THE TOWN OF HUNTINGTON
ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2013 AND 2012
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT – CASH BASIS

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Town of Huntington
Economic Development Corporation:

We have audited the accompanying financial statements the Town of Huntington Economic Development Corporation (the "Organization," a nonprofit organization), which comprise the statements of financial position - cash basis as of December 31, 2013, and the related statements of activities and changes in net assets - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Town of Huntington Economic Development Corporation as of December 31, 2013, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 2.

Report on Comparative Information

The prior-year comparative information has been derived from the Town of Huntington Economic Development Corporation's December 31, 2012 financial statements and supplemental schedule which were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements and supplemental schedule in their report dated March 15, 2013.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Supplemental Schedule

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 8 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Melville, New York
March 17, 2014

Nawrocki Smith LLP

THE TOWN OF HUNTINGTON
ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION - CASH BASIS
AS OF DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,325	$ 10,841
Total current assets	6,325	10,841
DONATED LAND	300,000	300,000
Total assets	$ 306,325	$ 310,841
LIABILITIES AND NET ASSETS		
LIABILITIES:	$ -	$ -
None		
NET ASSETS:		
Unrestricted	306,325	310,841
Total libilities and net assets	$ 306,325	$ 310,841

The accompanying notes to financial statements
are an integral part of these statements.

THE TOWN OF HUNTINGTON
ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
REVENUES:		
Town of Huntington	$ 23,663	$ 15,426
Housing and Urban Development grant	13,747	31,183
Total revenues	37,410	46,609
EXPENSES:		
Program services	16,247	25,098
Supporting services	25,679	20,614
Total expenses	41,926	45,712
Change in net assets	(4,516)	897
NET ASSETS, BEGINNING OF YEAR	310,841	309,944
NET ASSETS, END OF YEAR	$ 306,325	$ 310,841

The accompanying notes to financial statements
are an integral part of these statements.

(1) Business and organization

The Town of Huntington Economic Development Corporation (the "Organization") was incorporated in New York State on July 3, 2003. The purpose of the Organization is to enhance the economic development and business opportunities within the Town of Huntington (the "Town"). The Organization's support is provided from grants from the Federal Department of Housing and Urban Development and the Town of Huntington.

The Organization is an affiliate of the Town, which provides supporting services to the Organization.

(2) Summary of significant accounting policies:

Basis of accounting -

The accompanying financial statements have been prepared on the cash basis of accounting. Under that basis of accounting, revenues are generally recognized as received and expenses are generally recognized as paid. The cash basis differs from U.S. generally accepted accounting principles primarily because accounts receivable and accounts payable as of the reporting date are not recorded.

Financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs and administration. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles which require that the Organization's financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets. The Organization's net assets consist of the following:

Unrestricted - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

As of December 31, 2013 and 2012, the Organization does not possess any temporarily restricted or permanently restricted net assets.

Revenue and expense recognition -

Revenues are recognized when received and expenses are recognized when paid.

Cash and cash equivalents -

All highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Northridge property -

In September 2005, the Organization issued requests for proposals for development of a parcel of land in Huntington Station. In 2007, title of the land was transferred from the Town to the Organization which holds a value of $300,000.

In 2012, the Organization, with the assistance from the Town, engaged a Master Developer to assist in the redevelopment in 2013. During 2013, the Organization incurred $15,840 in related expenses.

Income taxes -

The Organization qualifies as a tax exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

Accounting for uncertainty in income taxes -

The Organization adopted the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") which recognizes the tax benefit taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of these standards had no impact on the Organization's financial statements. The Organization does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for uncertain tax benefits. For the years ended December 31, 2013 and 2012, there were no interest or penalties recorded or included in the financial statements. Returns filed for tax years ended on or after December 31, 2010, are subject to examination by federal and state authorities.

Additional support -

Pursuant to an arrangement with the Town, the Town has certain employees on its payroll who perform services for the Organization. In addition to such salaries and benefits, the Town has made other direct payments on behalf of the Organization for occupancy, legal and other administrative expenses. The total amount of this support is not reasonably determinable.

The Organization has a one year renewable agreement for a fee not to exceed $35,000 which expires annually on December 31 with the Town for services related to assisting the Town in the enhancement of economic development and business opportunities. The agreement was renewed until December 2014.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates include accounts receivable valuation allowances, depreciation and certain accrued expenses. Actual results may differ from those estimates.

(3) Subsequent events

The Organization has evaluated subsequent events through March 17, 2014, which is the date these financial statements were available to be issued, noting no matters requiring financial statement disclosure.

THE TOWN OF HUNTINGTON
ECONOMIC DEVELOPMENT CORPORATION
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Program Services					
	Plaza Design	Façade Program	Parking Study	Total	Supporting Services	2013 Total
Project planning/design	$ 13,747	$ -	$ -	$ 13,747	$ -	$ 13,747
Sponsorship	-	-	-	-	8,721	8,721
Insurance	-	-	-	-	8,695	8,695
Professional fees	-	-	-	-	6,036	6,036
Video production	-	2,500	-	2,500	-	2,500
Site development	-	-	-	-	2,093	2,093
Registration fees	-	-	-	-	110	110
Bank fees	-	-	-	-	24	24
Total expenses	$ 13,747	$ 2,500	$ -	$ 16,247	$ 25,679	$ 41,926

	Program Services					
	Plaza Design	Façade Program	Parking Study	Total	Supporting Services	2012 Total
Project planning/design	$ 15,598	$ -	$ -	$ 15,598	$ -	$ 15,598
Sponsorship	-	4,500	-	4,500	7,000	11,500
Insurance	-	-	-	-	8,668	8,668
Site development	-	-	5,000	5,000	-	5,000
Professional fees	-	-	-	-	4,750	4,750
Registration fees	-	-	-	-	110	110
Postage and delivery	-	-	-	-	82	82
Bank fees	-	-	-	-	4	4
Total expenses	$ 15,598	$ 4,500	$ 5,000	$ 25,098	$ 20,614	$ 45,712

The accompanying notes to financial statements
should be read in conjuction with these schedules.