralized.

At December 31, 2021, the Town’s blended units’ bank balances were \$1,222,679. Of these balances, \$785,682 was covered by the Federal Deposit Insurance Corporation and \$436,997 was covered by collateral held by the Town’s component units’ agent, a third-party financial institution, in the Town’s component units’ name. No funds were uncollateralized.

At December 31, 2021, the Town’s discretely presented units’ bank balances were \$27,089,162. Of these balances, \$1,000,000 was covered by the Federal Deposit Insurance Corporation and \$26,089,162 was covered by collateral held by the Town’s component units’ agent, a third-party financial institution, in the Town’s component units’ name. 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.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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

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

LOSAP

Length of Service Award Program Plan Investments - External Investment Pool

The Town invests monies which are set-a-side for LOSAP retirement-like benefits in a multi-municipal cooperative investment pool consisting of money market funds, corporate and foreign bonds, common equity securities, equity mutual funds and fixed income mutual funds. Investments are stated at fair market value. The pool is not registered with the SEC and is overseen by the New York State Comptroller and an administrative agency hired by the New York State Comptroller.

Allocations of gains, losses and investment income are accounted for by the State Comptroller and third-party administrative agency. The Town's fair value of its position in the pool is the same as the value of pool shares.

In accordance with FASB guidance, the LOSAP pooled assets utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of LOSAP portfolio investments defined pursuant to this standard.

Securities are valued at the most recent market bid price as obtained from one or more market makers for such securities. There have been no significant changes in valuation techniques used in valuing any such positions held by LOSAP pool since the beginning of their fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The Town's investment in the LOSAP pool of investments totals \$12,079,055 at December 31, 2021. The assets are subject to custodial risk in the event of the failure of the custodian holding the investments.

The Length of Service Award Program Plan assets are not required to be collateralized.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

<u>Major Funds</u>	<u>Amount Receivable</u>	<u>Amount Payable</u>
General Fund	\$ 2,402,763	\$ 36,751
Highway Fund	580	160,940
Refuse and Garbage Fund	13,761	131,004
Town Outside Village	17,263	49,851
Water Districts	9,608	6,638
Community Development Agency	-	1,947,639
Capital Projects	-	25,000
<u>Nonmajor Funds:</u>		
Street Lighting District	-	78,619
Sewer Districts	-	7,533
	<u>\$ 2,443,975</u>	<u>\$ 2,443,975</u>

Interfund transfer balances for the primary government at December 31, 2021 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>
<u>Major Funds:</u>		
General Fund	\$ 7,048	\$ 9,419,217
Highway Fund	-	7,105,809
Refuse and Garbage Fund	-	237,719
Town Outside Village	-	265,914
Water Districts	-	662,910
Capital Projects	5,584,651	7,048
Debt Service	13,154,948	-
<u>Nonmajor Funds:</u>		
Street Lighting District	-	10,546
Sewer Districts	-	1,037,484
	<u>\$ 18,746,647</u>	<u>\$ 18,746,647</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

<u>Primary government</u>	<u>Balance</u> <u>1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
Capital assets not being depreciated				
Land	\$ 132,891,610	\$ -	\$ -	\$ 132,891,610
Total capital assets not being depreciated	<u>132,891,610</u>	<u>-</u>	<u>-</u>	<u>132,891,610</u>
Other capital assets:				
Buildings	116,144,892	768,017	-	116,912,909
Improvements other than buildings	100,335,008	1,712,878	-	102,047,886
Machinery and equipment	50,495,552	2,724,771	2,741,014	50,479,309
Infrastructure	465,717,470	13,637,166	26,000	479,328,636
Total depreciable capital assets	<u>732,692,922</u>	<u>18,842,832</u>	<u>2,767,014</u>	<u>748,768,740</u>
Total assets Primary Government	<u>865,584,532</u>	<u>18,842,832</u>	<u>2,767,014</u>	<u>881,660,350</u>
Less accumulated depreciation				
Buildings	56,157,917	2,767,810	-	58,925,727
Improvements other than buildings	63,270,233	3,222,188	-	66,492,421
Machinery and equipment	46,200,679	2,756,190	2,687,747	46,269,122
Infrastructure	369,583,970	6,899,842	26,000	376,457,812
Total accumulated depreciation	<u>\$ 535,212,799</u>	<u>\$ 15,646,030</u>	<u>\$ 2,713,747</u>	<u>548,145,082</u>
Total net depreciable capital assets				<u>200,623,658</u>
Total net capital assets				<u>\$ 333,515,268</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 1,571,544
Public safety	963,803
Transportation	6,757,209
Economic assistance and opportunity	45,866
Culture and recreation	3,153,024
Home and community services	3,154,584
Total governmental activities depreciation expense	<u>\$ 15,646,030</u>

The Town of Huntington evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2021, the Town has not recorded any such impairment losses.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

<u>Discretely presented component units</u>	<u>Balance</u> <u>1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
Capital assets not being depreciated				
Land	\$ 1,306,746	\$ -	\$ -	\$ 1,306,746
Construction in progress	<u>2,364,102</u>	<u>6,495,029</u>	<u>255,289</u>	<u>8,603,842</u>
Total capital assets not being depreciated	<u>3,670,848</u>	<u>6,495,029</u>	<u>255,289</u>	<u>9,910,588</u>
Depreciable capital assets				
Buildings and improvements	60,683,007	579,309	-	61,262,316
Machinery and equipment	18,750,798	15,217	-	18,766,015
Infrastructure	<u>55,865,899</u>	<u>628,315</u>	<u>-</u>	<u>56,494,214</u>
Total depreciable capital assets	<u>135,299,704</u>	<u>1,222,841</u>	<u>-</u>	<u>136,522,545</u>
Total Assets - Component Units	<u>138,970,552</u>	<u>7,717,870</u>	<u>255,289</u>	<u>146,433,133</u>
Less accumulated depreciation				
Buildings and improvements	22,577,045	1,656,651	-	24,233,696
Machinery and equipment	13,134,645	781,509	-	13,916,154
Infrastructure	<u>41,505,253</u>	<u>1,084,714</u>	<u>-</u>	<u>42,589,967</u>
Total accumulated depreciation	<u>\$ 77,216,943</u>	<u>\$ 3,522,874</u>	<u>\$ -</u>	<u>80,739,817</u>
Total net depreciable capital assets				<u>55,782,728</u>
Total net capital assets				<u><u>\$ 65,693,316</u></u>

4. INDEBTEDNESS

SHORT TERM DEBT

Construction Loan Payable

<u>1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2021</u>
<u>\$1,600,000</u>	<u>\$ -</u>	<u>\$1,600,000</u>	<u>\$ -</u>

DEPOSITS LIABILITY

The deposits liability consists of deposits received from customers, potential vendors, or vendors, in an amount determined by the Town, to guarantee satisfactory performance with the terms of a contract. The deposits are held in escrow and will be returned to customer or vendor upon the Town's approval of performance with the terms of the contract. The deposit may be forfeited to the Town if the work is not completed satisfactorily.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT

Summary of changes in the Town's long-term liabilities for the year ended December 31, 2021 is as follows:

	Balance 1/1/21	Increases	Reductions	Balance 12/31/21	Non-current liabilities due within one year
Primary Government:					
General obligation bonds	\$ 89,393,333	\$ 18,751,632	\$ 13,615,757	\$ 94,529,208	\$ 10,052,144
Premium on General Obligation Bonds	1,241,532	1,826,554	494,383	2,573,703	571,881
Net Pension Liability	50,661,734	-	50,479,184	182,550	-
Due to Employee Retirement System	876,354	-	431,679	444,675	444,675
Other Postemployment Benefits	320,681,013	33,460,426	12,439,501	341,701,938	-
Length of Service Award Program Liability	14,023,145	4,267,364	-	18,290,509	-
Compensated absences	14,075,266	4,054,331	4,015,997	14,113,600	4,054,331
Claims and judgments	19,219,261	6,647,502	9,607,357	16,259,406	3,070,000
Estimated liability for landfill closure and post-closure care costs	192,591	23,937	-	216,528	52,000
Capital Lease Payable	492,686	329,302	185,385	636,603	183,482
	<u>\$ 510,856,915</u>	<u>\$ 69,361,048</u>	<u>\$ 91,269,243</u>	<u>\$ 488,948,720</u>	<u>\$ 18,428,513</u>
Component Units:					
General obligation bonds	\$ 20,161,668	\$ 6,808,368	\$ 2,504,242	\$ 24,465,794	\$ 2,717,858
Premium on General Obligation Bonds	1,187,969	576,278	201,614	1,562,633	223,353
Other Postemployment Benefits	17,711,292	4,460,418	479,866	21,691,844	-
Net Pension Liability	2,314,792	-	2,306,079	8,713	-
Compensated absences	738,259	99,537	98,747	739,049	58,891
	<u>\$ 42,113,980</u>	<u>\$ 11,944,601</u>	<u>\$ 5,590,548</u>	<u>\$ 48,468,033</u>	<u>\$ 3,000,102</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 5.00% and have maturity dates in 2022 through 2036. The outstanding debt, including component units, as of December 31, 2021 is \$118,995,002.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

	<u>Beg Bal 1/1/21</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance @ 12/31/21</u>
Principal Government				
General Fund	\$ 38,745,309	\$ 6,993,105	\$ 5,425,473	\$ 40,312,941
Town Outside Village	2,014,193	514,559	357,283	2,171,469
Highway Fund	38,328,132	7,832,230	6,357,438	39,802,924
Sewer Districts	3,740,006	101,263	713,769	3,127,500
Street Lighting District	10,044	-	10,044	-
Refuse and Garbage Fund	1,536,517	473,655	253,968	1,756,204
Water District	5,019,132	2,836,820	497,782	7,358,170
	<u>\$ 89,393,333</u>	<u>\$ 18,751,632</u>	<u>\$ 13,615,757</u>	<u>\$ 94,529,208</u>
Component Units				
Greenlawn Water District	\$ 7,476,603	\$ -	\$ 529,090	\$ 6,947,513
South Huntington Water District	12,685,065	6,808,368	1,975,152	17,518,281
	<u>\$ 20,161,668</u>	<u>\$ 6,808,368</u>	<u>\$ 2,504,242</u>	<u>\$ 24,465,794</u>

The annual requirements to amortize all bonded debt outstanding, for the primary government as of December 31, 2021 including interest payments of \$15,284,558 are as follows:

Primary Government:

Year Ending December 31,	Principal Due	Interest Due	Total
2022	\$ 10,052,144	\$ 3,083,752	\$ 13,135,896
2023	9,447,385	2,487,694	11,935,079
2024	8,900,052	2,106,300	11,006,352
2025	8,453,423	1,752,969	10,206,392
2026	7,880,776	1,421,917	9,302,693
2027-2031	33,913,087	3,751,759	37,664,846
2032-2036	15,882,341	680,167	16,562,508
	<u>\$ 94,529,208</u>	<u>\$ 15,284,558</u>	<u>\$ 109,813,766</u>

Component Units:

Year Ending December 31,	Principal Due	Interest Due	Total
2022	\$ 2,717,858	\$ 869,111	\$ 3,586,969
2023	2,872,615	682,300	3,554,915
2024	2,419,945	573,287	2,993,232
2025	2,256,580	471,113	2,727,693
2026	2,019,224	376,533	2,395,757
2027-2031	7,781,909	966,154	8,748,063
2032-2036	4,397,663	209,443	4,607,106
	<u>\$ 24,465,794</u>	<u>\$ 4,147,941</u>	<u>\$ 28,613,735</u>

The above general obligation bonds are direct borrowing of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

Liabilities for claims and judgments payable and landfill closure and post-closure care costs are liquidated through future budgetary appropriations in the General Fund. The liabilities for due to Employee's Retirement System, compensated absences, other postemployment benefits payable, length of service award program liability – proportionate share and net pension liability – proportionate share are liquidated through future budgetary appropriations in the funds that gave rise to the liability.

CURRENT REFUNDING OF BONDS

On July 29, 2021 the Town issued \$2,960,000 in general obligation bonds with a net interest rate of 0.49% to refund \$3,380,000 of outstanding serial bonds with an average interest rate of 2.42%. The net proceeds of \$ 3,449,909 (including a premium of \$ 489,909 and after payment of \$59,857 in underwriting fees, and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the Town's financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is calculated at \$179,401. The redemption date of the refunded bonds is August 31, 2021 and therefore, at December 31, 2021 such bonds are no longer outstanding. At December 31, 2021, the outstanding principal balance of the refunding bonds is \$2.96 million and is expected to be fully redeemed in year 2027.

LEGAL DEBT MARGIN

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five-year average full valuation of taxable real property. At December 31, 2021, that amount was \$2,838,700,226. At December 31, 2021, the total outstanding debt applicable to the limit was \$87,171,030, which is 3.07% of the total debt limit.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

CAPITAL LEASES

In 2015 the Town entered into a fleet management master equity lease agreement with Enterprise. As of December 31, 2021, the Town has 42 vehicles under this lease agreement with monthly lease payments of approximately \$19,064 for a 5-year period with various commencement dates in ranging from 2016 to 2021. At December 31, 2021, the principal amount outstanding was \$636,603. The interest rate on these vehicles varies based on the interest rate in effect of the time of acquisition.

Future minimum lease payments for the Town under these capital leases are as follows:

<u>Year Ending Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 183,482	\$ 42,383	\$ 225,865
2023	156,975	35,024	191,999
2024	148,631	32,673	181,304
2025	118,643	25,603	144,246
2026	28,872	6,127	34,999
	<u>\$ 636,603</u>	<u>\$ 141,810</u>	<u>\$ 778,413</u>

Equipment under these capital leases have been reported in the capital assets at December 31, 2021 as follows:

	<u>Asset</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Machinery and equipment	\$ 1,334,564	\$ 697,961	\$ 636,603

5. RETIREMENT SYSTEM

The Town of Huntington participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term.

The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee and the Audit Advisory Committee.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (“RSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Generally, members of the ERS are employees of the State and its municipalities, other than New York City. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. In the Fund statements, GLIP amounts are apportioned to and included in ERS. The ERS is included in the State’s financial report as a pension trust fund. That report may be found at ww.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Obligation of employers and employees to contribute and benefits to employees are governed by the RSSL. 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.

Vesting

Members who joined the ERS prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested.

Benefits Provided

The ERS provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2, is 55 and 62, respectively.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year’s compensation used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4, and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 members is age 63 for System members.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Contributions

Generally, Tier 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller shall certify annually the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ended March 31st. The actual contribution was \$9,815,703

Retirement Amortizations and Incentives

Pursuant to Chapter 57 of the Laws of 2010, the New York State Legislature authorized local governments to amortize a portion of their retirement bill for 10 years. This law requires participating governments to make payments on a current basis, while amortizing existing unpaid amounts relating to the New York State and Local Employees' Retirement System's fiscal years when the local employer opts to participate in the program. Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, the Town will be required to pay additional moneys into a specific reserve fund which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. The Town's total deferred amount related to the 2013 fiscal year was \$3,905,184 and will be billed and paid over ten years beginning in 2014 and will include interest at 3.0%. During 2021, the Town paid \$431,679 toward this program and has a remaining liability at December 31, 2021 of \$444,675.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Future principal and interest payments to maturity for the Chapter 57 amortizations are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Payment</u>
2022	<u>\$ 444,675</u>	<u>\$ 14,827</u>	<u>\$ 459,502</u>

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2021, the Town reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as March 31, 2021. The total pension liability used to calculate the net pension (liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS System in reports provided to the Town.

Actuarial valuation date	April 1, 2020
Net pension liability	\$ 182,550
Town's proportion of the Plan's total net pension liability	0.1833332%
Change in the allocation of the System's total net pension liability since the prior measurement date	-0.0079834%

There was no significant change in the Town's proportionate share from March 31, 2020 to March 31, 2021.

	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 2,229,457	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	52,439,731
Changes of assumptions	33,565,455	633,054
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,309,859	972,284
Town's contribution subsequent to measurement date	8,976,123	-
Total	<u>\$ 46,080,894</u>	<u>\$ 54,045,069</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date in the amount of \$8,976,123 will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts will be recognized in pension expense as follows:

December 31:		
2022	\$	(2,950,366)
2023		(973,537)
2024		(2,855,511)
2025		(10,160,884)
2026		-
Thereafter		-
	Total	\$ (16,940,298)

ACTUARIAL ASSUMPTIONS

The total pension liability as of the measurement date of March 31, 2021 was determined using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS
Measurement Date	March 31, 2021
Actuarial Valuation Date	April 1, 2020
Interest Rate	5.9%
Salary Scale	4.4%
Decrement Tables	Developed from Plan's 2015 experience study for period April 1, 2015 through March 31, 2020
Cost of Living Adjustment	1.4%
Inflation Rate	2.7%

Annuitant mortality rates are based on System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

ACTUARIAL ASSUMPTIONS (continued)

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

Asset Class	ERS	
	Target Allocation	Long- term Expected Rate of Return
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Oppportunistic/Absolute Return	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Fixed Income	23.0%	0.00%
Cash	1.0%	0.50%
	100.0%	

The real rate of return is the net of the long-term inflation assumption of 2.70%.

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 5.9% for the System. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) TO THE DISCOUNT RATE ASSUMPTION

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1% point lower (4.9%) or 1% higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$50,669,419	\$182,550	\$(46,378,155)

PENSION PLAN FIDUCIARY NET POSITION

The components of the current-year pension liability of the employers in the System as of the March 31, 2021 were as follows:

	ERS (Dollars in thousands)
Measurement Date	March 31, 2021
Employer's total pension liability	\$ 220,680,157
Fiduciary net position	(220,580,583)
Employer's net pension liability	\$ 99,574
Ratio of fiduciary net position to the employer's total pension liability	99.95%

Detailed information about the pension plan's fiduciary net position is available in the ERS separately issued financial statements.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

New York State Voluntary Defined Contribution Plan

On March 16, 2012, Chapter 18 of the Laws of 2012 was signed into law, which amended portions of the Retirement and Social Security Law, Education Law and the Administrative Code of the City of New York. This legislation affected the contributions and benefits of employees who joined a New York State public retirement system on or after April 1, 2012. Beginning July 1, 2013, a Voluntary Defined Contribution (VDC) plan option was made available to all unrepresented employees of the NYS public employers hired on or after July 1, 2013, and earning at a full-time rate of \$75,000 or more on an annual basis.

