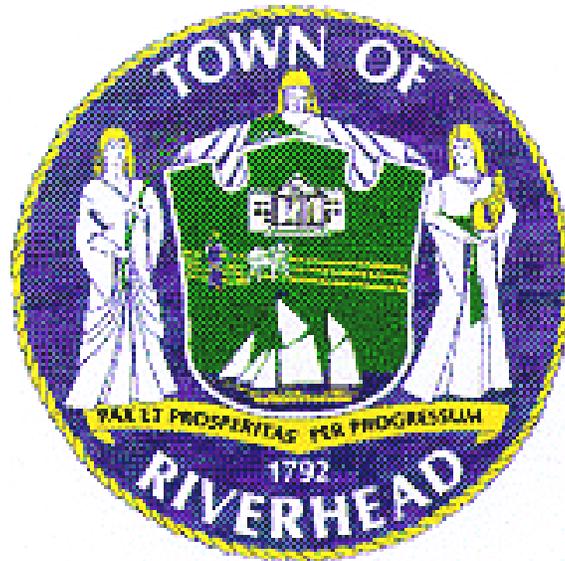




2006



Annual Financial Report Update Document



All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
TOWN of Riverhead
County of Suffolk
For the Fiscal Year Ended 12/31/2006

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller within sixty days after the close of the fiscal year of such Municipal Corporation *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government Services and Economic Development
Albany, New York 12236

TOWN OF Riverhead

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2005 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2006:

- (A) GENERAL
- (CD) SPECIAL GRANT
- (CM) MISCELLANEOUS SPECIAL REV
- (DA) HIGHWAY-TOWN-WIDE
- (ES) ENTERPRISE SEWER
- (EW) ENTERPRISE WATER
- (H) CAPITAL PROJECTS
- (M) INTERNAL SERVICE
- (MS) SELF INSURANCE
- (SL) LIGHTING
- (SM) MISCELLANEOUS
- (SR) REFUSE AND GARBAGE
- (ST) PUBLIC PARKING
- (TA) AGENCY
- (V) DEBT SERVICE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2005 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Securities for Collateralization
- 3) Schedule of Time Deposits and Investments
- 4) Investment Certification
- 5) Bank Reconciliation
- 6) Local Government Questionnaire

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	1,955,189	A200	2,245,588
Cash In Time Deposits	6,500,000	A201	5,000,000
Petty Cash	3,025	A210	3,025
TOTAL Cash	8,458,214		7,248,613
Accounts Receivable	1,395,227	A380	2,351,512
Accrued Interest Receivable	2,996	A381	13,498
TOTAL Other Receivables (net)	1,398,223		2,365,010
Due From Other Funds	925,162	A391	848,797
TOTAL Due From Other Funds	925,162		848,797
Due From Other Governments	11,609	A440	942,700
TOTAL Due From Other Governments	11,609		942,700
Cash, Special Reserves	48,939	A230	23,874
Cash In Time Deposits, Spec Res	550,700	A231	650,100
TOTAL Restricted Assets	599,639		673,974
TOTAL Assets	11,392,847		12,079,094

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable	153,049	A600	105,651
TOTAL Accounts Payable	153,049		105,651
Due To Other Funds	2,388,126	A630	2,502,493
TOTAL Due To Other Funds	2,388,126		2,502,493
Due To Employees' Retirement System	175,647	A637	
TOTAL Due To Other Governments	175,647		0
TOTAL Liabilities	2,716,822		2,608,144
Reserve For Encumbrances	544,634	A821	547,884
TOTAL Reserve For Encumbrances	544,634		547,884
Miscellaneous Reserve (specify)	575,631	A889	678,719
TOTAL Special Reserves	575,631		678,719
Unreserved Fund Balance Appropriated	1,250,000	A910	1,000,000
TOTAL Unreserved Fund Balance - Appropriated	1,250,000		1,000,000
Unreserved Fund Balance Unappropriated	6,305,760	A911	7,244,347
TOTAL Unreserved Fund Balance - Unappropriated	6,305,760		7,244,347
TOTAL Non-Current Government Assets	8,676,025		9,470,950
TOTAL Non-Current Government Assets	11,392,847		12,079,094

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	21,570,467	A1001	21,995,615
TOTAL Real Property Taxes	21,570,467		21,995,615
Other Payments In Lieu of Taxes	308,805	A1081	284,212
Other Tax Items	1,500	A1089	1,000
Interest & Penalties On Real Prop Taxes	53,491	A1090	64,461
TOTAL Real Property Tax Items	363,796		349,673
Non Prop Tax Dist By County	552,656	A1120	821,080
Franchises		A1170	292,141
TOTAL Non Property Tax Items	552,656		1,113,221
Clerk Fees	9,138	A1255	13,257
Police Fees	25,839	A1520	14,873
Public Pound Charges, Dog Control Fees	4,920	A1550	4,680
Safety Inspection Fees	1,411,815	A1560	1,608,959
Public Health Fees	46,120	A1601	44,500
Charges-Programs For The Aging	101,802	A1972	55,494
Park And Recreational Charges	158,905	A2001	153,987
Special Recreational Facility Charges	313,783	A2025	305,705
Zoning Fees	21,800	A2110	22,375
Planning Board Fees	177,660	A2115	407,500
Other Home & Community Services Income	222,279	A2189	226,774
TOTAL Departmental Income	2,494,061		2,858,104
Public Safety Services For Other Govts	55,453	A2260	76,856
Misc Revenue, Other Govts	10,867	A2389	
TOTAL Intergovernmental Charges	66,320		76,856
Interest And Earnings	451,626	A2401	658,398
Rental of Real Property	80,872	A2410	77,010
Rental of Equipment	46,800	A2414	47,220
Commissions	6	A2450	
TOTAL Use of Money And Property	579,304		782,628
Games of Chance	363	A2530	100
Bingo Licenses	3,147	A2540	2,242
Dog Licenses	6,398	A2544	6,420
Permits, Other	65,595	A2590	64,770
TOTAL Licenses And Permits	75,503		73,532
Fines And Forfeited Bail	493,141	A2610	410,372
TOTAL Fines And Forfeitures	493,141		410,372
Sales, Other	29,081	A2655	20,154
Sales of Real Property	412,500	A2660	100
Sales of Equipment	9,556	A2665	24,328
Insurance Recoveries	259,718	A2680	423,721
TOTAL Sale of Property And Compensation For Loss	710,855		468,303
Refunds of Prior Year's Expenditures	60,030	A2701	429,510
Gifts And Donations	22,626	A2705	51,994
Unclassified (specify)	106,863	A2770	7,772
TOTAL Miscellaneous Local Sources	189,519		489,276

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Interfund Revenues	826,448	A2801	940,000
TOTAL Interfund Revenues	826,448		940,000
St Aid, Revenue Sharing	91,332	A3001	109,566
St Aid, Mortgage Tax	2,718,503	A3005	3,132,907
St Aid, Real Property Tax Administration	10,636	A3040	11,796
St Aid - Other (specify)	317,318	A3089	180,989
St Aid, Programs For Aging		A3772	179,399
TOTAL State Aid	3,137,789		3,614,657
TOTAL Revenues	31,059,859		33,172,237
Interfund Transfers	125,557	A5031	169,300
TOTAL Interfund Transfers	125,557		169,300
TOTAL Other Sources	125,557		169,300
TOTAL Detail Revenues And Other Sources	31,185,416		33,341,537

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Legislative Board, Pers Serv	170,415	A10101	175,865
Legislative Board, Equip & Cap Outlay	350	A10102	
Legislative Board, Contr Expend	327,843	A10104	371,970
TOTAL Legislative Board	498,608		547,835
Municipal Court, Pers Serv	388,925	A11101	417,954
Municipal Court, Equip & Cap Outlay	26	A11102	129
Municipal Court, Contr Expend	99,547	A11104	82,016
TOTAL Municipal Court	488,498		500,099
Supervisor,pers Serv	308,497	A12201	297,813
Supervisor,equip & Cap Outlay	198	A12202	
Supervisor,contr Expend	8,690	A12204	7,794
TOTAL Supervisor	317,385		305,607
Dir of Finance, Pers Serv	532,344	A13101	673,846
Dir of Finance, Equip & Cap Outlay	62,955	A13102	61,855
Dir of Finance, Contr Expend	256,881	A13104	257,495
TOTAL Dir of Finance	852,180		993,196
Auditor, Contr Expend	100,345	A13204	117,253
TOTAL Auditor	100,345		117,253
Tax Collection,pers Serv	101,428	A13301	106,634
Tax Collection,equip & Cap Outlay	2,597	A13302	
Tax Collection,contr Expend	4,950	A13304	4,180
TOTAL Tax Collection	108,975		110,814
Purchasing, Pers Serv	107,077	A13451	108,673
Purchasing, Contr Expend	500	A13454	150
TOTAL Purchasing	107,577		108,823
Assessment, Pers Serv	313,729	A13551	331,544
Assessment, Equip & Cap Outlay	350	A13552	
Assessment, Contr Expend	14,490	A13554	11,803
TOTAL Assessment	328,569		343,347
Clerk,pers Serv	190,639	A14101	199,391
Clerk,equip & Cap Outlay		A14102	
Clerk,contr Expend	9,216	A14104	9,438
TOTAL Clerk	199,855		208,829
Law, Pers Serv	307,099	A14201	379,662
Law, Equip & Cap Outlay	7,141	A14202	1,124
Law, Contr Expend	7,708	A14204	6,470
TOTAL Law	321,948		387,256
Personnel, Pers Serv		A14301	4,615
TOTAL Personnel	0		4,615
Engineer, Pers Serv	391,653	A14401	390,008
Engineer, Equip & Cap Outlay		A14402	3,146
Engineer, Contr Expend	90,894	A14404	40,514
TOTAL Engineer	482,547		433,668
Buildings, Pers Serv	893,510	A16201	935,282
Buildings, Equip & Cap Outlay	54,840	A16202	21,228

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Buildings, Contr Expend	744,146	A16204	850,734
TOTAL Buildings	1,692,496		1,807,244
Unallocated Insurance, Contr Expend	700,000	A19104	700,000
TOTAL Unallocated Insurance	700,000		700,000
Municipal Assn Dues, Contr Expend	1,650	A19204	1,650
TOTAL Municipal Assn Dues	1,650		1,650
Taxes & Assess On Munic Prop, Contr Expend	59,885	A19504	39,070
TOTAL Taxes & Assess On Munic Prop	59,885		39,070
TOTAL General Government Support	6,260,518		6,609,306
Police, Pers Serv	9,606,983	A31201	9,792,349
Police, Equip & Cap Outlay	78,535	A31202	74,643
Police, Contr Expend	679,096	A31204	768,286
TOTAL Police	10,364,614		10,635,278
Control of Animals, Pers Serv	164,967	A35101	174,642
Control of Animals, Equip & Cap Outlay	236,992	A35102	396
Control of Animals, Contr Expend	38,495	A35104	43,194
TOTAL Control of Animals	440,454		218,232
Safety Inspection, Pers Serv	570,456	A36201	627,075
Safety Inspection, Equip & Cap Outlay	1,271	A36202	435
Safety Inspection, Contr Expend	48,696	A36204	53,256
TOTAL Safety Inspection	620,423		680,766
Misc Public Safety, Pers Serv	308,051	A39891	340,928
Misc Public Safety, Equip & Cap Outlay	1,089	A39892	22,772
Misc Public Safety, Contr Expend	20,663	A39894	38,243
TOTAL Misc Public Safety	329,803		401,943
TOTAL Public Safety	11,755,294		11,936,219
Registrar of Vital Statistics, Pers Serv	3,000	A40201	3,000
TOTAL Registrar of Vital Statistics	3,000		3,000
Narcotic Guid Council, Contr Expend	1,619	A42104	13,426
TOTAL Narcotic Guid Council	1,619		13,426
TOTAL Health	4,619		16,426
Street Admin, Pers Serv	254,055	A50101	264,306
Street Admin, Equip & Cap Outlay		A50102	160
Street Admin, Contr Expend	52,792	A50104	61,238
TOTAL Street Admin	306,847		325,704
TOTAL Transportation	306,847		325,704
Publicity, Equip & Cap Outlay	4,063	A64102	254
Publicity, Contr Expend	7,608	A64104	7,114
TOTAL Publicity	11,671		7,368
Veterans Service, Contr Expend	5,310	A65104	4,000
TOTAL Veterans Service	5,310		4,000
Programs For Aging, Pers Serv	619,415	A67721	596,538
Programs For Aging, Equip & Cap Outlay	3,191	A67722	1,824

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Programs For Aging, Contr Expend	260,575	A67724	275,602
TOTAL Programs For Aging	883,181		873,964
TOTAL Economic Assistance And Opportunity	900,162		885,332
Recreation Admini, Pers Serv	282,617	A70201	347,473
Recreation Admini, Equip & Cap Outlay	379	A70202	562
Recreation Admini, Contr Expend	28,312	A70204	34,455
TOTAL Recreation Admini	311,308		382,490
Parks, Pers Serv	71,979	A71101	68,987
Parks, Equip & Cap Outlay	725	A71102	767
Parks, Contr Expend	64,798	A71104	66,772
TOTAL Parks	137,502		136,526
Playgr & Rec Centers, Pers Serv	17,979	A71401	17,563
Playgr & Rec Centers, Equip & Cap Outlay	1,805	A71402	1,480
Playgr & Rec Centers, Contr Expend	81,552	A71404	82,044
TOTAL Playgr & Rec Centers	101,336		101,087
Special Rec Facility, Pers Serv	83,708	A71801	83,816
Special Rec Facility, Equip & Cap Outlay	661	A71802	5,293
Special Rec Facility, Contr Expend	29,384	A71804	27,823
TOTAL Special Rec Facility	113,753		116,932
Youth Prog, Pers Serv	108,257	A73101	113,333
Youth Prog, Equip & Cap Outlay	2,268	A73102	1,328
Youth Prog, Contr Expend	106,021	A73104	99,321
TOTAL Youth Prog	216,546		213,982
Historian, Pers Serv	4,031	A75101	4,500
Historian, Contr Expend	1,922	A75104	3,073
TOTAL Historian	5,953		7,573
Historical Property, Equip & Cap Outlay		A75202	
Historical Property, Contr Expend	48,382	A75204	58,794
TOTAL Historical Property	48,382		58,794
Celebrations, Contr Expend	22	A75504	325
TOTAL Celebrations	22		325
Other Performing Arts, Contr Expend		A75604	
TOTAL Other Performing Arts	0		0
Adult Recreation, Pers Serv	35,364	A76201	42,826
Adult Recreation, Equip & Cap Outlay	2,802	A76202	186
Adult Recreation, Contr Expend	47,667	A76204	47,077
TOTAL Adult Recreation	85,833		90,089
Other Culture And Rec, Equip & Cap Outlay	12,161	A79892	12,299
Other Culture And Rec, Contr Expend	16,163	A79894	14,512
TOTAL Other Culture And Rec	28,324		26,811
TOTAL Culture And Recreation	1,048,959		1,134,609
Zoning, Pers Serv	31,546	A80101	32,500
Zoning, Contr Expend	2,984	A80104	262
TOTAL Zoning	34,530		32,762
Planning, Pers Serv	397,557	A80201	495,143

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Planning, Equip & Cap Outlay		A80202	600
Planning, Contr Expend	228,458	A80204	195,246
TOTAL Planning	626,015		690,989
Environmental Control, Pers Serv	6,780	A80901	5,204
Environmental Control, Contr Expend	7,500	A80904	7,500
TOTAL Environmental Control	14,280		12,704
Refuse & Garbage, Pers Serv	118,267	A81601	121,257
Refuse & Garbage, Contr Expend	101,530	A81604	149,816
TOTAL Refuse & Garbage	219,797		271,073
Administration, Pers Serv	305,028	A86861	300,072
Administration, Equip & Cap Outlay		A86862	516
Administration, Contr Expend	10,176	A86864	6,768
TOTAL Administration	315,204		307,356
TOTAL Home And Community Services	1,209,826		1,314,884
State Retirement System	813,597	A90108	824,263
Police & Firemen Retirement, Empl Bnfts	1,712,277	A90158	1,569,583
Social Security, Employer Cont	1,160,375	A90308	1,211,286
Worker's Compensation, Empl Bnfts	459,950	A90408	633,500
Hospital & Medical (dental) Ins, Empl Bnft	2,878,936	A90608	3,116,534
TOTAL Employee Benefits	7,025,135		7,355,166
TOTAL Expenditures	28,511,360		29,577,646
Transfers, Other Funds	2,384,300	A99019	3,122,015
Transfers, Capital Projects Fund	96,282	A99509	
TOTAL Operating Transfers	2,480,582		3,122,015
TOTAL Other Uses	2,480,582		3,122,015
TOTAL Detail Expenditures And Other Uses	30,991,942		32,699,661

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	8,482,551	A8021	8,676,025
Prior Period Adj-Increase To Fund Equity		A8012	153,049
Restated Fund Equity - Beg of Year	8,482,551	A8022	8,829,074
ADD - REVENUES AND OTHER SOURCES	31,185,416		33,341,537
DEDUCT - EXPENDITURES AND OTHER USES	30,991,942		32,699,661
Fund Equity-End of Year	8,676,025	A8029	9,470,950

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Budget Summary

Code Description	2006	EdpCode	2007
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	21,995,615	A1049N	23,808,272
Est Rev - Real Property Tax Items	348,840	A1099N	332,400
Est Rev - Non Property Tax Items	821,000	A1199N	910,000
Est Rev - Departmental Income	4,080,550	A1299N	3,699,325
Est Rev - Intergovernmental Charges	436,485	A2399N	376,000
Est Rev - Use of Money And Property	423,750	A2499N	839,350
Est Rev - Licenses And Permits	59,400	A2599N	69,400
Est Rev - Fines And Forfeitures	475,000	A2649N	400,000
Est Rev - Sale of Prop And Comp For Loss	139,075	A2699N	105,075
Est Rev - Miscellaneous Local Sources	132,900	A2799N	101,700
Est Rev - Interfund Revenues	750,000	A2801N	770,000
Est Rev - State Aid	2,929,550	A3099N	3,223,950
TOTAL Appropriated Fund Balance	32,592,165		34,635,472
Estimated - Interfund Transfer	54,300	A5031N	
Appropriated Fund Balance	1,005,000	A599N	900,000
TOTAL Estimated Other Sources	1,059,300		900,000
TOTAL Estimated Revenues And Other Sources	33,651,465		35,535,472

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(A) GENERAL

Budget Summary

Code Description	2006	EdpCode	2007
Appropriations And Other Uses			
App - General Government Support	5,596,615	A1999N	6,263,446
App - Public Safety	12,146,650	A3999N	12,571,400
App - Health	10,500	A4999N	10,500
App - Transportation	323,610	A5999N	338,800
App - Economic Assistance And Opportunity	1,003,460	A6999N	926,576
App - Culture And Recreation	1,259,510	A7999N	1,282,025
App - Home And Community Services	1,150,905	A8999N	1,314,425
App - Employee Benefits	12,160,215	A9199N	8,451,900
TOTAL Appropriations	33,651,465		31,159,072
App - Interfund Transfer		A9999N	4,376,400
TOTAL Other Uses	0		4,376,400
TOTAL Appropriations And Other Uses	33,651,465		35,535,472

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	135,084	CD200	185,901
Cash In Time Deposits		CD201	102,000
Petty Cash	50	CD210	50
TOTAL Cash	135,134		287,951
Accounts Receivable	21,335	CD380	17,593
Accrued Interest Receivable		CD381	453
TOTAL Other Receivables (net)	21,335		18,046
TOTAL Assets	156,469		305,997

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Due To Other Funds	50	CD630	50
TOTAL Due To Other Funds	50		50
TOTAL Liabilities	50		50
Reserve For Encumbrances		CD821	80,909
TOTAL Reserve For Encumbrances	0		80,909
Unreserved Fund Balance Appropriated	156,419	CD910	225,038
TOTAL Unreserved Fund Balance - Appropriated	156,419		225,038
TOTAL Non-Current Government Assets	156,419		305,947
TOTAL Non-Current Government Assets	156,469		305,997

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(CD) SPECIAL GRANT

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Other General Department Inc		CD1289	
Community Development Income	10,555	CD2170	7,897
TOTAL Departmental Income	10,555		7,897
Interest And Earnings	491	CD2401	4,097
TOTAL Use of Money And Property	491		4,097
Fed Aid, Community Development Act	144,591	CD4910	247,253
TOTAL Federal Aid	144,591		247,253
TOTAL Revenues	155,637		259,247
Interfund Transfers	10,428	CD5031	10,428
TOTAL Interfund Transfers	10,428		10,428
TOTAL Other Sources	10,428		10,428
TOTAL Detail Revenues And Other Sources	166,065		269,675

TOWN OF Riverhead
Annual Update Document
For the Fiscal Year Ending 2006

(CD) SPECIAL GRANT

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Assessment		CD13552	
TOTAL Assessment	0		0
Balancing Code - Osc Use Only		CD18884	
TOTAL Balancing Code - Osc Use Only	0		0
TOTAL General Government Support	0		0
Acquisition of Real Prop, Contr Expend	75,000	CD86604	20,138
TOTAL Acquisition of Real Prop	75,000		20,138
Public Works Fac Site, Equip & Cap	13,551	CD86622	27,268
TOTAL Public Works Fac Site	13,551		27,268
Clearance, Demo, Rehab, Contr Expend	2,500	CD86664	
TOTAL Clearance	2,500		0
Rehab Loans & Grant, Contr Expend	40,000	CD86684	
TOTAL Rehab Loans & Grant	40,000		0
Prov of Public Service, Contr Expen	30,679	CD86764	28,149
TOTAL Prov of Public Service	30,679		28,149
Administration, Contr Expend	19,365	CD86864	43,868
TOTAL Administration	19,365		43,868
TOTAL Home And Community Services	181,095		119,423
Other Employee Benefits (spec)	913	CD90898	724
TOTAL Employee Benefits	913		724
Interfund Loans		CD97957	
TOTAL Debt Interest	0		0
TOTAL Expenditures	182,008		120,147
Transfers, Capital Projects Fund		CD99509	
TOTAL Operating Transfers	0		0
TOTAL Other Uses	0		0
TOTAL Detail Expenditures And Other Uses	182,008		120,147

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(CD) SPECIAL GRANT

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	172,362	CD8021	156,419
Restated Fund Equity - Beg of Year	172,362	CD8022	156,419
ADD - REVENUES AND OTHER SOURCES	166,065		269,675
DEDUCT - EXPENDITURES AND OTHER USES	182,008		120,147
Fund Equity-End of Year	156,419	CD8029	305,947

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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	175,423	CM200	458,499
Cash In Time Deposits	4,145,000	CM201	7,405,000
Petty Cash	200	CM210	200
TOTAL Cash	4,320,623		7,863,699
Accrued Interest Receivable	3,599	CM381	26,144
TOTAL Other Receivables (net)	3,599		26,144
Due From Other Funds	16,372	CM391	16,372
TOTAL Due From Other Funds	16,372		16,372
TOTAL Assets	4,340,594		7,906,215

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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable		CM600	
TOTAL Accounts Payable	0		0
Due To Other Funds	85,588	CM630	1,085,128
TOTAL Due To Other Funds	85,588		1,085,128
TOTAL Liabilities	85,588		1,085,128
Reserve For Encumbrances	12,839	CM821	24,495
TOTAL Reserve For Encumbrances	12,839		24,495
Unreserved Fund Balance Unappropriated	4,242,167	CM911	6,796,592
TOTAL Unreserved Fund Balance - Unappropriated	4,242,167		6,796,592
TOTAL Non-Current Government Assets	4,255,006		6,821,087
TOTAL Non-Current Government Assets	4,340,594		7,906,215

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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	100,580	CM1001	107,079
TOTAL Real Property Taxes	100,580		107,079
Other Non-Property Tax	5,550,699	CM1189	6,259,774
TOTAL Non Property Tax Items	5,550,699		6,259,774
Other Culture And Recreation Income	624,000	CM2089	141,000
TOTAL Departmental Income	624,000		141,000
Interest And Earnings	117,380	CM2401	219,191
Rental, Other (specify)	135,017	CM2440	139,943
TOTAL Use of Money And Property	252,397		359,134
Refunds of Prior Year's Expenditures		CM2701	10,000
TOTAL Miscellaneous Local Sources	0		10,000
TOTAL Revenues	6,527,676		6,876,987
Interfund Transfers	16,322	CM5031	
TOTAL Interfund Transfers	16,322		0
TOTAL Other Sources	16,322		0
TOTAL Detail Revenues And Other Sources	6,543,998		6,876,987

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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Other Culture And Recreation-Pers Serv	54,472	CM79891	32,766
Other Culture & Rec-Equip & Cap Outlay	34	CM79892	925
Other Culture And Recreation-Contr Expend	218,908	CM79894	168,872
TOTAL Other Culture And Recreation-Contr Expend	273,414		202,563
TOTAL Culture And Recreation	273,414		202,563
Social Security Empl Bnfts	4,167	CM90308	2,584
Worker's Compensation, Empl Bnfts	2,400	CM90408	500
TOTAL Employee Benefits	6,567		3,084
TOTAL Expenditures	279,981		205,647
Transfers, Other Funds	5,319,789	CM99019	4,105,259
TOTAL Operating Transfers	5,319,789		4,105,259
TOTAL Other Uses	5,319,789		4,105,259
TOTAL Detail Expenditures And Other Uses	5,599,770		4,310,906

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(CM) MISCELLANEOUS SPECIAL REV

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	3,310,778	CM8021	4,255,006
Restated Fund Equity - Beg of Year	3,310,778	CM8022	4,255,006
ADD - REVENUES AND OTHER SOURCES	6,543,998		6,876,987
DEDUCT - EXPENDITURES AND OTHER USES	5,599,770		4,310,906
Fund Equity-End of Year	4,255,006	CM8029	6,821,087

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	139,684	DA200	178,409
Cash In Time Deposits	1,200,000	DA201	1,919,000
Petty Cash	100	DA210	100
TOTAL Cash	1,339,784		2,097,509
Accrued Interest Receivable	1,447	DA381	4,793
TOTAL Other Receivables (net)	1,447		4,793
State & Federal Receivables		DA410	
TOTAL State And Federal Aid Receivables	0		0
Due From Other Governments		DA440	37,350
TOTAL Due From Other Governments	0		37,350
TOTAL Assets	1,341,231		2,139,652

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable	9,136	DA600	4,232
TOTAL Accounts Payable	9,136		4,232
Due To Other Funds	818,836	DA630	956,435
TOTAL Due To Other Funds	818,836		956,435
TOTAL Liabilities	827,972		960,667
Reserve For Encumbrances	126,493	DA821	135,500
TOTAL Reserve For Encumbrances	126,493		135,500
Unreserved Fund Balance Unappropriated	386,766	DA911	1,043,485
TOTAL Unreserved Fund Balance - Unappropriated	386,766		1,043,485
TOTAL Non-Current Government Assets	513,259		1,178,985
TOTAL Non-Current Government Assets	1,341,231		2,139,652

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	4,325,597	DA1001	4,650,850
TOTAL Real Property Taxes	4,325,597		4,650,850
Transportation Services, Other Govts		DA2300	15,000
TOTAL Intergovernmental Charges	0		15,000
Interest And Earnings	73,488	DA2401	142,674
TOTAL Use of Money And Property	73,488		142,674
Sales of Scrap & Excess Materials	1,838	DA2650	1,332
Sales, Other		DA2655	1,410
TOTAL Sale of Property And Compensation For Loss	1,838		2,742
Refunds of Prior Year's Expenditures		DA2701	195,192
Gifts And Donations		DA2705	
Unclassified (specify)	574	DA2770	9,000
TOTAL Miscellaneous Local Sources	574		204,192
TOTAL Revenues	4,401,497		5,015,458
Interfund Transfers		DA5031	
TOTAL Interfund Transfers	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	4,401,497		5,015,458

