THE TOWN OF HUNTINGTON
ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014 AND 2013
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 of 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, 2014 and 2013, and the related statements of activities and changes in net assets - cash basis for the years 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 audits. We conducted our audits 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, 2014 and 2013, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 2.

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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 8 are presented for purposes of additional analysis and are 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 23, 2015

Nawrocki Smith LLP

THE TOWN OF HUNTINGTON
ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION - CASH BASIS
AS OF DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 10,881	$ 6,325
Total current assets	10,881	6,325
DONATED LAND	300,000	300,000
Total assets	$ 310,881	$ 306,325
LIABILITIES AND NET ASSETS		
LIABILITIES:		
None	$ -	$ -
NET ASSETS:		
Unrestricted	310,881	306,325
Total libilities and net assets	$ 310,881	$ 306,325

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, 2014 AND 2013

	2014	2013
REVENUES:		
Town of Huntington	$ 41,108	$ 23,663
Housing and Urban Development grant	-	13,747
Total revenues	41,108	37,410
EXPENSES:		
Program services	8,480	16,247
Supporting services	28,072	25,679
Total expenses	36,552	41,926
Change in net assets	4,556	(4,516)
NET ASSETS, BEGINNING OF YEAR	306,325	310,841
NET ASSETS, END OF YEAR	$ 310,881	$ 306,325

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, 2014 and 2013, 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.

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, 2014 and 2013, there were no interest or penalties recorded or included in the financial statements. Returns filed for tax years ended on or after December 31, 2011, 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 31, 2015.

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 23, 2015, 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, 2014 AND 2013

	Program Services				
	Plaza Design	Façade Program	Total	Supporting Services	2014 Total
Insurance	$ -	$ -	$ -	$ 8,695	$ 8,695
Parking	-	-	-	7,500	7,500
Sponsorship	-	8,480	8,480	6,335	14,815
Professional fees	-	-	-	3,763	3,763
Mural	-	-	-	1,250	1,250
Printing and reproduction	-	-	-	395	395
Registration fees	-	-	-	110	110
Bank fees	-	-	-	24	24
Total expenses	$ -	$ 8,480	$ 8,480	$ 28,072	$ 36,552

	Program Services				
	Plaza Design	Façade Program	Total	Supporting Services	2013 Total
Project planning/design	$ 13,747	$ -	$ 13,747	$ -	$ 13,747
Sponsorship	-	2,500	2,500	8,721	11,221
Insurance	-	-	-	8,695	8,695
Professional fees	-	-	-	6,036	6,036
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

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