The SUNY Optional Retirement Plan (ORP) was selected as the vehicle to offer eligible employees the alternative defined contribution option, and Education Law was modified accordingly to permit this newly eligible class of employees. Vesting, investment providers, and plan rules follow the SUNY ORP Plan Document and policies.

Employer Contribution

An employer contribution of 8% of salary is made for the duration of employment. An employee contribution is required for the duration of employment based upon estimated gross annual wages in a given calendar year, as follows:

Wages of \$45,000 or less	3.00%
Wages of \$45,000.01 to \$55,000	3.50%
Wages of \$55,000.01 to \$75,000	4.50%
Wages of \$75,000.01 to \$100,000	5.75%
Wages of more than \$100,000	6.00%

*Salary rates will be considered in reaching the \$75,000 threshold for part-time employees.

VDC employee contributions are made through payroll deduction on a pre-tax basis. Contributions are not subject to Federal income tax until withdrawn but are subject to state and local income taxes in the year in which they are made. All earnings on contributions are tax deferred until they are withdrawn. All contributions are made based upon IRS compensation and contribution limits, which are determined annually.

Vesting

Upon completion of 366 days of service (waived for employees who enter service with employer-funded retirement contracts from any of the VDC investment providers), the participant has full and immediate vesting in all retirement and death benefits provided by the retirement annuities purchased through employee and employer contributions. Contributions will begin upon plan entry, but are held by the employer until completion of the vesting period. Once vested, the employer will make a single lump sum contribution of applicable employer and employee contributions plus interest to the investment provider(s) selected by the participant. A participant who does not complete the vesting period is entitled to a refund of his or her own contributions plus interest.

Contributions made to the VDC program by the Town were \$45,813 for the year ended December 31, 2021.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Plan Description:

In the government-wide financial statements, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future years when it will be paid. The Town recognizes the costs of other postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. The Town established and administers a single-employer defined benefit OPEB plan for its employees. Amendments to the plan are authorized by the union contract. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Medical coverage, including prescription drugs as part of the medical plan, is offered to retirees on a fully insured basis through the New York State Health Insurance Program (NYSHIP and HIP). Retirement is available for exempt employees who separate from service, are at least 50 years old and have 15 consecutive years of full time service with the Town. Also, based on collective bargaining agreements, the Town provides continuation of medical insurance to employees who are at least 55 years old and have 20 consecutive years of service with the Town. 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 Town will also reimburse the full premium costs for Medicare part B payments. These contracts will be renegotiated at various times in the future. Upon death of a retiree, the Town will continue the Medicare part B reimbursement for the non-married spouse. For all other employees who separate from service with the Town and have 10 consecutive years of full time service, the Town will pay 75% of premiums for employees and 35% of spouse's premium. The Town, as Administrator of the Plan, does not issue a separate report.

Employees Covered by Benefit Terms

The number of participants as of January 1, 2021, the effective date of the most recent actuarial valuation, are as follows:

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Active Employees	599	564	35
Retirees	688	648	40
Spouses of Retired Employees	306	306	-
Total	<u><u>1,593</u></u>	<u><u>1,518</u></u>	<u><u>75</u></u>

There have been no significant changes in the number of participants or the type of coverage since that date.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Total OPEB Liability

The Town’s total OPEB liability of \$341,701,938 was measured as of December 31, 2021 and was determined by an actuarial valuation of January 1, 2021, with updated procedures used to roll forward the OPEB liability to the measurement date. The component units’ total OPEB liability of \$21,691,844 was measured as of December 31, 2021 and was determined by an actuarial valuation of January 1, 2021, with updated procedures used to roll forward the OPEB liability to the measurement date.

Funding Policy:

The Town contributes to the plan to satisfy obligations on a pay-as-you-go basis.

Actuarial Assumptions and other Inputs

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 total OPEB liability in the January 1, 2021 valuation was determined using the following actuarial assumptions and other input:

- Discount rate- A discount rate of 2.06% was used in the final calculation for the year ended December 31, 2021. The discount rate was based on the Bond Buyer’s 20 Bond Index.
- Mortality – RPH-2014 Total Dataset mortality table projected fully generationally using projection scale MP-2021..
- Health Care Cost Trent Rates- It was assumed that health care costs would increase in accordance with the trend rates in the following table:

Year	Pre-65 Rates	Post-65 Rates
2021	7.0%	5.0%
2022	6.5%	5.0%
2023	6.0%	5.0%
2024	5.5%	5.0%
2025+	5.0%.	5.0%

- Participant Salary Increases- 3.5% annually.
- Payroll Growth Rate – 2.5% annually

Mortality rates were based on the RPH-2014 using projection scale MP-2021.

The demographic assumptions utilized for this valuation are based on the rates developed in the report, ” Development of Recommended Actuarial Assumptions” for New York/SUNY GASB 45 Valuation prepared by the AON Hewitt Dated August 2018.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

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

The following table shows the components of the Town's other postemployment benefits liability:

	Town of Huntington
Balance at December 31, 2020	\$ 320,681,013
Changes for the year	
Service Cost	9,436,002
Interest	7,131,626
Differences between expected and actual experience	16,892,798
Changes in assumptions and other inputs	(2,094,998)
Benefit Payments	(10,344,503)
Net Changes	21,020,925
Balance at December 31, 2021	\$ 341,701,938

Changes in assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.06 % in 2021.

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current rate:

Sensitivity of the total OPEB liability to changes in the discount rate.

1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
\$406,125,262	\$341,701,938	\$291,436,767

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.

1% Decrease (5.50% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
\$284,894,891	\$341,701,938	\$416,325,123

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021 the Town recognized post-employment benefit expense of \$19,042,048 in the statement of activities. The Town reported deferred inflows and outflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,105,175	\$ 2,429,610
Changes of assumptions or other inputs	37,065,306	6,623,315
	\$ 50,170,481	\$ 9,052,925

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

December 31st:	
2022	\$ 15,170,948
2023	17,851,166
2024	6,569,210
2025	1,526,232
2026	-
Thereafter	-
	\$ 41,117,556

The Town's discretely presented component units had an ending total other postemployment benefit liability of \$21,691,844, deferred outflows from OPEB of \$4,591,524, and deferred inflows from OPEB of \$1,460,930 as of December 31, 2021.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP

Plan Description

The Town of Huntington participates in two Volunteer Ambulance First Aid Workers Service Award Programs (the Plans): Commack Volunteer Ambulance Corps. and Huntington Community First Aid Squad, Inc. Both plans are single-employer defined benefit pension plans covering the volunteer ambulance workers. The Plans are administered by Penflex, Inc. with all provisions and amendments subject to approval of the Board. None of the pension plans issue separate audited reports on the pension plans. The Plans are established under New York State Law Section 565-B, A7635-B, and Article 11AAA. The Plans are non-contributory. The Town is required to contribute the amount calculated by the actuary retained by the State Comptroller. The Town pays the contribution from the Town's respective Ambulance District Fund. This program is a single-employer defined benefit plan with contributions and program assets in a grantor/rabbi trust and, as such, the assets are subject to the claims of the Town's general creditors. The trustee of the Ambulance Program, which has been designated by the State Comptroller, is authorized to invest the funds in authorized investment vehicle. Administrative costs are paid from the Trust Fund and added to the required contribution calculated by the actuary and paid by the Town.

Benefits Provided

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, for which is not to exceed 40 years with no post-retirement benefit increases. Huntington Community First Aid Squad increased the monthly accrual per year of service from \$20 to \$30 for service credit earned after January 1, 2020. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Ambulance Program also provides disability and death benefits.

Participants covered by the benefit terms, At the December 31, 2020 measurement date, the following participants were covered by the benefit terms.

Commack Volunteer Ambulance Corps

Inactive participants currently receiving benefit payments	17
Inactive participants entitled to but not yet receiving benefit payments	46
Active participants	<u>107</u>
Total	<u>170</u>

Huntington Community First Aid Squad

Inactive participants currently receiving benefit payments	80
Inactive participants entitled to but not yet receiving benefit payments	115
Active participants	<u>237</u>
Total	<u>432</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Contributions

New York State General Municipal Law §219-o (1) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town Board.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with scale MP2020.

Discount Rate: The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Index as of December 19, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services

Trust Assets: Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to the plan members in accordance with benefit term, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Changes in the Total Pension Liability

Commack Volunteer Ambulance Corps

Balance as of 12/31/2019 measurement date	<u>\$ 2,187,886</u>
Changes for the year	
Service Cost	120,073
Interest	74,588
Changes in assumptions or other inputs	686,156
Difference between expected & actual experience	(42,219)
Benefit payments	<u>(39,994)</u>
Net changes	<u>798,604</u>
Balance as of 12/31/2020 measurement date	<u><u>\$ 2,986,490</u></u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Town as of December 31, 2020 measurement date, calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (0.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	1% Decrease 0.93%	Current Discount Rate 1.93%	1% Increase 2.93%
Total Pension Liability	<u>\$3,687,959</u>	<u>\$2,986,490</u>	<u>\$2,454,816</u>

Huntington Community First Aid Squad

Balance as of 12/31/2019 measurement date	\$ 11,835,259
Changes for the year	
Service Cost	458,289
Interest	395,398
Changes in benefit terms	-
Changes in assumptions or other inputs	2,858,937
Difference between expected & actual experience	85,677
Benefit payments	<u>(329,541)</u>
Net changes	<u>3,468,760</u>
Balance as of 12/31/2020 measurement date	<u><u>\$ 15,304,019</u></u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Town as of December 31, 2020 measurement date, calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (0.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	1% Decrease 0.93%	Current Discount Rate 1.93%	1% Increase 2.93%
Total Pension Liability	\$18,049,659	\$15,304,019	\$13,112,448

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Commack Volunteer Ambulance Corps

Components of Pension Expense

Service cost	\$ 120,073
Interest on total pension liability	74,588
Changes of assumptions or other inputs	43,084
Differences between expected and actual experience	(17,966)
Pension plan administrative expenses	5,692
Total pension expense	\$ 225,471

For the year ended December 31, 2021, the Town recognized pension expense of \$225,471 in the statement of activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,031	\$ 270,373
Changes of assumptions or other inputs	914,341	283,625
Benefit payments & administrative expenses subsequent to the measurement date	46,430	-
Total	\$ 968,802	\$ 553,998

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in subsequent fiscal period rather than in the current fiscal period.

Year ended December 31:

2022	\$ 25,119
2023	25,119
2024	25,119
2025	25,119
2026	25,119
Thereafter	<u>242,779</u>
Total	<u>\$ 368,374</u>

Huntington Community First Aid Squad

Components of Pension Expense

Service cost	\$ 458,288
Interest on total pension liability	395,398
Changes of benefit terms	
Changes of assumptions or other inputs	254,445
Differences between expected and actual experience	45,731
Pension plan administrative expenses	<u>11,182</u>
Total pension expense	<u>\$ 1,165,044</u>

For the year ended December 31, 2021 the Town recognized pension expense of \$1,165,044 in the statement of activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 406,917	\$ -
Changes of assumptions or other inputs	3,605,759	1,009,089
Benefit payments & administrative expenses subsequent to the measurement date	<u>425,436</u>	-
Total	<u>\$ 4,438,112</u>	<u>\$ 1,009,089</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP (continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (continued)**

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in subsequent fiscal period rather than in the current fiscal period.

Year ended December 31:

2022	\$300,176
2023	300,176
2024	300,176
2025	300,176
2026	300,176
Thereafter	<u>1,502,707</u>
Total	<u><u>\$3,003,587</u></u>

8. 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, 2021, the value of the accumulated vacation time and sick leave was \$14,113,600 for the Town and \$739,049 for the Component Units.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

8. COMPENSATED ABSENCES

Primary Government	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
General Fund	\$ 8,262,726	\$ 2,158,867	\$ 2,172,234	\$ 8,249,359
Part Town Fund	1,202,751	489,922	457,214	1,235,459
Highway	2,618,418	713,616	872,572	2,459,462
Street Lighting	187,101	95,906	47,854	235,153
Refuse District	854,735	351,573	256,109	950,199
Sewer Districts	354,039	145,482	91,054	408,467
Water District	482,738	82,682	93,710	471,710
CDA	112,758	16,284	25,251	103,791
Total Primary Government	\$ 14,075,266	\$ 4,054,332	\$ 4,015,998	\$ 14,113,600

Component Units

Greenlawn Water District	\$ 323,692	\$ 51,800	\$ 17,831	\$ 357,661
South Huntington Water District	414,567	65,568	98,747	381,388
Total Component Units	\$ 738,259	\$ 117,368	\$ 116,578	\$ 739,049

9. TAX ABATEMENTS

The Town of Huntington has three real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York (“PHFL”) for the purpose of creating or preserving affordable housing in the Town.

Generally, these agreements, which are eligible for tax exemption under Section 52 of Public Housing Laws, and Section 577 of PHFL, provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based either on a percentage of shelter rents or an agreed upon per unit basis, and shall continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. DETAILED NOTES ON ALL FUNDS (continued)

9. TAX ABATEMENTS (continued)

Information relevant to disclosure of these agreements for the year ended December 31, 2021 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Terms of the Agreement</u>
3/1/1999	Huntington Housing Authority 40 Units	\$ 50,700	29.043	\$ 14,725	\$ 2,192	49 Years
12/1/2015	HG Housing Development Fund Company, Inc. & Highland Green Residence, LLC	\$ 82,600	28.36	\$ 23,425	\$ 11,099	30 Years
12/6/2021	Huntington Housing Authority, Gateway Gardens Housing LLC	\$ 86,975	30.333	\$ 26,382	\$ 2,986	30 Years
					<u>\$ 64,532</u>	<u>\$ 16,277</u>

In addition, the Suffolk County Industrial Development Agency (SCIDA) has entered into PILOT agreements on ten properties located within the Town of Huntington in lieu of Real Property Taxes. The PILOT agreements are eligible and authorized under Title I of Article 18-A of General Municipal Law Section 874 of the State of New York. The purpose of these agreements falls within the scope of the SCIDA mission statement which is to promote the economic welfare, employment opportunities and quality of life of the residents of Suffolk. The SCIDA accomplishes this mission by providing financial assistance to businesses in order to help them flourish and grow in Suffolk County. The Town's tax value and the PILOTs on these properties as of December 31, 2021 were \$412,033 and \$329,770 respectively. The abated taxes are comprised of General Fund, Highway Fund, Part-Town Fund, Street-Lighting and various non-major funds and totaled \$82,263.

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 \$1,000,000 per claim. Claims in excess of \$1,000,000 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. Additionally, the Town is self-insured for workers' compensation insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against catastrophic workers' compensation losses up to a \$10,000,000 cap with a \$2,000,000 retention for each loss. Although the eventual outcome of these claims cannot presently be determined, the amount of unsettled claims and litigation is estimated to be \$16,906,515. 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.

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.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK RETENTION (continued)

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	
	2021	2020	2021	2020
Unpaid claims and claim adjustment expenditures at beginning of year	\$ 8,900,989	\$ 7,646,977	\$ 10,318,272	\$ 8,715,734
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in provision for insured events of prior years	3,644,156	5,049,898	3,003,346	2,189,445
Payments:				
Claims and claim adjustment expenditures attributable to insured events and of the current and prior years	3,996,440	3,795,886	5,610,917	586,907
Total unpaid claims and claim adjustment expenditures at the end of year	\$ 8,548,705	\$ 8,900,989	\$ 7,710,701	\$10,318,272

2. RESOURCE RECOVERY FACILITY

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

Industrial Development Bonds are not general obligations of the Town and do not constitute any indebtedness of or charge against the general credit of the Town. However, the Town has entered into a Service Agreement with Covanta pursuant to which the Town has certain obligations with respect to the delivery of waste tonnage to the facility and the payment of related service fees, that when combined with revenue from the sale of project-generated electricity will finance both the operating expenses and debt service relating to the facility. The original Service Agreement had a term of 25 years. In September 2018, the Town exercised their option to extend this Service Agreement until the year 2024 and amended the financial provisions in the extension.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

D. COMMITMENTS AND CONTINGENCIES (continued)

2. RESOURCE RECOVERY FACILITY (continued)

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

As further consideration for allowing the Town to use its landfill, the agreement grants the Town of Smithtown the right to deliver its processable solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement with Covanta. The total costs paid by the Town under this service agreement during 2021 amounted to \$23,092,695 of which \$8,705,946 was reimbursed by the Town of Smithtown.

3. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Town of Huntington to place a final cover on its landfill site, which stopped accepting waste in 1989, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Accordingly, as of December 31, 2021, the Town has recorded a liability of \$216,528 which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may be higher or lower due to inflation or deflation, changes in technology or changes in regulations or applicable laws.

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$8,228,834 has been recorded as encumbrances in the Capital Projects Fund.

5. LITIGATION

The Town is involved in various litigation arising in the normal conduct of its affairs. Some of the law suits seek damages which could be in excess of the Town's insurance coverage. However, it is not possible to determine the Town's potential exposure, if any, at this time.