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Excess Insurance-Contrr Expend	200,000	DA17224	280,000
TOTAL Excess Insurance-Contrr Expend	200,000		280,000
TOTAL General Government Support	200,000		280,000
Maint of Streets, Pers Serv	1,447,399	DA51101	1,415,787
Maint of Streets, Contrr Expend	267,578	DA51104	288,522
TOTAL Maint of Streets	1,714,977		1,704,309
Machinery, Pers Serv	59,985	DA51301	63,018
Machinery, Equip & Cap Outlay	174,755	DA51302	165,995
Machinery, Contrr Expend	448,005	DA51304	437,776
TOTAL Machinery	682,745		666,789
Brush And Weeds, Equip & Cap Outlay		DA51402	520
Brush And Weeds, Contrr Expend	105,452	DA51404	139,745
TOTAL Brush And Weeds	105,452		140,265
Snow Removal, Pers Serv	102,637	DA51421	62,171
Snow Removal, Contrr Expend	245,921	DA51424	69,839
TOTAL Snow Removal	348,558		132,010
TOTAL Transportation	2,851,732		2,643,373
State Retirement, Empl Bnfts	198,756	DA90108	148,706
Social Security , Empl Bnfts	122,899	DA90308	116,368
Worker's Compensation, Empl Bnfts	34,200	DA90408	68,500
Hospital & Medical (dental) Ins, Empl Bnft	379,614	DA90608	416,350
TOTAL Employee Benefits	735,469		749,924
TOTAL Expenditures	3,787,201		3,673,297
Transfers, Other Funds	656,698	DA99019	676,435
TOTAL Operating Transfers	656,698		676,435
TOTAL Other Uses	656,698		676,435
TOTAL Detail Expenditures And Other Uses	4,443,899		4,349,732

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(DA) HIGHWAY-TOWN-WIDE

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	555,661	DA8021	513,259
Restated Fund Equity - Beg of Year	555,661	DA8022	513,259
ADD - REVENUES AND OTHER SOURCES	4,401,497		5,015,458
DEDUCT - EXPENDITURES AND OTHER USES	4,443,899		4,349,732
Fund Equity - End of Year	513,259	DA8029	1,178,985

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2006	EdpCode	2007
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	4,650,850	DA1049N	4,792,620
EsT. ReV. - Intergovernmental Charges		DA2399N	15,000
Est Rev - Use of Money And Property	70,000	DA2499N	110,000
Est Rev - Sale of Prop And Comp For Loss	1,500	DA2699N	1,500
TOTAL Appropriated Fund Balance	4,722,350		4,919,120
TOTAL Estimated Revenues And Other Sources	4,722,350		4,919,120

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2006	EdpCode	2007
Appropriations And Other Uses			
App - Transportation	2,894,415	DA5999N	2,819,400
App - Employee Benefits	871,500	DA9199N	959,900
TOTAL Appropriations	3,765,915		3,779,300
Interfund Transfers	956,435	DA9999N	1,139,820
TOTAL Other Uses	956,435		1,139,820
TOTAL Appropriations And Other Uses	4,722,350		4,919,120

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(ES) ENTERPRISE SEWER

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	477,313	ES200	698,349
Cash In Time Deposits	6,505,000	ES201	7,036,000
Petty Cash	200	ES210	200
Cash From Obligations	-248,964	ES220	11,176
Cash With Fiscal Agent	558,339	ES223	177,815
TOTAL Cash	7,291,888		7,923,540
Accounts Receivable		ES380	146,688
Accrued Interest Receivable	6,876	ES381	22,803
Unbilled Receivables	74,855	ES383	86,388
Allowance For Receivables (credit)	-5,583	ES389	-8,160
TOTAL Other Receivables (net)	76,148		247,719
Due From Other Funds	51,997	ES391	517,288
TOTAL Due From Other Funds	51,997		517,288
Due From Other Governments		ES440	21,634
TOTAL Due From Other Governments	0		21,634
Cash, Special Reserves	55,745	ES230	
Cash, Customers Deposits	470,933	ES235	
TOTAL Restricted Assets	526,678		0
Land	534,260	ES101	534,260
Buildings	12,056,951	ES102	13,125,938
Improvements Other Than Buildings	20,653,883	ES103	20,653,883
Equipment	594,990	ES104	625,156
Construction Work In Progress	3,843,412	ES105	3,592,002
Accum Deprec, Buildings	-8,674,678	ES112	-8,828,631
Accum Depr, Imp Other Than Bld	-19,378,754	ES113	-19,568,525
Accum Depr, Machinery & Equip	-520,938	ES114	-559,194
TOTAL Fixed Assets (net)	9,109,126		9,574,889
TOTAL Assets	17,055,837		18,285,070

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(ES) ENTERPRISE SEWER

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable	53,815	ES600	4,460
TOTAL Accounts Payable	53,815		4,460
Compensated Absences	191,872	ES687	175,827
TOTAL Other Liabilities	191,872		175,827
Due To Other Funds	241,227	ES630	799,760
TOTAL Due To Other Funds	241,227		799,760
Due To Employees' Retirement	5,400	ES637	
TOTAL Due To Other Governments	5,400		0
Bonds Payable	6,672,277	ES628	6,351,378
Bond Interest And Matured Bonds Payable		ES629	49,706
TOTAL Bond And Long Term Liabilities	6,672,277		6,401,084
TOTAL Liabilities	7,164,591		7,381,131
Net Assets-Invsted In Cap Asts, Net Rltd D	2,436,648	ES920	3,442,513
Net Assets-Restricted For Capital Projects	966,521	ES921	958,183
Net Assets-Restricted For Other Purposes	1,641,105	ES923	1,775,824
Net Assets-Unrestricted (deficit)	4,846,972	ES924	4,727,419
TOTAL Retained Earnings	9,891,246		10,903,939
TOTAL Non-Current Government Assets	9,891,246		10,903,939
TOTAL Non-Current Government Assets	17,055,837		18,285,070

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(ES) ENTERPRISE SEWER

Results of Operation

Code Description	2005	EdpCode	2006
Operating Revenue			
Sewer Rents	1,804,070	ES2120	1,837,730
Sewer Charges	929,266	ES2122	968,503
TOTAL Charges For Services Within Locality	2,733,336		2,806,233
Sewer Service - Other Gov'Ts	453,743	ES2374	399,016
TOTAL Charges For Services To Other Localities	453,743		399,016
Retirement System Credits	695	ES5060	
	695		0
Interest And Earnings	217,799	ES2401	383,983
TOTAL Use of Money And Property	217,799		383,983
Refunds of Prior Year's Expenditures	26,306	ES2701	41,727
Gifts And Donations	355,032	ES2705	205,100
Unclassified (specify)	8,000	ES2770	
TOTAL Other	389,338		246,827
TOTAL Revenues	3,794,911		3,836,059
Non Property Tax Dist By County	146,688	ES1120	146,688
	146,688		146,688
Real Property Taxes	586,994	ES1001	583,399
TOTAL Real Property Taxes	586,994		583,399
TOTAL Taxes	733,682		730,087
TOTAL Operating Revenue	4,528,593		4,566,146

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(ES) ENTERPRISE SEWER

Results of Operation

Code Description	2005	EdpCode	2006
Expenses And Transfers			
Adminstration-Personal Services	612,901	ES17101	550,204
TOTAL Adminstration-Personal Services	612,901		550,204
Sewage Treatment And Disposal-Pers Serv	247,648	ES81301	328,672
TOTAL Sewage Treatment And Disposal-Pers Serv	247,648		328,672
TOTAL Personal Services	860,549		878,876
Depreciation	365,777	ES19944	368,680
TOTAL Depreciation	365,777		368,680
Sanitary Sewers, Contr Expend	183,119	ES81204	217,933
TOTAL Sanitary Sewers	183,119		217,933
Sewage Treatment And Disposal-Contr Expend	1,155,732	ES81304	1,490,315
TOTAL Sewage Treatment And Disposal-Contr Expend	1,155,732		1,490,315
TOTAL Contractual Expenses	1,704,628		2,076,928
Sanitary Sewers, Empl Bnfts	369,195	ES81208	385,814
TOTAL Sanitary Sewers	369,195		385,814
TOTAL Employee Benefits	369,195		385,814
Interfund Loans	222,592	ES97957	195,271
TOTAL Interest Expense	222,592		195,271
TOTAL Expenses	3,156,964		3,536,889
TOTAL Expenses And Transfers	3,156,964		3,536,889

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(ES) ENTERPRISE SEWER

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	8,571,939	ES8021	9,891,246
Prior Period Adj-Increase In Fund Equity		ES8012	210
Prior Period Adj-Decrease In Fund Equity	52,322	ES8015	16,774
Restated Fund Equity - Beg of Year	8,519,617	ES8022	9,874,682
ADD - REVENUES AND OTHER SOURCES	4,528,593		4,566,146
DEDUCT - EXPENDITURES AND OTHER USES	3,156,964		3,536,889
Fund Equity - End of Year	9,891,246	ES8029	10,903,939

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(ES) ENTERPRISE SEWER

Cash Flow

Code Description	2005	EdpCode	2006
Cash Flows From Operating Activities			
Cash Rec'd From Providing Svcs	4,044,035	ES7111	3,779,693
Cash Payments Contr Exp	-1,336,809	ES7112	-1,707,377
Cash Payments Pers Svcs & Bnfts	-1,218,582	ES7113	-1,322,447
Other Operating Rev		ES7114	41,727
TOTAL Cash Flows From Operating Activities	1,488,644		791,596
Cash Flows From Non-Capital And Financing Activities			
Transfers To/from Other Funds	192,730	ES7123	93,240
TOTAL Cash Flows From Non-Capital And Financing Activities	192,730		93,240
Cash Flows From Capital And Related Financing Activities			
Proceeds of Debt (capital)	130,000	ES7131	65,000
Principal Payments Debt (capital)	-364,536	ES7132	-385,900
Interest Expense (capital)	-222,592	ES7133	-197,675
Capital Contributed By Developers	355,032	ES7134	205,100
Payments To Contractors	-1,540,967	ES7136	-834,441
Capital Grants Rec'd From Oth Govts	4,688	ES7137	
TOTAL Cash Flows From Capital And Related Financing Activities	-1,638,375		-1,147,916
Cash Flows From Investing Activities			
Purchase of Investments	-6,505,000	ES7151	-7,036,000
Sale of Investments	5,329,500	ES7152	6,505,000
Interest Income	213,774	ES7153	368,056
TOTAL Cash Flows From Investing Activities	-961,726		-162,944
Net Inc(dec) In Cash&cash Equiv	-892,421	ES7161	-426,024
Cash&cash Equiv Beg of Year	2,205,786	ES7171	1,313,365
	1,313,365		887,341
Reconciliation of Operating Income To Cash			
Operating Income (loss)	1,017,196	ES7181	635,445
Depreciation	365,777	ES7182	368,680
Other Reconciling Items	131,977	ES7185	-212,529
TOTAL Reconciliation of Operating Income To Cash	1,514,950		791,596

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(EW) ENTERPRISE WATER

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	2,188,557	EW200	1,925,568
Cash In Time Deposits	1,390,000	EW201	1,848,000
Petty Cash	300	EW210	300
Cash From Obligations		EW220	
TOTAL Cash	3,578,857		3,773,868
Water Rents Receivable	518,011	EW350	503,865
Accounts Receivable		EW380	
Accured Interest Receivable	3,488	EW381	9,422
TOTAL Other Receivables (net)	521,499		513,287
Due From Other Funds		EW391	1,103,956
TOTAL Due From Other Funds	0		1,103,956
Due From Other Governments		EW440	26,770
TOTAL Due From Other Governments	0		26,770
Inventory	64,499	EW445	67,603
TOTAL Inventories	64,499		67,603
Cash, Special Reserves	11,703	EW230	54,857
Cash In Time Deposits, Special Reserves	1,750,000	EW231	1,475,000
Cash, Customers Deposits	-12,000	EW235	-12,000
TOTAL Restricted Assets	1,749,703		1,517,857
Land	3,114,491	EW101	3,114,491
Buildings	7,644,984	EW102	7,644,984
Improvements Other Than Buildings	34,031,377	EW103	34,331,591
Equipment	7,112,851	EW104	7,159,800
Construction Work In Progress	5,328,849	EW105	6,070,329
Accum Deprec, Buildings	-3,302,093	EW112	-3,489,779
Accum Depr, Imp Other Than Bld	-13,588,278	EW113	-14,199,571
Accum Depr, Machinery & Equip	-6,650,680	EW114	-6,831,089
TOTAL Fixed Assets (net)	33,691,501		33,800,756
TOTAL Assets	39,606,059		40,804,097

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(EW) ENTERPRISE WATER

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable	358,469	EW600	240,796
TOTAL Accounts Payable	358,469		240,796
Compensated Absences	557,930	EW687	649,755
TOTAL Other Liabilities	557,930		649,755
Due To Other Funds	315,740	EW630	1,862,145
TOTAL Due To Other Funds	315,740		1,862,145
Due To Employees' Retirement	6,206	EW637	
TOTAL Due To Other Governments	6,206		0
Bonds Payable	11,308,906	EW628	10,251,424
Bond Interest And Matured Bonds Payable		EW629	67,281
TOTAL Bond And Long Term Liabilities	11,308,906		10,318,705
Deferred Revenues	770	EW691	
TOTAL Deferred Revenues	770		0
TOTAL Liabilities	12,548,021		13,071,401
Net Assets-Invsted In Cap Asts, Net Rltd D	22,125,033	EW920	23,173,545
Net Assets-Restricted For Capital Projects	1,135,362	EW921	1,135,362
Net Assets-Restricted For Other Purposes	2,369,367	EW923	2,575,589
Net Assets-Unrestricted (deficit)	1,428,276	EW924	848,200
TOTAL Retained Earnings	27,058,038		27,732,696
TOTAL Non-Current Government Assets	27,058,038		27,732,696
TOTAL Non-Current Government Assets	39,606,059		40,804,097

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(EW) ENTERPRISE WATER

Results of Operation

Code Description	2005	EdpCode	2006
Operating Revenue			
Metered Water Sales	2,785,778	EW2140	2,812,901
Water Service Charges	24,000	EW2144	10,580
Interfund Revenues		EW2801	
TOTAL Charges For Services Within Locality	2,809,778		2,823,481
Gain On Disposition of Assets		EW2675	
Insurance Recoveries	625	EW2680	
TOTAL Sale of Property And Compensation For Loss	625		0
Interest And Earnings	114,679	EW2401	172,924
Rental, Other (specify)	269,924	EW2440	334,578
TOTAL Use of Money And Property	384,603		507,502
Refunds of Prior Year's Expenditures		EW2701	36,664
Unclassified (specify)	1,383,252	EW2770	805,636
TOTAL Other	1,383,252		842,300
Fed Aid, Other Home & Comm Serv		EW4989	8,207
TOTAL Federal Aid	0		8,207
TOTAL Revenues	4,578,258		4,181,490
Real Property Taxes	1,430,441	EW1001	1,427,500
TOTAL Real Property Taxes	1,430,441		1,427,500
TOTAL Taxes	1,430,441		1,427,500
TOTAL Operating Revenue	6,008,699		5,608,990

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(EW) ENTERPRISE WATER

Results of Operation

Code Description	2005	EdpCode	2006
Expenses And Transfers			
Water Administration-Pers Serv	1,173,137	EW83101	1,231,386
TOTAL Water Administration-Pers Serv	1,173,137		1,231,386
TOTAL Personal Services	1,173,137		1,231,386
Depreciation	996,624	EW19944	979,388
TOTAL Depreciation	996,624		979,388
Water Administration-Contr Expend	416,474	EW83104	455,225
TOTAL Water Administration-Contr Expend	416,474		455,225
SorC. SupP. Pwr&pump Contr Expend	1,253,646	EW83204	1,328,031
TOTAL SorC. SupP. Pwr&pump Contr Expend	1,253,646		1,328,031
TOTAL Contractual Expenses	2,666,744		2,762,644
Transportation And Distribution-Empl Bnfts	463,628	EW83408	449,205
TOTAL Transportation And Distribution-Empl Bnfts	463,628		449,205
TOTAL Employee Benefits	463,628		449,205
Debt Interest, Serial Bonds	498,901	EW97107	454,597
Debt Interest, Bond Anticipation Notes		EW97307	
TOTAL Interest Expense	498,901		454,597
TOTAL Expenses	4,802,410		4,897,832
TOTAL Expenses And Transfers	4,802,410		4,897,832

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(EW) ENTERPRISE WATER

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	25,933,868	EW8021	27,058,038
Prior Period Adj-Increase In Fund Equity		EW8012	
Prior Period Adj-Decrease In Fund Equity	82,119	EW8015	36,500
Restated Fund Equity - Beg of Year	25,851,749	EW8022	27,021,538
ADD - REVENUES AND OTHER SOURCES	6,008,699		5,608,990
DEDUCT - EXPENDITURES AND OTHER USES	4,802,410		4,897,832
Fund Equity - End of Year	27,058,038	EW8029	27,732,696

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(EW) ENTERPRISE WATER

Cash Flow

Code Description	2005	EdpCode	2006
Cash Flows From Operating Activities			
Cash Rec'd From Providing Svcs	4,418,945	EW7111	4,607,910
Cash Payments Contr Exp	-1,670,100	EW7112	-1,823,491
Cash Payments Pers Svcs & Bnfts	-1,567,097	EW7113	-1,664,425
Other Operating Rev		EW7114	36,664
TOTAL Cash Flows From Operating Activities	1,181,748		1,156,658
Cash Flows From Non-Capital And Financing Activities			
Transfers To/from Other Funds	315,740	EW7123	442,449
TOTAL Cash Flows From Non-Capital And Financing Activities	315,740		442,449
Cash Flows From Capital And Related Financing Activities			
Principal Payments Debt (capital)	-1,024,984	EW7132	-1,057,482
Interest Expense (capital)	-498,901	EW7133	-462,443
Capital Contributed By Developers	1,382,082	EW7134	805,636
Payments To Contractors	-1,311,633	EW7136	-1,088,643
TOTAL Cash Flows From Capital And Related Financing Activities	-1,453,436		-1,802,932
Cash Flows From Investing Activities			
Purchase of Investments	-3,140,000	EW7151	-3,323,000
Sale of Investments	3,989,500	EW7152	3,140,000
Interest Income	114,502	EW7153	166,989
TOTAL Cash Flows From Investing Activities	964,002		-16,011
Net Inc(dec) In Cash&cash Equiv	1,008,054	EW7161	-219,836
Cash&cash Equiv Beg of Year	1,180,207	EW7171	2,188,261
	2,188,261		1,968,425
Reconciliation of Operating Income To Cash			
Operating Income (loss)	208,429	EW7181	187,195
Depreciation	996,624	EW7182	979,388
Other Reconciling Items	-23,305	EW7185	-9,925
TOTAL Reconciliation of Operating Income To Cash	1,181,748		1,156,658

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	-2,600,483	H200	-772,104
Cash In Time Deposits	5,000,000	H201	8,044,500
TOTAL Cash	2,399,517		7,272,396
Accounts Receivable	80,439	H380	97,053
Accured Interest Receivable		H381	19,701
TOTAL Other Receivables (net)	80,439		116,754
Due From Other Funds	29,200	H391	625
TOTAL Due From Other Funds	29,200		625
Due From Other Governments		H440	1,634
TOTAL Due From Other Governments	0		1,634
TOTAL Assets	2,509,156		7,391,409

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable		H600	322
TOTAL Accounts Payable	0		322
Bond Anticipation Notes Payable	34,000	H626	7,000
TOTAL Notes Payable	34,000		7,000
Due To Other Funds	65,407	H630	114,089
TOTAL Due To Other Funds	65,407		114,089
Due To Other Governments	409	H631	
TOTAL Due To Other Governments	409		0
TOTAL Liabilities	99,816		121,411
Reserve For Encumbrances	4,238,815	H821	4,972,817
TOTAL Reserve For Encumbrances	4,238,815		4,972,817
Unreserved Fund Balance Appropriated	-1,829,475	H910	2,297,181
TOTAL Unreserved Fund Balance - Appropriated	-1,829,475		2,297,181
TOTAL Non-Current Government Assets	2,409,340		7,269,998
TOTAL Non-Current Government Assets	2,509,156		7,391,409

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Capital Projects-Other Local Govts	190,253	H2397	106,489
TOTAL Intergovernmental Charges	190,253		106,489
Interest And Earnings	80,154	H2401	102,376
TOTAL Use of Money And Property	80,154		102,376
Other Compensation For Loss		H2690	
TOTAL Sale of Property And Compensation For Loss	0		0
Gifts And Donations	8,610	H2705	19,431
Unclassified (specify)	20,140	H2770	12,785
TOTAL Miscellaneous Local Sources	28,750		32,216
St Aid, Consolidated Highway Aid	408,382	H3501	
St Aid, Culture & Rec-Capital Proj	79,716	H3897	977,297
St Aid, Other Home And Comm Serv	1,816,539	H3989	216,852
St Aid, Natural Resources Cap Proj		H3997	
TOTAL State Aid	2,304,637		1,194,149
Fed Aid - Cap Projects	40,000	H4097	33,657
TOTAL Federal Aid	40,000		33,657
TOTAL Revenues	2,643,794		1,468,887
Interfund Transfers	1,649,115	H5031	150,715
TOTAL Interfund Transfers	1,649,115		150,715
Serial Bonds	15,305,000	H5710	27,185,000
Bans Redeemed From Appropriations	87,000	H5731	27,000
TOTAL Proceeds of Obligations	15,392,000		27,212,000
TOTAL Other Sources	17,041,115		27,362,715
TOTAL Detail Revenues And Other Sources	19,684,909		28,831,602

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Pur of Land/right of Way,equip & Cap Out	3,423,388	H19402	15,108,954
TOTAL Pur of Land/right of Way	3,423,388		15,108,954
General Govt, Equip & Cap Outlay	67,537	H19972	22,400
TOTAL General Govt	67,537		22,400
TOTAL General Government Support	3,490,925		15,131,354
Law Enforcement, Equip & Cap Outlay	119,178	H31972	32,908
TOTAL Law Enforcement	119,178		32,908
TOTAL Public Safety	119,178		32,908
Health, Equip & Cap Outlay	60,894	H49972	140,516
TOTAL Health	60,894		140,516
TOTAL Health	60,894		140,516
Highway, Capital Projects	2,525,796	H51972	695,726
TOTAL Highway	2,525,796		695,726
TOTAL Transportation	2,525,796		695,726
Economic Dev, Equip & Cap Outlay	632,525	H64972	624,829
TOTAL Economic Dev	632,525		624,829
Other Eco & Dev, Equip & Cap Outlay	89,737	H69892	83,838
TOTAL Other Eco & Dev	89,737		83,838
TOTAL Economic Assistance And Opportunity	722,262		708,667
Recreation, Equip & Cap Outlay	1,091,442	H71972	2,854,309
TOTAL Recreation	1,091,442		2,854,309
Historical Property, Equip & Cap Outlay	132,459	H75202	7,097
TOTAL Historical Property	132,459		7,097
TOTAL Culture And Recreation	1,223,901		2,861,406
Refuse & Garbage, Equip & Cap Outlay	9,604,530	H81602	4,325,367
TOTAL Refuse & Garbage	9,604,530		4,325,367
Drainage, Equip & Cap Outlay	50,418	H85402	
TOTAL Drainage	50,418		0
Other Home & Comm Serv, Equip & Cap Outlay	11,197	H89972	
TOTAL Other Home & Comm Serv	11,197		0
TOTAL Home And Community Services	9,666,145		4,325,367
TOTAL Expenditures	17,809,101		23,895,944
Transfers, Other Funds	371,745	H99019	75,000
TOTAL Operating Transfers	371,745		75,000
TOTAL Other Uses	371,745		75,000
TOTAL Detail Expenditures And Other Uses	18,180,846		23,970,944

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(H) CAPITAL PROJECTS

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	905,277	H8021	2,409,340
Restated Fund Equity - Beg of Year	905,277	H8022	2,409,340
ADD - REVENUES AND OTHER SOURCES	19,684,909		28,831,602
DEDUCT - EXPENDITURES AND OTHER USES	18,180,846		23,970,944
Fund Equity - End of Year	2,409,340	H8029	7,269,998

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(M) INTERNAL SERVICE

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	93,493	M200	199,144
Cash In Time Deposits	55,000	M201	
TOTAL Cash	148,493		199,144
Accounts Receivable	106,818	M380	30,688
Accrued Interest Receivable	92	M381	
TOTAL Other Receivables (net)	106,910		30,688
Due From Other Funds	52,920	M391	52,920
TOTAL Due From Other Funds	52,920		52,920
Due From Other Governments		M440	7,253
TOTAL Due From Other Governments	0		7,253
Inventory of Materials & Supplies	117,952	M445	125,969
TOTAL Inventories	117,952		125,969
Buildings	1,466,137	M102	1,466,137
Improvements Other Than Buildings	479,443	M103	479,443
Machinery & Equipment	200,197	M104	197,674
Construction Work In Progress		M105	
Accum Deprec, Buildings	-218,613	M112	-267,484
Accum Depr, Imp Other Than Bld	-137,001	M113	-161,203
Accum Depr, Machinery & Equip	-159,976	M114	-174,861
TOTAL Fixed Assets (net)	1,630,187		1,539,706
TOTAL Assets	2,056,462		1,955,680

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(M) INTERNAL SERVICE

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable	23,419	M600	23,478
TOTAL Accounts Payable	23,419		23,478
Compensated Absences	151,513	M687	121,589
TOTAL Other Liabilities	151,513		121,589
Due To Other Funds	125,191	M630	302,335
TOTAL Due To Other Funds	125,191		302,335
Due To Employees' Retirement System	2,065	M637	
TOTAL Due To Other Governments	2,065		0
Bonds Payable	1,318,800	M628	1,255,300
TOTAL Bond And Long Term Liabilities	1,318,800		1,255,300
TOTAL Liabilities	1,620,988		1,702,702
Net Assets-Unrestricted (deficit)	435,474	M924	252,978
TOTAL Retained Earnings	435,474		252,978
TOTAL Non-Current Government Assets	435,474		252,978
TOTAL Non-Current Government Assets	2,056,462		1,955,680

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(M) INTERNAL SERVICE

Results of Operation

Code Description	2005	EdpCode	2006
Operating Revenue			
Interfund Revenues	879,171	M2801	960,652
TOTAL Charges For Services Within Locality	879,171		960,652
Interest And Earnings	2,115	M2401	541
TOTAL Use of Money And Property	2,115		541
Refunds of Prior Year's Expenditures		M2701	38,196
Grants From Local Governments	59,500	M2706	
Unclassified (specify)	25	M2770	24
TOTAL Other	59,525		38,220
TOTAL Revenues	940,811		999,413
TOTAL Operating Revenue	940,811		999,413

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(M) INTERNAL SERVICE

Results of Operation

Code Description	2005	EdpCode	2006
Expenses And Transfers			
Central Garage, Pers Serv	343,840	M16401	333,983
TOTAL Central Garage	343,840		333,983
TOTAL Personal Services	343,840		333,983
Central Garage, Contr Expend	56,598	M16404	14,055
TOTAL Central Garage	56,598		14,055
Central Storeroom, Contr Expend	372,435	M16604	490,288
TOTAL Central Storeroom	372,435		490,288
Depreciation Expense	90,351	M19944	91,610
TOTAL Depreciation Expense	90,351		91,610
TOTAL Contractual Expenses	519,384		595,953
State Retirement, Empl Bnfts	44,806	M90108	28,878
TOTAL State Retirement	44,806		28,878
Social Security , Empl Bnfts	27,396	M90308	28,571
TOTAL Social Security	27,396		28,571
Worker's Compensation, Empl Bnfts	4,150	M90408	6,500
TOTAL Worker's Compensation	4,150		6,500
Hospital & Medical (dental) Ins, Empl Bnft	48,962	M90608	59,539
TOTAL Hospital & Medical (dental) Ins	48,962		59,539
TOTAL Employee Benefits	125,314		123,488
TOTAL Expenses	988,538		1,053,424
Transfers, Other Funds		M99019	116,895
TOTAL Transfers	0		116,895
TOTAL Other Uses	0		116,895
TOTAL Expenses And Transfers	988,538		1,170,319

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(M) INTERNAL SERVICE

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	483,201	M8021	435,474
Prior Period Adj - Decrease In Fund Equity		M8015	11,590
Restated Fund Equity - Beg of Year	483,201	M8022	423,884
ADD - REVENUES AND OTHER SOURCES	940,811		999,413
DEDUCT - EXPENDITURES AND OTHER USES	988,538		1,170,319
Fund Equity - End of Year	435,474	M8029	252,978

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(M) INTERNAL SERVICE

Cash Flow

Code Description	2005	EdpCode	2006
Cash Flows From Operating Activities			
Cash Rec'd From Providing Svcs	858,607	M7111	1,036,782
Cash Payments Contr Exp	-449,254	M7112	-567,051
Cash Payments Pers Svcs & Bnfts	-479,562	M7113	-508,304
Other Operating Rev	25	M7114	38,220
TOTAL Cash Flows From Operating Activities	-70,184		-353
Cash Flows From Non-Capital And Financing Activities			
Operating Grants Rec'd	59,500	M7122	
Transfers To/from Other Funds	37,393	M7123	115,000
TOTAL Cash Flows From Non-Capital And Financing Activities	96,893		115,000
Cash Flows From Capital And Related Financing Activities			
Principal Payments Debt (capital)	-59,500	M7132	-63,500
Capital Contributed By Other Funds		M7135	
Payments To Contractors	-127,208	M7136	-1,129
TOTAL Cash Flows From Capital And Related Financing Activities	-186,708		-64,629
Cash Flows From Investing Activities			
Purchase of Investments	-55,000	M7151	
Sale of Investments	70,000	M7152	55,000
Interest Income	2,075	M7153	633
TOTAL Cash Flows From Investing Activities	17,075		55,633
Net Inc(dec) In Cash&cash Equiv	-142,924	M7161	105,651
Cash&cash Equiv Beg of Year	236,418	M7171	93,494
	93,494		199,145
Reconciliation of Operating Income To Cash			
Operating Income (loss)	-109,341	M7181	-109,302
Depreciation	90,351	M7182	91,610
Other Reconciling Items	-51,194	M7185	17,339
TOTAL Reconciliation of Operating Income To Cash	-70,184		-353

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(MS) SELF INSURANCE

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	424,816	MS200	104,028
Cash & Time Deposits	4,120,500	MS201	3,550,000
TOTAL Cash	4,545,316		3,654,028
Accrued Interest Receivable	3,253	MS381	12,350
TOTAL Other Receivables (net)	3,253		12,350
Due From Other Funds		MS391	589,050
TOTAL Due From Other Funds	0		589,050
TOTAL Assets	4,548,569		4,255,428

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(MS) SELF INSURANCE

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable		MS600	5,649
TOTAL Accounts Payable	0		5,649
Due To Other Funds	611,565	MS630	628,636
TOTAL Due To Other Funds	611,565		628,636
Bonds	1,641,000	MS628	1,070,100
TOTAL Bond And Long Term Liabilities	1,641,000		1,070,100
TOTAL Liabilities	2,252,565		1,704,385
Net Assets-Unrestricted (deficit)	2,296,004	MS924	2,551,043
TOTAL Retained Earnings	2,296,004		2,551,043
TOTAL Non-Current Government Assets	2,296,004		2,551,043
TOTAL Non-Current Government Assets	4,548,569		4,255,428

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(MS) SELF INSURANCE

Results of Operation

Code Description	2005	EdpCode	2006
Operating Revenue			
Interfund Revenues	1,778,648	MS2801	2,046,250
TOTAL Charges For Services Within Locality	1,778,648		2,046,250
Insurance Recoveries	10,000	MS2680	35,000
TOTAL Sale of Property And Compensation For Loss	10,000		35,000
Interest And Earnings	125,442	MS2401	214,346
TOTAL Use of Money And Property	125,442		214,346
Refund of Prior Years Expend		MS2701	
TOTAL Other	0		0
TOTAL Revenues	1,914,090		2,295,596
TOTAL Operating Revenue	1,914,090		2,295,596

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(MS) SELF INSURANCE

Results of Operation

Code Description	2005	EdpCode	2006
Expenses And Transfers			
Administration-Contractual	512,802	MS17104	854,294
TOTAL Administration-Contractual	512,802		854,294
Excess Insurance	563,651	MS17224	602,808
TOTAL Excess Insurance	563,651		602,808
Judgements & Claims	484,896	MS19304	525,719
TOTAL Judgements & Claims	484,896		525,719
TOTAL Contractual Expenses	1,561,349		1,982,821
Serial Bonds - Interest	77,001	MS97107	57,736
TOTAL Interest Expense	77,001		57,736
TOTAL Expenses	1,638,350		2,040,557
Operating Transfers Out		MS99019	
TOTAL Transfers	0		0
TOTAL Other Uses	0		0
TOTAL Expenses And Transfers	1,638,350		2,040,557

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(MS) SELF INSURANCE

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	2,020,264	MS8021	2,296,004
Restated Fund Equity - Beg of Year	2,020,264	MS8022	2,296,004
ADD - REVENUES AND OTHER SOURCES	1,914,090		2,295,596
DEDUCT - EXPENDITURES AND OTHER USES	1,638,350		2,040,557
Fund Equity - End of Year	2,296,004	MS8029	2,551,043

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(MS) SELF INSURANCE

Cash Flow

Code Description	2005	EdpCode	2006
Cash Flows From Operating Activities			
Cash Rec'd From Providing Svcs	1,788,648	MS7111	2,081,250
Cash Payments Contr Exp	-1,561,350	MS7112	-1,977,172
Other Operating Rev		MS7114	
TOTAL Cash Flows From Operating Activities	227,298		104,078
Cash Flows From Non-Capital And Financing Activities			
Transfers To/from Other Funds	43,101	MS7123	-571,979
Payment of Debt (non-Capital)	-528,000	MS7125	-570,900
Interest Expenses (non-Capital)	-77,001	MS7126	-57,736
TOTAL Cash Flows From Non-Capital And Financing Activities	-561,900		-1,200,615
Cash Flows From Investing Activities			
Purchase of Investments	-4,120,500	MS7151	-3,550,000
Sale of Investments	4,683,000	MS7152	4,120,500
Interest Income	124,053	MS7153	205,248
TOTAL Cash Flows From Investing Activities	686,553		775,748
Net Inc(dec) In Cash&cash Equiv	351,951	MS7161	-320,789
Cash&cash Equiv Beg of Year	72,865	MS7171	424,816
	424,816		104,027
Reconciliation of Operating Income To Cash			
Operating Income (loss)	227,298	MS7181	104,078
Inc/dec In Liabilities Other Than Cash		MS7184	
TOTAL Reconciliation of Operating Income To Cash	227,298		104,078

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(SL) LIGHTING

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	52,379	SL200	32,100
Cash In Time Deposits	460,000	SL201	590,000
TOTAL Cash	512,379		622,100
Accured Interest Receivable	600	SL381	1,398
TOTAL Other Receivables (net)	600		1,398
Due From Other Governments		SL440	4,037
TOTAL Due From Other Governments	0		4,037
TOTAL Assets	512,979		627,535

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(SL) LIGHTING

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Due To Other Funds	88,564	SL630	221,189
TOTAL Due To Other Funds	88,564		221,189
Due To Employees' Retirement System	926	SL637	
TOTAL Due To Other Governments	926		0
TOTAL Liabilities	89,490		221,189
Reserve For Encumbrances	55,368	SL821	59,802
TOTAL Reserve For Encumbrances	55,368		59,802
Unreserved Fund Balance Appropriated	50,000	SL910	50,000
TOTAL Unreserved Fund Balance - Appropriated	50,000		50,000
Unreserved Fund Balance Unappropriated	318,121	SL911	296,544
TOTAL Unreserved Fund Balance - Unappropriated	318,121		296,544
TOTAL Non-Current Government Assets	423,489		406,346
TOTAL Non-Current Government Assets	512,979		627,535

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(SL) LIGHTING

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	730,749	SL1001	728,746
TOTAL Real Property Taxes	730,749		728,746
Interest And Earnings	21,682	SL2401	36,099
TOTAL Use of Money And Property	21,682		36,099
Insurance Recoveries	3,504	SL2680	
TOTAL Sale of Property And Compensation For Loss	3,504		0
Refunds of Prior Year's Expenditures		SL2701	21,036
TOTAL Miscellaneous Local Sources	0		21,036
TOTAL Revenues	755,935		785,881
TOTAL Detail Revenues And Other Sources	755,935		785,881

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(SL) LIGHTING

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Excess Insurance-Contr Expend	16,200	SL17224	25,500
TOTAL Excess Insurance-Contr Expend	16,200		25,500
TOTAL General Government Support	16,200		25,500
Street Lighting, Pers Serv	155,513	SL51821	119,922
Street Lighting, Equip & Cap Outlay	3,517	SL51822	795
Street Lighting, Contr Expend	429,102	SL51824	488,499
TOTAL Street Lighting	588,132		609,216
TOTAL Transportation	588,132		609,216
State Retirement, Empl Bnfts	21,928	SL90108	16,073
Social Security , Empl Bnfts	11,843	SL90308	9,253
Worker's Compensation, Empl Bnfts	44,600	SL90408	21,650
Hospital & Medical (dental) Ins, Empl Bnft	44,144	SL90608	44,492
TOTAL Employee Benefits	122,515		91,468
TOTAL Expenditures	726,847		726,184
Transfers, Other Funds	71,476	SL99019	76,841
TOTAL Operating Transfers	71,476		76,841
TOTAL Other Uses	71,476		76,841
TOTAL Detail Expenditures And Other Uses	798,323		803,025

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(SL) LIGHTING

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	465,877	SL8021	423,489
Restated Fund Equity - Beg of Year	465,877	SL8022	423,489
ADD - REVENUES AND OTHER SOURCES	755,935		785,881
DEDUCT - EXPENDITURES AND OTHER USES	798,323		803,025
Fund Equity - End of Year	423,489	SL8029	406,345

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(SM) MISCELLANEOUS

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	25,681	SM200	97,480
Cash In Time Deposits	190,000	SM201	278,000
TOTAL Cash	215,681		375,480
Allowance For Receivables	148	SM389	820
TOTAL Other Receivables (net)	148		820
TOTAL Assets	215,829		376,300

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(SM) MISCELLANEOUS

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Due To Other Funds	42,610	SM630	157,342
TOTAL Due To Other Funds	42,610		157,342
TOTAL Liabilities	42,610		157,342
Reserve For Encumbrances	8,330	SM821	10,296
TOTAL Reserve For Encumbrances	8,330		10,296
Unreserved Fund Balance Unappropriated	164,889	SM911	208,662
TOTAL Unreserved Fund Balance - Unappropriated	164,889		208,662
TOTAL Non-Current Government Assets	173,219		218,958
TOTAL Non-Current Government Assets	215,829		376,300

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(SM) MISCELLANEOUS

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	515,279	SM1001	568,070
TOTAL Real Property Taxes	515,279		568,070
Interest And Earnings	11,826	SM2401	20,660
TOTAL Use of Money And Property	11,826		20,660
TOTAL Revenues	527,105		588,730
TOTAL Detail Revenues And Other Sources	527,105		588,730

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(SM) MISCELLANEOUS

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Ambulance, Equip & Cap Outlay		SM45402	
Ambulance, Contr Expend	469,690	SM45404	490,241
TOTAL Ambulance	469,690		490,241
TOTAL Health	469,690		490,241
Other Employee Benefits (spec)	8,100	SM90898	37,750
TOTAL Employee Benefits	8,100		37,750
TOTAL Expenditures	477,790		527,991
Transfers, Other Funds	32,873	SM99019	15,000
TOTAL Operating Transfers	32,873		15,000
TOTAL Other Uses	32,873		15,000
TOTAL Detail Expenditures And Other Uses	510,663		542,991

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(SM) MISCELLANEOUS

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	156,777	SM8021	173,219
Restated Fund Equity - Beg of Year	156,777	SM8022	173,219
ADD - REVENUES AND OTHER SOURCES	527,105		588,730
DEDUCT - EXPENDITURES AND OTHER USES	510,663		542,991
Fund Equity - End of Year	173,219	SM8029	218,958

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(SR) REFUSE AND GARBAGE

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	30,279	SR200	314,836
Cash In Time Deposits	250,000	SR201	22,000
TOTAL Cash	280,279		336,836
Accrued Interest Receivable	452	SR381	52
TOTAL Other Receivables (net)	452		52
Due From Other Funds		SR391	119,360
TOTAL Due From Other Funds	0		119,360
Due From Other Governments		SR440	2,834
TOTAL Due From Other Governments	0		2,834
TOTAL Assets	280,731		459,082

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(SR) REFUSE AND GARBAGE

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Due To Other Funds	26,856	SR630	91,850
TOTAL Due To Other Funds	26,856		91,850
Due To Other Governments	691	SR631	
TOTAL Due To Other Governments	691		0
TOTAL Liabilities	27,547		91,850
Reserve For Encumbrances	1,325	SR821	2,252
TOTAL Reserve For Encumbrances	1,325		2,252
Unreserved Fund Balance Unappropriated	251,859	SR911	364,980
TOTAL Unreserved Fund Balance - Unappropriated	251,859		364,980
TOTAL Non-Current Government Assets	253,184		367,232
TOTAL Non-Current Government Assets	280,731		459,082

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(SR) REFUSE AND GARBAGE

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	2,820,003	SR1001	4,089,545
TOTAL Real Property Taxes	2,820,003		4,089,545
Interest And Earnings	28,836	SR2401	65,178
TOTAL Use of Money And Property	28,836		65,178
Insurance Recoveries	12,320	SR2680	
TOTAL Sale of Property And Compensation For Loss	12,320		0
Refunds of Prior Year's Expenditures		SR2701	14,810
Unclassified (specify)	833	SR2770	773
TOTAL Miscellaneous Local Sources	833		15,583
TOTAL Revenues	2,861,992		4,170,306
TOTAL Detail Revenues And Other Sources	2,861,992		4,170,306

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(SR) REFUSE AND GARBAGE

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Refuse & Garbage, Pers Serv	125,347	SR81601	137,635
Refuse & Garbage, Equip & Cap Outlay		SR81602	
Refuse & Garbage, Contr Expend	2,516,284	SR81604	3,767,186
TOTAL Refuse & Garbage	2,641,631		3,904,821
TOTAL Home And Community Services	2,641,631		3,904,821
State Retirement, Empl Bnfts	15,614	SR90108	11,285
Social Security, Empl Bnfts	9,904	SR90308	10,766
Worker's Compensation, Empl Bnfts	26,000	SR90408	26,100
Hospital & Medical (dental) Ins, Empl Bnft	46,569	SR90608	37,536
Other Employee Benefits (spec)	33,750	SR90898	35,750
TOTAL Employee Benefits	131,837		121,437
TOTAL Expenditures	2,773,468		4,026,258
Transfers, Other Funds	14,090	SR99019	30,000
TOTAL Operating Transfers	14,090		30,000
TOTAL Other Uses	14,090		30,000
TOTAL Detail Expenditures And Other Uses	2,787,558		4,056,258

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(SR) REFUSE AND GARBAGE

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	178,750	SR8021	253,184
Restated Fund Equity - Beg of Year	178,750	SR8022	253,184
ADD - REVENUES AND OTHER SOURCES	2,861,992		4,170,306
DEDUCT - EXPENDITURES AND OTHER USES	2,787,558		4,056,258
Fund Equity - End of Year	253,184	SR8029	367,232

TOWN OF Riverhead
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(ST) PUBLIC PARKING

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	14,339	ST200	7,406
Cash In Time Deposits	105,000	ST201	187,000
TOTAL Cash	119,339		194,406
Accrued Interest Receivable	67	ST381	675
TOTAL Other Receivables (net)	67		675
State & Federal Receivables	798	ST410	
TOTAL State And Federal Aid Receivables	798		0
TOTAL Assets	120,204		195,081

TOWN OF Riverhead
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(ST) PUBLIC PARKING

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Due To Other Funds	16,138	ST630	71,621
TOTAL Due To Other Funds	16,138		71,621
TOTAL Liabilities	16,138		71,621
Reserve For Encumbrances	11,768	ST821	11,480
TOTAL Reserve For Encumbrances	11,768		11,480
Unreserved Fund Balance Unappropriated	92,298	ST911	111,980
TOTAL Unreserved Fund Balance - Unappropriated	92,298		111,980
TOTAL Non-Current Government Assets	104,066		123,460
TOTAL Non-Current Government Assets	120,204		195,081

TOWN OF Riverhead
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(ST) PUBLIC PARKING

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Real Property Taxes	177,749	ST1001	182,621
TOTAL Real Property Taxes	177,749		182,621
Interest And Earnings	6,052	ST2401	9,729
TOTAL Use of Money And Property	6,052		9,729
Sales of Real Property	14,000	ST2660	
TOTAL Sale of Property And Compensation For Loss	14,000		0
TOTAL Revenues	197,801		192,350
TOTAL Detail Revenues And Other Sources	197,801		192,350

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(ST) PUBLIC PARKING

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Off-Street Parking, Pers Serv	2,412	ST56501	
Off-Street Parking, Contr Expend	77,323	ST56504	68,587
TOTAL Off-Street Parking	79,735		68,587
TOTAL Transportation	79,735		68,587
State Retirement, Empl Bnfts		ST90108	798
Social Security, Empl Bnfts	204	ST90308	
Worker's Compensation, Empl Bnfts	18,500	ST90408	20,150
Hospital & Medical (dental) Ins, Empl Bnft	13,446	ST90608	5,550
TOTAL Employee Benefits	32,150		26,498
TOTAL Expenditures	111,885		95,085
Transfers, Other Funds	64,660	ST99019	77,871
TOTAL Operating Transfers	64,660		77,871
TOTAL Other Uses	64,660		77,871
TOTAL Detail Expenditures And Other Uses	176,545		172,956

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(ST) PUBLIC PARKING

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	82,810	ST8021	104,066
Restated Fund Equity - Beg of Year	82,810	ST8022	104,066
ADD - REVENUES AND OTHER SOURCES	197,801		192,350
DEDUCT - EXPENDITURES AND OTHER USES	176,545		172,956
Fund Equity - End of Year	104,066	ST8029	123,460

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(TA) AGENCY

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	8,965,445	TA200	2,493,710
TOTAL Cash	8,965,445		2,493,710
Due From Other Funds	-583	TA391	-41,513
TOTAL Due From Other Funds	-583		-41,513
TOTAL Assets	8,964,862		2,452,197

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(TA) AGENCY

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Consolidated Payroll	-353,179	TA10	-173,803
State Retirement	22,104	TA18	22,439
Group Insurance	325,556	TA20	306,808
Nys Income Tax	591,609	TA21	349,498
Federal Income Tax	-133,463	TA22	-133,731
Income Executions	12,127	TA23	12,127
Assoc & Union Dues	-6,369	TA24	-6,369
Social Security Tax	148,034	TA26	148,289
Guaranty & Bid Deposits	622,005	TA30	654,916
Other Funds (specify)	7,736,438	TA85	1,272,023
TOTAL Agency Liabilities	8,964,862		2,452,197
TOTAL Liabilities	8,964,862		2,452,197
TOTAL Non-Current Government Assets	8,964,862		2,452,197

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(V) DEBT SERVICE

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Cash	489,181	V200	1,937,377
Cash In Time Deposits	15,438,000	V201	13,253,000
TOTAL Cash	15,927,181		15,190,377
Accounts Receivable		V380	
Accrued Interest Receivable	12,577	V381	31,733
TOTAL Other Receivables (net)	12,577		31,733
Due From Other Funds	3,750,830	V391	5,586,218
TOTAL Due From Other Funds	3,750,830		5,586,218
Due From Other Governments	125,000	V440	
TOTAL Due From Other Governments	125,000		0
TOTAL Assets	19,815,588		20,808,328

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(V) DEBT SERVICE

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Accounts Payable	33,304	V600	
TOTAL Accounts Payable	33,304		0
Due To Other Funds		V630	
TOTAL Due To Other Funds	0		0
TOTAL Liabilities	33,304		0
Unreserved Fund Balance Unappropriated	19,782,284	V911	20,808,328
TOTAL Unreserved Fund Balance - Unappropriated	19,782,284		20,808,328
TOTAL Non-Current Government Assets	19,782,284		20,808,328
TOTAL Non-Current Government Assets	19,815,588		20,808,328

TOWN OF Riverhead
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For the Fiscal Year Ending 2006

(V) DEBT SERVICE

Results of Operation

Code Description	2005	EdpCode	2006
Detail Revenues And Other Sources			
Debt Service - Other GoV.	60,000	V2392	98,634
TOTAL Intergovernmental Charges	60,000		98,634
Interest And Earnings	467,758	V2401	635,833
TOTAL Use of Money And Property	467,758		635,833
Sales of Real Property		V2660	12,500
TOTAL Sale of Property And Compensation For Loss	0		12,500
Refunds of Prior Year's Expenditures	16,129	V2701	
TOTAL Miscellaneous Local Sources	16,129		0
TOTAL Revenues	543,887		746,967
Interfund Transfers	7,210,489	V5031	8,033,387
TOTAL Interfund Transfers	7,210,489		8,033,387
TOTAL Other Sources	7,210,489		8,033,387
TOTAL Detail Revenues And Other Sources	7,754,376		8,780,354

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(V) DEBT SERVICE

Results of Operation

Code Description	2005	EdpCode	2006
Detail Expenditures And Other Uses			
Fiscal Agents Fees, Contr Expend	69,984	V13804	664
TOTAL Fiscal Agents Fees	69,984		664
Other Govt Support, Contr Bnfts	71,304	V19894	
TOTAL Other Govt Support	71,304		0
TOTAL General Government Support	141,288		664
Debt Principal, Serial Bonds	4,088,738	V97106	4,677,359
Debt Principal, Bond Anticipation Notes	87,000	V97306	27,000
TOTAL Debt Principal	4,175,738		4,704,359
Debt Interest, Serial Bonds	2,568,667	V97107	3,013,109
Debt Interest, Bond Anticipation Notes	1,727	V97307	967
TOTAL Debt Interest	2,570,394		3,014,076
TOTAL Expenditures	6,887,420		7,719,099
Transfers, Capital Projects Fund		V99509	68,515
TOTAL Operating Transfers	0		68,515
TOTAL Other Uses	0		68,515
TOTAL Detail Expenditures And Other Uses	6,887,420		7,787,614

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(V) DEBT SERVICE

Changes in Fund Equity

Code Description	2005	EdpCode	2006
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	18,915,328	V8021	19,782,284
Prior Period AdJ.- Increase In Fund Equity		V8012	33,304
Restated Fund Equity - Beg of Year	18,915,328	V8022	19,815,588
ADD - REVENUES AND OTHER SOURCES	7,754,376		8,780,354
DEDUCT - EXPENDITURES AND OTHER USES	6,887,420		7,787,614
Fund Equity - End of Year	19,782,284	V8029	20,808,328

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For the Fiscal Year Ending 2006

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2005	EdpCode	2006
Assets			
Total Non-Current Govt Liabilities	80,576,013	W129	103,713,681
TOTAL Provision To Be Made In Future Budgets	80,576,013		103,713,681
TOTAL Assets	80,576,013		103,713,681

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(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2005	EdpCode	2006
Non-Current Government Assets			
Compensated Absences	4,779,359	W687	5,345,886
TOTAL Other Liabilities	4,779,359		5,345,886
Bonds Payable	75,796,654	W628	98,367,795
TOTAL Bond And Long Term Liabilities	75,796,654		98,367,795
TOTAL Liabilities	80,576,013		103,713,681
TOTAL Non-Current Government Assets	80,576,013		103,713,681

TOWN OF Riverhead
Financial Comments
For the Fiscal Year Ending 2006

(A) GENERAL

Adjustment Reason

Account Code A8012 12/31/05 Accounts Payable Paid in 2005.

(CD) SPECIAL GRANT

Adjustment Reason

Account Code CD8015 Application of Fund Balance

(DA) HIGHWAY-TOWN-WIDE

Adjustment Reason

Account Code DA8012 Correction of Prepaid Retirement System (Due To Other Governments)

(V) DEBT SERVICE

Adjustment Reason

Account Code V8012 Correct Accounts Payable @ 12/31/05

Account Code V8015 AP

(ES) ENTERPRISE SEWER

Adjustment Reason

Account Code ES8012 Interest Accrual Adjustment

Account Code ES8015 Opening F.B., Compensated Absences and Overtime.

(EW) ENTERPRISE WATER

Adjustment Reason

Account Code EW8012 Correct Accounts Payable

Account Code EW8015 Accrue Compensated Absences

(M) INTERNAL SERVICE

Adjustment Reason

Account Code M8015 Adjust Opening Compensated Absences

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2004000014	EDPCODE	Amount
Month and Year of Issue		7/25/2002
Purpose of Issue		ER PLANT UPGRADE
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18671	1,520,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	50,000
Outstanding End of the Fiscal Year	2P18677	1,470,000
Final Maturity Date		10/15/2031
Bond No. 2005000002	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		ERCIAL SEWER DIST
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18671	95,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	4,900
Outstanding End of the Fiscal Year	2P18677	90,100
Final Maturity Date		8/1/2022
Bond No. 2004000021	EDPCODE	Amount
Month and Year of Issue		11/5/2004
Purpose of Issue		EFUNDING SERIES A
Current Interest Rate		1.5000
Outstanding Beginning of Year	2P18671	56,900
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	5,600
Outstanding End of the Fiscal Year	2P18677	51,300
Final Maturity Date		1/15/2016
Bond No. 2004000015	EDPCODE	Amount
Month and Year of Issue		12/15/2003
Purpose of Issue		BLIC IMPR SERIES B
Current Interest Rate		3.6250
Outstanding Beginning of Year	2P18671	2,342,200
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	123,500
Outstanding End of the Fiscal Year	2P18677	2,218,700
Final Maturity Date		11/15/2022

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2004000017	EDPCODE	Amount
Month and Year of Issue		11/15/2000
Purpose of Issue		PUBLIC IMPR BOND
Current Interest Rate		5.0000
Outstanding Beginning of Year	2P18671	3,387,100
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	212,900
Outstanding End of the Fiscal Year	2P18677	3,174,200
Final Maturity Date		5/15/2020
Bond No. 2005000001	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		WM WATER CONDUIT
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18671	70,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	3,700
Outstanding End of the Fiscal Year	2P18677	66,300
Final Maturity Date		8/1/2022
Bond No. 2004000008	EDPCODE	Amount
Month and Year of Issue		1/15/2003
Purpose of Issue		REFUNDUNG BOND
Current Interest Rate		3.0000
Outstanding Beginning of Year	2P18671	2,536,983
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	371,582
Outstanding End of the Fiscal Year	2P18677	2,165,401
Final Maturity Date		3/1/2013
Bond No. 2004000013	EDPCODE	Amount
Month and Year of Issue		3/26/1997
Purpose of Issue		RT 58 SEWER EXT
Current Interest Rate		5.6500
Outstanding Beginning of Year	2P18671	2,925,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	190,000
Outstanding End of the Fiscal Year	2P18677	2,735,000
Final Maturity Date		8/15/2018

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2004000012	EDPCODE	Amount
Month and Year of Issue		1/1/2003
Purpose of Issue		IMPROVEMENT BOND
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18671	452,700
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	21,800
Outstanding End of the Fiscal Year	2P18677	430,900
Final Maturity Date		6/1/2022
Bond No. 2004000027	EDPCODE	Amount
Month and Year of Issue		11/4/2004
Purpose of Issue		REFUNDING SERIES B
Current Interest Rate		2.5000
Outstanding Beginning of Year	2P18671	3,768,300
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	325,300
Outstanding End of the Fiscal Year	2P18677	3,443,000
Final Maturity Date		6/15/2016
Bond No. 2006000002	EDPCODE	Amount
Month and Year of Issue		12/1/2006
Purpose of Issue		IMPROVEMENT BONDS
Current Interest Rate		4.0000
Outstanding Beginning of Year	2P18671	
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	65,000
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	0
Outstanding End of the Fiscal Year	2P18677	65,000
Final Maturity Date		12/1/2027

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2004000009	EDPCODE	Amount
Month and Year of Issue		12/1/1991
Purpose of Issue		IMPROVEMENT BOND
Current Interest Rate		6.3500
Outstanding Beginning of Year	2P18671	862,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	136,000
Outstanding End of the Fiscal Year	2P18677	726,000
Final Maturity Date		3/1/2011
Total Bond		Amount
Outstanding Beginning of Year		17,348,183
Issued During Fiscal Year		65,000
Paid During Fiscal Year		1,445,282
Outstanding End of Year		16,635,901