6. GRANTS

The Town has received grants that are subject to review and approval, and subject to audit by agencies of the State and Federal government. Such reviews or audits may result in disallowances or a request for a return of funds. Based on prior years, the Town does not believe that any disallowance would be material.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

D. COMMITMENTS AND CONTINGENCIES (continued)

7. LEASE COMMITMENTS

The Town leases office equipment under an operating lease. The total rental expenditures on such lease for the year ended December 31, 2021 was \$182,023. The maximum future operating lease payments are as follows:

Year ended December 31:	<u>Amount</u>
2022	\$ 150,989
2023	150,989
2024	<u>100,659</u>
Total	<u>\$ 402,637</u>

E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED MAJOR COMPONENT UNITS

The following represents condensed financial statements for the discretely presented major component units as of and for the year ended December 31, 2021:

Condensed Statement of Net Position:

	<u>South Huntington Water District</u>	<u>Greenlawn Water District</u>	<u>Totals</u>
Assets			
Current assets and other assets	\$ 19,207,949	\$ 10,834,961	\$ 30,042,910
Capital assets net of depreciation	47,093,857	18,599,459	65,693,316
Deferred outflow of resources	3,273,284	3,518,721	6,792,005
Total Assets and Deferred Outflows	<u>69,575,090</u>	<u>32,953,141</u>	<u>102,528,231</u>
Liabilities and Net Position			
Current liabilities	3,604,938	1,298,529	4,903,467
Other long term liabilities	28,622,276	16,845,655	45,467,931
Deferred inflow of resources	1,752,167	2,281,159	4,033,326
Net investment in capital assets	35,562,350	13,693,501	49,255,851
Restricted	3,300,169	1,534,583	4,834,752
Unrestricted (deficit)	<u>(3,266,810)</u>	<u>(2,700,286)</u>	<u>(5,967,096)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 69,575,090</u>	<u>\$ 32,953,141</u>	<u>\$ 102,528,231</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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

Condensed Statement of Activities:

Program	South Huntington Water District	Greenlawn Water District	Totals
Expenses	\$ (9,738,669)	\$ (6,787,558)	\$ (16,526,227)
Charges for Services	4,643,698	2,864,046	7,507,744
Capital Grants & Contributions	1,448,752	-	1,448,752
Net (Cost)/Revenue	<u>(3,646,219)</u>	<u>(3,923,512)</u>	<u>(7,569,731)</u>
General Revenue			
Property Tax	4,302,146	2,564,804	6,866,950
Other	<u>3,038,843</u>	<u>826,237</u>	<u>3,865,080</u>
Total General Revenues	<u>7,340,989</u>	<u>3,391,041</u>	<u>10,732,030</u>
Change in Net position	3,694,770	(532,471)	3,162,299
Net position-1/1/21	<u>31,900,939</u>	<u>13,060,269</u>	<u>44,961,208</u>
Net position-12/31/21	<u>\$ 35,595,709</u>	<u>\$ 12,527,798</u>	<u>\$ 48,123,507</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

F. NEW PRONOUNCEMENTS

The following statements have been issued by the GASB and are to be implemented in future years, as applicable:

Statement No. 87, “*Leases*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”, establishes accounting and financial reporting of leases. It requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. For leases with terms in-excess of 12 months, the Statement requires the leases to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 91, “*Conduit Debt Obligations*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” - This statement to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, “*Omnibus 2020*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”, was issued to enhance comparability in accounting and financial reporting and consistency of authoritative language on various topics. The requirements of this Statement are effective for reporting periods as follows: paragraphs 4,5,6,7,8,9,10 and 12 are effective for the year ending December 31, 2022.

Statement No. 93, “*Replacement of Interbank Offered Rates*”, as amended by Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”, amends certain provisions of GASB Statement No. 53, “*Accounting and Financial Reporting for Derivative Instruments*” as amended and No. 87, “*Leases*”. It has been issued to address the various accounting and reporting implications that will result from the replacement of LIBOR, as LIBOR will cease to exist in 2021. The requirements of this Statement, except for paragraphs 11b, 13 and 14, are effective for reporting periods beginning after June 15, 2020. The requirement of paragraph 11b is effective for reporting periods ending after December 31, 2021 and paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*” - This statement has been issued to improve financial reporting related to public-private and public-public partnership arrangements, in which one a government (transferor) contracts with an operator (governmental or nongovernmental entity) to provide public services by conveying the right to operate or use a nonfinancial asset. The requirements of this Statement are effective for years beginning after June 15, 2022.

Statement No. 96, “*Subscription-Based Information Technology Arrangements*”, this Statement has been issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, “*Leases*”, as amended. The requirements of this Statement are effective for years beginning after June 15, 2022

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

F. NEW PRONOUNCEMENTS (continued)

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84 and a suppression of GASB Statement No. 32*" - This statement has been issued to (1) increase consistency in reporting of fiduciary component units in instances where the potential component unit does not have a governing board and the primary government performs the duties of a governing board (effective upon issuance); (2) mitigate costs associated with the reporting of certain defined contribution plans and employee benefits plans other than pension plans or OPEB plans as fiduciary component units (effective upon issuance), and (3) enhances relevance and consistency of accounting and financial reporting for Internal Revenue Service Section 457 deferred compensation plans that meet the definition of a pension plan for benefits provided through those plans (effective for years beginning after June 15, 2021).

Statement No. 99, "*Omnibus 2022*" Effective Date: The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPP's, and SBITAs are effective for the year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective the year ending December 31, 2024.

Statement No. 100 "*Accounting Changes and Error Corrections*", an amendment to GASB Statement to GASB 62", this Statement has been issued to enhance accounting and improve financial reporting related to accounting changes and error corrections. The requirements of this Statement are effective for the year ending December 31, 2024.

Statement No. 101 "*Compensated Absences*", this Statement has been issued to enhance accounting recognition and measurement guidance for compensated absences under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the year ending December 31, 2024.

The Town is currently evaluating the impact of the above pronouncements.

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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
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 46,769,577	\$ 46,769,577	\$ 46,709,226	\$ (60,351)
Total Real Property Taxes	<u>46,769,577</u>	<u>46,769,577</u>	<u>46,709,226</u>	<u>(60,351)</u>
OTHER REAL PROPERTY TAXES				
Payment In lieu of taxes	150,500	150,500	152,430	1,930
Interest and penalty on taxes	280,000	280,000	350,730	70,730
Total Other Real Property Taxes	<u>430,500</u>	<u>430,500</u>	<u>503,160</u>	<u>72,660</u>
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	4,600,000	4,600,000	4,658,022	58,022
Total Non-Property Tax Items	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,658,022</u>	<u>58,022</u>
DEPARTMENTAL INCOME				
Audit & Control	7,000	7,000	12,794	5,794
Court Fees	100,000	100,000	50,341	(49,659)
Environmental-refuse and garbage charges	24,525,000	24,525,000	24,140,418	(384,582)
General Services Fees	7,000	7,000	6,745	(255)
Human Services-programs for the aging	391,800	391,800	190,401	(201,399)
Maritime recreational charges	782,000	782,000	718,039	(63,961)
Park and recreational charges	7,033,500	7,041,450	5,976,936	(1,064,514)
Public Safety-parking meters & other fees	1,110,000	1,110,000	744,129	(365,871)
Town Attorney Fees	50,000	50,000	29,500	(20,500)
Town Clerk Fees	278,000	278,000	363,992	85,992
Transportation-bus operations	505,000	505,000	389,280	(115,720)
Total Departmental Income	<u>34,789,300</u>	<u>34,797,250</u>	<u>32,622,575</u>	<u>(2,174,675)</u>
INTERGOVERNMENTAL CHARGES				
Miscellaneous Revenue	40,000	40,000	40,243	243
Refuse and Garbage Service	105,000	105,000	98,404	(6,596)
Total Intergovernmental Charges	<u>145,000</u>	<u>145,000</u>	<u>138,647</u>	<u>(6,353)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	252,500	252,500	166,785	(85,715)
Rental of real property	876,925	876,925	797,441	(79,484)
Total Use of Money and Property	<u>1,129,425</u>	<u>1,129,425</u>	<u>964,226</u>	<u>(165,199)</u>
LICENSES AND PERMITS				
Bingo licenses	20,000	20,000	22,456	2,456
Dog licenses	31,000	31,000	21,157	(9,843)
Marine Conservation Permits	10,000	10,000	289	(9,711)
Mooring Permits	100,000	100,000	67,640	(32,360)
Parking Permits	960,000	960,000	573,975	(386,025)
Town Attorney-miscellaneous permits	5,000	5,000	8,000	3,000
Total Licenses and Permits	<u>1,126,000</u>	<u>1,126,000</u>	<u>693,517</u>	<u>(432,483)</u>
FINES AND FORFEITURES				
Fines	1,555,000	1,555,000	1,233,310	(321,690)
Total Fines and Forfeitures	<u>1,555,000</u>	<u>1,555,000</u>	<u>1,233,310</u>	<u>(321,690)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES (continued)				
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of property	49,750	49,750	144,105	94,355
Insurance recoveries	220,000	220,000	1,455,007	1,235,007
Total Sale of Property & Compensation for Loss	<u>269,750</u>	<u>269,750</u>	<u>1,599,112</u>	<u>1,329,362</u>
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures	-	-	675	675
Gifts and donations	-	38,068	35,806	(2,262)
Miscellaneous revenue	1,320,000	1,805,374	1,925,285	119,911
Total Miscellaneous Local Sources	<u>1,320,000</u>	<u>1,843,442</u>	<u>1,961,766</u>	<u>118,324</u>
INTERFUND REVENUES	<u>4,855,761</u>	<u>4,855,761</u>	<u>4,855,761</u>	<u>-</u>
STATE AID				
State Aid - Mortgage tax	8,000,000	8,000,000	15,527,838	7,527,838
State Aid - Revenue sharing	1,067,256	1,067,256	1,067,256	-
State Aid - Bus and other mass transit	855,000	855,000	839,788	(15,212)
State Aid - Programs for aging	288,000	288,000	410,831	122,831
State Aid - State emergency management office	-	-	17,127	17,127
State Aid - Youth program	1,015,146	1,015,146	1,024,156	9,010
State Aid - Other culture and recreation	50,000	50,000	22,196	(27,804)
State Aid - Other home and community services	20,000	1,100,000	1,207,714	107,714
Total State Aid	<u>11,295,402</u>	<u>12,375,402</u>	<u>20,116,906</u>	<u>7,741,504</u>
FEDERAL AID				
Federal Aid - Programs for the aging	142,000	142,000	184,426	42,426
Federal Aid - Youth program	248,000	248,000	158,530	(89,470)
Federal Aid - Federal emergency management assistance	-	-	50,919	50,919
Total Federal Aid	<u>390,000</u>	<u>390,000</u>	<u>393,875</u>	<u>3,875</u>
Total Revenues	<u>\$ 108,675,715</u>	<u>\$ 110,287,107</u>	<u>\$ 116,450,103</u>	<u>\$ 6,162,996</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year ended December 31, 2021

Function	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Town board	\$ 683,275	\$ 703,431	\$ 679,492	\$ -	\$ 23,939
Administrative Adjudication	173,660	173,370	171,979	-	1,391
Traffic violations bureau	115,000	104,780	98,461	-	6,319
Supervisor	531,534	475,106	450,533	-	24,573
Constituent services	300,288	299,962	299,910	-	52
Comptroller	1,109,901	1,141,686	1,137,154	-	4,532
Payroll	285,815	325,243	314,283	-	10,960
Receiver of taxes	725,751	749,109	738,420	-	10,689
Purchasing	305,245	305,245	299,906	13	5,326
Assessor	1,140,161	1,216,405	1,111,405	63,770	41,230
Assessment review board	62,660	62,660	56,867	-	5,793
Star exemption	77,622	77,622	72,085	-	5,537
Fiscal agent fees	35,000	35,000	24,981	-	10,019
Town clerk	829,233	804,386	791,740	-	12,646
Town clerk record center	179,439	172,957	168,916	-	4,041
Town board meetings & admin	85,500	98,700	88,128	-	10,572
Commuter parking	206,870	222,546	222,064	-	482
Town attorney	2,833,558	3,858,238	3,602,087	114,167	141,984
Personnel	535,810	574,040	572,725	-	1,315
Union representatives	297,056	297,419	297,388	-	31
Town engineer	1,294,816	1,168,305	1,088,500	17,355	62,450
General services administration	498,236	489,675	472,352	-	17,323
Buildings and grounds	9,446,293	10,158,902	9,918,992	70,738	169,172
Heckscher amphitheater	12,000	12,395	9,347	2,536	512
Vehicle maintenance	1,147,163	1,127,451	1,101,701	1,546	24,204
Central supply	414,175	403,979	394,478	-	9,501
Copy Center	316,075	342,256	312,929	3,524	25,803
Information technology	2,282,875	2,560,481	2,329,663	179,075	51,743
Unallocated insurance	526,300	538,010	537,258	-	752
Municipal association dues	9,000	9,000	2,050	-	6,950
Judgments and claims	350,000	1,449,881	1,104,318	174,881	170,682
Purchase of land and right of way	1,500,000	1,500,000	-	-	1,500,000
Taxes and assessment on municipal property	52,500	43,588	20,927	-	22,661
Other general government support	20,000	764,797	11,500	-	753,297
Total General Government Support	28,382,811	32,266,625	28,502,539	627,605	3,136,481
PUBLIC SAFETY					
Administration	3,407,281	3,361,154	3,200,313	4,856	155,985
Harbors and waterways	821,550	871,922	858,622	708	12,592
Control of animals	1,003,150	1,250,675	1,211,845	-	38,830
Code enforcement - safety inspection	339,528	340,326	313,174	12	27,140
Civil defense	60,595	41,437	27,747	3,788	9,902
Total Public Safety	5,632,104	5,865,514	5,611,701	9,364	244,449

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year ended December 31, 2021

Function	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES (continued)					
HEALTH					
Drug & Alcohol	872,249	764,533	764,533	-	-
Total Health	872,249	764,533	764,533	-	-
TRANSPORTATION					
Superintendent of highways	797,476	782,807	759,248	73	23,486
Bus operations	4,176,700	4,340,093	4,262,999	21,216	55,878
Waterways Navigation	121,900	139,853	139,851	-	2
Total Transportation	5,096,076	5,262,753	5,162,098	21,289	79,366
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Literacy volunteers of America	9,500	9,500	9,500	-	-
Public information	143,410	143,410	140,926	-	2,484
Veterans service	9,000	9,938	8,573	-	1,365
Family assistance program	163,270	163,270	103,156	-	60,114
Programs for the aging	905,017	894,879	815,330	-	79,549
Senior citizens day care center	399,548	388,195	332,793	-	55,402
Senior nutrition program	880,578	1,015,618	863,470	-	152,148
Total Economic Assistance And Opportunity	2,510,323	2,624,810	2,273,748	-	351,062
CULTURE AND RECREATION					
Arts council administration	147,500	147,500	147,500	-	-
Recreation administration	954,994	992,896	959,978	-	32,918
Dix Hills Park administration	1,137,429	1,123,979	942,008	2,388	179,583
Dix Hills Park maintenance	1,932,310	2,099,761	2,092,125	-	7,636
Playgrounds and recreation centers	957,971	766,394	577,143	4,980	184,271
Recreation fee classes	299,810	256,400	202,396	-	54,004
Beach maintenance	346,925	362,968	329,521	-	33,447
Marinas & docks	435,501	571,876	482,525	35,833	53,518
Golf course maintenance	1,338,023	1,353,594	1,318,545	134	34,915
Camp Bright Star	160,320	93,815	75,341	-	18,474
Beaches	553,704	620,009	609,731	-	10,278
Golf course administration	69,995	34,995	12,353	-	22,642
Band concerts	143,815	151,765	130,019	-	21,746
Youth program administration	659,096	653,792	584,902	-	68,890
Joint youth programs	2,933,056	2,714,258	2,714,258	-	-
Museum	485,134	485,134	485,134	-	-
Cultural affairs	147,050	147,050	119,550	3,600	23,900
Town historian	56,471	75,167	73,225	-	1,942
Celebrations	10,000	10,000	6,071	-	3,929
Human Services	447,474	452,966	438,037	-	14,929
Senior Citizen CHORE	240,327	301,066	298,705	-	2,361
Board of trustees maintenance	80,000	129,555	123,321	-	6,234
Total Culture and Recreation	13,536,905	13,544,940	12,722,388	46,935	775,617

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year ended December 31, 2021

Function	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES (continued)					
HOME AND COMMUNITY SERVICES					
Landfill	373,250	388,480	380,840	-	7,640
Resource Recovery	23,031,746	23,459,921	23,438,645	-	21,276
Organic Garden	7,200	6,200	5,237	-	963
Solid waste recycling	650,470	653,771	633,360	4,108	16,303
Plan & manage development	35,000	60,053	6,675	29,362	24,016
Maritime Services administration	373,554	285,310	252,992	1,176	31,142
Waste Management administration	452,974	342,989	317,695	1,176	24,118
Services to the handicapped	10,800	10,800	-	-	10,800
Total Home and Community Services	24,934,994	25,207,524	25,035,444	35,822	136,258
EMPLOYEE BENEFITS					
State employee retirement system	5,400,000	5,436,263	5,436,263	-	-
Social security	56,000	65,445	65,445	-	-
Workers' compensation	1,400,000	1,454,249	1,438,624	15,625	-
Life insurance	50,000	44,056	34,665	-	9,391
Unemployment insurance	200,000	96,590	-	-	96,590
Disability benefits	90,000	83,446	55,275	-	28,171
Hospital, medical and dental	14,140,000	12,838,759	12,838,758	-	1
Other employee benefits	868,000	1,118,271	1,082,951	-	35,320
Total Employee Benefits	22,204,000	21,137,079	20,951,981	15,625	169,473
DEBT SERVICE					
Principal	166,980	166,980	166,980	-	-
Interest	39,273	39,273	39,273	-	-
Total Debt Service	206,253	206,253	206,253	-	-
Total Expenditures	103,375,715	106,880,031	101,230,685	756,640	4,892,706
Excess (Deficiency) of Revenues Over Expenditures	5,300,000	3,407,076	15,219,418	(756,640)	11,055,702
Other Financing Sources (Uses)					
Transfers In		7,048	7,048	-	-
Transfers out	-	(4,169,596)	(4,169,596)	-	-
Transfers out (Debt Service)	(5,400,000)	(5,400,000)	(5,249,621)	-	150,379
Premiums on obligations			155,539		155,539
Total Other Financing Sources (Uses)	(5,400,000)	(9,562,548)	(9,256,630)		305,918
Net Change in Fund Balance	\$ (100,000)	\$ (6,155,472)	5,962,788	\$ (756,640)	\$ 11,361,620
Fund Balance at Beginning of Year (as restated)			43,661,370		
Fund Balance at End of Year			\$ 49,624,158		