0

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond Anticipation Note No. 2004000029	EDPCODE	Amount
Month and Year of Issue		5/1/2004
Purpose of Issue		DOOR IMPROVEMENT
Current Interest Rate		1.4900
Outstanding Beginning of Year	2P18761	14,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18763	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18765	7,000
Outstanding End of the Fiscal Year	2P18767	7,000
Final Maturity Date		5/1/2005
Bond Anticipation Note No. 2004000030	EDPCODE	Amount
Month and Year of Issue		8/1/2004
Purpose of Issue		POLICE RADIO SYSTEM
Current Interest Rate		1.5500
Outstanding Beginning of Year	2P18761	20,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18763	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18765	20,000
Outstanding End of the Fiscal Year	2P18767	0
Final Maturity Date		8/1/2005
Total Bond Anticipation Note		Amount
Outstanding Beginning of Year		34,000
Issued During Fiscal Year		0
Paid During Fiscal Year		27,000
Outstanding End of Year		7,000
*** Bond Anticipation Notes Redeemed		
From Bond Proceeds During Fiscal Year	2P18885	0

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2006000001	EDPCODE	Amount
Month and Year of Issue		12/1/2006
Purpose of Issue		IMPROVEMENT BONDS
Current Interest Rate		4.0000
Outstanding Beginning of Year	2P18771	
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	27,185,000
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	0
Outstanding End of the Fiscal Year	2P18777	27,185,000
Final Maturity Date		12/1/2027
Bond No. 2005000011	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		IMPROVING TOWN ROADS
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	500,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	26,300
Outstanding End of the Fiscal Year	2P18777	473,700
Final Maturity Date		8/1/2022
Bond No. 2004000011	EDPCODE	Amount
Month and Year of Issue		1/1/2003
Purpose of Issue		IMPROVEMENT BOND
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	29,322,300
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	1,653,200
Outstanding End of the Fiscal Year	2P18777	27,669,100
Final Maturity Date		6/1/2022
Bond No. 2004000010	EDPCODE	Amount
Month and Year of Issue		12/1/1991
Purpose of Issue		IMPROVEMENT BOND
Current Interest Rate		6.3500
Outstanding Beginning of Year	2P18771	188,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	39,000
Outstanding End of the Fiscal Year	2P18777	149,000
Final Maturity Date		3/1/2011

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2005000009	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		HIGHWAY VEHICLES
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	140,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	7,400
Outstanding End of the Fiscal Year	2P18777	132,600
Final Maturity Date		8/1/2022
Bond No. 2005000008	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		D AVENUE PARKING
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	320,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	25,000
Outstanding End of the Fiscal Year	2P18777	295,000
Final Maturity Date		8/1/2022
Bond No. 2004000007	EDPCODE	Amount
Month and Year of Issue		1/15/2003
Purpose of Issue		3 RFUNDING BONDS
Current Interest Rate		3.0000
Outstanding Beginning of Year	2P18771	1,008,017
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	268,418
Outstanding End of the Fiscal Year	2P18777	739,599
Final Maturity Date		3/1/2013
Bond No. 2005000007	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		N OF TOWN BUILDIN
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	250,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	13,100
Outstanding End of the Fiscal Year	2P18777	236,900
Final Maturity Date		8/1/2022

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2005000006	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		DWARE/SOFTWARE
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	15,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	5,000
Outstanding End of the Fiscal Year	2P18777	10,000
Final Maturity Date		8/1/2022
Bond No. 2004000005	EDPCODE	Amount
Month and Year of Issue		3/3/1997
Purpose of Issue		RFRONT BULKHEAD
Current Interest Rate		4.0000
Outstanding Beginning of Year	2P18771	17,637
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	11,641
Outstanding End of the Fiscal Year	2P18777	5,996
Final Maturity Date		4/1/2007
Bond No. 2005000005	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		RICAL GENERATOR
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	10,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	5,000
Outstanding End of the Fiscal Year	2P18777	5,000
Final Maturity Date		8/1/2022
Bond No. 2005000010	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		EADWORKS IMPROV
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	35,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	1,800
Outstanding End of the Fiscal Year	2P18777	33,200
Final Maturity Date		8/1/2022

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2005000004	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		ACE PRESERVATION
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	3,000,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	157,800
Outstanding End of the Fiscal Year	2P18777	2,842,200
Final Maturity Date		8/1/2022
Bond No. 2005000003	EDPCODE	Amount
Month and Year of Issue		8/1/2005
Purpose of Issue		DFILL RECLAMATION
Current Interest Rate		3.7500
Outstanding Beginning of Year	2P18771	11,000,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	510,000
Outstanding End of the Fiscal Year	2P18777	10,490,000
Final Maturity Date		8/1/2022
Bond No. 2004000016	EDPCODE	Amount
Month and Year of Issue		12/15/2003
Purpose of Issue		BLIC IMPR SERIES B
Current Interest Rate		3.6250
Outstanding Beginning of Year	2P18771	27,107,800
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	1,826,500
Outstanding End of the Fiscal Year	2P18777	25,281,300
Final Maturity Date		11/15/2022
Bond No. 2004000018	EDPCODE	Amount
Month and Year of Issue		11/15/2000
Purpose of Issue		PUBLIC IMPR BOND
Current Interest Rate		5.0000
Outstanding Beginning of Year	2P18771	2,287,900
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	187,100
Outstanding End of the Fiscal Year	2P18777	2,100,800
Final Maturity Date		5/15/2020

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2004000028	EDPCODE	Amount
Month and Year of Issue		11/4/2004
Purpose of Issue		REFUNDING SERIES B
Current Interest Rate		2.5000
Outstanding Beginning of Year	2P18771	2,691,700
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	344,700
Outstanding End of the Fiscal Year	2P18777	2,347,000
Final Maturity Date		6/15/2016
Bond No. 2004000022	EDPCODE	Amount
Month and Year of Issue		11/5/2004
Purpose of Issue		REFUNDING BOND SERIES A
Current Interest Rate		1.5000
Outstanding Beginning of Year	2P18771	528,100
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	89,400
Outstanding End of the Fiscal Year	2P18777	438,700
Final Maturity Date		1/15/2016

TOWN OF Riverhead
Statement of Indebtedness
For the Fiscal Year Ending 2006

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2004000003	EDPCODE	Amount
Month and Year of Issue		11/1/1984
Purpose of Issue		IMPROVEMENT BOND
Current Interest Rate		9.5000
Outstanding Beginning of Year	2P18771	300,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	75,000
Outstanding End of the Fiscal Year	2P18777	225,000
Final Maturity Date		5/1/2009
Total Bond		Amount
Outstanding Beginning of Year		79,389,454
Issued During Fiscal Year		27,185,000
Paid During Fiscal Year		5,246,359
Outstanding End of Year		100,660,095

0

Total of All Indebtedness
Includes Total of Bonds and Notes - Exempt and Not Exempt

Total Bond		Amount
Outstanding Beginning of Year		96,771,637
Issued During Fiscal Year		27,250,000
Paid During Fiscal Year		6,718,641
Outstanding End of Year		117,302,996

TOWN OF Riverhead
Maturity Schedule
For the Fiscal Year Ending 2006

TOWN OF Riverhead
Schedule of Securities for Collateralization
For the Fiscal Year Ending 2006

General Municipal Law, Section 10 as amended by chapter 708 Laws of 1992 lists the types of securities which may be pledged for collateralization. Please click in the response box next to the type(s) of securities used by banks as collateral for your deposits.

1. Obligations issued by the United States of America, an agency thereof or a United States sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
2. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development
3. Obligations partially insured or fully guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or
4. Obligations issued or fully insured or guaranteed by this state, obligations by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.
5. Obligations issued by states (other than this state) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
6. Obligations of Puerto Rico rated in one of three highest rating categories by at least one nationally recognized statistical rating organization.
7. Obligations of counties, cities, and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
8. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
9. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.
10. Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.
11. Zero-coupon obligations of the United States government marketed as "Treasury Strips".
12. Letters of Credit.
13. Surety bonds.

TOWN OF Riverhead
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2006

	EDP Code	Amount
CASH:		
On Hand	9Z2001	_____
Demand Deposits	9Z2011	_____
Time Deposits	9Z2021	_____
Total		\$0.00
COLLATERAL:		
- FDIC Insurance	9Z2014	_____
Collateralized with securities held in possession of municipality or its agent	9Z2014A	_____
Total		\$0.00
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	_____
Market Value at Balance Sheet Date	9Z4502	_____
Collateralized with securities held in possession of municipality or its agent	9Z4504A	_____
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	_____
Market Value at Balance Sheet Date	9Z4512	_____
Collateralized with securities held in possession of municipality or its agent	9Z4514A	_____

TOWN OF Riverhead
Investment Certification
For the Fiscal Year Ending 2006

DEFINITIONS:

Repurchase Agreement - A generic term for an agreement in which a government entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities or for different securities.

Reverse Repurchase Agreement - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a government entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for the same securities or different securities.

RESPONSE

- 1) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?
- 2) The following investments are permitted by your investment policy.
 - * Obligations of the UNITED STATES
 - * Obligations of the U.S. Government Agencies, guaranteed by the UNITED STATES Government
 - * Obligations of the STATE of NEW YORK
 - * Obligations of other NEW YORK STATE Local Governments
 - * Other
- 3) Do you engage in reverse repurchase agreements?
- 4) Are Repurchase Agreements authorized by your investment policy?

Name: _____

Title: _____

Phone Number: _____

TOWN OF Riverhead
Bank Reconciliation
For the Fiscal Year Ending 2006

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
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CERTIFICATION OF CHIEF FISCAL OFFICER

I, Philip Cardinale, hereby certify that I am the Chief Fiscal Officer of the Town of Riverhead, and that the information provided in the annual financial report of the Town of Riverhead, for the fiscal year ended 12/31/2006, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Town of Riverhead, and adopted by me as my signature for use in conjunction with the filing of the Town of Riverhead's annual financial report, I am evidencing my express intent to authenticate my certification of the Town of Riverhead's annual financial report for the fiscal year ended 12/31/2006 and filed by means of electronic data transmission.

William Rothaar
Name of Report Preparer if different than Chief Fiscal Officer

Philip Cardinale
Name

(631) 727-3200
Telephone Number

Town Supervisor
Title

200 Howell Avenue, Riverhead, NY 1
Official Address

10/02/2007
Date of Certification

(631) 727-3200
Official Telephone Number

Town of Riverhead
Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Riverhead (the "Town") which was established in 1792, is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. The Town Board consists of the Supervisor who is elected for a term of two years and four council members who are elected for terms of four years. The Town Board appoints the Town Attorney whose term is fixed by Town Law. The Town Clerk and Receiver of Taxes are elected and serve for two years and four years, respectively. The Town provides a full range of municipal services, including public safety, transportation, home and community services, public works and road maintenance, recreation and parks, and general and administrative services.

The financial statements of the Town of Riverhead have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Government 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 Riverhead; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14.

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

The Town of Riverhead Community Development Agency was created by Chapter 480 of the Laws of 1982, a special act of the New York State Legislature. The Community Development Agency is an independent governmental agency and instrumentality of the State of New York and is a corporate governmental agency constituting a public benefit corporation of the State of New York. The Community Development Agency can enter into contracts, sue and be sued, and acquire and own real and personal property, each on its own behalf and in its own name. The Community Development Agency can incur debt and issue bonds and notes in its own name and, unless the Town of Riverhead elects to guarantee principal of and interest on, or only the interest on, indebtedness issued by the Community Development Agency, all indebtedness of the Community Development Agency is a liability only of the Community Development Agency and not of the Town of Riverhead.

Inclusion of the Community Development Agency as a component unit of the Town of Riverhead reported as a special revenue fund type is required by GASB Statement No. 14 solely because the members of the Community Development Agency are the same as the members of the Town Board of the Town of Riverhead. When acting as a member of the Community Development Agency, however, a member has a fiduciary responsibility to the Community Development Agency and not to the Town of Riverhead. Inclusion of the Community Development Agency as a component unit of the Town of Riverhead reported as a special revenue fund type is not intended

to state or imply, and should not give rise to any impression or inference, either that the Town of Riverhead is legally responsible for the indebtedness and other liabilities of the Community Development Agency or that the Town of Riverhead has any legal claim to the assets of the Community Development Agency.

The Town of Riverhead Industrial Development Agency was created by the New York State Legislature by Article 18-A of the General Municipal law under Section 925-p. It shall have the powers and duties now and hereafter conferred by Title One of Article 18-A and provided that the exercise of the powers of this Agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise shall be limited to the corporate limits of the Town of Riverhead. Its members shall be appointed by the governing body of the Town of Riverhead. The Industrial Development Agency is a component unit of the Town and is discretely presented.

Complete financial statements of the individual component unit can be obtained from the administrative office:

Industrial Development Agency
Town of Riverhead
200 Howell Avenue
Riverhead, NY 11901

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Town of Riverhead are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses 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 summarized by type in the financial statements. Certain funds of the Town are utilized to account for resources derived from, and/or expenditures applicable to an area less than the entire Town. The Town of Riverhead records its transactions in the fund types described below:

1) Fund Categories

a) 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 based upon determination of financial position and changes in financial position. The following are the Town's governmental fund types.

General Fund - the principal operating fund and includes all operations not required to be recorded in other funds.

Special Revenue Funds - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The following Special Revenue Funds are utilized:

1) Highway Fund - includes all operations relating to the repair and maintenance of Town roads.

- 2) Community Development Fund [Special Grant Fund] - used to account for the Federal Grant Program administered by the Federal Department of Housing and Urban Development. The Town of Riverhead is a member of the Suffolk County Consortium. It is also used to account for various New York State Grant Programs dealing with Community Development.
- 3) Street Lighting District Fund - includes operations relating to the repair and maintenance of both traffic and street lights located within the boundaries of the Town.
- 4) Business Improvement District [Misc. Special Revenue Fund] - includes all operations relating to promotion of the downtown business community, and was created in 1991.
- 5) Ambulance District Fund - includes all operations of a volunteer ambulance within the Town excluding the Wading River Fire District and was created in 2000. Previously the operations were contained within the General Fund.
- 6) Garbage and Refuse District Fund - includes all operations of the closed Town Landfill and includes contracted residential garbage pickup. Prior to 1992 when the District was created, Landfill operations were part of the General Fund and there was no residential pickup. On 01/01/97, the Town closed the transfer station at the Town Landfill. Commercial carters are contracted with the Town to provide residential collection of solid waste and are responsible for the ultimate disposal of this solid waste. Only residential properties, not commercial properties, contribute to the operations of the District via real property taxes on a benefit derived basis.
- 7) Public Parking District Fund - includes all operations relating to the public parking fields located only in the downtown business district.
- 8) Park & Recreation Fund includes funds collected as impact fees from newly approved residential subdivision and condominiums. The Town Board set the fee of \$2000/parcel by Town Board Resolution on 04/02/91. In 9/19/00 the Town Board approved an increased to \$3,000/parcel.
- 9) Community Preservation Fund includes funds collected on all land transfers. The voters of the Town approved the implementation of a real estate transfer tax in the amount of 2% against the proceeds of the sale of real property in excess of \$150,000 for developed property and in excess of \$100,000 for undeveloped property. The tax is to be collected on every transaction through the year 2020. The proceeds of this tax are required to be set aside and used to pay the cost of the acquisition of real property, or development rights in farmland for the preservation of open space in the Town.
- 10) East Creek Docking Facility Fund- includes all operations relating to the Town operational docking facility at East Creek Jamesport.

Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the enterprise in internal service funds. It is also used to account for a few special grants received from Federal, State and/or County sources.

Debt Service Fund - used to account for current payments of principal and interest on general obligation long-term debt and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness other than debt of enterprise or internal service funds. There are two separate debt service funds which include:

- 1) General Fund Debt Service Fund
- 2) Public Parking Debt Service Fund

- b) Proprietary Funds - used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and changes in financial position. The following proprietary funds are utilized:

Enterprise Fund – used to account for the following operations. These funds were all converted to Enterprise Funds in anticipation for the implementation of GASB Statement No. 34. in 2003.

- 1) Riverhead Sewer District Fund – includes all operations relating to public sanitary sewers within the hamlet of Riverhead. This fund also includes its own capital projects, Debt Service Reserve, and a Denitrofication Reserve fund. Like the Water District, it also does not encompass the entire Town. This District contracts with the County of Suffolk to provide services to the County Center Complex located in the Town of Southampton. This fund was converted to an Enterprise Fund in 2001.
- 2) Calverton Sewer District Fund – includes all operations relating to public sanitary sewers within the hamlet of Calverton. This fund also includes its own capital projects and a Debt Service Reserve Fund. The Sewage Treatment Plant and it's infrastructure was given to the District in the 2000 fiscal year by the Riverhead Community Development Agency who, in turn, received this facility when the Agency received the Naval Weapons Facility at Calverton from the U.S. Government. This fund was converted to an Enterprise Fund in 2001.
- 3) Water District Fund - includes operations relating to potable water within the Town. This district does not encompass the entire Town. This fund also includes its own capital projects, a Repair & Maintenance Reserve and a Debt Service Reserve Fund. The Water District was converted to an Enterprise Fund in 2002.
- 4) Riverhead Scavenger Waste District includes all the operations relating to scavenger or septic system waste from properties outside the two sewer districts. A Joint Scavenger Waste District was established in 1979 as a joint activity between the Towns of Riverhead and Southampton. This joint activity terminated on 12/31/01 and this fund was established on 1/01/02. This fund also includes its own capital projects and a Debt Service Reserve Fund.

Internal Service Fund - used to account for special activities or services provided by one department to other departments on a cost-reimbursement basis. Included are the following:

- 1) Municipal Garage Fund - used to account for the repair and maintenance of all Town vehicles.
- 2) Municipal Fuel Fund - used to account for the fueling of all Town vehicles.
- 3) Self Insurance Fund – Worker's Compensation
Beginning in the fourth quarter of 1993, the Town initiated a self-insurance program covering worker's compensation costs for all employees and this fund is used to report this activity. The Town obtained catastrophic loss coverage with an SIR of \$175,000 for fiscal year 2005.
- 4) Self Insurance Fund -Risk Retention Fund - used to account for the Town's self-insurance program that was adopted in 1987 when insurance liability coverage was becoming increasingly difficult to obtain and the cost of liability insurance was becoming prohibitive. Beginning in the fourth quarter of 1993, the Town obtained catastrophic loss coverage. For 2005, Property had a \$100,000 SIR with a limit of \$10,000,000, Liability had \$150,000 SIR with a limit of \$10 million. This fund is accounted for as Risk Retention in the Internal Service Fund as per GASB 10.
- 5) Self Insurance Fund – Unemployment Insurance - used to account for the direct reimbursement program for Unemployment claims made on behalf of the Town by the NYS

Department of Labor.

c) Fiduciary Funds – used to account for assets held by the Town in a trustee or custodial capacity:

Agency Funds - used to account for money received and held in the capacity of trustee, custodian or agent.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

1) Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within sixty days of the close of the fiscal year.

Material revenues that are accrued include real property taxes, state and federal aid, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made and the resources are available.

Expenditures are recorded when incurred except that:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of the purchase.
- b) Principal and Interest on indebtedness are not recognized as an expenditure until due.
- c) Compensated absences, such as vacation, personal leave and sick leave which vest or accumulate, are charged as an expenditure when paid. (See Note on page 15).

2) Accrual Basis - Proprietary funds are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the funds. Depreciation utilizes the straight-line method in both the Enterprise and Internal Service Funds. Inventories are valued by the first-in, first-out method with an actual physical inventory taking place at year-end.

The Worker's Compensation Self Insurance Fund utilizes our insurance revision based on statutory allowances under Workers' Compensation Law.

D. PROPERTY TAXES

Real property taxes are levied annually no later than December 15th and become a lien on December 1st. Taxes are collected by the Town during the period December 1st to May 31st. Taxes for county and school purposes are levied together with taxes for Town and special district purposes as a single bill with the first half being due on January 10th and the second half being due on May 31st. The Suffolk County Tax Act guarantees that the Town, Special Districts and School Districts will receive the full amount of their levies at the end of the collection period. After May 31st, the County of Suffolk assumes enforcement responsibility for all uncollected taxes.

E. BUDGETARY DATA

1) Budget Policies - The budget policies are as follows:

- a) No later than September 30th, the budget officer (the Town Supervisor) submits the Tentative Budget to the Town Board for the fiscal year commencing the following January 1st. The Tentative Budget includes proposed expenditures and the proposed means of financing for all funds.
- b) The Town Board formulates the Preliminary Budget which becomes the subject of public hearings.
- c) After public hearings are conducted to obtain taxpayer comments, no later than November 20th the governing board adopts the budget.
- d) All modifications of the budget must be approved by the Town Board via Resolution.
- e) Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3) Budget Basis of Accounting

Budgets for all funds except Capital Projects are adopted annually on a basis consistent with Generally Accepted Accounting Principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgets for Capital Projects are adopted at the beginning of the undertaking and can extend over the life of the Capital Project.

F. CHANGES IN ACCOUNTING POLICIES

- 1) For the 2003 fiscal year, the Water and Sewer Debt Service Reserve Fund were reflected in the respective proprietary fund of the Water District and the Sewer District. Prior to 2003, the activities of these debt service funds were reported inclusive with all debt service funds

G. INVESTMENTS

Investments are stated at cost, which approximates market.

H. INVENTORY

Inventory is valued at cost utilizing the first-in, first-out method for two Internal Service Funds (Municipal Garage Fund and Municipal Fuel Fund). In 1994, inventory of water meters was recorded in the Water District and is also valued at cost utilizing the first-in, first-out method of valuation.

I. PROPERTY, PLANT AND EQUIPMENT – GOVERNMENTAL FUNDS

Fixed assets purchases for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at costs or estimated historical costs for assets purchased prior to

1970 in the Schedule of Non-Current Government Assets. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure type improvements other than building; including roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Town. Therefore, the purposes of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest on general fixed assets and construction in progress been capitalized.

J. PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUNDS

Property, plant and equipment acquired by the proprietary funds is stated at cost, including interest capitalized during construction, where applicable. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Life
<u>Internal Service Funds:</u>	
Municipal Garage Building	30 years
Municipal Garage & Fuel Equipment	5 years
Municipal Fuel - Fuel Tanks & Pumps	20 years
<u>Enterprise Funds:</u>	
<u>Buildings:</u>	
Calverton Sewer District	20 years
Riverhead Sewer District	50 years
Riverhead Water District	40 years
<u>Infrastructure Improvements:</u>	
Calverton Sewer District	20 years
Riverhead Sewer District & Water District	15 years
Riverhead Water District – Transmission Mains & Pipes	50 years
<u>Equipment, Autos & Pickups:</u>	
Calverton Sewer District	--
Riverhead Sewer District	5 years
Riverhead Water District	5 years
<u>Equipment – Heavy Trucks:</u>	
Calverton Sewer District	-
Riverhead Sewer District	10 years
Riverhead Water District	5 years

Computation threshold for the Internal Service Funds is \$3,000 and \$5,000 for the Enterprise Funds.

K. INSURANCE

The Town assumes the liability for most risk including, but not limited to, property damage and personal injury liability. In 1987, the Town decided to self insure against such claims. The Town retained a few small insurance policies such as ambulance attendant's error and omissions, public officials fidelity bonds and some recreation activity accident insurance. Reserves are recorded when a claim is made and the value of a possible loss can be reasonably estimated. In September of 1993 the Town obtained catastrophic loss insurance coverage and has continued to maintain this coverage.

L. COMPENSATORY ABSENCES

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

Vested vacation, personal leave and sick leave accumulated by employees is recorded in proprietary funds as a liability and expense, and in governmental funds as a long-term liability in the general long-term debt account group (GLTDAG) if payable from future financial resources, or as a fund liability and expenditures, if payable from current resources. The liability for compensated absences increased by \$334,789 during the year to \$6,293,057 and is reported in proprietary funds (\$947,171), and in the Schedule of Non-Current Government Liabilities (\$5,345,886).

Payment of vacation, personal leave, and sick leave recorded in the general long-term obligations account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for payments of vacations, personal leave, and sick leave when such payments become due.

M. POST RETIREMENT BENEFITS

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees at 100% of premium and their dependents at 50% of premium. Substantially, all the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through the State system and the Town's two HMO programs where premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During 2005, the following was paid on behalf of eligible retirees and recorded as an expenditure in the described operating Funds.

78 retirees in the General Fund costing	\$ 510,014
16 retirees in the Highway Fund costing	\$ 91,404
8 retirees in the Water District costing	\$ 49,281
4 retirees in the Riverhead Sewer District costing	\$ 24,569
1 retiree in the Refuse & Garbage District costing	\$ 7,645
1 retiree in the Public Parking District costing	\$ 6,500
1 retiree in the Street Lighting District costing	\$ 6,500

N. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal Laws and Regulations require the Town to place a final cover on its Youngs Avenue Landfill Site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town closed the Landfill in the fall of 1993 and operated a transfer station until 12/31/96 when the transfer station was closed. The Town has engaged an engineering firm to study the economic feasibility of both capping and closure and reclamation of the Town Landfill.

On April 15, 2002, the Town awarded a sixteen month Landfill reclamation PILOT project for an estimated cost of \$11,500,000. This PILOT project has proven so successful that in the winter of 2002 the Town put out to bid the full Landfill Reclamation Project. Subsequently, the Town Board awarded this project in February 2003 to follow the end of the pilot project in August of 2003 for an estimated cost of \$40,000,000.

The Town halted the project and requested cost estimates to cap the remaining landfill as compared to recycling and/or removing the remaining waste. The Town is in the process of bidding out the capping of the remaining landfill and is estimated to cost \$12,000,000.

O. TOTAL COLUMNS OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with Generally Accepted Accounting Principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

II. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. MATERIAL VIOLATIONS OF FINANCE - RELATED PROVISIONS

There were no violations of finance related provisions.

B. DEFICIT FUND BALANCES

There are no Fund Balances in deficit.

C. OVERDRAWN APPROPRIATIONS

There were no overdrawn appropriations.

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1) Cash and Investments

The Town investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC - insured commercial banks or trust companies located within the state. The Town Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for all demand deposit and certificate of deposit at 100 percent of 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.

Deposits and investments at year end were entirely covered by federal depository insurance or by collateral held by the Town or third party custodial bank, they consist of:

DEPOSITS All demand deposits and certificates of deposit are carried at cost.