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 34,821,356	\$ 34,821,356	\$ 34,821,356	\$ -
Total Real Property Taxes	<u>34,821,356</u>	<u>34,821,356</u>	<u>34,821,356</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	126,500	126,500	126,076	(424)
Interest and penalties on taxes	-	-	578	578
Total Other Real Property Taxes	<u>126,500</u>	<u>126,500</u>	<u>126,654</u>	<u>154</u>
DEPARTMENTAL INCOME				
Other general departmental income	-	1,085,055	998,278	(86,777)
Total Departmental Income	<u>-</u>	<u>1,085,055</u>	<u>998,278</u>	<u>(86,777)</u>
INTERGOVERNMENT CHARGE				
Transportation Services, Other Government	-	-	4,419	4,419
Total Departmental Income	<u>-</u>	<u>-</u>	<u>4,419</u>	<u>4,419</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	120,000	120,000	53,227	(66,773)
Total Use of Money and Property	<u>120,000</u>	<u>120,000</u>	<u>53,227</u>	<u>(66,773)</u>
LICENSES AND PERMITS				
Licenses and permits	200,000	200,000	175,825	(24,175)
Total Licenses and Permits	<u>200,000</u>	<u>200,000</u>	<u>175,825</u>	<u>(24,175)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap materials/equipment	8,000	8,000	8,758	758
Insurance recoveries	5,000	5,000	161,301	156,301
Total Sale of Property and Compensation for Loss	<u>13,000</u>	<u>13,000</u>	<u>170,059</u>	<u>157,059</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	400,100	400,100	386,618	(13,482)
Total Miscellaneous Local Sources	<u>400,100</u>	<u>400,100</u>	<u>386,618</u>	<u>(13,482)</u>
STATE AID				
State aid - Consolidated highway aid	1,706,000	4,486,910	4,562,195	75,285
State Aid - Other	-	-	67,586	67,586
Total State Aid	<u>1,706,000</u>	<u>4,486,910</u>	<u>4,629,781</u>	<u>142,871</u>
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance	-	187,500	431,615	244,115
Total Federal Aid	<u>-</u>	<u>187,500</u>	<u>431,615</u>	<u>244,115</u>
Total Revenues	<u>\$ 37,386,956</u>	<u>\$ 41,440,421</u>	<u>\$ 41,797,832</u>	<u>\$ 357,411</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND

For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 180,000	\$ 180,000	\$ 179,294	\$ -	\$ 706
Bond and note issue expense	45,000	45,000	23,348	-	21,652
Other Government Support	137,200	673,337	73,503	34,768	565,066
Total General Government Support	<u>362,200</u>	<u>898,337</u>	<u>276,145</u>	<u>34,768</u>	<u>587,424</u>
TRANSPORTATION					
Highway repairs	13,807,625	12,780,672	12,097,609	131,088	551,975
Capital highway improvements	1,706,000	4,564,232	4,562,195	-	2,037
Highway and machinery	2,128,262	2,322,453	2,231,018	46,184	45,251
Brush and weeds	450,000	709,219	646,015	16,973	46,231
Snow removal	2,548,908	3,632,684	3,570,197	-	62,487
Total Transportation	<u>20,640,795</u>	<u>24,009,260</u>	<u>23,107,034</u>	<u>194,245</u>	<u>707,981</u>
EMPLOYEE BENEFITS					
State employee retirement system	2,322,661	2,322,661	2,146,302	-	176,359
Social security	48,000	48,000	20,515	-	27,485
Workers Compensation	1,300,000	1,826,240	1,826,240	-	-
Life insurance	1,000	1,000	609	-	391
Unemployment insurance	150,000	150,000	-	-	150,000
Disability benefits	1,300	1,300	1,112	-	188
Hospital, medical and dental	6,097,000	5,186,007	5,046,575	-	139,432
Union welfare benefits	200,000	200,000	157,630	-	42,370
Other employee benefits	164,000	303,894	268,172	-	35,722
Total Employee Benefits	<u>10,283,961</u>	<u>10,039,102</u>	<u>9,467,155</u>	<u>-</u>	<u>571,947</u>
Total Expenditures	<u>31,286,956</u>	<u>34,946,699</u>	<u>32,850,334</u>	<u>229,013</u>	<u>1,867,352</u>
Excess (Deficiency) of Revenues					
Over Expenditures					
	<u>6,100,000</u>	<u>6,493,722</u>	<u>8,947,498</u>	<u>(229,013)</u>	<u>2,224,763</u>
Other Financing Sources (Uses)					
Transfer Out		(1,085,055)	(1,085,055)	-	-
Transfers out (Debt Service)	(6,200,000)	(6,200,000)	(6,020,754)	-	179,246
Premiums on obligations	-	-	174,388	-	174,388
Total Other Financing Sources (Uses)	<u>(6,200,000)</u>	<u>(7,285,055)</u>	<u>(6,931,421)</u>	<u>-</u>	<u>353,634</u>
Net Change in Fund Balance	<u>\$ (100,000)</u>	<u>\$ (791,333)</u>	<u>\$ 2,016,077</u>	<u>\$ (229,013)</u>	<u>\$ 2,578,397</u>
Fund Balance at Beginning of Year			<u>11,821,016</u>		
Fund Balance at End of Year			<u>\$ 13,837,093</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 27,078,268	\$ 27,078,268	\$ 27,078,268	\$ -
Total Real Property Taxes	<u>27,078,268</u>	<u>27,078,268</u>	<u>27,078,268</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	1,000	1,000	449	(551)
Total Other Real Property Tax Items	<u>1,000</u>	<u>1,000</u>	<u>449</u>	<u>(551)</u>
DEPARTMENTAL INCOME				
Refuse and garbage charges	4,800	4,800	6,600	1,800
Total Departmental Income	<u>4,800</u>	<u>4,800</u>	<u>6,600</u>	<u>1,800</u>
INTERGOVERNMENT CHARGE				
Refuse & Garbage Service, Other Government	14,250	14,250	13,546	(704)
Total Intergovernment Charge	<u>14,250</u>	<u>14,250</u>	<u>13,546</u>	<u>(704)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	100,000	100,000	32,884	(67,116)
Total Use of Money and Property	<u>100,000</u>	<u>100,000</u>	<u>32,884</u>	<u>(67,116)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of recycled materials	-	-	14,616	14,616
Sale of equipment	-	16,900	5,250	(11,650)
Insurance recoveries	-	-	34,807	34,807
Total Sale of Property and Compensation for Loss	<u>-</u>	<u>16,900</u>	<u>54,673</u>	<u>37,773</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	110,000	110,000	114,839	4,839
Total Miscellaneous Local Sources	<u>110,000</u>	<u>110,000</u>	<u>114,839</u>	<u>4,839</u>
STATE AID				
State Aid - Other	-	-	60,673	60,673
Total State Aid	<u>-</u>	<u>-</u>	<u>60,673</u>	<u>60,673</u>
Total Revenues	<u>\$ 27,308,318</u>	<u>\$ 27,325,218</u>	<u>\$ 27,361,932</u>	<u>\$ 36,714</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 135,000	\$ 135,000	\$ 130,875	\$ -	\$ 4,125
Other government support	2,242,363	2,249,589	2,225,017	5,860	18,712
Total General Government Support	<u>2,377,363</u>	<u>2,384,589</u>	<u>2,355,892</u>	<u>5,860</u>	<u>22,837</u>
HOME AND COMMUNITY SERVICES					
Refuse and garbage	21,915,368	21,801,734	21,653,574	40,358	107,802
Total Home and Community Services	<u>21,915,368</u>	<u>21,801,734</u>	<u>21,653,574</u>	<u>40,358</u>	<u>107,802</u>
EMPLOYEE BENEFITS					
State employee retirement system	700,000	626,634	626,634	-	-
Social security	23,000	23,000	2,377	-	20,623
Workers Compensation	300,000	782,983	782,982	-	1
Life insurance	500	500	99	-	401
Unemployment insurance	40,000	-	-	-	-
Disability insurance	500	500	-	-	500
Hospital, medical and dental	1,799,000	1,568,373	1,552,550	-	15,823
Union welfare benefits	68,000	68,000	53,350	-	14,650
Other employee benefits	77,000	77,000	31,076	-	45,924
Total Employee Benefits	<u>3,008,000</u>	<u>3,146,990</u>	<u>3,049,068</u>	<u>-</u>	<u>97,922</u>
DEBT SERVICE					
Principal	7,922	7,922	7,922	-	-
Interest	1,665	1,665	1,665	-	-
	<u>9,587</u>	<u>9,587</u>	<u>9,587</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>27,310,318</u>	<u>27,342,900</u>	<u>27,068,121</u>	<u>46,218</u>	<u>228,561</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>(2,000)</u>	<u>(17,682)</u>	<u>293,811</u>	<u>(46,218)</u>	<u>265,275</u>
Other Financing Sources (Uses)					
Transfers out (Debt Service)	(248,000)	(248,000)	(237,719)	-	10,281
Premiums on obligations	-	-	11,156	-	11,156
Total Other Financing Sources (Uses)	<u>(248,000)</u>	<u>(248,000)</u>	<u>(226,563)</u>	<u>-</u>	<u>21,437</u>
Net Change in Fund Balance	<u>\$ (250,000)</u>	<u>\$ (265,682)</u>	<u>67,248</u>	<u>\$ (46,218)</u>	<u>\$ 286,712</u>
Fund Balance at Beginning of Year			<u>5,204,831</u>		
Fund Balance at End of Year			<u>\$ 5,272,079</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 5,085,443	\$ 5,085,443	\$ 5,085,443	\$ -
Total Real Property Taxes	<u>5,085,443</u>	<u>5,085,443</u>	<u>5,085,443</u>	<u>-</u>
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	18,500	18,500	18,449	(51)
Interest and penalties on taxes	1,000	1,000	84	(916)
Total Other Real Property Taxes	<u>19,500</u>	<u>19,500</u>	<u>18,533</u>	<u>(967)</u>
DEPARTMENTAL INCOME				
Building fees	4,100,000	4,100,000	4,122,767	22,767
Fire Inspection Fees	600,000	600,000	624,194	24,194
Registrar Fees	230,000	230,000	273,820	43,820
Zoning board fees	138,000	138,000	51,175	(86,825)
Planning fees	300,000	300,000	445,437	145,437
Rental Registration	375,000	375,000	437,175	62,175
Other fees	12,500	12,500	60,468	47,968
Total Departmental Income	<u>5,755,500</u>	<u>5,755,500</u>	<u>6,015,036</u>	<u>259,536</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	25,000	25,000	15,753	(9,247)
Total Use of Money and Property	<u>25,000</u>	<u>25,000</u>	<u>15,753</u>	<u>(9,247)</u>
LICENSES AND PERMITS				
Permits	973,000	973,000	1,521,133	548,133
Total Licenses and Permits	<u>973,000</u>	<u>973,000</u>	<u>1,521,133</u>	<u>548,133</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	2,451	2,451
Total Sale of Property and Compensation for Loss	<u>-</u>	<u>-</u>	<u>2,451</u>	<u>2,451</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	240,000	240,000	264,984	24,984
Total Miscellaneous Local Sources	<u>240,000</u>	<u>240,000</u>	<u>264,984</u>	<u>24,984</u>
STATE AID				
State Aid - Other	-	-	5,420	5,420
Total State Aid	<u>-</u>	<u>-</u>	<u>5,420</u>	<u>5,420</u>
Total Revenues	<u>\$ 12,098,443</u>	<u>\$ 12,098,443</u>	<u>\$ 12,928,753</u>	<u>\$ 830,310</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Government Support Administration	\$ 148,095	\$ 264,723	\$ 117,530	\$ 1,251	\$ 145,942
Building Department	2,148,173	2,153,460	2,139,165	-	14,295
Insurance	58,000	58,082	58,081	-	1
Total General Government Support	<u>2,354,268</u>	<u>2,476,265</u>	<u>2,314,776</u>	<u>1,251</u>	<u>160,238</u>
PUBLIC SAFETY					
Traffic control	787,202	787,046	711,493	3,047	72,506
Safety inspection	1,972,163	1,978,357	1,913,571	1,006	63,780
Total Public Safety	<u>2,759,365</u>	<u>2,765,403</u>	<u>2,625,064</u>	<u>4,053</u>	<u>136,286</u>
HEALTH					
Registrar of vital statistics	167,542	165,688	118,383	32	47,273
Total Health	<u>167,542</u>	<u>165,688</u>	<u>118,383</u>	<u>32</u>	<u>47,273</u>
HOME AND COMMUNITY SERVICES					
Zoning	168,455	173,555	162,531	-	11,024
Planning	1,641,018	1,689,529	1,600,969	51,466	37,094
Joint planning board	129,455	130,955	123,271	-	7,684
Accessory Apartment	252,635	250,403	218,132	162	32,109
Conservation	16,205	16,205	-	-	16,205
Total Home and Community Services	<u>2,207,768</u>	<u>2,260,647</u>	<u>2,104,903</u>	<u>51,628</u>	<u>104,116</u>
EMPLOYEE BENEFITS					
State employee retirement system	950,000	950,000	907,426	-	42,574
Social security	26,500	26,500	5,322	-	21,178
Workers Compensation	120,000	209,003	209,003	-	-
Life insurance	12,000	12,000	7,950	-	4,050
Unemployment insurance	16,000	8,918	-	-	8,918
Disability benefits	20,000	20,000	8,680	-	11,320
Hospital, medical and dental	3,041,000	2,861,088	2,414,522	-	446,566
Other employee benefits	146,000	146,000	69,565	-	76,435
Total Employee Benefits	<u>4,331,500</u>	<u>4,233,509</u>	<u>3,622,468</u>	<u>-</u>	<u>611,041</u>
Total Expenditures	<u>11,820,443</u>	<u>11,901,512</u>	<u>10,785,594</u>	<u>56,964</u>	<u>1,058,954</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>278,000</u>	<u>196,931</u>	<u>2,143,159</u>	<u>(56,964)</u>	<u>1,889,264</u>
Other Financing Uses					
Transfers out (Debt Service)	(278,000)	(278,000)	(265,914)	-	12,086
Premiums on obligations	-	-	10,258	-	10,258
Total Other Financing Uses	<u>(278,000)</u>	<u>(278,000)</u>	<u>(255,656)</u>	<u>-</u>	<u>22,344</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (81,069)</u>	<u>1,887,503</u>	<u>\$ (56,964)</u>	<u>\$ 1,911,608</u>
Fund Balance at Beginning of Year			<u>5,444,100</u>		
Fund Balance at End of Year			<u>\$ 7,331,603</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,859,776	\$ 2,859,776	\$ 2,859,776	\$ -
Total Real Property Taxes	<u>2,859,776</u>	<u>2,859,776</u>	<u>2,859,776</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	51	51
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>51</u>	<u>51</u>
DEPARTMENTAL INCOME				
Metered water sales	2,350,250	2,350,250	2,342,919	(7,331)
Water rental arrears	100,000	211,456	211,456	-
Total Departmental Income	<u>2,450,250</u>	<u>2,561,706</u>	<u>2,554,375</u>	<u>(7,331)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	13,000	13,000	12,299	(701)
Tower rental	265,000	265,000	290,540	25,540
Total Use of Money and Property	<u>278,000</u>	<u>278,000</u>	<u>302,839</u>	<u>24,839</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	36,879	36,879
Total Sale of Property and Compensation for Loss	<u>-</u>	<u>-</u>	<u>36,879</u>	<u>36,879</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	27,000	27,000	38,660	11,660
Total Miscellaneous Local Sources	<u>27,000</u>	<u>27,000</u>	<u>38,660</u>	<u>11,660</u>
Total Revenues	<u>\$ 5,615,026</u>	<u>\$ 5,726,482</u>	<u>\$ 5,792,580</u>	<u>\$ 66,098</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 29,000	\$ 29,000	\$ 27,005	\$ -	\$ 1,995
Other government support	717,314	735,650	719,645	1,134	14,871
Total General Government Support	<u>746,314</u>	<u>764,650</u>	<u>746,650</u>	<u>1,134</u>	<u>16,866</u>
HOME AND COMMUNITY SERVICES					
Water	3,207,991	3,572,896	3,491,474	28,354	53,068
Total Home and Community Services	<u>3,207,991</u>	<u>3,572,896</u>	<u>3,491,474</u>	<u>28,354</u>	<u>53,068</u>
EMPLOYEE BENEFITS					
State employee retirement system	212,791	212,791	212,215	-	576
Social security	13,000	13,000	10,468	-	2,532
Workers' Compensation	60,000	37,822	37,822	-	-
Life insurance	350	350	197	-	153
Unemployment benefits	10,000	4,485	-	-	4,485
Disability benefits	500	500	167	-	333
Hospital, medical and dental	573,000	494,131	489,694	-	4,437
Union welfare benefits	17,000	13,985	13,970	-	15
Other employee benefits	76,000	146,033	136,837	-	9,196
Total Employee Benefits	<u>962,641</u>	<u>923,097</u>	<u>901,370</u>	<u>-</u>	<u>21,727</u>
DEBT SERVICE:					
Principal	10,482	10,482	10,482	-	-
Interest	2,598	2,598	2,598	-	-
Total Debt Service	<u>13,080</u>	<u>13,080</u>	<u>13,080</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,930,026</u>	<u>5,273,723</u>	<u>5,152,574</u>	<u>29,488</u>	<u>91,661</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>685,000</u>	<u>452,759</u>	<u>640,006</u>	<u>(29,488)</u>	<u>157,759</u>
Other Financing Sources (Uses)					
Transfers out (Debt Service)	(685,000)	(685,000)	(662,910)	-	22,090
Premiums on obligations	-	-	76,936	-	76,936
Total Other Financing Sources (Uses)	<u>(685,000)</u>	<u>(685,000)</u>	<u>(585,974)</u>	<u>-</u>	<u>99,026</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (232,241)</u>	54,032	<u>\$ (29,488)</u>	<u>\$ 256,785</u>
Fund Balance at Beginning of Year			<u>658,888</u>		
Fund Balance at End of Year			<u>\$ 712,920</u>		

TOWN OF HUNTINGTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB)
LIABILITY AND RELATED RATIOS
December 31, 2021

Period	Total OPEB Liability - Beginning of the Period	Service cost	Interest on Total OPEB Liability	Differences between expected and actual experience
January 1, 2021 - December 31, 2021	\$ 320,681,013	\$ 9,436,002	\$ 7,131,626	\$ 16,892,798
January 1, 2020 - December 31, 2020	284,279,558	7,692,777	7,870,668	-
January 1, 2019 - December 31, 2019	229,879,541	5,370,925	9,480,232	(6,547,596)
January 1, 2018 - December 31, 2018	257,416,298	6,880,370	8,273,814	-

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

The Town currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Changes of assumptions.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2021	2.06%
2020	2.12%
2019	2.74%
2018	4.10%
2017	3.18%

Change in actuarial cost method.

The Town adopted GASB Statement No. 75 in the year-ended December 31, 2018 and continues to use the entry age normal as a percentage of payroll, the prescribed method under GASB 75.

The OPEB schedules are intended to show information for ten years and additional year's information will be displayed as it becomes available.

Changes in benefit terms	Changes of assumptions or other inputs	Benefit payments	Total OPEB Liability - End of the Period	Covered-employee payroll	Liability as a Percentage of Covered-employee Payroll
\$ -	\$ (2,094,998)	\$ (10,344,503)	\$ 341,701,938	\$ 51,021,077	669.73%
-	30,345,646	(9,507,636)	320,681,013	50,986,737	628.95%
-	54,617,376	(8,520,920)	284,279,558	50,258,787	565.63%
-	(34,398,340)	(8,292,601)	229,879,541	49,148,186	467.73%

TOWN OF HUNTINGTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS TO EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 9,815,703	\$ 8,603,374	\$ 8,531,934
Contributions in relation to the contractually required contribution	<u>9,815,703</u>	<u>8,603,374</u>	<u>8,531,934</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered payroll	\$ 59,048,961	\$ 56,576,064	\$ 55,969,007
Contributions as a percentage of covered employee payroll	17%	15%	15%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 8,771,865	\$ 8,764,939	\$ 9,045,917	\$ 11,317,997	\$ 10,790,971	\$ 12,736,105	\$ 10,760,219
<u>8,771,865</u>	<u>8,764,939</u>	<u>9,045,917</u>	<u>11,317,997</u>	<u>10,790,971</u>	<u>12,736,105</u>	<u>6,855,035</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,905,184
\$ 56,617,483	\$ 54,953,769	\$ 54,676,490	\$ 55,099,418	\$ 53,285,268	\$ 51,630,809	\$ 52,095,461
15%	16%	17%	21%	20%	25%	13%

TOWN OF HUNTINGTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 December 31, 2021
 Last Seven Fiscal Years

Employees' Retirement System

	2021	2020	As of March 31st 2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.1833332%	0.1913166%	0.1951519%	0.1954509%	0.2048107%	0.2085953%	0.2062962%
Town's proportionate share of the net pension liability	\$ 182,550	\$ 50,661,734	\$ 13,827,107	\$ 6,308,071	\$ 19,244,466	\$ 33,480,134	\$ 6,969,189
Town's covered payroll	\$ 58,231,670	\$ 56,576,064	\$ 55,969,007	\$ 56,617,483	\$ 52,103,438	\$ 53,342,327	\$ 55,263,873
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.31 %	89.55 %	24.70 %	11.14 %	36.94 %	62.76 %	12.61 %
percentage of the total pension liability	86.39%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Notes to Schedule:

1. Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting of Pensions*.
2. The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.
3. The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.
4. Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses. The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.
5. Decrease in the Town's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

TOWN OF HUNTINGTON
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOWN'S TOTAL LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITY
 December 31, 2021
 Last Five Fiscal Years

Length of Service Award Program

Commack Volunteer Ambulance Corps

Measurement date as of December 31,	2020	2019	2018	2017	2016
Service cost	\$ 120,073	\$ 89,690	\$ 129,885	\$ 112,498	\$ 139,147
Interest	74,588	71,926	67,872	69,239	63,742
Changes of assumptions or other inputs	686,156	147,219	(178,075)	188,282	(181,073)
Differences between expected and actual experience	(42,219)	9,504	(119,522)	(77,588)	(96,437)
Benefit payments	(39,994)	(33,512)	(30,062)	(26,484)	(22,284)
Net change in total pension liability	798,604	284,827	(129,902)	265,947	(96,905)
Total pension liability - beginning	2,187,886	1,903,059	2,032,961	1,767,014	1,863,919
Total pension liability - ending	2,986,490	2,187,886	1,903,059	2,032,961	1,767,014
Covered payroll	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Huntington Community First Aid Squad, Inc.

Measurement date as of December 31,	2020	2019	2018	2017	2016
Service cost	\$ 458,289	\$ 409,950	\$ 407,152	\$ 367,462	\$ 423,133
Interest	395,398	390,114	321,114	329,911	291,125
Changes of assumptions or other inputs	2,858,937	640,608	37,333	716,772	(687,163)
Differences between expected and actual experience	85,677	235,973	73,533	74,269	51,593
Benefit payments	(329,541)	(297,689)	(275,035)	(242,470)	(213,905)
Net change in total pension liability	3,468,760	1,378,956	564,097	1,245,944	(135,217)
Total pension liability - beginning	11,835,259	10,456,303	9,892,206	8,646,262	8,781,479
Total pension liability - ending	15,304,019	11,835,259	10,456,303	9,892,206	8,646,262
Covered payroll	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information:

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016	3.71%	3.71%
December 31, 2017	3.16%	3.16%
December 31, 2018	3.64%	3.64%
December 31, 2019	3.26%	3.26%
December 31, 2020	1.93%	1.93%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 73 to pay related benefits.

TOWN OF HUNTINGTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S LENGTH OF SERVICE AWARD PROGRAM PENSION LIABILITY
December 31, 2021
Last Five Fiscal Years

Commack Volunteer Ambulance Corps

	2021	2020	2019	2018	2017
Total Length of Service Award Program Pension Liability	\$ 2,986,490	\$ 2,187,886	\$ 1,903,059	\$ 2,032,961	\$ 1,767,014
Town's covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Contributions as a percentage of covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Huntington Community First Aid Squad, Inc.

	2021	2020	2019	2018	2017
Total Length of Service Award Program Pension Liability	\$ 15,304,019	\$ 11,835,259	\$ 10,456,303	\$ 9,892,206	\$ 8,646,262
Town's covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Contributions as a percentage of covered payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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TOWN OF HUNTINGTON
COMPONENT UNITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICTS' CONTRIBUTIONS TO EMPLOYEES' RETIREMENT SYSTEM
 LAST TEN YEARS

Greenlawn Water District

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 182,411	\$ 192,766	\$ 186,586
Contributions in relation to the contractually required contribution	<u>182,411</u>	<u>192,766</u>	<u>186,586</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,423,986	\$ 1,407,059	\$ 1,269,192
Contributions as a percentage of covered payroll	13%	14%	15%

South Huntington Water District

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 261,593	\$ 203,980	\$ 195,746
Contributions in relation to the contractually required contribution	<u>261,593</u>	<u>203,980</u>	<u>195,746</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,535,570	\$ 1,446,165	\$ 1,354,420
Contributions as a percentage of covered payroll	17%	14%	14%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 187,488	\$ 185,667	\$ 204,112	\$ 241,020	\$ 253,554	\$ 286,409	\$ 181,359
<u>187,488</u>	<u>185,667</u>	<u>204,112</u>	<u>241,020</u>	<u>253,554</u>	<u>286,409</u>	<u>181,359</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,213,360	\$ 1,212,152	\$ 1,160,988	\$ 1,232,499	\$ 1,315,312	\$ 1,271,843	\$ 1,198,977
15%	15%	18%	20%	19%	23%	15%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 202,948	\$ 189,105	\$ 193,255	\$ 205,756	\$ 326,700	\$ 215,311	\$ 255,066
<u>202,948</u>	<u>189,105</u>	<u>193,255</u>	<u>205,756</u>	<u>326,700</u>	<u>215,311</u>	<u>255,066</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,291,865	\$ 1,329,652	\$ 1,228,683	\$ 1,316,312	\$ 1,373,704	\$ 1,352,331	\$ 1,204,400
16%	14%	16%	16%	24%	16%	21%

TOWN OF HUNTINGTON
COMPONENT UNITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICTS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2021
Last Seven Years

Employees' Retirement System

	2021 Greenlawn Water District	2020 Greenlawn Water District	2019 Greenlawn Water District	2018 Greenlawn Water District	2017 Greenlawn Water District	2016 Greenlawn Water District	2015 Greenlawn Water District
District's proportion of the net pension liability	0.0049428%	0.0049274%	0.0047719%	0.0047076%	0.0048558%	0.0050102%	0.0052609%
District's proportionate share of the net pension liability	\$ 4,922	\$ 1,304,798	\$ 338,104	\$ 151,934	\$ 456,262	\$ 804,147	\$ 237,283
District's covered payroll	\$ 1,431,110	\$ 1,290,838	\$ 1,219,595	\$ 1,221,669	\$ 1,162,078	\$ 1,243,616	\$ 1,245,786
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.34 %	101.08 %	27.72 %	12.44 %	39.26 %	64.66 %	19.05 %
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

	2021 South Huntington Water District	2020 South Huntington Water District	2019 South Huntington Water District	2018 South Huntington Water District	2017 South Huntington Water District	2016 South Huntington Water District	2015 South Huntington Water District
District's proportion of the net pension liability	0.0038073%	0.0038141%	0.0045444%	0.0043350%	0.0042256%	0.0043830%	0.0044837%
District's proportionate share of the net pension liability	\$ 3,791	\$ 1,009,994	\$ 321,983	\$ 139,909	\$ 397,046	\$ 703,477	\$ 151,472
District's covered payroll	\$ 1,602,090	\$ 1,345,966	\$ 1,262,071	\$ 1,371,833	\$ 1,256,412	\$ 1,184,360	\$ 1,358,006
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.24 %	75.04 %	25.51 %	10.20 %	31.60 %	59.40 %	11.15 %
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue Funds			
	Local			Total
	Development Corp (LDC)	Special Revenue Fund	Special Districts	
Assets				
Cash and cash equivalents	\$ 470,915	\$ -	\$ 8,274,955	\$ 8,745,870
Cash-Restricted	-	-	12,152,614	12,152,614
Prepays	-	-	119,985	119,985
Accounts receivable, net	3,000	-	600,153	603,153
Due from federal, state & other governments	-	-	4,019	4,019
Total Assets	<u>\$ 473,915</u>	<u>\$ -</u>	<u>\$ 21,151,726</u>	<u>\$ 21,625,641</u>
Liabilities				
Accounts payable & other current liabilities	\$ -	\$ -	\$ 446,403	\$ 446,403
Accrued liabilities	-	-	213,569	213,569
Deposits	-	-	24,019	24,019
Due to other funds	-	-	86,152	86,152
Total Liabilities	<u>-</u>	<u>-</u>	<u>770,143</u>	<u>770,143</u>
Fund Balance				
Non-Spendable				
Prepays	-	-	119,985	119,985
Restricted for:				
Debt service	-	-	36,739	36,739
Retirement contribution	-	-	8,324	8,324
Employee Benefit Accrual Liability	-	-	28,496	28,496
Length of service award program	-	-	12,079,055	12,079,055
Assigned to:				
Local Development Corporation	473,915	-	-	473,915
Fire Protection	-	-	32,999	32,999
Street Lighting	-	-	3,445,256	3,445,256
Ambulance Services	-	-	1,293,769	1,293,769
Sewer Services	-	-	2,952,602	2,952,602
Subsequent year's budget	-	-	250,000	250,000
Purchases on order	-	-	134,358	134,358
Total Fund Balance	<u>473,915</u>	<u>-</u>	<u>20,381,583</u>	<u>20,855,498</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u>\$ 473,915</u>	<u>\$ -</u>	<u>\$ 21,151,726</u>	<u>\$ 21,625,641</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Special Revenue Funds			
	Local			Total
	Development Corp (LDC)	Special Revenue Fund	Special Districts	
REVENUES				
Real property taxes	\$ -	\$ 186,500	\$ 11,314,788	\$ 11,501,288
Other real property tax items	-	-	15,063	15,063
Non-property tax items	-	-	144,701	144,701
Departmental income	198,712	-	1,767,917	1,966,629
Use of money and property	129	-	1,487,605	1,487,734
Sale of property and Compensation for loss	-	-	2,855,997	2,855,997
Miscellaneous local sources	-	-	116,073	116,073
State aid	-	-	25,925	25,925
Federal aid	-	-	28,450	28,450
Total Revenues	<u>198,841</u>	<u>186,500</u>	<u>17,756,519</u>	<u>18,141,860</u>
EXPENDITURES				
Current:				
General government support	-	-	2,016,681	2,016,681
Public safety	-	-	1,609,586	1,609,586
Health	-	-	3,302,312	3,302,312
Transportation	-	-	2,420,086	2,420,086
Economic assistance and opportunity	2,826	-	-	2,826
Home and community services	-	186,500	3,710,937	3,897,437
Employee benefits	-	-	1,682,948	1,682,948
Total Expenditures	<u>2,826</u>	<u>186,500</u>	<u>14,742,550</u>	<u>14,931,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>196,015</u>	<u>-</u>	<u>3,013,969</u>	<u>3,209,984</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(330,000)	(330,000)
Transfers out (Debt Service)	-	-	(718,030)	(718,030)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,048,030)</u>	<u>(1,048,030)</u>
Net Change in Fund Balance	196,015	-	1,965,939	2,161,954
Fund Balances at Beginning of Year (as restated)	<u>277,900</u>	<u>-</u>	<u>18,415,644</u>	<u>18,693,544</u>
Fund Balances at End of Year	<u>\$ 473,915</u>	<u>\$ -</u>	<u>\$ 20,381,583</u>	<u>\$ 20,855,498</u>

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
December 31, 2021

	Special Revenue Funds				
	Fire Protection District	Street Lighting District	Ambulance Districts	Sewer Districts	Total
ASSETS					
Cash and cash equivalents	\$ 48,453	\$ 4,108,557	\$ 691,097	\$ 3,426,848	\$ 8,274,955
Cash-Restricted	-	26,378	12,079,055	47,181	12,152,614
Prepays	-	35,249	-	84,736	119,985
Accounts receivable, net	-	-	598,653	1,500	600,153
Due from federal, state and other governments	-	-	4,019	-	4,019
Total Assets	<u>\$ 48,453</u>	<u>\$ 4,170,184</u>	<u>\$ 13,372,824</u>	<u>\$ 3,560,265</u>	<u>\$ 21,151,726</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 15,454	\$ 192,224	\$ -	\$ 238,725	\$ 446,403
Accrued liabilities	-	66,656	-	146,913	213,569
Deposits	-	-	-	24,019	24,019
Due to other funds	-	78,619	-	7,533	86,152
Total Liabilities	<u>15,454</u>	<u>337,499</u>	<u>-</u>	<u>417,190</u>	<u>770,143</u>
FUND BALANCE					
Non-Spendable					
Prepays	-	35,249	-	84,736	119,985
Restricted for:					
Debt service	-	-	-	36,739	36,739
Retirement contribution	-	4,778	-	3,546	8,324
Employee Benefit Accrual Liability	-	21,600	-	6,896	28,496
Length of service award program	-	-	12,079,055	-	12,079,055
Assigned to:					
Fire Protection	32,999	-	-	-	32,999
Street Lighting	-	3,445,256	-	-	3,445,256
Ambulance Services	-	-	1,293,769	-	1,293,769
Sewer Services	-	-	-	2,952,602	2,952,602
Subsequent year's budget	-	250,000	-	-	250,000
Purchases on order	-	75,802	-	58,556	134,358
Total Fund Balance	<u>32,999</u>	<u>3,832,685</u>	<u>13,372,824</u>	<u>3,143,075</u>	<u>20,381,583</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 48,453</u>	<u>\$ 4,170,184</u>	<u>\$ 13,372,824</u>	<u>\$ 3,560,265</u>	<u>\$ 21,151,726</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
Year Ended December 31, 2021

	Special Revenue Funds				Total
	Fire Protection District	Street Lighting District	Ambulance Districts	Sewer Districts	
REVENUES					
Real property taxes	\$ 1,699,440	\$ 3,559,555	\$ 689,992	\$ 5,365,801	\$ 11,314,788
Other real property tax items	28	12,653	2,293	89	15,063
Non-property tax items	-	-	-	144,701	144,701
Departmental income	-	-	-	1,767,917	1,767,917
Use of money and property	1,025	9,076	1,464,035	13,469	1,487,605
Sales of property and Sale of Property and Compensation for loss	-	-	2,837,221	18,776	2,855,997
Miscellaneous local sources	-	22,410	43,099	50,564	116,073
State Aid	21,183	-	-	4,742	25,925
Federal aid	-	-	-	28,450	28,450
Total Revenues	<u>1,721,676</u>	<u>3,603,694</u>	<u>5,036,640</u>	<u>7,394,509</u>	<u>17,756,519</u>
EXPENDITURES					
Current:					
General government support	108,945	437,972	243,045	1,226,719	2,016,681
Public safety	1,609,586	-	-	-	1,609,586
Health	-	-	3,302,312	-	3,302,312
Transportation	-	2,420,086	-	-	2,420,086
Home and community services	-	-	-	3,710,937	3,710,937
Employee benefits	-	587,337	-	1,095,611	1,682,948
Total Expenditures	<u>1,718,531</u>	<u>3,445,395</u>	<u>3,545,357</u>	<u>6,033,267</u>	<u>14,742,550</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,145</u>	<u>158,299</u>	<u>1,491,283</u>	<u>1,361,242</u>	<u>3,013,969</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	(330,000)	(330,000)
Transfers out (Debt Service)	-	(10,546)	-	(707,484)	(718,030)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,546)</u>	<u>-</u>	<u>(1,037,484)</u>	<u>(1,048,030)</u>
Net Change in Fund Balance	3,145	147,753	1,491,283	323,758	1,965,939
Fund Balances at Beginning of Year	<u>29,854</u>	<u>3,684,932</u>	<u>11,881,541</u>	<u>2,819,317</u>	<u>18,415,644</u>
Fund Balances at End of Year	<u>\$ 32,999</u>	<u>\$ 3,832,685</u>	<u>\$ 13,372,824</u>	<u>\$ 3,143,075</u>	<u>\$ 20,381,583</u>