DEMAND DEPOSITS

<u>Fund #</u>	<u>Fund</u>	<u>Bank Balance</u>	<u>Institution</u>
1	GEN TOWN	\$ 13,629.95	BONY
1	GEN TOWN	9,795,320.04	NFB
1	GEN TOWN	3,053,740.36	SCNB
4	PAL	5,901.63	NFB
5	TEEN CTR	1,383.33	SCNB
30	EDZ	4,153.34	NFB
111	HIGHWAY	230,923.92	BONY
112	WATER	281,490.24	SCNB
113	R&M	54,856.51	NFB
114,124,130	SEWER	301,263.25	SCNB
115,116	STR LTNG	352,617.99	SCNB
117	PUB PRKG	7,206.26	FLEET
118	BID	5,952.03	SCNB
119	UDC TRUST	-	SCNB
120	AMBULANCE	97,664.63	CITIBANK
128	RHD SCAV	45,327.54	SCNB
173,174,175	RISK RET	163,549.56	NFB
178	REVOLV LN	5,748.64	NFB
179	RES REHAB	6,329.33	NFB
180	DISC SM CITIES	-	NFB
181	CDBG	162,733.19	SCNB
182	UDC WRKNG	5,407.13	SCNB
184	RESTORE	5,463.41	SCNB
381	PRKG DEBT	234.22	SCNB
382	SEWER DEBT	2,663.02	SCNB
383	WTR DEBT	26,319.13	SCNB
384	GEN FND DEBT	1,937,142.34	SCNB
385	SCAV DEBT	9,967.40	SCNB
406	THCP	906,460.63	SCNB
406	THCPMM	7,853.21	NFB
408	800 SERIES	1,045.61	NFB
409	WTR IMP CP	23.79	CHASE
440	2 BEARS CP	5,504.27	SCNB
451	CHIPS	5,315.33	SCNB
452	YOUTH SERV	(223.77)	SCNB
453	SRS HELP SRS	10,170.05	NFB
454	EISEP	12,754.51	NFB
625	MUN FUEL	4,542.94	NFB
626,122	MUN GARAGE	140,018.77	SCNB
735	TRST & AGNCY	2,493,710.39	SCNB
736	SPEC TRUST	28,186.54	NFB
737	COMM PRESERVATION	335,467.37	NFB
914	CDA	(50,918.25)	SCNB
998	PAYROLL	181,054.72	SCNB
999	CEN CLRG	665,138.02	SCNB
	TOTAL DEMAND DEPOSITS	\$ 21,323,092.52	

CERTIFICATES OF DEPOSITS

<u>Fund #</u>	<u>Fund</u>	<u>Certificate Amount</u>	<u>Institution</u>
001	General Fund	\$ 5,000,000	Citibank
004	P.A.L.	20,000	
005	Teen Center	15,000	
006	Rec Program Fund	213,000	
007	Nutr Site Council	4,600	
008	DARE	3,000	
009	Child Care Center	140,000	
024	Town Board Spec Prog Fund	100,000	
027	Srs Day Care Bldg. Fund	18,000	
030	Empire Zone	82,000	
111	Highway Fund	1,800,000	
112	Water District	1,400,000	
113	Repair & Maint Reserve	900,000	
114	Riverhead Sewer District	1,975,000	
115	Refuse & Garbage District	22,000	
116	Street Lighting District	590,000	
117	Public Parking District	75,000	
120	Ambulance District	200,000	
122	East Creek Docking Facility	100,000	
124	Calverton Sewer District	200,000	
128	Rvhd Scavenger Waste District	1,350,000	
130	Sewer District Reserve Fund	385,000	
173	Workers Comp Reserve Fund	1,000,000	
176	Unemployment Ins. Reserve	50,000	
381	Public Parking Debt Service	40,000	
382	Sewer Dist Debt Service	100,000	
383	Water Dist Debt Service	275,000	
384	General Fund Debt Service	12,500,000	
385	Scavenger Waste Debt Service	1,000	
386	Suffolk Theater	550,000	
406	THCP	8,000,000	
736	Park & Rec Reserve Fund	380,000	
737	Community Preservation Fund	2,775,000	
914	CDA – Calverton	260,000	
	Total Certificate #1	\$40,523,600	Citibank

CERTIFICATES OF DEPOSITS

<u>Fund #</u>	<u>Fund</u>	<u>Certificate Amount</u>	<u>Institution</u>
004	P.A.L.	\$ 16,000	SCNB
005	Teen Center	7,500	
006	Recreation Program Fund	2,000	
009	Child Care Center	2,500	
024	Town Board Special Program Fund	17,000	
027	SRS Daycare Bldg Fund	4,000	
029	Animal Spay/Neuter	1,500	
030	EDZ Fund	2,500	
031	Rec Youth	1,500	
111	Highway	119,000	
112	Water	18,500	
113	Water Rep & Maint. Reserve	575,000	
114	Riverhead Sewer District	2,150,000	
117	Public Parking District	112,000	
118	BID	55,000	
120	Ambulance District	78,000	
122	East Creek Docking	110,000	
124	Calverton Sewer District	103,000	
128	Riverhead Scav Waste	104,000	
130	Sewer District Reserve Fund	133,000	
173	Workers' Comp Reserve Fund	2,100,000	
178	REV Loan Program	57,000	
179	RES REH	14,500	
181	CDBG	12,000	
182	UDC-Working	11,500	
184	RESTORE	7,000	
381	Public Parking Debt	3,000	
382	Sewer District Debt Service	375,000	
383	Water Debt	134,500	
384	General Fund Debt Reserve Fund	75,000	
385	Scavenger Waste Debt Reserve	95,000	
386	Suffolk Theater	85,000	
408	800 Series	20,000	
440	Two Bears CP	32,500	
451	CHIPS	45,000	
452	Youth Services	11,000	
454	EISEP	115,000	
736	Special Trust	955,000	
737	Community Preservation Fund	3,030,000	
914	CDA- Calverton	950,000	
915	C.D.A	75,000	

	Total Certificate #II	<u>\$11,815,000</u>	SCNB
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CERTIFICATES OF DEPOSITS

Fund #	Fund	Certificate Amount	Institution
175	Risk Retention Reserve Fund	<u>\$400,000</u>	SCNB
	Total Certificate #III	<u>\$400,000</u>	SCNB

All Time Certificates are collateralized and held by a third party Custodial Bank.

Investments – The Town has no investments other than certificates of deposit.

2) Property Taxes

The entire Tax Warrant is guaranteed by the County of Suffolk as outlined in the Suffolk County Tax Act. Any taxes not collected by May 31st are turned over to the County to collect. If the Town fails to collect the Town's portion of the Tax Warrant, that shortfall is remitted by the County to the Town in June.

CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
	<u>as of 12/31/2005</u>			<u>as of 12/31/2006</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	63,704,992	13,130,119	-	76,835,111
Construction in Progress	165,130			165,130
Total Capital assets not being depreciated	<u>63,870,122</u>	<u>13,130,119</u>	-	<u>77,000,241</u>
Capital assets being depreciated				
Buildings	6,424,313		(177,158)	6,247,155
Equipment	17,698,929	1,292,721	(689,460)	18,302,190
Improvements	<u>94,481,670</u>	<u>1,718,305</u>		<u>96,199,975</u>
Total Capital assets being depreciated	<u>118,604,912</u>	<u>3,011,026</u>	<u>(866,618)</u>	<u>120,749,320</u>
Less accumulated depreciation for				
Buildings	(2,614,081)	45,710	(135,341)	(2,703,712)
Equipment	(13,204,204)	495,116	(967,580)	(13,676,668)
Improvements	<u>(68,086,317)</u>	-	<u>(6,404,658)</u>	<u>(74,490,975)</u>
Total accumulated depreciation	<u>(83,904,602)</u>	<u>540,826</u>	<u>(7,507,579)</u>	<u>(90,871,355)</u>
			-	
Total capital assets being depreciated, Governmental activities capital assets, net	<u>34,700,310</u>	<u>3,551,852</u>	<u>(8,374,197)</u>	<u>29,877,965</u>
	<u>98,570,432</u>	<u>16,681,971</u>	<u>(8,374,197)</u>	<u>106,878,206</u>
Business-type activities:				
Capital assets not being depreciated				
Land	3,648,751	-	-	3,648,751
Construction in Progress	<u>9,172,261</u>	<u>1,780,209</u>	<u>(1,290,140)</u>	<u>9,662,330</u>
Total Capital assets not being depreciated	<u>12,821,012</u>	<u>1,780,209</u>	<u>(1,290,140)</u>	<u>13,311,081</u>
Capital assets being depreciated				
Buildings	19,701,935	1,068,987		20,770,922
Equipment	7,707,840	77,115		7,784,956
Improvements	<u>54,685,260</u>	<u>300,214</u>	-	<u>54,985,474</u>
Total Capital assets being depreciated	<u>82,095,035</u>	<u>1,446,316</u>	-	<u>83,541,352</u>
Less accumulated depreciation for				
Buildings	(11,976,771)	-	(341,639)	(12,318,410)
Equipment	(7,171,615)	17,975	(236,640)	(7,390,280)
Improvements	<u>(32,967,032)</u>	-	<u>(801,064)</u>	<u>(33,768,096)</u>
Total accumulated depreciation	<u>(52,115,418)</u>	<u>17,975</u>	<u>(1,379,343)</u>	<u>(53,476,786)</u>
Total capital assets being depreciated, net	<u>29,979,617</u>	<u>1,464,291</u>	<u>(1,379,343)</u>	<u>30,064,566</u>
Business-type activities capital assets, net	<u>42,800,630</u>	<u>3,244,500</u>	<u>(2,669,483)</u>	<u>\$43,375,647</u>

B. LIABILITIES

1) Pension Plans

Plan Description

The Town of Riverhead participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Building, Albany, NY 12244.

Funding Policy

The systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Town of Riverhead is required to contribute at an actuarially determined rate. The required contributions for the current year and four preceding years were:

<u>YEAR</u>	<u>ERS</u>	<u>PFRS</u>
2006	\$1,229,586	\$1,685,285
2005	\$1,184,110	\$1,228,190
2004	\$1,191,264	\$1,254,744
2003	\$602,366	\$372,003
2002	\$115,650	\$105,538

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 (which otherwise were to have been paid on June 30, 1989 and 1990, respectively) over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability. The Town of Riverhead elected to make the full payment on December 15, 1989.

2) Short-Term Debt

Liabilities for Bond Anticipation Notes (BAN's) are generally accounted for in the capital projects funds and the proprietary funds. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter. Payments of this short-term debt are made through the various debt service funds.

State law requires that BAN's issued for capital purpose be converted to long term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects, as found in the Water and/or Sewer Districts, may be renewed for periods equivalent to maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

OUTSTANDING BOND ANTICIPATION NOTES

<u>BAN Description</u>	<u>Outstanding Principal</u>	<u>Interest Rate</u>
General Fund	\$ 7,000	3.96%
Total	<u>\$ 7,000</u>	

3) Long Term Debt

a) Long Term Debt - At Dec. 31, 2006 the total long term outstanding indebtedness of the Town aggregated \$117,295,996. Of this amount \$100,660,095 was subject to constitutional debt limit and represented approximately 29.35% of its statutory debt limit.

b) Serial Bonds - The Town of Riverhead 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 asset. It also borrows money to settle major judgments and claims. These long term liabilities, which are on the full faith and credit of the local government, are recorded in the Schedule of Non-current Governmental Liabilities or in the Enterprise Funds. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. Enterprise fund debt is liquidated with enterprise income.

c) Other Long-Term Debt - In addition to the above long-term debt are the following noncurrent liabilities:

Compensated Absences. Represents the value of earned and unused portion of the liability for compensated absences.

d) Summary Long-Term Debt - The following is a summary of long-term liabilities outstanding at December 31, 2006 by fund.

GOVERNMENTAL FUNDS

<u>Liability</u>	<u>General Fund</u>	<u>Highway</u>	<u>Refuse & Garbage</u>	<u>Street Lighting</u>	<u>Public Parking</u>
Statutory Installment Bond	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Serial Bond	\$92,759,125.22	\$5,169,182.51	\$0.00	\$104,500	\$334,987
Capital Notes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Bonds & Notes	<u>\$92,759,125</u>	<u>\$5,169,183</u>	<u>\$0.00</u>	<u>\$104,500.00</u>	<u>\$334,986.97</u>
Installment Purchases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unfunded Retirement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Compensated Absences	\$4,472,253	\$421,582	\$39,274	\$5,463	\$0
Total Long-Term Debt	<u>\$97,231,378</u>	<u>\$5,590,765</u>	<u>\$39,274</u>	<u>\$109,963</u>	<u>\$334,987</u>

PROPRIETARY FUNDS

<u>Liability</u>	<u>Riverhead Sewer</u>	<u>Calverton Sewer</u>	<u>Scavenger Waste</u>	<u>Riverhead Water</u>	<u>Internal Service</u>
Statutory Installment Bond	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Serial Bond	\$ 5,167,800	\$ 136,100	\$ 1,047,478	\$ 10,251,424	\$ 2,325,400
Capital Notes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Bonds & Notes	<u>\$5,167,800</u>	<u>\$136,100</u>	<u>\$1,047,478</u>	<u>\$10,251,424</u>	<u>\$2,325,400</u>
Installment Purchases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unfunded Retirement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Compensated Absences	\$141,442	\$0.00	\$21,890	\$603,581	\$112,948
Total Long-Term Debt	<u>\$5,309,242</u>	<u>\$136,100</u>	<u>\$1,069,368</u>	<u>\$10,855,005</u>	<u>\$2,438,348</u>

e) The following is a summary of changes in long-term liabilities for the period ended December 31,2006

	<u>Bonds & Notes</u>	<u>Installment Purchases</u>	<u>Unbilled Retirement</u>	<u>Compensated Absences</u>
Payable at beginning of fiscal year	\$96,771,637	\$0.00	\$0.00	<u>\$5,511,202</u>
Additions	\$27,250,000	\$0.00	\$0.00	
Deletions	<u>\$6,725,641</u>	<u>\$0.00</u>	<u>\$0.00</u>	
Payable at end of	<u>\$117,295,996</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$5,818,433</u>

fiscal year				
-------------	--	--	--	--

Additions and deletions to unbilled retirement and compensating absences are shown net since it is impractical to determine these amounts separately.

Long-term Debt Maturity Schedule - The following is a statement of serial bonds with corresponding maturity schedules.

<u>Payable From Description</u>	<u>Original Date Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Outstanding 12/31/06</u>
Various Purposes	11/1/1984	\$2,828,250	9.50%	5/1/2009	\$225,000
Public Improv Bonds	12/1/1991	\$3,945,000	6.35%	3/1/2011	\$875,000
EFC Bond Sewer Extension	3/26/1997	\$4,148,000	5.65%	8/15/2018	\$2,735,000
Empire State Bond	3/3/1997	\$100,000	4.00%	4/1/2007	\$5,996
Public Improv Bonds	11/15/2000	\$7,635,000	5.00%	5/15/2020	\$5,275,000
EFC Bond 2002G Sewer Plant Upgrade	7/25/2002	\$1,715,069	3.75%	10/15/1931	\$1,470,000
Public Improv Bonds Series A	1/1/2003	\$34,751,000	3.75%	6/1/2022	\$28,100,000
Public Improvement Refunding	1/15/2003	\$5,005,000	3.00%	3/1/2013	\$2,905,000
Public Improv Bonds Series B	12/15/2003	\$33,165,000	3.63%	11/15/2022	\$27,500,000
2004 Refunding Series A	11/4/2004	\$7,120,000	2.50%	6/15/2016	\$5,790,000
2004 Refunding Series B	11/5/2004	\$690,000	1.50%	1/15/2016	\$490,000
2005 Public Improv Bonds	8/1/2005	\$15,435,000	3.75%	8/1/2002	\$14,675,000
2006 Public Improv	12/1/2006	\$27,250,000	3.75%	12/1/2027	\$27,250,000
TOTAL					<u>\$117,295,996</u>

f) The following table summarizes the Town's future debt service requirements as of December 31, 2006:

<u>Year Ending Date</u>	<u>Principal</u>	<u>Interest</u>
2007	\$6,705,996	\$4,671,550
2008	\$8,050,000	\$4,423,511
2009	\$7,155,000	\$4,122,088
2010	\$7,180,000	\$3,841,752
2011	\$7,365,000	\$3,557,963
2012-2016	\$36,455,000	\$13,445,526
2017-2021	\$32,135,000	\$6,303,558
2022-2026	\$10,725,000	\$1,246,946
2027-2031	\$1,525,000	\$99,860
TOTAL	\$117,295,996	\$41,712,754

In addition to the debt shown above, the following long-term debt has been authorized but remains unissued at December 31, 2006:

Description	Authorized	Issued	Unissued
Suffolk Theater (397P)	\$ 2,050,000	\$ 1,040,000	\$ 1,010,000
Open Space (3121P)	4,595,000	3,965,000	630,000
Master Plan Update (3133P)	390,000	387,500	2,500
Water Inc. & Impr. (Trans. Main & Plant 11)(3135P)	1,943,000	1,805,000	138,000
1999 Drainage (3148P)	2,000,000	483,500	1,516,500
Railroad Ave., Property Acquisition (3144P)	2,225,000	2,000,000	225,000
Radio Communication System (3167P)	350,000	200,000	150,000
Open Space (3176P)	30,000,000	30,000,000	-
Calverton Sewer District (3171P)	250,000	205,000	45,000
Riverhead Parking District #1 (3172P)	402,000	215,000	187,000
Twin Ponds Park Parking Field (3183P)	300,000	277,500	22,500
Police/Justice Court Generator (3180P)	300,000	94,000	206,000
Landfill Reclamation (3178P)	40,250,000	39,715,000	535,000
Middle Road Pump Station (3174P)	845,000	800,000	45,000
Computerization (3190P)	340,000	340,000	-
Scavenger Waste (3173P)	1,260,000	920,000	340,000
Iron Pier Beach Reno Improvement (3155P)	2,500,000	2,200,000	300,000
'04 Highway Vehicles (3197P)	140,000	140,000	-
'04 Osborne/Middle Traffic Light (3198P)	40,000	-	40,000
Street Light Vehicle (3193P)	100,000	90,000	10,000
'04 Open Space (3203P)	25,000,000	13,663,000	11,337,000
Upper Mills Dam Project (3204P)	150,000	70,000	80,000
Railroad Ave Parking Facility (3200P)	1,494,000	320,000	1,174,000
TH Annex	250,000	250,000	-
Highway – Road Resurface	500,000	500,000	-
Calverton Sewer District	68,000	-	68,000
Landscaping Vehicle	50,000	42,000	8,000
EPCAL	4,395,000	-	4,395,000
Riverhead Ambulance District	150,000	142,000	8,000
2006 Highway Vehicles (43219-2-2)	440,000	433,000	7,000
Landfill Reclamation (Phase II)	5,000,000	-	5,000,000
Road Improvements-Middle /Horton/Osborn Roundabout	551,000	-	551,000

- i) Conduit Debt Obligations - From time to time the Industrial Development Agency has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the IDA, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2006 there were eleven (11) Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$ 89,390,895.

B. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2006 were as follows:

Fund Type:	Interfund Receivables	Interfund Payables
General Fund:		
General Fund	\$ 788,476	\$ (2,488,462)
Rec Program		(8,000)
Senior Citizen Day Care	25,000	
Economic Dev. Zone	24,000	(6,031)
Central Clearing	5,597	
PAL	5,300	
Special Revenues:		
Highway Fund		(956,435)
Refuse & Garbage District		(91,850)
Street Lighting District		(101,829)
Public Parking District		(71,621)
Business Improvement District	50	2,682
CDBG Comm. Development		(50)
Ambulance		(157,342)
East Creek Docking Facility		(500)
Community Preservation Fund		(1,000,480)
Capital Projects:		
Seniors Helping Seniors Cap Project		(68,625)
Town Hall Cap Projects		(81,553)
Youth Services		(6,433)
Water District Capital		(22)
EISEP		625
Enterprise Funds:		
Riverhead Sewer District	37,349	(564,043)
Riverhead Scavenger Waste District	40,000	(169,308)
Riverhead Sewer Dentrification Reserve	14,603	
Calverton Sewer		(11,760)
Workers Compensation Fund	58,600	
Risk Retention Fund	530,450	(628,636)
Repair & Maintenance Reserve Fund	500,000	
Water District		(1,362,145)
Debt Services:		
Public Parking Debt Service	27,871	
General Fund Debt Service	5,558,346	
Sewer District Debt Service	375,337	
Water District Debt	603,978	(500,000)
Scavenger Waste	50,000	(40,045)
Internal Service Funds:		
Municipal Fuel	52,920	(48,900)
Municipal Garage		(225,516)
Agency Funds:		
Trust and Agency	(41,088)	
Special Trust	16,322	(86,830)
TOTAL	\$ 8,673,111	\$ (8,673,111)

D.FUND EQUITY

1) Allocation of Fund Balance

Certain Governmental Funds apply to areas less than the entire Town. The fund equity at balance sheet is allocated as follows:

General Fund	\$9,470,525
Special Revenue Funds:	
Special Grant	\$225,038
East Creek Docking Facility	\$299,613
Business Improvement District	\$63,765
Highway Fund	\$1,178,984
Street Lighting District	\$525,706
Ambulance District	\$218,958
Refuse & Garbage District	\$247,872
Public Parking District	\$123,460
Community Preservation Fund	\$5,159,918
Parks & Recreation Fund	\$1,297,790
TOTAL	<u>\$18,811,629</u>

The Town has also established debt service reserve funds for the following purposes:

<u>Purpose</u>	<u>Fund Equity @ End of Year</u>
Theater Debt Service Fund	\$622,499
Public Parking Debt Service Reserve Fund	\$71,213
Sewer District Debt Service Reserve Fund	\$854,903
Water District Debt Service Reserve Fund	\$541,046
General Town Debt Service Reserve Fund	\$20,058,602
Scavenger Waste District Debt Service Fund	\$116,347
TOTAL	<u>\$22,264,610</u>

E. DEFERRED COMPENSATION PLAN

In October 1997 the Governmental Accounting Standards Board issued Statement No. 32 Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This statement established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governments.

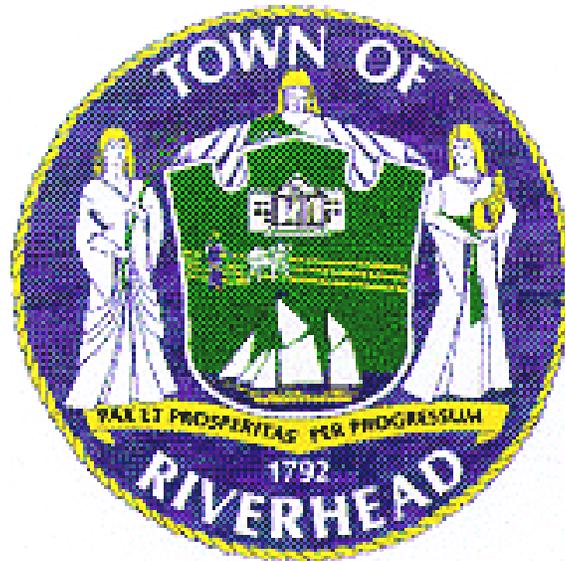
On October 1, 1997 the New York State Deferred Compensation Board (Board) created a Trust and Custody agreement making Chase Manhattan Bank the Trustee and Custodian of the Plan. Consequently, Statement No. 32 became effective for the New York State Deferred Compensation Plan as of October 1, 1997. Since the Board is no longer the trustee of the plan, the plan no longer meets the criteria for inclusion in New York State's financial statements. Therefore, municipalities which participate in New York State's Deferred Compensation Plan are no longer required to record the value of the plan assets.

V. CONTINGENCIES

(1) The Town has received grants in excess of one million dollars which are subject to audit by agencies of the State and Federal Governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State Government. Based on past audit, the Town administration believes disallowances, if any, will be immaterial.



2006



Annual Financial Report Industrial Development Agency



**INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL FINANCIAL REPORT**

___ Please check here if the name, address, and/or telephone number is different from last year.

FOR Riverhead Industrial Development Agency
(name of Industrial Development Agency)

Town of Riverhead
(name of sponsoring municipality)

FOR THE FISCAL YEAR ENDED December 31, 2006

General Municipal Law, Section 859 (1):

(b) Within ninety days following the close of its fiscal year, each agency or authority shall prepare a financial statement for that fiscal year in such form as may be prescribed by the State Comptroller. Such statement shall be audited within such ninety day period by an independent certified public accountant....

(c) Within thirty days after completion, a copy of the audited financial statement shall be transmitted to the Commissioner of the Department of Economic Development, the State Comptroller and the governing body of the municipality for whose benefit the agency was created.

OFFICE OF THE STATE COMPTROLLER
LOCAL GOVERNMENT SERVICES AND
ECONOMIC DEVELOPMENT
DATA MANAGEMENT UNIT 12-8-C
110 STATE STREET
ALBANY, NEW YORK 12236-0001

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ENTERPRISE FUND * BALANCE SHEET * AS OF December 31, 2006

ASSETS	<u>EDP CODE</u>		LIABILITIES AND NET ASSETS	<u>EDP CODE</u>	
Cash	ED100S	\$ 279,647	Accounts Payable	ED200S	\$
Investments	ED105S	<u> </u>	Accrued Liabilities	ED205S	<u>12,923</u>
Other Receivables (Net) ^{Security} _{Deposit}	ED115S	<u> 263</u>	Retained Percentages	ED210S	<u> </u>
State and Federal Aid Receivables	ED120S	<u> </u>	Notes Payable	ED215S	<u> </u>
Due From Other Funds	ED125S	<u> </u>	Other Liabilities	ED220S	<u> </u>
Due From Other Governments	ED130S	<u> </u>	Due to Other Funds	ED225S	<u> </u>
Inventories	ED135S	<u> </u>	Due to Other Governments	ED230S	<u> </u>
Prepaid Expenses	ED140S	<u> 10,660</u>	Bond and Long Term Liabilities	ED240S	<u> </u>
Restricted Assets	ED145S	<u> </u>	Deferred Revenues	ED245S	<u> </u>
Fixed Assets (Net)	ED150S	<u> 1,259</u>			
			Total Liabilities		<u>\$ 12,923</u>
			<u>Net Assets</u>		
			Invested in Capital Assets, Net of		
			Related Debt	ED301S	<u> </u>
			Restricted	ED306S	<u> </u>
			Unrestricted	ED311S	<u> 278,906</u>
			Net Assets		<u> 278,906</u>
TOTAL ASSETS		<u>\$ 291,829</u>	TOTAL LIABILITIES AND NET ASSETS		<u>\$291,829</u>

The Notes to the Financial Statements are an integral part of this statement.

ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED December 31, 2006

	<u>EDP CODE</u>	<u>AMOUNT</u>
<u>Operating Revenues</u>		
Charges for Services	ED515S	\$ 153,675
	ED _____ S	
Total Operating Revenues		<u>\$ 153,675</u>
<u>Operating Expenses</u>		
Personal Services	ED625.1S	
Contractual Expenses	ED625.4S	<u>62,912</u>
Employee Benefits	ED625.8S	<u>1,102</u>
Depreciation	ED603.4S	<u>376</u>
Total Operating Expenses		<u>\$ 64,390</u>
Operating Income (Loss)		<u>\$ 89,285</u>
<u>Non-Operating Revenues (Expenses)</u>		
Revenues:		
Use of Money and Property	ED525S	<u>\$ 337</u>
Sale of Property and Compensation for Loss	ED530S	
	ED _____ S	
Expenses: (Specify)		
	ED _____ S	
	ED _____ S	
Net Non-Operating Revenue (Expense)		<u>\$ 337</u>
Income (Loss) Before Transfers and Taxes		<u>\$ 89,622</u>
Operating Transfers In	ED555S	
Operating Transfers Out	ED655.9S	
Real Property Taxes	ED _____ .4S	
Net Income (Loss)		<u>\$ 89,622</u>
Net Assets - Beginning of Year	ED400S	<u>\$ 189,284</u>
Adjustments: (Specify)		
	ED _____ S	
	ED _____ S	
Net Assets - End of Year	ED405S	<u>\$ 278,906</u>

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED December 31, 2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>EDP CODE</u>	<u>AMOUNT</u>
Cash Flows from Operating Activities:		
Cash Received from Providing Services	ED7111S	\$153,675
Cash Payments Contractual Expenses	ED7112S	71,706
Cash Payments Personal Services & Benefits	ED7113S	_____
Other Operating Revenues	ED7114S	_____
Net Cash Provided (Used) by Operating Activities	ED7119S	\$ 81,969
Cash Flows from Non-Capital and Financing Activities:		
Real Property Taxes	ED7121S	\$ _____
Operating Grants Received	ED7122S	_____
Transfers To/From Other Funds	ED7123S	_____
Proceeds of Debt (Non-Capital)	ED7124S	_____
Payment of Debt (Non-Capital)	ED7125S	_____
Interest Expenses (Non-Capital)	ED7126S	_____
Net Cash Provided (Used) by Non-Capital Financing Activities	ED7129S	\$ 0
Cash Flows from Capital and Related Financing Activities:		
Proceeds of Debt (Capital)	ED7131S	\$ _____
Principal Payments Debt (Capital)	ED7132S	_____
Interest Expenses (Capital)	ED7133S	_____
Capital Contributed by Developers	ED7134S	_____
Capital Contributed by Other Funds	ED7135S	_____
Payments to Contractors	ED7136S	_____
Capital Grants Received from Other Governments	ED7137S	_____
Proceeds from Sale of Assets	ED7138S	_____
Net Cash Provided (Used) by Capital and Related Financing Activities	ED7139S	\$ 0

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Notes to Basic Financial Statements
December 31, 2006 and 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Income Taxes

The Agency is exempt from federal and state income taxes and therefore has made no provision for federal or state income taxes in the accompanying financial statements.

Compensated Absences

The Riverhead Industrial Development Agency employee is granted vacation, personal leave, and sick leave in varying amounts. In the event of termination or upon retirement, the employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. In May 2005, the agency's only employee resigned from her position and received her payment of compensated absences. The Agency has not replaced the employee as of December 31, 2006.

Component Unit

The Agency is a component unit of the Town of Riverhead.

NOTE 2 – EMPLOYEE BENEFIT PLAN

The Riverhead Industrial Development Agency participates in the New York State and Local Employees' Retirement System. As set forth in the New York State Retirement and Social Security Law, the Comptroller serves as sole trustee and administrative head of the system. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the system and for the custody and control of its funds.