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**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
SPECIAL REVENUE FUND
For the Year ended December 31, 2021

	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>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
Total Other Real Property Tax Items	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
Total Revenues	<u>186,505</u>	<u>186,505</u>	<u>186,500</u>	<u>(5)</u>
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Contractual expenditures	<u>186,505</u>	<u>186,505</u>	<u>186,500</u>	<u>5</u>
Total Home and Community Services	<u>186,505</u>	<u>186,505</u>	<u>186,500</u>	<u>5</u>
Total Expenditures	<u>186,505</u>	<u>186,505</u>	<u>186,500</u>	<u>5</u>
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund Balance at Beginning of Year (as restated)			<u>-</u>	
Fund Balance at End of Year			<u><u>\$ -</u></u>	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PROTECTION DISTRICT FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,699,440	\$ 1,699,440	\$ 1,699,440	\$ -
Total Real Property Taxes	<u>1,699,440</u>	<u>1,699,440</u>	<u>1,699,440</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	28	28
Total Other Real Property Tax Items	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	1,000	1,000	1,025	25
Total Use of Money and Property	<u>1,000</u>	<u>1,000</u>	<u>1,025</u>	<u>25</u>
STATE AID				
State Aid - State emergency management Assistance	25,000	25,000	21,183	(3,817)
Total State Aid	<u>25,000</u>	<u>25,000</u>	<u>21,183</u>	<u>(3,817)</u>
Total Revenues	<u>1,725,440</u>	<u>1,725,440</u>	<u>1,721,676</u>	<u>(3,764)</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	108,945	108,945	108,945	-
Total General Government Support	<u>108,945</u>	<u>108,945</u>	<u>108,945</u>	<u>-</u>
PUBLIC SAFETY				
Fire protection	1,616,495	1,616,495	1,609,586	6,909
Total Public Safety	<u>1,616,495</u>	<u>1,616,495</u>	<u>1,609,586</u>	<u>6,909</u>
Total Expenditures	<u>1,725,440</u>	<u>1,725,440</u>	<u>1,718,531</u>	<u>6,909</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,145	<u>\$ 3,145</u>
Fund Balance at Beginning of Year			<u>29,854</u>	
Fund Balance at End of Year			<u>\$ 32,999</u>	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,559,555	\$ 3,559,555	\$ 3,559,555	\$ -
Total Real Property Taxes	<u>3,559,555</u>	<u>3,559,555</u>	<u>3,559,555</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	13,000	13,000	12,594	(406)
Interest and penalties on taxes	-	-	59	59
Total Other Real Property Tax Items	<u>13,000</u>	<u>13,000</u>	<u>12,653</u>	<u>(347)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	20,000	20,000	9,076	(10,924)
Total Use of Money and Property	<u>20,000</u>	<u>20,000</u>	<u>9,076</u>	<u>(10,924)</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	21,000	21,000	22,410	1,410
Total Miscellaneous Local Sources	<u>21,000</u>	<u>21,000</u>	<u>22,410</u>	<u>1,410</u>
Total Revenues	<u>\$ 3,613,555</u>	<u>\$ 3,613,555</u>	<u>\$ 3,603,694</u>	<u>\$ (9,861)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 20,000	\$ 20,000	\$ 18,684	\$ -	\$ 1,316
Other government support	422,417	428,117	419,288	681	8,148
Total General Government Support	<u>442,417</u>	<u>448,117</u>	<u>437,972</u>	<u>681</u>	<u>9,464</u>
TRANSPORTATION					
Lighting	2,772,287	3,073,659	2,420,086	75,121	578,452
Total Transportation	<u>2,772,287</u>	<u>3,073,659</u>	<u>2,420,086</u>	<u>75,121</u>	<u>578,452</u>
EMPLOYEE BENEFITS					
State employee retirement system	148,301	148,301	141,935	-	6,366
Social security	7,250	7,250	1,534	-	5,716
Workers Compensation	40,000	135,041	135,040	-	1
Life insurance	300	300	49	-	251
Unemployment insurance	10,000	10,000	-	-	10,000
Disability insurance	1,000	1,000	83	-	917
Hospital, medical and dental	357,000	360,425	282,268	-	78,157
Union welfare benefits	11,000	9,300	6,380	-	2,920
Other employee benefits	62,000	62,000	20,048	-	41,952
Total Employee Benefits	<u>636,851</u>	<u>733,617</u>	<u>587,337</u>	<u>-</u>	<u>146,280</u>
Total Expenditures	<u>3,851,555</u>	<u>4,255,393</u>	<u>3,445,395</u>	<u>75,802</u>	<u>734,196</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(238,000)</u>	<u>(641,838)</u>	<u>158,299</u>	<u>(75,802)</u>	<u>724,335</u>
Other Financing Uses					
Transfers out (Debt Service)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(10,546)</u>	<u>-</u>	<u>1,454</u>
Total Other Financing (Uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(10,546)</u>	<u>-</u>	<u>1,454</u>
Net Change in Fund Balance	<u>\$ (250,000)</u>	<u>\$ (653,838)</u>	<u>147,753</u>	<u>\$ (75,802)</u>	<u>\$ 725,789</u>
Fund Balance at Beginning of Year			<u>3,684,932</u>		
Fund Balance at End of Year			<u>\$ 3,832,685</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE DISTRICTS FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 689,992	\$ 689,992	\$ 689,992	\$ -
Total Real Property Taxes	<u>689,992</u>	<u>689,992</u>	<u>689,992</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	2,200	2,200	2,281	81
Interest and penalties on taxes	20	20	12	(8)
Total Other Real Property Tax Items	<u>2,220</u>	<u>2,220</u>	<u>2,293</u>	<u>73</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	9,650	9,650	1,464,035	1,454,385
Total Use of Money and Property	<u>9,650</u>	<u>9,650</u>	<u>1,464,035</u>	<u>1,454,385</u>
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Insurance Recoveries	2,775,000	2,775,000	2,837,221	62,221
Total Sale of Property/Compensation for Loss	<u>2,775,000</u>	<u>2,775,000</u>	<u>2,837,221</u>	<u>62,221</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	65,000	65,000	43,099	(21,901)
Total Miscellaneous Local Sources	<u>65,000</u>	<u>65,000</u>	<u>43,099</u>	<u>(21,901)</u>
Total Revenues	<u>3,541,862</u>	<u>3,541,862</u>	<u>5,036,640</u>	<u>1,494,778</u>
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	236,645	243,045	243,045	-
Total General Government Support	<u>236,645</u>	<u>243,045</u>	<u>243,045</u>	<u>-</u>
HEALTH				
Ambulance	3,305,217	3,333,334	3,302,312	31,022
Total Health	<u>3,305,217</u>	<u>3,333,334</u>	<u>3,302,312</u>	<u>31,022</u>
Total Expenditures	<u>3,541,862</u>	<u>3,576,379</u>	<u>3,545,357</u>	<u>31,022</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>-</u>	<u>(34,517)</u>	<u>1,491,283</u>	<u>1,525,800</u>
Net Change in Fund Balance				
	<u>\$ -</u>	<u>\$ (34,517)</u>	<u>1,491,283</u>	<u>\$ 1,525,800</u>
Fund Balance at Beginning of Year				
			<u>11,881,541</u>	
Fund Balance at End of Year			<u>\$ 13,372,824</u>	

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 5,365,801	\$ 5,365,801	\$ 5,365,801	\$ -
Total Real Property Taxes	<u>5,365,801</u>	<u>5,365,801</u>	<u>5,365,801</u>	<u>-</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes				-
Interest and penalties on taxes	500	500	89	(411)
Total Other Real Property Tax Items	<u>500</u>	<u>500</u>	<u>89</u>	<u>(411)</u>
NON-PROPERTY TAX ITEMS				
Local government assistance	144,701	144,701	144,701	-
Total Non-Property Tax Items	<u>144,701</u>	<u>144,701</u>	<u>144,701</u>	<u>-</u>
DEPARTMENTAL INCOME				
Sewer charges	1,800,000	1,800,000	1,767,917	(32,083)
Total Departmental Income	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,767,917</u>	<u>(32,083)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings	29,500	29,500	13,469	(16,031)
Total Use of Money and Property	<u>29,500</u>	<u>29,500</u>	<u>13,469</u>	<u>(16,031)</u>
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Sale of Equipment	-	8,500	14,510	6,010
Insurance Recoveries	-	-	4,266	4,266
Total Sale of Property/Compensation for Loss	<u>-</u>	<u>8,500</u>	<u>18,776</u>	<u>10,276</u>
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	50,500	50,500	50,564	64
Total Miscellaneous Local Sources	<u>50,500</u>	<u>50,500</u>	<u>50,564</u>	<u>64</u>
STATE AID				
State Aid - State Emergency Management Office	-	-	4,742	4,742
Total State Aid	<u>-</u>	<u>-</u>	<u>4,742</u>	<u>4,742</u>
FEDERAL AID				
Federal Aid - Federal Emergency Management Assistance	-	-	28,450	28,450
Total Federal Aid	<u>-</u>	<u>-</u>	<u>28,450</u>	<u>28,450</u>
Total Revenues	<u>\$ 7,391,002</u>	<u>\$ 7,399,502</u>	<u>\$ 7,394,509</u>	<u>\$ (4,993)</u>

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2021

	Budgetary Amounts		Actual	Encumbrances	Variance with Final Budget
	Original	Final			
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 37,600	\$ 37,899	\$ 35,247	\$ -	\$ 2,652
Other government support	1,199,877	1,199,877	1,191,472	592	7,813
Total General Government Support	<u>1,237,477</u>	<u>1,237,776</u>	<u>1,226,719</u>	<u>592</u>	<u>10,465</u>
HOME AND COMMUNITY SERVICES					
Sewer	3,899,557	4,090,870	3,710,937	57,964	321,969
Total Home and Community Services	<u>3,899,557</u>	<u>4,090,870</u>	<u>3,710,937</u>	<u>57,964</u>	<u>321,969</u>
EMPLOYEE BENEFITS					
State employee retirement system	344,000	345,643	313,808	-	31,835
Social security	11,418	11,418	-	-	11,418
Workers Compensation	105,000	56,596	29,384	-	27,212
Life insurance	1,000	1,000	-	-	1,000
Unemployment insurance	15,800	15,501	-	-	15,501
Disability benefits	750	750	-	-	750
Hospital, medical and dental	969,000	860,871	729,429	-	131,442
Other employee benefits	92,000	91,010	22,990	-	68,020
Total Employee Benefits	<u>1,538,968</u>	<u>1,382,789</u>	<u>1,095,611</u>	<u>-</u>	<u>287,178</u>
Total Expenditures	<u>6,676,002</u>	<u>6,711,435</u>	<u>6,033,267</u>	<u>58,556</u>	<u>619,612</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>715,000</u>	<u>688,067</u>	<u>1,361,242</u>	<u>(58,556)</u>	<u>614,619</u>
Other Financing Sources (Uses)					
Transfers out	-	(330,000)	(330,000)	-	-
Transfers out (Debt Service)	(715,000)	(715,000)	(707,484)	-	7,516
Total Other Financing Sources (Uses)	<u>(715,000)</u>	<u>(1,045,000)</u>	<u>(1,037,484)</u>	<u>-</u>	<u>7,516</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (356,933)</u>	323,758	<u>\$ (58,556)</u>	<u>\$ 622,135</u>
Fund Balance at Beginning of Year			<u>2,819,317</u>		
Fund Balance at End of Year			<u>\$ 3,143,075</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year ended December 31, 2021

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Issuance cost	\$ -	\$ -	\$ 69,909	\$ (69,909)
Total General Government Support	-	-	69,909	(69,909)
DEBT SERVICE				
Principal	-	10,235,758	10,235,758	-
Interest	-	2,919,190	2,919,190	-
Total Debt Service	-	13,154,948	13,154,948	-
Total Expenditures	-	13,154,948	13,224,857	(69,909)
Deficiency of Revenues				
Over Expenditures	-	(13,154,948)	(13,224,857)	(69,909)
Other Financing Sources				
Transfers In	-	13,154,948	13,154,948	-
Premiums on obligations	-	-	489,909	489,909
Issuance of refunding bonds	-	-	2,960,000	2,960,000
Payments to refunded bond escrow agent	-	-	(3,380,000)	(3,380,000)
Total Other Financing Sources	-	13,154,948	13,224,857	69,909
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

**DISCRETELY PRESENTED
COMPONENT UNITS**

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

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2021

	South Huntington Water District	Greenlawn Water District	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 17,216,434	\$ 5,881,792	\$ 23,098,226
Cash Restricted	-	3,877,005	3,877,005
Accounts receivable, net	1,629,454	858,748	2,488,202
Due from federal, state and other governments	48,023	-	48,023
Inventory of materials and supplies	142,383	74,868	217,251
Prepays	171,655	142,548	314,203
Total Current Assets	<u>19,207,949</u>	<u>10,834,961</u>	<u>30,042,910</u>
Non-Current Assets			
Non-depreciable capital assets	8,543,836	1,366,752	9,910,588
Depreciable capital assets, net of depreciation	38,550,021	17,232,707	55,782,728
Total Non-Current Assets	<u>47,093,857</u>	<u>18,599,459</u>	<u>65,693,316</u>
Total Assets	<u>66,301,806</u>	<u>29,434,420</u>	<u>95,736,226</u>
Deferred Outflow of Resources			
Pensions	1,042,989	1,157,492	2,200,481
Other postemployment benefits	2,230,295	2,361,229	4,591,524
Total Deferred Outflow of Resources	<u>3,273,284</u>	<u>3,518,721</u>	<u>6,792,005</u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable and other current liabilities	818,000	391,705	1,209,705
Accrued liabilities	-	263,235	263,235
Accrued interest payable	-	64,157	64,157
Deposits	366,268	-	366,268
Non-current liabilities due within one year	2,420,670	579,432	3,000,102
Total Current Liabilities	<u>3,604,938</u>	<u>1,298,529</u>	<u>4,903,467</u>
Non-Current Liabilities			
Due in more than one year	28,622,276	16,845,655	45,467,931
Total Non-Current Liabilities	<u>28,622,276</u>	<u>16,845,655</u>	<u>45,467,931</u>
Total Liabilities	<u>32,227,214</u>	<u>18,144,184</u>	<u>50,371,398</u>
Deferred Inflow of Resources			
Pensions	1,129,962	1,442,434	2,572,396
Other postemployment benefits	622,205	838,725	1,460,930
Total Deferred inflow of Resources	<u>1,752,167</u>	<u>2,281,159</u>	<u>4,033,326</u>
NET POSITION			
Net investment in capital assets	35,562,350	13,693,501	49,255,851
Restricted for:			
Capital Projects	3,300,169	1,431,677	4,731,846
Retirement	-	102,906	102,906
Unrestricted (Deficit)	(3,266,810)	(2,700,286)	(5,967,096)
Total Net Position	<u>\$ 35,595,709</u>	<u>\$ 12,527,798</u>	<u>\$ 48,123,507</u>

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year ended December 31, 2021

	South Huntington Water District	Greenlawn Water District	Totals
REVENUES			
Charges for services	\$ 4,643,698	\$ 2,864,046	\$ 7,507,744
Capital grants and contributions	1,448,752	-	1,448,752
Real property taxes	4,302,146	2,564,804	6,866,950
Interest and investment income	653,701	655,798	1,309,499
Miscellaneous	2,385,142	170,439	2,555,581
	<u>13,433,439</u>	<u>6,255,087</u>	<u>19,688,526</u>
Total Revenues			
EXPENSES			
Current:			
Home and community services	9,738,669	6,787,558	16,526,227
	<u>9,738,669</u>	<u>6,787,558</u>	<u>16,526,227</u>
Total Expenditures			
Changes in Net Position	3,694,770	(532,471)	3,162,299
Net Position at Beginning of Year	31,900,939	13,060,269	44,961,208
Net Position at End of Year	<u>\$ 35,595,709</u>	<u>\$ 12,527,798</u>	<u>\$ 48,123,507</u>

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STATISTICAL SECTION

The comprehensive statistical data for the Town includes, in some cases, statistical information for the villages, school districts, and special districts which are not part of the Town reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the Town and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and may present data from outside of the Town's accounting records. This part of the Town of Huntington's Annual Comprehensive 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.	150-157
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	158-163
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current level s of outstanding debt and the government's ability to issue additional debt in the future.	164-167
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.	168-169
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.	170-175

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

<u>December 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Primary government				
Governmental activities				
Net investment in capital assets	\$ 269,526,835	\$ 267,102,385	\$ 260,143,628	\$ 262,758,314
Restricted	37,080,007	35,072,410	31,856,863	30,455,610
Unrestricted	<u>(275,797,667)</u>	<u>(280,434,183)</u>	<u>(256,757,420)</u>	<u>(257,003,824)</u>
Total primary governmental net position	<u>\$ 30,809,175</u>	<u>\$ 21,740,612</u>	<u>\$ 35,243,071</u> ²	<u>\$ 36,210,100</u>

1. Excludes restatement of net pension liability of \$2.3 million.
2. Excludes restatement of GASB Statement No. 84 "Fiduciary activities" of \$4.1 million.