STATEMENT OF INDEBTEDNESS

List Separately by Date of Issue	EDP CODE	Month and Year*	Interest Rate		Outstanding Beginning of Fiscal Year	Do Not Include Renewals Here		Outstanding End of Fiscal Year	Final Maturity Date
			At Issuance	If Variable, Applicable Range		Issued During Fiscal Year	Paid During Fiscal Year		
		T			1	3	5	7	
Capital Notes:	2P1865	/							
Other Debt (specify):		/							
		/							
Bond Anticipation Notes:	-----	/							
	-----	/							
	-----	/							
Total Bond Anticipation Notes	2P1866	-----	-----	-----			**		-----
**BANS Redeemed from Bond Proceeds	2P1888	-----	-----	-----	-----	-----		-----	-----
Bonds (List by Purpose)	-----	/							
	-----	/							
	-----	/							
	-----	/							
	-----	/							
Total Bonds	2P1867	-----	-----	-----					-----
Authority Loans	2P1869	/							
TOTAL OF ALL INDEBTEDNESS	-----	-----	-----	-----					-----

Please note callable features of bond issues and any reserve funds available to pay debt (include also in the Notes to Financial Statements)

*ON NEW ISSUES, PLEASE INSERT NEW ISSUE DATE. ON RENEWAL, PLEASE INSERT LATEST RENEWAL DATE. PLEASE INSERT 4 DIGITS. I.E. APRIL 2003 WOULD BE 04/03.

**Riverhead Industrial Development Agency
Schedule of Outstanding Bonds
December 31, 2006**

<u>Project</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amounts Outstanding 01-Jan-06</u>	<u>Issued</u>	<u>Retired/ Paid</u>	<u>Amounts Outstanding 31-Dec-06</u>
John Wesley Village II, LP	12/31/97	04/01/14	5.82%	12,395,387		243,580	12,151,807
Riverhead Free Library	07/29/98	12/31/13	4.50%	2,840,000		300,000	2,540,000
Riverhead Industrial Properties (Adchem Corp.)	12/03/98	11/01/18	weekly variable rate	3,410,833		590,000	2,820,833
Sawaya Aquebogue, LLC (Altaire Pharmaceuticals, Inc.)	10/01/98	10/01/13	weekly variable rate	6,000,000		-	6,000,000
Atlantis Holding Company, LLC	08/31/99	07/01/19	weekly variable rate	2,250,000		2,250,000	-
Island International Industries, Inc.	12/28/01	12/31/16	5.79%	2,726,414		182,622	2,543,792
Michael P. Reilly Design, Inc.	10/25/01	08/01/21	8.88%	1,580,000		-	1,580,000
John Wesley Village III	12/31/03	05/30/20	5.25%	8,369,397		64,934	8,304,463
Eastern Wholesale Fence Co., Inc.	12/29/04	01/01/30	4.57%	4,900,000		370,000	4,530,000
Lenape Associates, LP	12/30/05	01/01/22	5.65%	2,920,000		-	2,920,000
Riverhead Village Preservation, LP	12/20/05	12/19/46	6.40%	9,500,000		-	9,500,000
Central Suffolk Hospital	06/23/06	07/01/31	Variable		8,005,000	-	8,005,000
Central Suffolk Hospital	06/23/06	07/01/31	Variable		15,200,000	-	15,200,000
Central Suffolk Hospital	06/23/06	07/01/17	Variable		11,795,000	-	11,795,000
CAL 81 Realty, LLC	12/19/06	01/01/22	6.29%		1,500,000	-	1,500,000
Total				\$ 56,892,031	\$ 36,500,000	\$ 4,001,136	\$ 89,390,895
							\$ 89,390,895

MATURITY SCHEDULE
BONDS ISSUED DURING THE YEAR

		EDP CODE					
PURPOSE OF ISSUE		-----	Construction	Construction	Construction	Construction	
For State Comptroller Use Only		2P3CE					
TOTAL PRINCIPAL		2P3PR	8,005,000	15,200,000	11,795,000	1,500,000	
DATE OF ISSUE*		2P3DT	06/23/06	06/23/06	06/23/06	12/19/06	/ /
INTEREST RATE (In Decimals)		2P3PC	Variable	Variable	Variable	6.288%	
DATE OF FINAL MATURITY*		2P3DM	07/01/2031	07/01/2031	07/01/2017	01/01/2022	/ /
Amount of Principal Redeemed in or to be Redeemed in Fiscal Year Ending in	2002	2P302					
	2003	2P303					
	2004	2P304					
	2005	2P305					
	2006	2P306					
	2007	2P307			825,000	53,600	
	2008	2P308	180,000	15,000	855,000	65,988	
	2009	2P309	195,000	285,000	900,000	70,259	
	2010	2P310	185,000	310,000	920,000	74,806	
	2011	2P311	185,000	420,000	1,025,000	79,647	
	2012	2P312	205,000	385,000	1,055,000	84,802	
	2013	2P313	215,000	420,000	1,115,000	90,290	
	2014	2P314	205,000	440,000	1,175,000	96,134	
	2015	2P315	260,000	465,000	1,240,000	102,356	
	2016	2P316	250,000	495,000	1,305,000	108,980	

*PLEASE INSERT SIX DIGITS, FOR EXAMPLE, APRIL 1, 2003 SHOULD BE SHOWN AS 04/01/03

NOTE: If two or more purposes are combined in a consolidated issue, show the maturity schedule for each purpose.

MATURITY SCHEDULE
BONDS ISSUED DURING THE YEAR

		EDP CODE					
Amount of Principal Redeemed in or to be Redeemed in Fiscal Year Ending in	2017	2P317	270,000	525,000	1,380,000	116,033	
	2018	2P318	285,000	545,000		123,543	
	2019	2P319	300,000	590,000		131,539	
	2020	2P320	320,000	620,000		140,052	
	2021	2P321	335,000	630,000		149,116	
	2022	2P322	350,000	720,000		12,855	
	2023	2P323	375,000	735,000			
	2024	2P324	395,000	770,000			
	2025	2P325	410,000	820,000			
	2026	2P326	455,000	865,000			
	2027	2P327	470,000	905,000			
	2028	2P328	495,000	980,000			
	2029	2P329	525,000	1,020,000			
	2030	2P330	555,000	1,085,000			
	2031	2P331	585,000	1,155,000			
	2032	2P332					
	2033	2P333					
	2034	2P334					
	Continue on Next Page	2035	2P335				
2036		2P336					

*PLEASE INSERT SIX DIGITS, FOR EXAMPLE, APRIL 1, 2003 SHOULD BE SHOWN AS 04/01/03
NOTE: If two or more purposes are combined in a consolidated issue, show the maturity schedule for each purpose.

MATURITY SCHEDULE
BONDS ISSUED DURING THE YEAR

		EDP CODE				
Amount of Principal Redeemed in or to be Redeemed in Fiscal Year Ending in	2037	2P337				
	2038	2P338				
	2039	2P339				
	2040	2P340				
	2041	2P341				
	2042	2P342				
	2043	2P343				
	2044	2P344				
	2045	2P345				
	2046	2P346				
	2047	2P347				
	2048	2P348				
	2049	2P349				
	2050	2P350				
	2051	2P351				
	2052	2P352				
	2053	2P353				
	2054	2P354				
	2055	2P355				
	Total	-----	8,005,000	15,200,000	11,795,000	1,500,000

*PLEASE INSERT SIX DIGITS, FOR EXAMPLE, APRIL 1, 2003 SHOULD BE SHOWN AS 04/01/03

NOTE: If two or more purposes are combined in a consolidated issue, show the maturity schedule for each purpose.

**INSTRUCTIONS FOR COMPLETING SCHEDULE OF SUPPLEMENTAL BOND/NOTE AND LEASE INFORMATION
FOR INDUSTRIAL DEVELOPMENT AGENCIES AND AUTHORITIES**

The Supplemental Information follows the Maturity Schedule and is required to be completed for each project begun in 1990 and thereafter for which debt was issued, outstanding or retired during the fiscal year or any straight lease agreement which was entered into since 1990 and thereafter and is outstanding. (Photocopy additional sheets if needed).

1. On the Schedule of Supplemental Information, the name of the project, the name of the project owner, and the project owner's address must be completed for all projects begun in 1990 and thereafter. This information should be current and reflect any changes since the project was undertaken. The project code must be established and reported for all projects started in 1998 and thereafter. Refer to separate instructions for coding structure for IDA project identification numbers. This code should also be used to identify the project in reporting project activity to other state agencies or departments.
2. The project purpose code should be taken from the list on the top of pages 11 and 12 of the annual report forms. The definitions for the codes follows these instructions.
3. Total Project Amount is the cost of the entire project.
4. Benefitted Project Amount is Total Project Amount less any project costs that will not result in an IDA-derived benefit. For example, items included within the project amount that are not sales taxable (e.g. service, such as legal, architectural, engineering) or do not result in an increase in the real property assessment.
5. Bond or Note Amount is the original principal amount of bond or note issued.
6. Show the federal tax status of each bond or note using the codes on top of page 11.
7. Not-for-Profit Organization status of project occupant should be indicated by putting a "yes" in the not-for-profit column.
8. New Tax Revenue If No Exemptions Granted refers to the amount of tax revenues a project would generate if the project did not receive any tax exemptions.
9. Method of Financial Assistance Other Than Tax Exemptions or other economic benefits can be detailed on another page if necessary.
10. Tax exemptions refer to the total dollar amount of exemptions received during the year for which the report is being completed. For real property tax exemptions, please indicate the total amount of taxes for which the project would have been liable if the IDA was not involved. Do not deduct amounts paid pursuant to any payment in lieu of taxes (PILOT) agreements. Real property tax exemptions must be shown for all projects including those to which PILOTS are made.
11. Total Real Property Tax Exemptions Net of RPTL section 485-b Exemptions is the amount of real property tax exemptions the project received as a result of IDA status, i.e., deduct from the IDA exemption the amount of any real property tax exemptions the project would have received, irrespective of IDA involvement.
12. Each project where a PILOT is made must be listed on pages 11b and 12b.
-- code 1 (all local units); -- code 2 (selected local units)
13. FTE Jobs Created and Retained-report the number of full time equivalent jobs.

PROJECT PURPOSE CODE DEFINITIONS

Services: This category includes establishments primarily engaged in producing a wide variety of services for individuals, business and government establishments and other organizations. Hotels and other lodging places, recreational services, health, legal, engineering, and other professional services; educational institutions, membership organizations, and other miscellaneous services, are included.

Construction: This category includes establishments primarily engaged in construction. Three broad types of construction activity are covered: (1) building construction by general contractors or by operative builders; (2) heavy construction other than building by general contractors and special trade contractors; and (3) construction activity by other special trade contractors.

Agriculture, Forestry and Fishing: This category includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping and related services.

Wholesale Trade: This category includes establishments or places of business primarily engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm, construction contractors, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies.

Retail Trade: This category includes establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods. In general, retail establishments are classified by kind of business according to the principal lines of commodities sold (groceries, hardware, etc.), or the usual trade designation (drug store, cigar store, etc.). Some of the important characteristics of retail trade establishments are: the establishment is usually a place of business and is engaged in activities to attract the general public to buy; the establishment buys or receives merchandise as well as sells; the establishment may process its products, but such processing is incidental or subordinate to selling; the establishment is considered as retail in the trade; and the establishment sells to customers for personal or household use.

Finance, Insurance and Real Estate: This category includes establishments operating primarily in the fields of finance, insurance and real estate. Finance includes depository institutions, non-depository credit institutions, holding (but not predominantly operating) companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges. Insurance covers carriers of all types of insurance, and insurance agents and brokers. Real estate includes owners, lessors, lessees, buyers, sellers, agents, and developers of real estate.

Transportation, Communications, Electric, Gas and Sanitary Services: This category includes establishments providing, to the general public or to other business enterprises, passenger and freight transportation, communications services, or electricity, gas, steam, water or sanitary services.

Other Categories:

- | | | | |
|--|--------------------------------|-------------------------------------|---|
| --Exempt Facility | -- Water and sewage facilities | --Docks, wharves and public transit | --Solid waste and resource recovery |
| --Local furnishing of electric energy or gas | --Exempt sports facility | --Pollution control | --Civic Facility-- Facility owned or occupied by a nonprofit organization |

Manufacturing: The manufacturing category includes establishments engaged in the mechanical or chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories, or mills and characteristically use power drive machines and materials handling equipment. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing if the new product is neither a structure nor other fixed improvement. Also included is the blending of materials, such as lubricating oils, plastic resins, or liquors.

**SCHEDULE OF SUPPLEMENTAL INFORMATION
BONDS/NOTES**

Refer to Page 10 of this report for instructions

*Total Exemptions (page 11a) less total PILOTS (page 11b)

<u>Project Purpose Codes</u>							<u>Federal Tax Status</u>		
1. Services		4. Wholesale Trade		7. Transportation, Communication, Electric, Gas, and Sanitary Services			1. Taxable		
2. Construction		5. Retail Trade		8. Other (specify)			2. Tax Exempt		
3. Agriculture, Forestry, Fishing		6. Finance, Insurance and Real Estate		9. Manufacturing					
No.	Project Code	Name of Project, Project Owner and Address	Purpose	Total Project Amount	Benefitted Project Amount	Bond/Note Amount	Federal Tax Status	Not for Profit	New Tax Revenues if No Exemptions Granted*
1.									
2.									
3.									
4.									
5.									
6.									
7.									

Riverhead Industrial Development Agency
Schedule of Supplemental Information
Bonds/Notes
December 31, 2006

Project Code	Project Owner	Purpose	Total Project Amount	Benefitted Project Amount	Bond Amount	Federal Tax Status	Not for Profit	New Tax Revenues if No Exemptions Granted
4704 97 01A	John Wesley Village II, LP 377 Oak Street, 4th Floor Garden City, NY 11530	6	13,725,000	13,725,000	13,725,000	2	No	214,726
4704 98 01A	Riverhead Industrial Properties (Adchem Corp.) 1852 Old Country Road Riverhead, NY 11901	9	7,000,000	7,000,000	7,000,000	2	No	546,498
4704 97 03A	Riverhead Free Library 330 Court Street Riverhead, NY 11901	1	4,600,000	4,600,000	4,600,000	2	Yes	-
4704 97 05A	Sawaya Aquebogue, LLC (Altaire Pharmaceuticals, Inc.) PO Box 849 West Lane Aquebogue, NY 11931	9	6,000,000	6,000,000	6,000,000	2	No	269,340
4704 99 02A	Atlantis Holding Company, LLC 469 East Main Street Riverhead, NY 11901	1	3,000,000	3,000,000	3,000,000	1	No	310,210
4704 01 04A	Island International Industries, Inc. 4062-81 Grumman Blvd Calverton, NY 11933	9	3,360,000	3,360,000	3,360,000	2	No	-
4704 01 03A	Michael P. Reilly Design, Inc. 4062-701 Grumman Blvd. Calverton, NY 11933	9	1,580,000	1,580,000	1,580,000	2	No	-
4704 03 03A	John Wesley Village III 377 Oak Street, 4th Floor Garden City, NY 11530	6	8,400,000	8,400,000	8,400,000	2	No	86,940
4704 04 03A	Eastern Wholesale Fence Co., Inc. 274 Middle Island Rond Medford, NY 11764	9	4,900,000	4,900,000	4,900,000	2	No	22,065
4704 05 01A	Lenape Associates, LP 19-02 Whitestone Expressway - Suite 405 Whitestone, NY 11357	6	2,920,000	2,920,000	2,920,000	2	No	4,959
4704 05 02A	Riverhead Village Preservation, LP 60 Columbus Circle, 19th Floor New York, NY 10023	6	9,500,000	9,500,000	9,500,000	2	No	42,144
4704 06 01A	Central Suffolk Hospital dba Peconic Bay Medical Center PO Box 9009 Riverhead, NY 11901	2	35,000,000	35,000,000	35,000,000	2	Yes	-
4704 06 02A	CAL 81 Realty, LLC 4062-81 Grumman Blvd. Calverton, NY 11931	2	1,500,000	1,500,000	1,500,000	2	No	-
TOTAL			101,485,000	101,485,000	101,485,000			1,496,882

**SCHEDULE OF SUPPLEMENTAL INFORMATION
BONDS/NOTES**

Refer to Page 10 of this report for instructions

TAX EXEMPTIONS

No.	<u>Sales Tax Exemptions</u>		<u>Real Property Tax Exemptions</u>			Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL section 485-b Exemptions
	State	Local	County	Local	School			
1.								
2.								
3.								
4.								
5.								
6.								
7.								

Riverhead Industrial Development Agency
 Schedule of Supplemental Information
 Bonds/Notes
 December 31, 2006

TAX EXEMPTIONS

Project Code	Project Owner	Sales Tax Exemptions		Real Property Tax Exemptions			Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL section 485-b
		State	Local	County	Local	School			
4704 97 01A	John Wesley Village II, LP 377 Oak Street, 4th Floor Garden City, NY 11530	0	0	9,682	103,897	232,740	0	346,319	346,319
4704 98 01A	Riverhead Industrial Properties (Adchem Corp.) 1852 Old Country Road Riverhead, NY 11901	0	0	17,689	189,814	425,203	0	632,706	632,706
4704 97 03A	Riverhead Free Library 330 Court Street Riverhead, NY 11901	0	0	0	0	0	0	0	0
4704 97 05A	Sawnya Aquebogue, LLC (Altaire Pharmaceuticals, Inc.) PO Box 849 West Lane Aquebogue, NY 11931	0	0	9,030	96,898	217,060	0	322,988	322,988
4704 99 02A	Atlantis Holding Company, LLC 469 East Main Street Riverhead, NY 11901	0	0	9,453	101,432	227,218	0	338,103	338,103
4704 01 04A	Island International Industries, Inc. 4062-81 Grumman Blvd Calverton, NY 11933	0	0	0	0	0	0	0	0
4704 01 03A	Michael P. Reilly Design, Inc. 4062-701 Grumman Blvd. Calverton, NY 11933	0	0	0	0	0	0	0	0
4704 03 03A	John Wesley Village III 377 Oak Street, 4th Floor Garden City, NY 11530	0	0	5,752	61,720	138,259	0	205,731	205,731
4704 04 03A	Eastern Wholesale Fence Co., Inc. 274 Middle Island Road Medford, NY 11764	10,233	11,832	0	0	0	0	22,065	0
4704 05 01A	Lenape Associates, LP 19-02 Whitestone Expressway - Suite 405 Whitestone, NY 11357	2,300	2,659	0	0	0	0	4,959	0
4704 05 02A	Riverhead Village Preservation, LP 60 Columbus Circle, 19th Floor New York, NY 10023	19,545	22,599	0	0	0	0	42,144	0
4704 06 01A	Central Suffolk Hospital dba Peconic Bay Medical Center PO Box 9009 Riverhead, NY 11901	0	0	0	0	0	0	0	0
4704 06 02A	CAL 81 Realty, LLC 4062-81 Grumman Blvd. Calverton, NY 11931	0	0	0	0	0	0	0	0
TOTAL		32,078	37,090	51,606	553,761	1,240,480	-	1,915,015	1,845,847

**SCHEDULE OF SUPPLEMENTAL INFORMATION
BONDS/NOTES**

Refer to page 10 of this report for instructions.

*For appropriate Code, indicate 1 or 2:

1 =PILOT payments made to all eligible local government participants.

2 =PILOT payments made to selected local government participants.

PAYMENTS IN LIEU OF TAXES (PILOTS)

No.	Project Code	County	Local	School	Total PILOTS	Code*
1.						
2.						
3.						
4.						
5.						
6.						
7.						

Riverhead Industrial Development Agency
Schedule of Supplemental Information
Bonds/Notes
December 31, 2006

Project Code	Project Owner	County	Local	School	Total PILOTS	PILOT Code
4704 97 01A	John Wesley Village II, LP 377 Oak Street, 4th Floor Garden City, NY 11530	3,679	39,478	88,436	131,593	1
4704 98 01A	Riverhead Industrial Properties (Adchem Corp.) 1852 Old Country Road Riverhead, NY 11901	2,410	25,863	57,935	86,208	1
4704 97 03A	Riverhead Free Library 330 Court Street Riverhead, NY 11901	0	0	0	0	n/a
4704 97 05A	Sawaya Aquebogue, LLC (Altaire Pharmaceuticals, Inc.) PO Box 849 West Lane Aquebogue, NY 11931	1,500	16,094	36,054	53,648	1
4704 99 02A	Atlantis Holding Company, LLC 469 East Main Street Riverhead, NY 11901	780	8,368	18,745	27,893	1
4704 01 04A	Island International Industries, Inc. 4062-81 Grumman Blvd Calverton, NY 11933	0	0	0	0	n/a
4704 01 03A	Michael P. Reilly Design, Inc. 4062-701 Grumman Blvd. Calverton, NY 11933	0	0	0	0	n/a
4704 03 03A	John Wesley Village III 377 Oak Street, 4th Floor Garden City, NY 11530	3,321	35,638	79,832	118,791	1
4704 04 03A	Eastern Wholesale Fence Co., Inc. 274 Middle Island Road Medford, NY 11764	0	0	0	0	n/a
4704 05 01A	Lenape Associates, LP 19-02 Whitestone Expressway - Suite 405 Whitestone, NY 11357	0	0	0	0	n/a
4704 05 02A	Riverhead Village Preservation, LP 60 Columbus Circle, 19th Floor New York, NY 10023	0	0	0	0	n/a
4704 06 01A	Central Suffolk Hospital dba Peconic Bay Medical Center PO Box 9009 Riverhead, NY 11901	0	0	0	0	n/a
4704 06 02A	CAL 81 Realty, LLC 4062-81 Grumman Blvd. Calverton, NY 11931	0	0	0	0	n/a
TOTAL		11,690	125,441	281,002	418,133	

SCHEDULE OF SUPPLEMENTAL INFORMATION - BONDS/NOTES
Full Time Equivalent (FTE) Jobs Created and Retained

No.	# of FTE Employees at Project Location Before IDA Status	Original Estimate of Jobs to be Created:	Original Estimate of Jobs to be Retained:	# of Current FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Riverhead Industrial Development Agency
 Schedule of Supplemental Information
 Bonds/Notes
 December 31, 2006

Project Code	Project Owner	# of FTE Employees at Project Location Before IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# of Current FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
4704 97 01A	John Wesley Village II, LP 377 Onk Street, 4th Floor Garden City, NY 11530	0	12	0	9	0
4704 98 01A	Riverhead Industrial Properties (Adchem Corp.) 1852 Old Country Road Riverhead, NY 11901	45	60	60	129	0
4704 97 03A	Riverhead Free Library 330 Court Street Riverhead, NY 11901	not determined	not determined	not determined	41	0
4704 97 05A	Suwaya Aquebogue, LLC (Altaire Pharmaceuticals, Inc.) PO Box 849 West Lane Aquebogue, NY 11931	0	85	85	80	0
4704 99 02A	Atlantis Holding Company, LLC 469 East Main Street Riverhead, NY 11901	0	44	44	60	0
4704 01 04A	Island International Industries, Inc. 4062-81 Grumman Blvd Calverton, NY 11933	30	150	150	125	25
4704 01 03A	Michael P. Reilly Design, Inc. 4062-701 Grumman Blvd. Calverton, NY 11933	0	104	104	138	0
4704 03 03A	John Wesley Village III 377 Oak Street, 4th Floor Garden City, NY 11530	0	14	14	2	0
4704 04 03A	Eastern Wholesale Fence Co., Inc. 274 Middle Island Road Medford, NY 11764	35	75	n/a	118	0
4704 05 01A	Lenape Associates, LP 19-02 Whitestone Expressway - Suite 405 Whitestone, NY 11357	0	0	0	1	4
4704 05 02A	Riverhead Village Preservation, LP 60 Columbus Circle, 19th Floor New York, NY 10023	4	0	4	4	0
4704 06 01A	Central Suffolk Hospital dba Peconic Bay Medical Center PO Box 9009 Riverhead, NY 11901	640	15	640	680	35
4704 06 02A	CAL 81 Realty, LLC 4062-81 Grumman Blvd. Calverton, NY 11931	110	50	110	125	0

TOTAL

**SCHEDULE OF SUPPLEMENTAL INFORMATION
STRAIGHT LEASE**

<p align="center"><u>Project Purpose Codes</u></p> <p>1. Services 4. Wholesale Trade 7. Transportation, Communication, Electric, Gas, and Sanitary Services 2. Construction 5. Retail Trade 8. Other (specify) 3. Agriculture, Forestry, Fishing 6. Finance, Insurance and Real Estate 9. Manufacturing</p>							<p>* Total Exemptions (page 12a) less total PILOTS (page 12b)</p> <p>Refer to page 10 of this report for instructions</p>
No.	Project Code	Name of Project, Project Owner and Address	Purpose	Total Amount of Lease	Not for Profit	New Tax Revenues If No Exemptions Granted*	Method of Financial Assistance Utilized by Project, Other than Tax Exemptions Claimed by Project (Identify amount and type)
1.							
2.							
3.							
4.							
5.							
6.							
7.							

Riverhead Industrial Development Agency
Schedule of Supplemental Information
Straight Lease
December 31, 2006

Project Code	Project Owner	Purpose	Total Amount of Lease	Not for Profit	New Tax Revenues if No Exemptions Granted	Method of Financial Assistance Utilized by Project
4704 97 02A	MBI Industries 433 Main Street Greenport, NY 11944	2	0	No	4,388	None
4704 00 01A	CalEast Nat City Stations, LLC 201 West Street Annapolis, MD 21401	1	0	No	21,694	None
4704 00 02A	HDI Enterprises, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	2	0	No	8,263	None
4704 00 03A	Knightworld, Inc. Route 25A Wading River, NY 11792	1	0	No	78,949	None
4704 01 01A	Truetech, Inc. 680 Elton Street Riverhead, NY 11901	9	0	No	22,609	None
4704 01 02A	Suffolk County National Bank 6 West Second Street Riverhead, NY 11901	6	0	No	51,677	None
4704 03 01A	IDI Ventures, LLC/Long Island Vitreoretinal 185 Old Country Road Suite #5 Riverhead, NY 11901	1	0	No	7,533	None
4704 03 02A	JEJOPE & Neefus Stype PO Box 2340 292 Shade Tree Lane Aquebogue, NY 11931	6	0	No	10,423	None
4704 04 01A	RGR Associates, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	1	0	No	10,801	None
4704 04 02A	Jarral Riverhead Corp. 585 Stewart Avenue Garden City, NY 11530	1	0	No	40,564	None
TOTAL			0		256,901	

**SCHEDULE OF SUPPLEMENTAL INFORMATION
STRAIGHT LEASE**

Refer to Page 10 of this report for instructions

TAX EXEMPTIONS

No.	<u>Sales Tax Exemptions</u>		<u>Real Property Tax Exemptions</u>			Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL section 485-b Exemptions
	State	Local	County	Local	School			
1.								
2.								
3.								
4.								
5.								
6.								
7.								

Riverhead Industrial Development Agency
Schedule of Supplemental Information
Straight Lease
December 31, 2006

Project Code	Project Owner	TAX EXEMPTIONS							Total Exemptions Net of RPTL section 485-b
		Sales Tax Exemptions State	Local	Real Property Tax Exemptions			Mortgage Recording	Total Exemptions	
				County	Local	School			
4704 97 02A	MBI Industries 433 Main Street Greenport, NY 11944	0	0	818	8,775	19,657	0	29,250	29,250
4704 00 01A	CalEast Nat City Stations, LLC 201 West Street Annapolis, MD 21401	0	0	2,553	27,391	61,359	0	91,303	91,303
4704 00 02A	HDI Enterprises, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	0	0	869	9,329	20,899	0	31,097	31,097
4704 00 03A	Knightworld, Inc. Route 25A Wading River, NY 11792	0	0	7,585	83,397	195,361	0	286,343	286,343
4704 01 01A	Truetech, Inc. 680 Elton Street Riverhead, NY 11901	0	0	3,052	32,747	73,358	0	109,157	109,157
4704 01 02A	Suffolk County National Bank 6 West Second Street Riverhead, NY 11901	0	0	6,260	67,177	150,483	0	223,920	223,920
4704 03 01A	IDI Ventures, LLC/Long Island Vitreoretinal 185 Old Country Road Suite #5 Riverhead, NY 11901	0	0	699	7,504	16,809	0	25,012	25,012
4704 03 02A	JEI OPE & Neefus Stype PO Box 2340 292 Shade Tree Lane Aquebogue, NY 11931	0	0	776	8,329	18,658	0	27,763	27,763
4704 04 01A	RGR Associates, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	0	0	705	7,562	16,939	0	25,206	25,206
4704 04 02A	Jamal Riverhead Corp. 585 Stewart Avenue Garden City, NY 11530	1,108	1,280	2,390	24,573	55,046	0	84,297	81,909
	TOTAL	1,108	1,280	25,607	276,784	628,569	0	933,348	930,960

**SCHEDULE OF SUPPLEMENTAL INFORMATION
STRAIGHT LEASE**

Refer to page 10 of this report for instructions.

*For appropriate Code, indicate 1 or 2:

- 1 =PILOT payments made to all eligible local government participants.
- 2 =PILOT payments made to selected local government participants.

PAYMENTS IN LIEU OF TAXES (PILOTS)						
No.	Project Code	County	Local	School	Total PILOTS	Code*
1.						
2.						
3.						
4.						
5.						
6.						
7.						

Riverhead Industrial Development Agency
Schedule of Supplemental Information
Straight Lease
December 31, 2006

<u>Project Code</u>	<u>Project Owner</u>	<u>County</u>	<u>Local</u>	<u>School</u>	<u>Total PILOTS</u>	<u>PILOT Code</u>
4704 97 02A	MBI Industries 433 Main Street Greenport, NY 11944	695	7,459	16,708	24,862	1
4704 00 01A	CalEast Nat City Stations, LLC 201 West Street Annapolis, MD 21401	1,946	20,883	46,780	69,609	1
4704 00 02A	HDI Enterprises, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	638	6,851	15,345	22,834	1
4704 00 03A	Knightworld, Inc. Route 25A Wading River, NY 11792	5,494	60,403	141,497	207,394	1
4704 01 01A	Truetech, Inc. 680 Elton Street Riverhead, NY 11901	2,420	25,965	58,163	86,548	1
4704 01 02A	Suffolk County National Bank 6 West Second Street Riverhead, NY 11901	4,816	51,673	115,754	172,243	1
4704 03 01A	IDI Ventures, LLC/Long Island Vitreoretinal 185 Old Country Road Suite #5 Riverhead, NY 11901	489	5,244	11,746	17,479	1
4704 03 02A	JEJOPE & Neefus Stype PO Box 2340 292 Shade Tree Lane Aquebogue, NY 11931	485	5,202	11,653	17,340	1
4704 04 01A	RGR Associates, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	403	4,321	9,681	14,405	1
4704 04 02A	Jaral Riverhead Corp. 585 Stewart Avenue Garden City, NY 11530	1,223	13,120	29,390	43,733	1
TOTAL		18,609	201,121	456,717	676,447	

SCHEDULE OF SUPPLEMENTAL INFORMATION - STRAIGHT LEASE
Full Time Equivalent (FTE) Jobs Created and Retained

No.	# of FTE Employees at Project Location Before IDA Status	Original Estimate of Jobs to be Created:	Original Estimate of Jobs to be Retained:	# of Current FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Riverhead Industrial Development Agency
 Schedule of Supplemental Information
 Straight Lease
 December 31, 2006

<u>Project Code</u>	<u>Project Owner</u>	<u># of FTE Employees at Project Location Before IDA Status</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>	<u># of Current FTE Employees</u>	<u># of FTE Construction Jobs Created During Fiscal Year</u>
4704 97 02A	MBI Industries 433 Main Street Greenport, NY 11944	19	28	28	23	0
4704 00 01A	CalEast Nat City Stations, LLC 201 West Street Annapolis, MD 21401	37	-	0	45	0
4704 00 02A	HDI Enterprises, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	6	13	0	13	0
4704 00 03A	Knightworld, Inc. Route 25A Wading River, NY 11792	-	140	0	88	0
4704 01 01A	Truetech, Inc. 680 Elton Street Riverhead, NY 11901	125	147	0	133	0
4704 01 02A	Suffolk County National Bank 6 West Second Street Riverhead, NY 11901	213	4.5% increase	0	149	0
4704 03 01A	IDI Ventures, LLC/Long Island Vitreoretinal 185 Old Country Road Suite #5 Riverhead, NY 11901	-	10	0	22	0
4704 03 02A	JEJOPE & Neefus Stype PO Box 2340 292 Shade Tree Lane Aquebogue, NY 11931	20	22	0	28	2
4704 04 01A	RGR Associates, LLC 185 Old Country Road, Suite #5 Riverhead, NY 11901	7	11	0	13	0
4704 04 02A	Jaral Riverhead Corp. 585 Stewart Avenue Garden City, NY 11530	-	30	0	20	0
TOTAL						

CERTIFICATE OF CHIEF FISCAL OFFICER

I, Monique Gablenz, CERTIFY THAT I AM THE CHIEF FISCAL OFFICER OF THE
Riverhead Industrial Development Agency AND THAT THIS REPORT TO THE BEST OF MY
KNOWLEDGE, INFORMATION, AND BELIEF, IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL TRANSACTIONS AND FISCAL
CONDITION FOR THE FISCAL YEAR ENDED December 31, 2006.

SIGNATURE Monique Gablenz
TITLE _____

DATE 4/30/07

OFFICIAL ADDRESS:

200 Howell Avenue
Riverhead, New York 11901

OFFICE TELEPHONE NO.

631-727-3200 Ext. 202

PLEASE PRINT ADDITIONAL INFORMATION BELOW

CHIEF EXECUTIVE OFFICER (CEO): Vacant - Search underway
TITLE: _____

OFFICIAL ADDRESS:

200 Howell Avenue
Riverhead, New York 11901

PLEASE MAIL REPORT TO:

OFFICE OF THE STATE COMPTROLLER
LOCAL GOVERNMENT SERVICES AND ECONOMIC
DEVELOPMENT
DATA MANAGEMENT UNIT 12-8-C
110 STATE STREET
ALBANY, NEW YORK 12236

OFFICE TELEPHONE NO.

631-727-3200 Ext. 202

IF YOU HAVE ANY QUESTIONS RELATING TO THIS
REPORT, PLEASE CALL: (518) 408-2941

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Financial Statements
December 31, 2006 and 2005

MARKOWITZ, FENELON & BANK, LLP
CERTIFIED PUBLIC ACCOUNTANTS
EAST HAMPTON, NEW YORK
SAG HARBOR, NEW YORK
RIVERHEAD, NEW YORK
SOUTHAMPTON, NEW YORK

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Financial Statements
December 31, 2006 and 2005

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Financial Statements
December 31, 2006 and 2005

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MARKOWITZ, FENELON & BANK, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PHILIP R. TUTINO, CPA
ROBERT E. WHITE, CPA/PFS
JOHN E. LARKIN, CPA
MARK M. PISCITELLI, CPA
THOMAS P. TERRY, CPA
JOSEPH R. MAMMINA, JR., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Riverhead Industrial Development Agency
Riverhead, New York 11901

We have audited the accompanying financial statements of the Riverhead Industrial Development Agency (the Agency), a component unit of the Town of Riverhead, New York as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2006 and 2005, and the respective changes in financial position and, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2007 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 15 and 21 through 22, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Markowitz Fenelon & Bank LLP

Markowitz, Fenelon & Bank, LLP
Southampton, New York

March 30, 2007

300 PANTIGO PL., SUITE 109, EAST HAMPTON, N.Y. 11937 • PH: (631) 324-2044 • FAX: (631) 324-2062
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300 HAMPTON RD., SUITE 2A, SOUTHAMPTON, N.Y. 11968 • PH: (631) 283-4955 • FAX: (631) 283-9587
WWW.MFBCPA.COM

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
December 31, 2006
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Riverhead Industrial Development Agency's financial performance provides an overview of the Agency's financial activities for the year ended December 31, 2006. Please read this in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights:

- The assets of the Agency exceeded its liabilities at December 31, 2006 by \$278,906.
- The Agency's total assets increased by \$92,590 in year 2006. The Agency's total liabilities increased by \$2,968 in year 2006.
- The agency's 2006 operating revenue decreased \$10,148 over the 2005 operating revenues.

Basic Financial Statements:

- The financial statements presented herein include all of the activities of the Riverhead Industrial Development Agency.
- The financial statements present the financial picture of the Agency, which is an enterprise type fund and, accordingly, reflects business-type activities. These statements include all assets of the agency as well as liabilities.
- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are located immediately following the financial statements.
- The balance sheet and statement of revenues, expenses and changes in net assets report information about the Agency as a whole and about its activities. These statements include all assets and liabilities of the Agency using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Agency's net assets and changes in net assets. A net asset is the difference between assets and liabilities, which is one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency's net assets are one indicator of whether its financial health is improving or deteriorating.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

December 31, 2006

(Unaudited)

Condensed Comparative Financial Statements:

Condensed Balance Sheets at December 31,

	<u>2006</u>	<u>2005</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Cash	\$ 279,647	\$ 197,341	\$ 82,306	42%
Current assets	10,923	263	10,660	4053%
Property and equipment (Net)	1,259	1,635	(376)	-23%
Total assets	<u>\$ 291,829</u>	<u>\$ 199,239</u>	<u>\$ 92,590</u>	<u>46%</u>
Current liabilities	\$ 12,923	\$ 9,955	\$ 2,968	30%
Total liabilities	<u>12,923</u>	<u>9,955</u>	<u>2,968</u>	<u>30%</u>
Unrestricted	278,906	189,284	89,622	47%
Total net assets	<u>278,906</u>	<u>189,284</u>	<u>89,622</u>	<u>47%</u>
Total liabilities and net assets	<u>\$ 291,829</u>	<u>\$ 199,239</u>	<u>\$ 92,590</u>	<u>46%</u>

**Condensed Statement of Revenues, Expenses and
Changes in Net Assets for the Year Ended December 31,**

	<u>2006</u>	<u>2005</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Total operating revenue	\$ 153,675	\$ 163,823	\$ (10,148)	-6%
Total operating expenses	64,390	157,436	(93,046)	-59%
Operating income	89,285	6,387	82,898	1298%
Non-operating revenues	337	256	81	32%
Changes in net assets	<u>\$ 89,622</u>	<u>\$ 6,643</u>	<u>\$ 82,979</u>	<u>1249%</u>

Analysis of Financial Position and Results of Operations:

- Agency operations during 2006 resulted in increased revenue generated by administrative fees associated with approved projects. The Agency continues its approach to economic development by assisting local not-for-profit organizations such as the expansion of our community hospital together with assistance to traditional manufacturing operations. It is anticipated that the approval of the industrial park subdivision at the former Naval Weapons Industrial Reserve Plant will result in an increase in applications for traditional manufacturing projects in 2007. Therefore, it is further anticipated that the operating revenue of the Agency in 2007 will meet or exceed the operating revenue of the current year.

Budgetary Analysis:

This section will discuss the significant budget to actual variances in 2006.

The promotion line in the 2006 budget was established at \$10,000. Due to substantial change in the membership of the Board of Directors throughout 2006 and the non-hiring of an Executive Director, \$8,710 remained unspent. It is anticipated that the agency will undertake an extensive marketing/advertising campaign with the hiring of a full-time Executive Director.

In 2005, the Agency's full-time Executive Director resigned. The Agency entered into an interim service agreement with an independent contractor for consulting services. The Agency anticipated hiring an

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

December 31, 2006

(Unaudited)

employee during the year to continue the services provided through the interim service agreement. No hires met the proper qualifications, so the Agency continued its agreement with the independent contractor through 2006. Therefore, the personal services, professional fees, and employee benefits vary from the budget amounts. The Agency has again advertised for the position of full-time Executive Director, received resumes, and is currently in the process of interviewing candidates.

General Overview of IDA Function

The Riverhead Industrial Development Agency (RIDA) is a public benefit corporation of the State of New York created in 1980, pursuant to Article 18A of the General Municipal Law. The purpose of RIDA is to promote economic development or redevelopment in the Town of Riverhead by assisting in the acquiring, constructing, reconstructing, leasing, improving and equipping of certain manufacturing, warehousing, research, civic, commercial, industrial or public housing projects.

In order to promote economic development and redevelopment RIDA is authorized to provide financial assistance by issuing both tax-exempt and taxable industrial development bonds, by providing an exemption from mortgage recording taxes and sales and compensating use taxes and by providing real property tax abatement for a project. RIDA is authorized to provide financial assistance for applicants that either wish to locate or expand their eligible project in the Town of Riverhead. Typical projects eligible for financial assistance include the purchase and rehabilitation of existing buildings, the construction of new buildings or the construction of additions to existing buildings; including, in each case, the purchase and installation of machinery and equipment.

In providing financial assistance, RIDA acts as a conduit through which the transaction takes place. Although RIDA may issue bonds, it does not loan money to an applicant. Rather, a financial institution provides moneys directly to an applicant either by purchasing RIDA bonds, with RIDA making the proceeds available to the applicant, or by loaning moneys directly to the applicant. It is the responsibility of the applicant to arrange for a financial institution to finance the applicant's project. The applicant and the financial institution are responsible for negotiating all terms and conditions of any proposed bond issue or loan independent of RIDA.

A project bond issue or loan is secured by the financial strength and credit of the applicant. All bonds issued by RIDA are special obligations of RIDA and neither RIDA, the Town of Riverhead nor the State of New York guarantee the payment of such obligations.

On January 13, 2006, New York State Governor Pataki signed into law the Public Authority Accountability Act of 2005, which imposed new rules and requirements for governmental agencies and their Boards. All members of the Board of Directors of RIDA have completed the training requirements included within the Act and have filed necessary financial disclosure statements. The Board of Directors has adopted policies and codes required by the Act and have amended the Agency by-laws to establish an Audit Committee and Governance Committee and appointed members thereto. A website has been established to make available for public review documents, notices and reports of the Agency. The Agency is taking all necessary action to comply with the provisions of the Act.

Provided on the following pages is a summary of the projects that have received financial assistance from the RIDA and those projects for which the Agency has pending applications. Specific information on projects can be obtained by contacting RIDA.

COMPLETED PROJECTS

John Wesley Village II, L.P.

This project involved the acquisition of property and the construction thereon of 220 residential units of senior citizen housing. Occupants of the housing are to be households with occupants 55 years of age or older with an income at or below sixty percent (60%) of the Suffolk County median income. The

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

December 31, 2006

(Unaudited)

application for RIDA assistance was made by John Wesley Village II, L.P. with Alvin Benjamin as the principal of the project.

The assistance provided to this applicant was the issuance of tax-exempt obligations of the RIDA in the amount of \$13,725,000, an exemption from mortgage recording taxes, an exemption from sales and compensating use taxes, and an abatement of real property taxes through a Payment-in-Lieu of Tax (PILOT) Agreement.

The bond closing for this project was completed on December 31, 1997. The administration of the benefits for this project is ongoing by RIDA.

MBI Industries, LLC

This project involved the build-out of the first lot in an industrial subdivision known as Warsaw Park which is to the rear of the Harley Davidson building on Route 58. Seven of the lots in the subdivision were purchased by Richard Israel who requested the assistance of this agency to accelerate the construction of buildings that would suit small manufacturing, service and commercial operations. Improved industrial space in the town is not readily available and the build-out of this subdivision provides the opportunity to direct interested companies to a suitable location. This site is especially suitable as it is served by the Riverhead Water District and Riverhead Sewer District.

The MBI building is approximately 8,000 square feet and is occupied by Fidelity Title Insurance that sought to expand its operation in the Riverhead area. The financial assistance provided to MBI was the provision of an exemption from mortgage recording taxes, an exemption from sales and compensating use taxes, and an abatement of real property taxes through a PILOT Agreement in accordance with the Agency's Uniform Tax Exemption Policy.

The financial assistance provided to MBI was completed in December 1997. The administration of the benefits to this project is ongoing by RIDA.

Riverhead Free Library

Faced with increasing patron demands, an outdated physical plant, and inadequate space to meet demand, the Board of Trustees of the Riverhead Free Library (RFL) undertook an ambitious renovation and expansion project in 1997. Completed in 1999, the new RFL at 30,400 square feet is almost twice its original size.

The renovation/expansion project included a new expanded children's wing with advanced technology assets, separate dedicated computer labs for teens and adults, a grand meeting room accommodating 135 patrons furnished with a Yamaha grand piano, craft room with kitchen, art gallery, office space for literacy volunteers, and a café with a view of the Peconic River.

To accomplish this project as financially efficient as possible, the Board of Trustees of RFL applied to the RIDA seeking the issuance of \$4.6 million in tax-exempt bonds. The bond closing for this project was completed July 1998. The administration of the benefits to this project is ongoing by RIDA.

Altaire Pharmaceuticals, Inc.

When Altaire Pharmaceuticals, originally located in the Town of Brookhaven, needed to expand its manufacturing capacity they turned to RIDA for financial assistance through a request for the issuance of \$6 million in tax-exempt bonds, exemption from mortgage recording taxes, an exemption from sales and compensating use taxes, and an abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy. The company purchased an 110,000 square foot building on West Lane, Aquebogue, formerly used for electronics manufacturing, converting it into an approved FDA manufacturing and processing facility for non-prescription and prescription medications.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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December 31, 2006

(Unaudited)

The company's flagship product platform is a water-soluble ophthalmic gel delivery technology currently used for dry eye applications. The company has a superior product development organization with over 50 new products in development and a patented timed-release ophthalmic drug delivery system.

The bond closing for this project was completed on October 1, 1998. The administration of the benefits for this project is ongoing by RIDA.

Adchem Corp.

Adchem Corp. is an industrial adhesive products manufacturer owned by the Pufahl family. Adchem was a corporation originally located in Westbury, New York but in the early 1980s realized that it could not expand at that location and looked for a new home. The RIDA worked with Adchem in providing the issuance of tax-exempt bonds, exemption from mortgage recording tax, exemption from sales and compensating use taxes, and a real property tax abatement. Such assistance was enough to permit Adchem to relocate its facilities to the Town of Riverhead.

In 1998, the company again determined the need to expand its operation by nearly 80,000 square feet. Again, the RIDA assisted Adchem to permit the continued operation and employment by this company in our community.

RIDA provided the issuance of \$7 million in tax-exempt bonds to fund the construction and equipping of the expansion project, exemption from mortgage recording tax, exemption from sales tax, and real property tax abatement in accordance with the RIDA Uniform Tax Exemption Policy on the expansion project only.

The bond closing for this project was completed December 1998. The administration of the benefits for this project is ongoing by RIDA.

Calverton Links

In December 1998, application for financial assistance was received by the RIDA from Calverton Links, Ltd. requesting assistance for the project which included the acquisition of 94.5 acres of land located at the north and west of the existing golf facility, the expansion of the existing nine-hole golf course to an 18-hole golf course, the expansion of the two existing golf facility buildings and the construction of a new approximately 20,000 square foot, two-story club house, pro shop, restaurant and catering facility and the acquisition of golf course equipment. The only benefit requested by the applicant was exemption from sales and compensating use taxes relating to the project construction and equipment.

The closing for this project was completed March 1999.

Atlantis Aquarium

The 46,000 square foot Atlantis Marine World has become one of the most popular educational and tourist destinations on the East End. Located on Main Street in downtown Riverhead, the project began in 1998 when the company responded to a request for proposal for acquisition and redevelopment of the parcel in accordance with the Town of Riverhead East Main Street Urban Renewal Plan. Financial assistance facilitated by RIDA for acquisition of the parcel and buildings located thereon and construction and equipping of additional buildings included the issuance of \$3 million of taxable bonds, exemption from mortgage recording taxes, exemption from sales and compensating use taxes on certain property, and an abatement of real property taxes. The abatement of real property taxes in this instance was greater than is provided by the agency Uniform Tax Exemption Policy. However, due to the positive impact the project was expected to have on the community and after public hearing at which no comment was received, the level of property tax abatement was granted.

Atlantis Marine World has the distinction of being a for-profit marine theme entertainment facility. Its strategy of combining interactive education and entertainment, coupled with aggressive merchandising has yielded success both for its owners and surrounding businesses.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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(Unaudited)

The bond closing for this project was completed August 1999. The administration of the benefits for this project is ongoing by the RIDA. In 2006, Atlantis Marine World refinanced through an alternate lender the outstanding debt of the taxable bond issued August 1999. Legal title to the property remains with the RIDA. The real property tax abatement schedule remains effective pursuant to an executed Sale Agreement. The administration of the benefits for this project is ongoing by RIDA.

Tanger II

In July 1996, RIDA provided financial assistance as a "tourism destination project" to Tanger Properties Limited partnership for the project known as Tanger II, which consisted of the construction of approximately 400,000 square feet of various buildings on various parcels of land located adjacent to the existing and original Tanger Factory Outlet Center.

The only assistance applied for and provided by RIDA was an exemption from sales and compensating use taxes on construction materials, furnishings, and equipment necessary to establish Tanger II.

Again, in January 2000, RIDA provided only an exemption from sales and compensating use taxes to Tanger Properties Limited Partnership for the construction of the approximately 12,000 square foot freestanding building in Tanger I, which RIDA refers to as "Tanger III".

Cargex Calverton L.P. (FedEx Depot)

The need for Federal Express to expand its sort distribution facility in Riverhead is a powerful indicator of the rapid growth in population and commercial activity in the region. Federal Express established a presence at the original Calverton site in 1984 with five routes and combined in-bound and out-bound volume of 550 to 600 packages per day.

In March 2000, Cargex Calverton L.P., a subsidiary of Cargex Properties and the landlord of Federal Express Corporation in Riverhead, applied to RIDA for assistance in acquiring a ten and one-half acre parcel in Calverton for building a 59,660 square foot facility on behalf of its lessee at an aggregate cost of \$4.28 million. Federal Express contributed \$200,000 in sorting equipment for the project. The assistance provided by RIDA included a mortgage recording tax exemption, exemption from sales and compensating use taxes, and abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The Riverhead site is the only one in its district to experience an 8.5 percent increase in in-bound volume from year to year, with an expected 8 to 10 percent increase in the coming year. The facility currently services its customers with 57 routes and handles a daily in-bound and out-bound volume of 6,200 packages.

The closing for this project was completed May 2000. The administration of the benefits for this project is ongoing by RIDA.

In January 2006, Cargex Calverton L.P. sold this facility to CalEast Nat City Stations, LLC. FedEx continues operation of the facility in accordance with the approval of the project. Legal title to the property remains with the RIDA. The real property tax abatement schedule remains effective pursuant to an executed Sale Agreement.

Knightworld (East Wind Country Inn)

The founder/owner of East Wind, who began operating in Riverhead with a full-service catering complex, recognized a growing unmet demand for lodging and conference space in the immediate vicinity. Many of his catering customers required lodging for guests who had to travel to western Suffolk to find suitable accommodations. Businesses that wanted to hold conferences on the North Fork to take advantage of its many amenities had no real options.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

December 31, 2006

(Unaudited)

To respond to this growing demand, the owner applied to the RIDA for financial assistance to construct a 107,000 square foot building set on an 11.5 acre parcel to contain a 50-room country inn, restaurant, catering hall, indoor pool and spa, and accessory retail space.

The financial assistance provided by RIDA to this project included a mortgage recording tax exemption, exemption from sales and compensating use taxes, and abatement from real property taxes. In this instance, the RIDA deviated from its Uniform Tax Exemption Policy and provided only five years of real property tax abatement.

The closing for this project was completed November 2000. The benefit period for this project has concluded. Therefore, title to the property was transferred from RIDA to Knightworld in February 2006 and the property was returned to the real property tax rolls as fully taxable on March 1, 2006.

HDI Enterprises

This project involved the build-out of the second lot owned by Richard Israel at the Route 58 industrial subdivision formerly known as Warsaw Park. The application for financial assistance was filed by HDI Enterprises, LLC to construct a building of approximately 8,500 square feet at 34 Commerce Drive, Riverhead to be utilized by Central Suffolk Hospital Corp. for use as a medical office building, including a physical rehabilitation and therapy center.

The financial assistance provided by RIDA included exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The closing for this project was completed January 2001. The administration of the benefits for this project is ongoing by RIDA.

Truetech, Inc.

This manufacturer located on Elton Street, a defense manufacturer which supplies flameless heaters, ready-to-eat meals, test kits, decontamination kits and like products, has seen tremendous growth in demand for its products.

To support the continuing operation of Truetech in Riverhead, RIDA arranged for financial assistance to construct 30,000 square feet of new facilities to its existing building, partial renovation of the existing building, and construction of site improvements and purchase and installation of equipment.

The assistance provided by RIDA included exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and an abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The closing for this project was completed August 2001. The administration of the benefits for this project is ongoing by RIDA.

Suffolk County National Bank

Known as the "hometown" bank in Riverhead, SCNB found that its existing operation consisting of a network of fragmented and geographically dispersed functional departments was not conducive to the growth it was experiencing across all business lines. To achieve efficiencies of scale and gain better managerial control SCNB decided to consolidate its operations at one location.

SCNB sought financial assistance from RIDA in the form of an exemption from sales and compensating use taxes, and abatement from real property taxes in accordance with the agency Uniform Tax Exemption Policy. Its primary competition expanded by consolidating its operations in western Suffolk County.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

December 31, 2006

(Unaudited)

SCNB could have followed suit but decided on a competitive strategy that would emphasize its 110-year history as Riverhead's hometown bank.

SCNB identified a 4.2 acre parcel on Second Street where it constructed a 47,350 square foot building to serve as its corporate headquarters and house its lending and data processing operations.

The closing for this project was completed September 2001. The administration of the benefits for this project is ongoing by RIDA.

Plant 7 Calverton, Inc./Michael Reilly Designs

This project involved a 28-acre parcel of property located at the Enterprise Park at Calverton (EPCAL), which was a lot delineated in the minor subdivision approval, which the Town of Riverhead CDA received for the former Grumman property. This project was the first at the EPCAL site to receive assistance from RIDA.

The application for financial assistance filed with RIDA sought assistance to acquire the parcel of land and the building located thereon, the partial renovation of such building, the construction of site improvements thereat, and the purchase and installation of equipment in such building to permit the manufacture of custom wood windows, doors, and architectural woodwork.

The assistance provided by RIDA was the issuance of \$7,095,000 in tax-exempt bonds in October 2001, exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement from real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The financial statements of the Riverhead IDA for period ending December 31, 2003 noted that Plant 7 Calverton, Inc./Michael Reilly Designs failed to make required PILOT payments and went into default.

In January 2005, Plant 7 Calverton, Inc./Michael Reilly Designs sold the 28-acre parcel of property located at EPCAL to Old Castle Retail, Inc., a Delaware corporation. Through the sale of the property Plant 7 Calverton, Inc./Michael Reilly Designs restructured its debt with the retirement of old bonds and issuance of a new bond to the previous bondholder in the amount of \$1,580,000. The new bond is secured by equipment and the company's long-term lease with property purchaser. The sale of the property and long-term lease to maintain a presence at the site has allowed Plant 7 Calverton, Inc./Michael Reilly Designs to maintain his employment and productivity levels.

All arrears of PILOT payments have been satisfied and paid to taxing jurisdictions. The project site is now fully taxable.

Cal 81 Realty LLC (Island International Industries, Inc.)

The site of this project is also located at EPCAL on a parcel of land of approximately 27 acres and the building located thereon commonly known as Building 81.

The application for financial assistance filed with RIDA sought assistance to acquire the parcel of land and the building located thereon, the partial renovation of such building, the construction of site improvements, and the purchase and installation of equipment to permit the manufacture of exterior and interior panel systems.

The assistance provided by RIDA was the issuance of \$3,360,000 in tax-exempt bonds, exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement from real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The bond closing for this project was completed December 2001. The administration of the benefits for this project is ongoing by the RIDA. This transaction initially involves the appointment of Cal Realty agent of the Agency with respect to the leasing and acquisition of the building and parcel and the

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Management's Discussion and Analysis

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(Unaudited)

appointment of Island as agent of the Agency with respect to renovating, constructing, equipping and maintaining the project. Once the major subdivision applied for by Jan Burman has been approved and filed with the County Clerk, then title to the 27-acre parcel will pass from Cal Realty to Riverhead IDA on behalf of Island Industries.

In 2006, RIDA received application for financial assistance of Cal 81 Realty LLC/Island International Industries, Inc. to expand its facility at the EPCAL site with the construction of an additional 55,000 square feet of manufacturing space. In December 2006, RIDA issued tax-exempt bonds in the amount of \$1.5 million to partially pay the construction costs of this expansion project. In addition to the issuance of the tax-exempt bonds, RIDA also authorized a sales tax exemption and restated previously executed payment in lieu of tax agreement to assist this expansion project.