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 258,943,999	\$ 260,114,664	\$ 259,128,388	\$ 254,011,721	\$ 259,663,495	\$ 245,737,404
24,837,509	16,587,022	18,576,649	20,407,556	22,649,980	15,237,323
<u>(97,250,612)</u>	<u>(80,941,563)</u>	<u>(71,915,560)</u>	<u>(64,637,706)</u>	<u>(51,961,730)</u>	<u>(26,378,032)</u>
<u>\$ 186,530,896</u>	<u>\$ 195,760,123</u>	<u>\$ 205,789,477</u>	<u>\$ 209,781,571</u> ¹	<u>\$ 230,351,745</u>	<u>\$ 234,596,695</u>

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

<u>December 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses				
Governmental activities:				
General government support	\$48,804,347	\$54,735,314	\$46,923,442	\$45,651,907
Public safety	17,352,094	18,223,276	16,655,321	14,921,644
Health	5,204,245	4,823,929	5,576,953	4,539,907
Transportation	45,606,999	53,260,082	47,651,589	41,765,421
Economic assistance and opportunity	3,833,381	4,304,635	3,761,996	3,565,391
Culture and recreation	19,580,932	20,980,927	21,419,526	18,082,148
Home and community service	61,751,807	61,223,017	55,793,549	53,525,765
Interest on long-term debt	2,433,833	2,189,098	2,219,040	2,277,418
Total governmental activities expenses	<u>204,567,638</u>	<u>219,740,278</u>	<u>200,001,416</u>	<u>184,329,601</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$6,163,171	\$4,443,461	\$6,246,015	\$6,180,100
Public safety	2,656,806	1,699,027	3,325,365	2,782,341
Health	273,820	238,890	250,950	237,070
Transportation	1,567,690	760,039	1,131,934	1,202,052
Economic assistance and opportunity	177,505	190,049	338,701	376,781
Culture and recreation	6,707,870	5,716,970	7,379,161	7,103,584
Home and community service	21,711,302	21,157,852	20,356,977	19,787,598
Operating grants and contributions	12,137,779	12,503,749	6,122,253	6,107,210
Capital grants and contributions	233,120	921,642	860,635	222,510
Total governmental activities program revenues	<u>51,629,063</u>	<u>47,631,679</u>	<u>46,011,991</u>	<u>43,999,246</u>
Total primary government program revenues	<u>\$ 51,629,063</u>	<u>\$ 47,631,679</u>	<u>\$ 46,011,991</u>	<u>\$ 43,999,246</u>
Net (Cost)/Revenue				
Governmental activities	<u>\$ (152,938,575)</u>	<u>\$ (172,108,599)</u>	<u>\$ (153,989,425)</u>	<u>\$ (140,330,355)</u>
Total primary government net expense	<u>\$ (152,938,575)</u>	<u>\$ (172,108,599)</u>	<u>\$ (153,989,425)</u>	<u>\$ (140,330,355)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Real property taxes	\$128,055,357	\$125,620,454	\$122,867,438	\$119,860,004
Mortgage tax	15,682,809	11,588,646	8,627,163	8,758,732
Other taxes	5,466,633	5,346,999	6,173,676	5,501,430
Unrestricted grants and contributions	-	-	-	-
Interest earnings	2,856,707	3,585,262	3,928,752	2,872,950
State aid-unrestricted	1,067,256	1,067,256	1,067,256	1,067,256
Special Item	-	-	-	-
Miscellaneous	8,878,376	7,263,285	10,070,251	10,055,290
Total governmental activities	<u>162,007,138</u>	<u>154,471,902</u>	<u>152,734,536</u>	<u>148,115,662</u>
Total primary government	<u>\$ 162,007,138</u>	<u>\$ 154,471,902</u>	<u>\$ 152,734,536</u>	<u>\$ 148,115,662</u>
Change in Net Position				
Governmental Activities	<u>\$ 9,068,563</u>	<u>\$ (17,636,697)</u>	<u>\$ (1,254,889)</u>	<u>\$ 7,785,307</u>

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$46,687,794	\$44,950,816	\$40,273,049	\$41,719,964	\$ 38,235,587	\$ 41,391,051
15,770,788	15,420,172	13,902,197	14,465,259	13,568,077	13,800,053
3,234,732	2,958,022	3,366,426	3,526,646	3,440,004	3,302,681
47,394,507	45,629,853	47,669,222	52,657,107	50,671,798	59,810,512
3,791,487	3,565,307	3,188,292	3,395,864	3,288,214	3,394,231
20,324,215	19,208,972	18,496,883	21,483,238	23,333,531	20,374,655
53,692,809	54,307,903	50,030,197	50,666,829	52,238,856	40,672,616
1,956,904	2,700,334	2,833,326	2,983,178	2,683,833	3,193,082
<u>192,853,236</u>	<u>188,741,379</u>	<u>179,759,592</u>	<u>190,898,085</u>	<u>187,459,900</u>	<u>185,938,881</u>
\$6,400,496	\$5,948,409	\$ 5,692,858	\$ 4,926,059	\$ 4,815,610	\$ 4,428,836
2,719,690	2,563,607	2,324,327	2,012,936	1,803,881	1,317,625
229,310	232,950	227,660	219,720	219,180	208,700
893,228	1,337,183	1,098,912	738,867	601,018	462,488
376,293	383,472	312,380	335,082	304,172	309,956
7,381,399	7,472,694	7,167,157	8,064,953	8,124,066	8,205,323
19,440,455	19,081,789	19,292,953	17,963,084	18,085,563	14,700,673
5,732,689	5,298,821	6,682,848	5,923,624	16,123,065	21,469,143
704,291	457,168	2,994,958	1,680,112	3,102,784	1,407,987
<u>43,877,851</u>	<u>42,776,093</u>	<u>45,794,053</u>	<u>41,864,437</u>	<u>53,179,339</u>	<u>52,510,731</u>
<u>\$ 43,877,851</u>	<u>\$ 42,776,093</u>	<u>\$ 45,794,053</u>	<u>\$ 41,864,437</u>	<u>\$ 53,179,339</u>	<u>\$ 52,510,731</u>
<u>\$ (148,975,385)</u>	<u>\$ (145,965,286)</u>	<u>\$ (133,965,539)</u>	<u>\$ (149,033,648)</u>	<u>\$ (134,280,561)</u>	<u>\$ (133,428,150)</u>
<u>\$ (148,975,385)</u>	<u>\$ (145,965,286)</u>	<u>\$ (133,965,539)</u>	<u>\$ (149,033,648)</u>	<u>\$ (134,280,561)</u>	<u>\$ (133,428,150)</u>
\$117,761,111	\$114,486,165	\$112,993,330	\$ 109,929,165	\$ 109,889,320	\$ 113,181,079
9,269,448	8,695,368	7,896,508	6,423,492	7,988,336	6,742,019
5,602,118	5,298,960	5,032,462	4,822,112	4,513,225	390,204
-	-	(72,710)	-	-	-
2,767,823	1,738,647	1,557,627	1,351,384	1,390,584	2,014,266
1,067,256	1,067,256	1,067,256	1,067,256	1,067,256	1,067,256
-	-	-	(19,781)	-	3,948,106
6,904,063	4,649,536	3,814,070	3,628,523	6,163,186	-
<u>143,371,819</u>	<u>135,935,932</u>	<u>132,288,543</u>	<u>127,202,151</u>	<u>131,011,907</u>	<u>127,342,930</u>
<u>\$ 143,371,819</u>	<u>\$ 135,935,932</u>	<u>\$ 132,288,543</u>	<u>\$ 127,202,151</u>	<u>\$ 131,011,907</u>	<u>\$ 127,342,930</u>
<u>\$ (5,603,566)</u>	<u>\$ (10,029,354)</u>	<u>\$ (1,676,996)</u>	<u>\$ (21,831,497)</u>	<u>\$ (3,268,654)</u>	<u>\$ (6,085,220)</u>

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

<u>Year Ended December 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Nonspendable	\$ 1,747,489	\$ 1,479,230	\$ 1,470,676	\$ 1,456,969
Restricted	17,096,378	14,393,713	16,514,841	17,402,400
Assigned	1,856,640	970,837	719,777	710,955
Unassigned	28,923,651	26,817,590	19,180,744	13,930,579
Total General Fund	<u>\$ 49,624,158</u>	<u>\$ 43,661,370</u>	<u>\$ 37,886,038</u>	<u>\$ 33,500,903</u>
All other governmental funds				
Nonspendable	\$ 1,207,340	\$ 1,039,011	\$ 1,035,075	\$ 1,010,361
Restricted	53,734,710	43,161,131	32,418,139	31,979,589
Assigned	40,771,859	33,349,782	28,911,466	22,978,416
Unassigned, reported in:				
Community Development	<u>(1,833,727)</u>	<u>(1,804,277)</u>	<u>(1,922,963)</u>	<u>(1,119,634)</u>
Total all other governmental funds	<u>\$ 93,880,182</u>	<u>\$ 75,745,647 *</u>	<u>\$ 60,441,717</u>	<u>\$ 54,848,732</u>

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

* 2020 restated

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 1,393,075	\$ 1,298,983	\$ 1,145,091	\$ 1,065,926	\$ 1,037,161	\$ 1,038,259
14,891,362	14,146,148	15,941,518	16,722,415	18,464,541	23,756,924
507,041	1,108,339	1,107,420	1,389,557	1,696,483	2,640,211
13,398,796	8,773,094	5,572,413	4,756,176	7,148,985	11,435,795
<u>\$ 30,190,274</u>	<u>\$ 25,326,564</u>	<u>\$ 23,766,442</u>	<u>\$ 23,934,074</u>	<u>\$ 28,347,170</u>	<u>\$ 38,871,189</u>
\$ 1,006,813	\$ 944,370	\$ 836,989	\$ 826,253	\$ 805,303	\$ 464,581
9,946,147	2,440,874	2,635,131	3,685,141	4,990,742	12,617,074
36,498,027	31,535,017	26,857,735	30,411,502	35,977,907	16,913,749
(1,009,628)	(1,083,201)	(922,289)	(947,800)	-	-
<u>\$ 46,441,359</u>	<u>\$ 33,837,060</u>	<u>\$ 29,407,566</u>	<u>\$ 33,975,096</u>	<u>\$ 41,773,952</u>	<u>\$ 29,995,404</u>

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

Year Ended December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues				
Real property taxes	\$ 128,055,357	\$ 125,620,454	\$ 122,867,438	\$ 119,860,004
Other real property tax items	663,910	601,246	576,186	504,314
Non-property taxes	4,802,723	4,745,753	5,597,490	4,997,116
Departmental income	44,163,493	40,210,929	43,742,517	42,030,128
Intergovernmental charges	166,292	236,097	186,417	280,631
Use of money and property	2,856,707	3,585,262	3,928,752	2,872,950
License and permits	2,390,475	1,670,115	2,335,043	2,131,874
Fines and forfeitures	1,233,310	656,502	1,609,378	1,163,599
Sale of property & compensation for loss	4,719,171	3,018,145	5,009,334	3,487,765
Miscellaneous and local sources	4,212,472	4,265,140	6,039,620	6,565,578
Interfund revenues	4,855,761	4,686,461	4,558,953	4,482,286
State aid	26,424,634	16,263,695	14,945,330	14,724,998
Federal aid	2,541,359	8,431,818	1,924,692	1,516,609
Total Revenues	<u>227,085,664</u>	<u>213,991,617</u>	<u>213,321,150</u>	<u>204,617,852</u>
Expenditures				
Current:				
General government support	36,282,592	34,263,448	34,129,897	33,063,132
Public safety	9,846,351	9,548,696	9,670,658	9,307,105
Health	4,185,228	4,069,695	4,109,240	3,885,707
Transportation	30,689,218	31,349,562	29,057,915	26,565,863
Economic assistance and opportunity	2,276,574	2,310,915	2,306,492	2,297,365
Culture and recreation	12,722,388	12,196,141	13,146,479	12,392,839
Home and community service	58,108,351	56,543,506	54,773,865	52,688,818
Employee benefits	39,674,990	38,133,336	37,420,262	38,595,778
Capital outlay	13,346,269	12,848,379	14,711,690	11,552,152
Debt Service:				
Principal	10,421,142	10,105,914	10,099,472	10,047,853
Interest	2,962,726	2,685,213	2,654,110	2,618,852
Total Expenditures	<u>220,515,829</u>	<u>214,054,805</u>	<u>212,080,080</u>	<u>203,015,464</u>
Excess of revenues over (under) expenditures	<u>6,569,835</u>	<u>(63,188)</u>	<u>1,241,070</u>	<u>1,602,388</u>
Other financing sources (uses)				
Amortization of retirement system contribution	-	-	-	-
Bonds issued	15,791,632	16,969,974	8,381,618	10,000,000
Capital leases	329,302	-	-	-
Transfers in	18,746,647	17,772,588	17,426,438	14,705,836
Transfers out	(18,746,647)	(17,772,588)	(17,426,438)	(14,705,836)
Issuance of refunding bonds	2,960,000	2,563,623	4,500,471	4,086,165
Premiums on obligations	1,826,554	412,774	636,511	422,170
Payments to refund bond escrow agent	(3,380,000)	(2,938,158)	(5,069,410)	(4,392,721)
Total other financing sources (uses)	<u>17,527,488</u>	<u>17,008,213</u>	<u>8,449,190</u>	<u>10,115,614</u>
Net change in fund balances	<u>\$ 24,097,323</u>	<u>\$ 16,945,025</u>	<u>\$ 9,690,260</u>	<u>\$ 11,718,002</u>
Debt service as a percentage of noncapital expenditures	6.55%	6.46%	6.53%	6.62%

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

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

	2017	2016	2015	2014	2013	2012
\$	117,761,111	\$ 114,486,165	\$ 112,993,330	\$ 109,929,165	\$ 109,889,320	\$ 109,054,601
	569,652	438,480	479,802	451,627	412,497	360,204
	5,032,466	4,860,480	4,552,660	4,370,485	4,100,728	3,962,886
	41,306,556	41,421,297	40,601,800	38,859,896	38,686,154	34,801,298
	237,318	154,677	168,872	205,545	143,594	232,158
	2,767,823	1,738,647	1,557,627	1,351,384	1,390,584	2,014,267
	2,030,194	2,155,291	2,132,672	1,910,407	1,918,531	1,594,776
	1,204,294	1,160,476	1,136,862	1,101,734	1,135,462	760,548
	3,412,729	1,418,185	1,006,267	1,065,514	1,364,545	840,836
	3,500,143	3,250,372	2,807,805	2,563,009	4,774,920	2,291,436
	4,763,246	4,469,548	4,150,647	4,138,963	4,051,494	4,279,359
	14,604,907	13,728,025	13,472,502	11,452,087	12,423,562	13,441,235
	1,933,929	1,808,501	4,649,441	3,674,689	14,933,074	17,246,580
	199,124,368	191,090,144	189,710,287	181,074,505	195,224,465	190,880,184
	34,391,892	31,215,315	30,883,557	30,649,115	29,590,411	30,090,454
	9,276,598	8,881,996	8,802,980	8,614,910	8,080,611	8,034,402
	3,142,219	2,860,544	3,246,213	3,363,719	3,281,771	3,136,480
	27,458,278	26,333,036	30,872,783	29,286,713	32,264,244	38,949,298
	2,265,452	2,206,822	2,132,736	2,101,653	2,071,285	2,112,812
	12,790,979	12,436,746	12,795,662	14,057,894	14,048,065	13,850,124
	50,155,058	50,998,414	50,679,893	50,325,062	49,571,193	41,707,028
	36,519,512	35,274,274	36,572,602	33,842,793	36,012,603	34,421,468
	12,416,379	14,030,043	13,983,820	16,534,234	21,583,565	10,814,930
	10,123,109	11,110,913	10,881,634	11,007,429	10,704,821	10,654,320
	2,375,430	2,677,425	3,178,569	3,049,258	3,171,256	3,264,926
	200,914,906	198,025,528	204,030,449	202,832,780	210,379,825	197,036,242
	(1,790,538)	(6,935,384)	(14,320,162)	(21,758,275)	(15,155,360)	(6,156,058)
	-	-	-	-	-	3,905,184
	12,840,000	12,925,000	9,585,000	8,285,000	7,430,000	7,600,000
	-	-	-	-	-	18,987
	14,486,862	17,367,855	18,213,138	17,877,295	26,283,066	14,841,544
	(14,486,862)	(17,367,855)	(18,213,138)	(17,877,295)	(26,283,066)	(14,841,544)
	17,430,000	-	-	-	-	15,481,635
	1,855,536	-	-	-	-	(15,481,635)
	(19,149,308)	-	-	-	-	-
	12,976,228	12,925,000	9,585,000	8,285,000	7,430,000	11,524,171
\$	11,185,690	\$ 5,989,616	\$ (4,735,162)	\$ (13,473,275)	\$ (7,725,360)	\$ 5,368,113
	6.64%	7.47%	7.52%	7.30%	7.35%	7.47%

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
2021	\$ 252,172,802	\$ 39,328,251	\$ 2,478,324	\$ 67,867,991	\$ 41,249,596
2020	251,753,409	40,285,279	2,221,243	70,284,988	41,715,743
2019	249,953,490	40,448,723	2,199,760	72,182,906	42,158,361
2018	251,229,345	40,878,678	2,262,725	71,818,431	42,673,696
2017	251,731,395	41,331,708	2,348,216	71,327,163	42,712,594
2016	253,364,853	41,435,946	2,345,781	71,452,714	43,391,168
2015	253,773,579	41,962,696	2,373,696	71,265,542	43,618,401
2014	255,652,884	42,396,208	2,340,531	71,359,816	44,543,941
2013	257,584,341	42,433,561	2,517,806	71,492,560	45,303,795
2012	259,638,035	43,874,382	2,211,427	71,437,375	45,495,271

Source: Town of Huntington Assessors Office, Town of Huntington IT Department

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

Total Net Assessed Value	Total Direct Tax Rate (a)	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
\$ 320,597,772	\$ 31.81	0.74%	\$ 43,324,023,243	0.84%
322,829,176	31.12	0.76%	42,477,523,158	0.86%
322,626,518	30.65	0.80%	40,328,314,750	0.90%
323,515,483	29.50	0.84%	38,513,747,976	0.95%
324,025,888	28.82	0.85%	38,120,692,706	0.96%
325,208,126	27.82	0.86%	37,814,898,372	0.97%
325,757,112	27.35	0.89%	36,601,922,697	1.01%
327,205,498	26.34	0.90%	36,356,166,444	1.02%
328,724,473	26.34	0.90%	36,524,941,444	1.02%
331,665,948	25.92	0.88%	37,689,312,273	1.00%

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 ²	Total Town Direct Tax Rate ¹
2021	\$ 43,324,023,243	0.74%	\$ 320,597,772	\$ 128,035,708	\$ 31.81
2020	42,477,523,158	0.76%	322,829,176	125,603,246	31.12
2019	40,328,314,750	0.80%	322,626,518	122,804,053	30.65
2018	38,513,747,976	0.84%	323,515,483	119,772,942	29.50
2017	38,120,692,706	0.85%	324,025,888	117,652,051	28.82
2016	37,814,898,372	0.86%	325,208,126	114,391,393	27.82
2015	36,601,922,697	0.89%	325,757,112	112,860,928	27.35
2014	36,356,166,444	0.90%	327,205,498	109,686,705	26.34
2013	36,524,941,444	0.90%	328,724,473	109,686,705	26.34
2012	37,689,312,273	0.88%	331,665,948	109,413,864	25.92

Source: Town of Huntington Tax Warrant & IT Department

¹ Per \$100 of assessed value

² Does not include unpaid property cleanup.

Overlapping Rates

County Tax Levy For Town	Total County Direct Rate ¹	School Levy	Total School Direct Rate ¹	Total Direct & Overlapping Rates
\$ 147,625,869	\$ 46.05	\$ 793,761,898	\$ 247.59	\$ 325.45
154,877,202	47.97	779,410,089	241.43	320.53
148,758,244	46.11	751,330,496	232.88	309.64
146,967,884	45.43	730,226,559	225.72	300.64
144,608,997	44.63	716,219,155	221.04	294.49
142,720,593	43.89	704,944,597	216.77	288.47
140,542,439	43.14	694,180,118	213.10	283.59
132,626,977	40.53	677,469,063	207.05	273.92
131,965,873	40.14	659,657,285	200.67	267.16
127,337,090	38.39	643,809,830	194.11	258.43

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

2021

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 31,945,631	9.96%
2	The Retail Property Trust	Real Estate	2,000,000	0.62%
3	58/68 S. Service Road SPE LLC	Commercial	801,465	0.25%
4	Avalon Bay Communities	Real Estate	764,975	0.24%
5	Huntington Quadrangle	Real Estate	675,000	0.21%
6	Estee Lauder	Cosmetics	469,700	0.15%
7	Verizon	Utility	466,036	0.15%
8	Avalon Huntington Former S Corp	Real Estate	455,000	0.14%
9	Grandview Hotel Limited	Hotel	425,000	0.13%
10	Iroquois Gas Transmission System	Utility	379,683	0.12%
	Total		<u>\$ 38,382,490</u>	<u>11.97%</u>

2012

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

Source: Town of Huntington Department of Information Technology

(a) Total taxable assessed valuations per the Town's 2020 assessment roll for taxes levied in fiscal 2021 are \$320,597,772

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

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 (d)	Amount Uncollected (c)	Percent Uncollected (d)
2021	\$ 128,035,708	\$ 1,118,241,146	\$ 128,035,708	100.00%	\$ -	0.00%
2020	125,603,246	1,107,647,519	125,603,246	100.00%	-	0.00%
2019	122,804,053	1,069,274,903	122,804,053	100.00%	-	0.00%
2018	119,772,942	1,041,646,475	119,772,942	100.00%	-	0.00%
2017	117,652,051	1,021,958,583	117,652,051	100.00%	-	0.00%
2016	114,391,393	1,004,921,256	114,391,393	100.00%	-	0.00%
2015	112,860,928	989,241,767	112,860,928	100.00%	-	0.00%
2014	109,686,705	960,153,294	109,686,705	100.00%	-	0.00%
2013	109,686,705	941,140,645	109,686,705	100.00%	-	0.00%
2012	109,413,864	918,665,388	109,413,864	100.00%	-	0.00%
	<u>\$ 1,169,907,595</u>	<u>\$ 10,172,890,976</u>	<u>\$ 1,169,907,595</u>		<u>\$ -</u>	

Source: The most recent official statement of the Town of Huntington and Town of Huntington 2020 Adopted Budget

- (a) Gross levy for Town purposes. (Includes all Town controlled funds and does not include unpaid property clean up, unpaid water rents, blight abatement & board up)
- (b) Includes all Town and County taxes. (Does not include unpaid property clean up, unpaid water rents, blight abatement & board up)
- (c) At end of the levy year. (Does not include unpaid property cleanup, unpaid water rents, blight abatement, & board up)
- (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

Governmental Activities						
Year Ended	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹	
2021	\$ 97,102,911	\$ 636,603	\$ 97,739,514	0.78%	479	
2020	90,634,866	492,686	91,127,552	0.78%	454	
2019	82,903,807	279,917	83,183,724	0.75%	413	
2018	85,190,600	421,490	85,612,090	0.80%	420	
2017	85,545,010	-	85,545,010	0.82%	419	
2016	84,253,119	-	84,253,119	0.84%	412	
2015	82,439,032	-	82,439,032	0.82%	404	
2014	84,020,659	2,634	84,023,293	0.84%	412	
2013	86,743,093	63,435	86,806,528	0.88%	427	
2012	90,017,918	214,296	90,232,214	0.93%	444	

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

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

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

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value¹ of Property	Per Capita²
2021	\$ 97,102,911	\$ (130,462)	\$ 96,972,449	0.22%	\$ 475
2020	90,634,866	(223,003)	90,411,863	0.21%	451
2019	82,903,807	(419,995)	82,483,812	0.20%	409
2018	85,190,600	(608,268)	84,582,332	0.22%	415
2017	85,545,010	(484,685)	85,060,325	0.22%	417
2016	84,253,119	(536,854)	83,716,265	0.22%	410
2015	82,439,035	(873,067)	81,565,968	0.22%	400
2014	84,020,659	(1,106,604)	82,914,055	0.23%	406
2013	86,743,093	(772,229)	85,970,864	0.24%	423
2012	90,017,918	(663,624)	89,354,294	0.24%	440

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, 2021

<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	\$ 97,102,911	100.00%	\$ 97,102,911
Component Units	24,465,794	100.00%	24,465,794
Total direct debt			<u>\$ 121,568,705</u>
Overlapping:			
County	\$ 1,432,077,807	15.63%	\$ 223,833,761
Villages	4,394,580	100.00%	4,394,580
School Districts	271,929,380	64.38%	175,072,574
Library Districts	14,406,278	95.79%	13,799,146
Fire Districts	10,513,467	100.00%	10,513,467
Total overlapping debt			<u>427,613,528</u>
Total direct and overlapping debt			<u>\$ 549,182,233</u>

Source: Munistat Services, Inc.

Note: The taxpayers share of overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate unit's total values.

TOWN OF HUNTINGTON
DEBT LIMIT MARGIN INFORMATION
December 31, 2021

	<u>Year Ended December 31,</u>	<u>Net Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
	2021	\$ 320,597,772	0.74%	\$ 43,324,023,243
	2020	322,829,176	0.76%	42,477,523,158
	2019	322,626,518	0.80%	40,328,314,750
	2018	323,515,483	0.84%	38,513,747,976
	2017	324,025,888	0.85%	38,120,692,706
Total Five Year Full Valuation				<u>\$ 202,764,301,833</u>
Five Year Average Full Valuation of Taxable Real Property				<u>40,552,860,367</u>
Constitutional Debt Limit (7% of Average Full Valuation)				<u>2,838,700,226</u>
Outstanding Indebtedness at December 31st				118,994,997
Less: Water Bonds				<u>31,823,967</u>
Net Indebtedness Subject to Debt Limit				<u>87,171,030</u>
Net Debt Contracting Margin				<u>\$ 2,751,529,196</u>
Percentage of Net Debt Contracting Margin Available				96.93%
Percentage of Net Debt Contracting Power Exhausted				3.07%

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Appropriations for Debt Principal	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percentage of Net Debt Contracting Margin Available
2021	\$ 2,838,700,226	\$ 118,994,997	\$ 31,823,967	\$ 87,171,030	\$ 2,751,529,196	96.93%
2020	2,761,572,477	109,555,000	25,180,803	84,374,197	2,677,198,280	96.94%
2019	2,709,029,671	104,985,001	26,988,289	77,996,711	2,631,032,960	97.12%
2018	2,623,703,995	104,450,000	24,142,844	80,307,156	2,543,396,839	96.94%
2017	2,595,860,703	107,300,000	25,688,284	81,611,716	2,514,248,987	96.86%
2016	2,589,821,377	108,460,000	24,206,877	84,253,123	2,505,568,254	96.75%
2015	2,079,847,788	107,770,000	25,330,965	82,439,035	1,997,408,753	96.04%
2014	2,654,740,512	108,044,993	24,024,334	84,020,659	2,570,719,853	96.84%
2013	2,768,164,599	113,114,998	26,371,905	86,743,093	2,681,421,506	96.87%
2012	2,873,113,983	112,540,000	22,522,082	90,017,918	2,783,096,065	96.87%

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
2021	204,127	12,473	61,103	4.1%	69,814	2.85	2,160
2020	200,503	11,751	58,606	7.9%	68,753	2.90	2,133
2019	201,546	11,107	55,107	3.3%	68,354	2.93	2,144
2018	204,011	10,715	52,523	2.9%	68,694	2.93	2,170
2017	203,974	10,470	51,332	3.8%	68,521	2.94	2,170
2016	204,398	10,029	49,067	3.5%	69,000	2.92	2,174
2015	204,088	10,072	49,349	3.5%	69,026	2.96	2,171
2014	204,088	9,989	48,943	4.4%	69,026	2.91	2,171
2013	203,447	9,830	48,315	4.5%	69,311	2.89	2,164
2012	203,138	9,653	47,519	6.2%	69,311	2.89	2,161

Sources:

¹ Bureau of the Census (factfinder.census.gov) American Community Survey estimates

² Bureau of Economic Analysis/State Department of Labor

³ Factfinder.census.gov

⁴ Factfinder.census.gov

TOWN OF HUNTINGTON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2021

Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,785	2.7%
2	Canon	Melville	Imaging Products	2,497	2.5%
3	Half Hollow Hills School District	Dix Hills	Education	1,900	1.9%
4	Northport Veterans Affairs Medical Center	Northport	Healthcare	1,700	1.7%
5	Henry Schein, Inc.	Melville	Medical & Dental Supplies	1,300	1.3%
7	Northport-East Northport School District	Northport	Education	978	1.0%
6	Western Suffolk BOCES	Huntington	Education	941	0.9%
8	South Huntington School District	Huntington	Education	933	0.9%
9	Huntington School District	Huntington	Education	842	0.8%
10	Town of Huntington	Huntington	Government	752	0.7%

2012

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

Source: Audit & Control

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

Full-time Equivalent Employees as of December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Function										
General government support	245	243	250	272	258	251	264	249	248	253
Public safety	78	89	92	89	86	90	99	82	81	78
Health	2	2	3	2	2	3	5	4	4	5
Transportation	193	204	217	233	219	222	228	224	215	218
Economic assistance and opportunity	21	24	29	27	28	26	25	27	27	27
Culture and recreation	83	120	140	141	143	142	151	148	151	149
Home and community services	<u>130</u>	<u>132</u>	<u>134</u>	<u>146</u>	<u>143</u>	<u>148</u>	<u>152</u>	<u>145</u>	<u>146</u>	<u>142</u>
Total	<u><u>752</u></u>	<u><u>815</u></u>	<u><u>865</u></u>	<u><u>910</u></u>	<u><u>879</u></u>	<u><u>882</u></u>	<u><u>924</u></u>	<u><u>879</u></u>	<u><u>872</u></u>	<u><u>872</u></u>

Source: Department of Information Technology

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TOWN OF HUNTINGTON
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2021	2020	2019	2018
Function				
Public Safety				
Building				
Residential building permits issued	2,589	2,011	2,533	2,439
Commercial building permits issued	338	222	471	619
Building inspections	8,330	7,205	11,822	12,609
Fire Prevention				
Fire inspections*	2,442	2,383	2,273	2,219
Transportation				
Public Transportation				
Average daily ridership	283	251	561	567
Streetlighting				
Energy Efficient Streetlights	20,800	20,296	21,740	20,800
Public Safety				
Parking violations	11,991	4,729	18,499	14,664
Accessory apartment permits	1,778	1,926	1,916	1,783
Highways and streets				
Street resurfacing (miles)	42	25	21	38
Number of trees planted	225	270	33	90
Number of trees removed	798	1,001	205	688
Culture and Recreation				
Beach permits issued	9,456	11,342	9,501	10,898
Rounds of golf	86,210	89,965	62,455	58,058
Recreation program registrations	5,086	3,283	8,482	9,521
Home and Community Services				
Sanitation				
Refuse collected (tons/day)	301.8	320.8	281.5	270.0
Recyclables collected (tons/yr)	31,576	36,013	31,736	38,308
Water				
Water main breaks	12	13	14	19
Average daily consumption (thousands of gallons)	5,414	5,205	5,220	5,175
Sewer Usage				
Average daily sewage treatment (millions of gallons)	1.9	1.9	2.1	1.9
Wastewater				
Average daily sewage treatment (thousands of gallons)	50	49	54	60

Source: Various government departments of the Town of Huntington

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
2,767	2,533	2,881	2,615	2,325	1,756
642	604	497	352	330	767
13,035	13,394	9,773	7,967	11,871	11,405
2,143	1,593	1,631	1,086	1139	1,225
663	725	716	698	966	870
20,840	20,840	15,211			
18,010	16,975	12,913	12,913	10,886	9,000
15,615	17,762	14,256	12,876	24,879	14,000
1,781	1,749	1,661	2,205	1,689	1,667
34	30	20	19	30	35
125	90	158	158	160	450
700	789	646	729	858	2,400
11,411	12,754	13,297	11,429	10,708	10,529
62,661	72,136	73,163	67,147	71,120	73,299
10,193	10,441	11,678	9,898	10,892	11,109
268.4	268.4	261.2	266.5	271.3	302.0
36,174	39,521	37,730	36,983	39,360	35,520
10	17	12	15	13	13
5,183	6,011	6,089	5,529	5,940	5,496
1.7	1.6	1.8	1.9	1.9	2.5
61	59	47	48	50	53

TOWN OF HUNTINGTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2021	2020	2019	2018
Function				
General Government				
Municipal Building	1	1	1	1
Maintenance Buildings	5	5	5	5
Vehicles	498	501	510	470
Public safety				
Animal Shelter	1	1	1	1
Vehicles	41	41	41	41
Transportation				
Public Transportation				
Buses	27	26	29	29
Highways and streets				
Streets (miles)	787	784	784	829
Streetlighting				
Traffic signals	287	287	279	279
Culture and recreation				
Parks	44	44	44	44
Beaches	9	9	9	9
Boat launch ramps	5	5	5	5
Golf Courses	2	2	2	2
Ice Rinks	2	2	2	2
Marinas	3	3	3	3
Rifle Ranges	0	0	0	0
Rollerblading Parks	2	2	2	2
Skateboarding Parks	2	2	2	2
Swimming pools	1	1	1	1
Home and Community Services				
Building	1	1	1	1
Sanitation				
Collection trucks	15	17	18	24
Resource Recovery Plants	1	1	1	1
Maximum daily capacity (tons burned per day)	750	750	750	750
Water				
Fire hydrants	1357	1357	1357	1290
Water mains (miles)	170	170	170	170
Maximum daily capacity (millions of gallons)	33	33	33	33
Sewer				
Sewer Treatment Plant	1	1	1	1
Sanitary sewers (miles)	35	35	35	26
Maximum daily treatment capacity (millions of gallons)	3	3	3	3

Source: Various government departments of the Town of Huntington

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
1	1	1	1	1	1
5	5	5	5	5	5
463	444	460	470	470	470
1	1	1	1	1	1
39	38	36	38	37	37
27	26	24	24	24	24
816	816	789	789	789	789
271	266	257	253	239	239
44	43	43	42	40	40
9	9	9	9	9	9
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	1	1
3	3	3	3	3	3
0	0	0	0	0	0
2	2	1	4	3	3
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
26	25	26	26	26	26
1	1	1	1	1	1
750	750	750	750	750	750
1290	1290	1288	1284	1285	1285
170	170	170	170	169	169
33	33	33	33	33	33
1	1	1	1	1	1
26	26	26	26	26	26
3	3	3	3	3	3

APPENDIX C

FORM OF BOND COUNEL OPINIONS

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July __, 2022

The Town Board of the
Town of Huntington, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Huntington (the “Town”), in the County of Suffolk, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$19,600,000 Public Improvement Serial Bonds-2022 Series A (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Town expects to issue its \$5,765,000 Public Improvement Refunding Serial Bonds–2022 Series B (the “Refunding Bonds”) on July 28, 2022. The Refunding Bonds are treated, together with the Bonds, as a single issue for federal tax purposes. We serve as Bond Counsel with respect to the issuance of the Refunding Bonds and, on the closing date of the Refunding Bonds, we expect to render our opinion with respect to the exclusion of interest on the Refunding Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Refunding Bonds to become subject to federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Town will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Town with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July __, 2022

The Town Board of the
Town of Huntington, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Huntington (the “Town”), in the County of Suffolk, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$5,765,000 Public Improvement Refunding Serial Bonds-2022 Series B (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The Town expects to issue its \$19,600,000 Public Improvement Serial Bonds-2022 Series A (the “Series A Bonds”) on July 28, 2022. The Series A Bonds are treated, together with the Bonds, as a single issue for federal tax purposes. We serve as Bond Counsel with respect to the issuance of the Series A Bonds and, on the closing date of the Series A Bonds, we expect to render our opinion with respect to the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Series A Bonds to become subject to federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Town will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Town with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Town of Huntington**, in the County of Suffolk, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of July 14, 2022.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$19,600,000 Public Improvement Serial Bonds-2022 Series A**, dated July 28, 2022, maturing in various principal amounts on June 15 in each of the years 2023 to 2037, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2022, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2022, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are

not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of

the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE TOWN," "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE TOWN," "FINANCES OF THE TOWN," "REAL PROPERTY TAX INFORMATION" AND "LITIGATION" AND APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 28, 2022.

TOWN OF HUNTINGTON

By _____
Supervisor and Chief Fiscal Officer

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Town of Huntington**, in the County of Suffolk, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of July 14, 2022.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$5,765,000 Public Improvement Refunding Serial Bonds-2022 Series B**, dated July 28, 2022, maturing in various principal amounts on September 1 in each of the years 2022 to 2028, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2022, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2022, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided

further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE TOWN," "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE TOWN," "FINANCES OF THE TOWN," "REAL PROPERTY TAX INFORMATION" AND "LITIGATION" AND APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 28, 2022.

TOWN OF HUNTINGTON

By _____
Supervisor and Chief Fiscal Officer