IDI Ventures

This project involved the build-out of the third lot owned by Richard Israel at the Route 58 industrial subdivision formerly known as Warsaw Park. The application for financial assistance was filed by IDI Ventures, LLC as owner/landlord and Long Island Vitreoretinal Consultants, P.C. (LIVRC), as tenant, to construct a building of approximately 6,712 square feet at 47 Commerce Drive, Riverhead for use by LIVRC as a medical office for specialized eye care and the equipping of same.

The financial assistance provided by RIDA included exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The closing for this project was completed April 2003. The administration of the benefits for this project is ongoing by RIDA.

JEJOPE (Neefus-Stype Agency)

RIDA received an application for financial assistance in August 2002 from JEJOPE, LLC as owner/landlord and Neefus-Stype Agency, Inc., as Tenant. Applicants applied for assistance to complete a project which includes the acquisition of a parcel located at the northwest corner of NYS Route 25 and Union Avenue, Aquebogue, the construction of an approximately 5,770 square foot building to be leased by JEJOPE to Neefus-Stype as an insurance agency building and the purchase and installation of equipment and furnishings for said building.

The financial assistance provided by RIDA included exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The closing for this project was completed September 2003. The administration of the benefits for this project is ongoing by RIDA.

John Wesley Village III, L.P.

Previously discussed was the assistance provided by RIDA to John Wesley Village II, L.P. This agency received an application from John Wesley Village III, L.P. for the construction of 92 additional senior citizen, residential units on an area of property of approximately 16.1 acres on the site of and adjacent to the existing John Wesley Village II senior housing complex at Middle Road, Riverhead.

The assistance provided to this applicant was the issuance of tax-exempt obligations in an amount not to exceed \$10,000,000, exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement from real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

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The closing for this project was completed December 2003. The administration of the benefits for this project is ongoing by RIDA.

RGR Associates/East End Veterinary Emergency Center

This project involved the build-out of the fourth lot owned by Richard Israel at the Route 58 industrial subdivision known as Warsaw Park. The application for financial assistance filed by RGR Associates detailed the project as the acquisition of the parcel, the construction of a building of approximately 8,225 square feet at 67 Commerce Drive, Riverhead. The building is leased by RGR to EEVEC for use as an office for veterinary care and portions of which will be leased to other professional or commercial tenants.

The financial assistance requested of RIDA was exemption from mortgage recording taxes, exemption from sales and compensating use taxes and abatement of real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

The closing for this project was completed April 23, 2004. The administration of the benefits for this project is ongoing by RIDA.

Jaral Riverhead Corp.

This project involved the acquisition of an approximately two-acre parcel located on Route 58 in Riverhead and the construction thereon of a building of approximately 46,150 square feet for use as an 89-room Holiday Inn Express Hotel and Suites and the purchase and installation of furnishings and equipment at an approximate total cost of \$10,400,000.

The financial assistance requested of RIDA was exemption from mortgage recording taxes, exemption from sales and compensating use taxes and abatement of real property taxes. In this instance, RIDA deviated from its Uniform Tax Exemption Policy and provided only five years of real property tax abatement.

The closing for this project was completed November 2004. The administration of the benefits for this project is ongoing by RIDA.

Eastern Wholesale Fence Co., Inc./C.A.P.S. Realty Holdings, LLC

Eastern Wholesale Fence (EWF) is a wholesale/manufacturing company of fence products with a location at Medford, NY. Seeking a location to manufacture P.V.C. fence, they decided on a location at the Enterprise Park at Calverton (EPCAL) in the Town of Riverhead.

The application for financial assistance submitted to RIDA described the project as the acquisition of approximately 8 acres of property at EPCAL and a 32,000 square foot building located thereon and the purchase and installation of equipment necessary to manufacture P.V.C. fence profiles. The total project cost is estimated at \$5,300,000.

The assistance provided to this applicant was the issuance of tax-exempt obligations of RIDA in the amount of \$4,900,000, the provision of an exemption from mortgage recording taxes, and an exemption from sales and compensating use taxes. No real property tax abatement was provided to this project.

The closing for this project was completed December 2004. Minor renovation and occupancy of the facility is underway. The administration of the benefits for this project is ongoing by RIDA.

Riverhead Village Preservation, L.P.

This project involved the acquisition of property and the existing 135 low-income apartment units thereon and the renovation of said units. The housing complex is currently and will remain a Section 8 assisted multi-family residential facility.

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The assistance provided to this applicant was the issuance of tax-exempt obligations of the RIDA in the amount of \$9,500,000, the provision of an exemption from mortgage recording taxes, and an exemption from sales and compensating use taxes.

The closing for this project was completed December 2005. The administration of the benefits for this project is ongoing by RIDA.

Lenape Associates, L.P.

This project involved the acquisition of property and the existing 40 low-income rental apartment units thereon and the renovation of said units. The housing complex is currently and will remain a Section 8 assisted multi-family residential facility.

The assistance provided to this applicant was the issuance of tax-exempt obligations of the RIDA in the amount of \$2,920,000, the provision of an exemption from mortgage recording taxes, an exemption from sales and compensating use taxes and the continuation of a PILOT agreement previously entered into by the Riverhead Town Board in May 1981. The terms of said agreement were not altered.

The closing for this project was completed December 2005. The administration of the benefits for this project is ongoing by RIDA.

Central Suffolk Hospital

In November 2003, RIDA received an application for financial assistance from Central Suffolk Hospital (CSH). The application includes a request for a two-series issue of tax-exempt bonds. The first series in an amount expected not to exceed \$17,500,000 is for the refinancing of the existing debt of CSH with the NYS Dormitory Authority. The second series in an amount expected not to exceed \$20,000,000 will fund various construction and renovation projects planned by CSH. The construction/renovation projects include an expansion of the emergency department, internal renovation to convert medical/surgical beds to psychiatric beds, the renovation of the existing skilled nursing unit and renovations to existing operating rooms, the lobby, infrastructure and nursing units.

In 2006, Central Suffolk Hospital dba Peconic Bay Medical Center submitted an amended application for financial assistance requesting the issuance of civic facility revenue bonds to refund outstanding principal debt of the New York State Medical Care Facilities Finance Agency, issuance of bonds to finance the project known as the "Emergency Room Facility", and issuance of bonds to finance the construction of a medical building to be used as a lobby, operating suites and space for future build-out and expansion and the refitting of the hospital's existing operating suites and related infrastructure improvements.

Necessary public hearings regarding this application were held and the closing for this project was completed June 2006. Construction of the described facilities is currently underway.

Recently, CSH filed an additional application for financial assistance requesting the issuance of tax-exempt bonds for the build-out and equipping of the medical building described above. A public hearing on this matter has been scheduled for April 30, 2007.

PENDING APPLICATIONS

E.B.S. Building Systems

In September 2003, RIDA received an application for financial assistance from E.B.S. Building Systems LLC to support the establishment of its company in the Town of Riverhead. The company proposes to acquire approximately 10 acres located at EPCAL and construct thereon approximately 62,300 square feet of buildings to be used by E.B.S. in the manufacture of wood building components, including roof and floor trusses and wall panels and the purchase and installation of equipment.

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The financial assistance requested by E.B.S. is the issuance of tax-exempt obligations in an amount not to exceed \$5,000,000, exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement from real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

Public hearing on the application was held by RIDA on November 10, 2003 after 30-day public notice and certified notice to the chief fiscal officers of the affected taxing jurisdictions was given. Subsequent public hearing was held by RIDA on April 4, 2005 due to the increased cost of the project.

It is expected that the bond closing will occur upon the approval and filing of the major subdivision of Jan Burman on the industrial property at which this 10-acre parcel is located.

Altaire Pharmaceuticals

Previously discussed was the assistance that RIDA provided to Altaire Pharmaceuticals. RIDA currently has pending application for financial assistance of Altaire seeking assistance in the construction of a 50,000 square foot building at its current location of 311 West Lane, Aquebogue, to enhance its warehouse and shipping operations.

The applicant is currently pursuing site plan approval of the project with the Town of Riverhead.

Riverhead Building Supply Corp. and Riveredge, LLC

RIDA is in receipt of an application for financial assistance of Riverhead Building Supply Corp. (RBSC) and Riveredge, LLC dated September 1, 2006 and revised on September 18, 2006 to support the expansion of the company's facilities in the Town of Riverhead. RBSC proposed to acquire approximately 32.33 acres located at EPCAL and construct thereon a 110,000 square foot manufacturing and warehouse facility.

The financial assistance requested by RBSC and Riveredge, LLC is the issuance of industrial development revenue bonds estimated not to exceed \$18,000,000 of which up to \$10,000,000 shall be tax-exempt, provision of an exemption from mortgage recording taxes, exemption from sales and compensating use taxes, and abatement from real property taxes in accordance with the Agency's Uniform Tax Exemption Policy.

Public hearing on the application was held by RIDA and application for allocation of statewide volume cap was made by RIDA to Empire State Development (ESD). Letter approving said volume cap requested was recently received.

It is anticipated that the bond closing for this project will occur no later than June 30, 2007.

OTHER AGENCY ASSISTANCE

Calverton Business Incubator

In 2004, RIDA completed its construction of the Calverton Business Incubator.

The incubator is 15,800 square feet of office and laboratory space with a focus on the commercialization of aquaculture, agriculture, and environmental products and services. The design of the facility is fully modular, allowing for adjustments in configuration with little disruption to other tenants. This modularity allows for tremendous flexibility in configuration with spaces available from 150 square feet to 1,400 square feet and an ability to accommodate 12 to 20 tenants.

The site of the incubator facility is a 50-acre parcel in the northeast corner of the former Grumman property in Calverton now known as The Enterprise Park at Calverton. The Town Board of the Town of Riverhead authorized the transfer of the 50-acre parcel for the site of a business incubator to enhance its

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redevelopment efforts of the former defense facility. The property was initially transferred from the Town of Riverhead Community Development Agency to the Town of Riverhead Industrial Development Agency for the purposes of the construction of the business incubator. With the conclusion of the construction, the title to the land and building was transferred by RIDA to The People of the State of New York, acting by and through the State University of New York on December 20, 2004. SUNY Stony Brook has the responsibility of managing the incubator facility.

The RIDA made application for and received grant moneys of nearly \$3,500,000 to fund the construction of the incubator. RIDA had the responsibility of managing the construction project including the payment of all necessary expenses. RIDA was responsible for reporting to the funding agencies of NYS Office of Science, Technology and Academic Research and Empire State Development for reimbursement of all construction expenses.

NYS Bond Act – Emissions Control State Assistance Payments

From 1998 to 2002, the Town of Riverhead participated in a NYS Bond Act Program with regard to State Assistance Payments (grants) to service stations who upgraded their emissions control and testing equipment to meet current standards. Each business approved received a \$5,000 state assistance payment to assist them in the cost of the upgraded equipment. The RIDA administered this program and \$5,000 State Assistance Payments (STAPs) were delivered to 18 businesses in the town resulting in \$90,000 in grant funds being distributed in the community.

Similarly, the town participated in a NYS Bond Act Program to assist dry cleaners in the cost of the upgrade of their equipment. STAPs ranged from \$1,000 to \$5,000 for each piece of equipment upgraded depending on the level of equipment. The RIDA administered this program with three dry cleaners receiving STAPs of varying amounts.

H.F. Corwin & Son, Inc./Crescent Duck Farm, Inc.

The RIDA made application for grant funding pursuant to the Environmental Investment Program of Empire State Development (ESD) to assist H.F. Corwin & Son/Crescent Duck Farm to improve its environmental performance. In March, 2003, RIDA was notified by ESD that it was awarded \$424,800 in grant funding to support the \$2.1 million project of H.F. Corwin to construct a waste treatment process to decompose the farm water's effluent. The design of the system will feature both an aerobic and anaerobic process to decompose the wastewater. Effluent discharge from the farm presently goes into large open, earthen aeration lagoons and then discharges into the groundwater through sandbeds into the Peconic Bay Estuary System. The Suffolk County Health Department requested that H.F. Corwin upgrade this present system and do away with earthen treatment and change to a "hard bottomed" arrangement and an aerobic type of process. Performance targets for this project include recycling and reuse of 8.3 million gallons of water annually.

In 2004, RIDA entered into written agreement with ESD for the above described grant funding. Periodic milestone reports were submitted by RIDA to ESD. Reimbursement grant moneys for 80% of the grant contract amount were received by RIDA from ESD. Said grant moneys were forwarded by RIDA to H.F. Corwin & Son. The remaining 20% in grant moneys were withheld until completion of the project.

In 2006, H.F. Corwin completed the construction of the project. Final report of the completed project was forwarded by RIDA to ESD. The remaining 20% in grant moneys were received by RIDA and forwarded to H.F. Corwin. Project file is now considered closed in the records of the RIDA.

Marketing

RIDA works closely with the Empire Zone Coordinator to market the Town of Riverhead as a business location. When calls are received by either entity by businesses that are interested in Riverhead and EPCAL seems to be a logical location, cooperative meetings are generally held by the Empire Zone

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

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Coordinator and RIDA Director to discuss with the company the benefits and incentives which can be offered if locating at EPCAL.

Also, RIDA, on behalf of the Town of Riverhead, is a member of The Long Island Partnership, which is marketing Long Island as a region for business development.

General Business Assistance

RIDA is also referred many of the general calls for business assistance received by the Town of Riverhead.

The RIDA Director fields calls from real estate brokers, attorneys, and companies interested in establishing a presence in the Town of Riverhead seeking direction as to location, permitting processes and information regarding benefits and incentives.

In addition, the RIDA Director may inform callers of the many business assistance programs offered outside of those offered by Riverhead. These include programs such as the SBA 7a, SBA 504, Low Doc Loans, Ag & Markets Loan Guarantees, etc. and make direct referral to the persons administering the programs.

Contacting RIDA's Financial Management

This financial report is designed to provide a general overview of the RIDA's finances. If you have any questions about this report or need additional information, contact the following:

Riverhead Industrial Development Agency
200 Howell Avenue
Riverhead, NY 11901

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Statements of Net Assets
Enterprise Fund
As of December 31, 2006 and 2005

	ASSETS		
	<u>2006</u>	<u>2005</u>	
Current Assets			
Cash (Note 1)			
Checking	\$ 279,397	\$ 197,090	
PILOT	250	250	
NYSTAR (Note 3)		1	
Total Cash	<u>279,647</u>	<u>197,341</u>	
Prepaid Expenses	10,660		
Security Deposit	<u>263</u>	<u>263</u>	
Total Current Assets	<u>10,923</u>	<u>263</u>	
Noncurrent Assets			
Fixed Assets	4,624	4,624	
Less: Accumulated Depreciation	<u>(3,365)</u>	<u>(2,989)</u>	
Total Noncurrent Assets	<u>1,259</u>	<u>1,635</u>	
Total Assets	<u>\$ 291,829</u>	<u>\$ 199,239</u>	
	LIABILITIES		
Current Liabilities			
Accrued Expenses	<u>\$ 12,923</u>	<u>\$ 9,955</u>	
Total Current Liabilities	<u>12,923</u>	<u>9,955</u>	
	NET ASSETS		
Net Assets			
Unrestricted	<u>278,906</u>	<u>189,284</u>	
Total Net Assets	<u>278,906</u>	<u>189,284</u>	
Total Liabilities and Net Assets	<u>\$ 291,829</u>	<u>\$ 199,239</u>	

See accompanying notes to basic financial statements.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Statements of Revenues, Expenses and Changes in Net Assets
Enterprise Fund
For the Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Operating Revenues		
Charges for services	\$ 153,675	\$ 138,663
Grant income		25,000
Document fees		60
Other income		<u>100</u>
Total Operating Revenues	<u>153,675</u>	<u>163,823</u>
Operating Expenses		
Construction costs - NYSTAR project (Note 3)	1	74,914
Depreciation	376	379
Dues and subscriptions	5,099	5,395
Employee benefits	1,102	484
Insurance	574	527
Legal notices	344	251
Office	2,603	1,036
Payroll		34,493
Professional fees	47,065	23,631
Promotion	1,290	1,945
Rent	3,450	4,889
Taxes and licenses		7,557
Telephone	1,653	1,071
Transcription services	783	864
Travel	<u>50</u>	
Total Operating Expenses	<u>64,390</u>	<u>157,436</u>
Operating Income	<u>89,285</u>	<u>6,387</u>
Non-Operating Revenue		
Interest income	<u>337</u>	<u>256</u>
Total Non-Operating Revenue	<u>337</u>	<u>256</u>
Change in Net Assets	89,622	6,643
Total Net Assets - Beginning of Year	<u>189,284</u>	<u>182,641</u>
Total Net Assets - End of Year	<u>\$ 278,906</u>	<u>\$ 189,284</u>

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Statements of Cash Flows
Enterprise Fund
For the Years Ended December 31, 2006 and 2005

	2006	2005
Cash Flows from Operating Activities:		
Cash received from providing services	\$ 153,675	\$ 173,413
Cash payments for contractual expenses	(71,706)	(111,780)
Cash payments for personal services and benefits		(97,785)
Other operating revenues		57,113
	<u>81,969</u>	<u>20,961</u>
Cash Flows from Non-Capital and Financing Activities:		
Deposits on PILOT payments		(185,842)
	<u>-</u>	<u>(185,842)</u>
Cash Flows from Investing Activities:		
Interest income	337	256
	<u>337</u>	<u>256</u>
Net increase (decrease) in cash	82,306	(164,625)
Cash - Beginning of Year	<u>197,341</u>	<u>361,966</u>
Cash - End of Year	<u>\$ 279,647</u>	<u>\$ 197,341</u>
Reconciliation of Operating Income to Net Cash Used in Operating Activities		
Operating income	\$ 89,285	\$ 6,387
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	376	379
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Due from NYSTAR		31,953
Administrative fee receivable		34,750
Prepaid expenses	(10,660)	
Security deposits		(263)
Increase (Decrease) in:		
Accrued expenses	2,968	3,490
Compensated absences		(53,361)
Payroll taxes payable		(2,374)
	<u>\$ 81,969</u>	<u>\$ 20,961</u>

See accompanying notes to basic financial statements.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Notes to Basic Financial Statements
December 31, 2006 and 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of Organization

The Riverhead Industrial Development Agency is a public benefit corporation of the State of New York established pursuant to the New York State General Municipal Law. It is a quasi-governmental, tax exempt Agency whose purpose is to promote, develop, encourage and assist in the acquiring, developing and equipping of various business facilities, thereby advancing the job opportunities, general prosperity and economic welfare of the people of the town.

The Agency acts primarily as a conduit for Industrial Revenue Bonds (IRB), which are used to finance business location or expansion projects. The Agency does not issue the bonds, lend money, or assume debt.

The Agency can also provide projects with tax benefits (property, sales and mortgage recording tax) that are not available to most development projects.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Concentration of Credit Risk

The Agency maintains three accounts in one financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Amounts in excess of insured limits were fully collateralized by a third party at December 31, 2006.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation is removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs are charged to expense as incurred. Significant renewals and betterments are capitalized and depreciated. Depreciation expense for the year ended December 31, 2006 and 2005 were \$376 and \$379, respectively.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Income Taxes

The Agency is exempt from federal and state income taxes and therefore has made no provision for federal or state income taxes in the accompanying financial statements.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

(A Component Unit of the Town of Riverhead)

Notes to Basic Financial Statements

December 31, 2006 and 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Riverhead Industrial Development Agency employee is granted vacation, personal leave, and sick leave in varying amounts. In the event of termination or upon retirement, the employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. In May 2005, the agency's only employee resigned from her position and received her payment of compensated absences. The Agency has not replaced the employee as of December 31, 2006.

Component Unit

The Agency is a component unit of the Town of Riverhead.

NOTE 2 – EMPLOYEE BENEFIT PLAN

The Riverhead Industrial Development Agency participates in the New York State and Local Employees' Retirement System. As set forth in the New York State Retirement and Social Security Law, the Comptroller serves as sole trustee and administrative head of the system. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the system and for the custody and control of its funds.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Enterprise Fund

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the Town of Riverhead)
Budgetary Comparison Schedule
Enterprise Fund
Year Ended December 31, 2006
(Unaudited)

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues			
Charges for services	\$ 157,250	\$ 153,675	\$ (3,575) (1)
Total Operating Revenue	<u>157,250</u>	<u>153,675</u>	<u>(3,575)</u>
Operating Expenses			
Personal Services			
Payroll	70,000		70,000 (2)
Contractual Expenses			
Dues and subscriptions	5,500	5,099	401
Insurance	550	574	(24)
Legal notices	300	344	(44)
Office	2,500	2,603	(103)
Other	8,500		8,500 (3)
Professional fees	14,500	47,065	(32,565) (3)
Promotion	10,000	1,290	8,710 (4)
Rent	3,500	3,450	50
Seminars and conferences	1,500		1,500
Telephone		1,653	(1,653)
Transcription services	750	783	(33)
Travel	1,500	50	1,450
Employee benefits	22,500	1,102	21,398 (5)
Taxes and licenses	5,655		5,655 (6)
Depreciation		376	(376)
Total Operating Expenses	<u>147,255</u>	<u>64,389</u>	<u>82,866</u>
Capital Grants			
Construction costs - NYSTAR project		1	1
Net Capital Grant Activity	-	1	1
Non-Operating Revenue			
Interest Income		337	337
Total Non-Operating Revenue	<u>-</u>	<u>337</u>	<u>337</u>
Excess (Deficiency) of Revenues over Expenditures	9,995	89,624	79,629
Net Assets - Beginning of Year	<u>189,284</u>	<u>189,284</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 199,279</u>	<u>\$ 278,908</u>	<u>\$ 79,629</u>

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

(A Component Unit of the Town of Riverhead)

Note to Budgetary Comparison Schedule

Enterprise Fund

Year Ended December 31, 2006

Note A - Budget-to-Actual Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures in accordance with generally accepted accounting principles follows:

(1) The Agency budgeted revenues based on projects that were actually filed at the time of budget preparation. At the end of the year some projects were still pending. The budgeted amounts anticipated that all filed projects would be completed.	\$ (3,575)
(2) The Agency had no employees in 2006. All services were on a contractual basis.	70,000
(3) The Agency budgeted professional fees based on prior year amounts not reflecting rate increases or additional work required. In 2006, the Agency had an interim service agreement with an independent contractor for consulting services not reflected in the 2006 budget. The Agency anticipated hiring an employee during the year to continue the consulting work, however, no hires met the proper qualifications, so the Agency continued its agreement with the independent contractor.	(24,065)
(4) The budget anticipated hiring an employee during 2006. However, no employees were hired to continue promoting the Agency.	8,710
(5) The Agency had no employees in 2006. This amount represents the benefit obligation for a former employee's retirement fund contribution based on actual payroll for the fiscal period April 1, 2005 through March 31, 2006.	21,398
(6) Reflects a difference in payroll taxes paid in 2005 and 2006, as there were no employees in 2006.	5,655
Miscellaneous	<u>1,506</u>
	<u>\$ 79,629</u>

MARKOWITZ, FENELON & BANK, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PHILIP R. TUTINO, CPA
ROBERT E. WHITE, CPA/PFS
JOHN E. LARKIN, CPA
MARK M. PISCITELLI, CPA
THOMAS P. TERRY, CPA
JOSEPH R. MAMMINA, JR., CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of the
Riverhead Industrial Development Agency
Riverhead, New York

We have audited the accompanying financial statements of the Riverhead Industrial Development Agency (the Agency), a component unit of the Town of Riverhead, New York, as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management and Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Markowitz Fenelon & Bank LLP

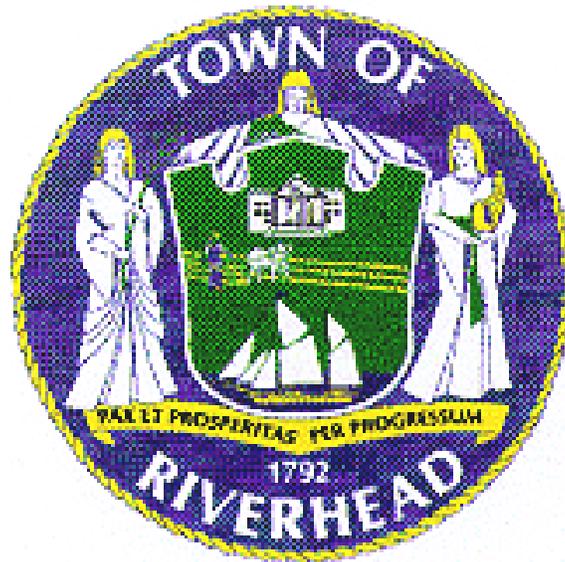
Markowitz, Fenelon & Bank, LLP
Southampton, New York

March 30, 2007

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2006



**Annual Financial
Report
Community Development Agency**



CDA ANNUAL REPORT for FY 2006

March 30, 2007

As required by the Bylaws of the Town of Riverhead Community Development Agency (CDA), the following information is provided for consideration and review by the Members of the CDA.

Membership- The Members of the Corporation shall be the members of the Riverhead Town Board, comprised of the following persons during FY 2006: Phil Cardinale, Barbara Blass, George Bartunek, Edward Densieski and John Dunleavy. In addition, the CDA is served by: Executive Director Andrea Lohneiss, Chief Finance Officer Bill Rothaar and Contracting Officer Dawn Thomas. Neither members nor staff receive any compensation for their duties and responsibilities to the CDA.

Background

The five member Riverhead Town Board is the governing legislative body and consists of a supervisor and four council members, all of whom are elected at large. The Town Board acts separately in its capacity as the CDA Board, which is empowered under New York State General Municipal Law to foster economic development. The CDA, established in 1982, has been proactive in fostering economic revitalization in the downtown business district and was a major impetus in the establishment of a 3.2 acre waterfront aquarium. In addition, the CDA took title to the former Naval Weapons Industrial Reserve Plant at Calverton in 1998 as the result of special federal legislation, and as such is charged with the task of overseeing economic development at the 2,900 acre site. Using powers granted under New York State Urban Renewal Law, pursuant to Section 505 of Article 15, the Community Development Agency has played a critical role in economic development at Calverton Enterprise Park, as well as downtown. Since 1998, this real property, improved with buildings and infrastructure, has been leased and sold pursuant to the disposition of property procedures of Section 507 of the Urban Renewal Law.

In its capacity as the economic development agency of the Town of Riverhead, the CDA also procures grant funds and administers numerous downtown revitalization projects and public improvement projects. The Community Development Agency has designated several additional Urban Renewal Areas for the purpose of encouraging neighborhood revitalization and economic development. The other

designated Urban Renewal Areas include: Millbrook Gables residential community, East Main Street Downtown Business District and Railroad Avenue. Within the designated boundaries of the urban renewal areas, available incentives are provided where feasible to attract investment and assist owners and businesses in improving their properties. Portions of the Calverton Enterprise Park and East Main Street Urban renewal Areas are designated Empire Zones. This designation was initiated and administered by the CDA for its economic development benefits. Low interest loans and grants have also been made available to increase investment in these targeted areas. For instance, within the East Main Street Urban Renewal Area, the CDA has successfully developed an aquarium as a major tourist attraction, recently sold the 1930s art deco Suffolk Theatre for reuse, has completed restoration of an 1881 historic opera house and invested \$500,000 in historic restoration of properties occupied by the East End Arts Council, as well as making possible new retail development on Peconic Avenue in a currently deteriorated structure.

Downtown Activity in 2006

In June 2005, the Town of Riverhead sought expressions of interest and qualifications (RFIQ) from experienced developers for a high-quality mixed-use development along the waterfront in downtown Riverhead, east of Peconic Avenue. Four responses were received a full Request for Proposals (RFP) was sent to the three short-listed proposers in October 2005.

The overall goal of this RFIQ and RFP process was to encourage the development community to assess the potential for revitalization of this currently underutilized area by providing retail/commercial, residential, and/or recreational/entertainment opportunities. Specifically, the RFP targeted the area comprising the Town of Riverhead East Main Street Urban Renewal Area (1993) with primary focus on the area south of Main Street, Riverhead, bordered on the east by Atlantis Marine World and on the west by Peconic Avenue. Emphasis was placed on the creation of public space, maximizing green space while maintaining vehicular access behind the storefronts and improving the appeal of the retailer by developing secondary front façades. The redevelopment area is characterized by numerous vacant buildings, public parking areas and underutilized properties.

Proposals were received from three developers in early 2006 and, following public presentations, the CDA Board selected Apollo Real Estate Advisors as the preferred project developer. In March 2006, the CDA authorized the Chairman to negotiate a contract with Apollo Real Estate Advisors and a Master Developer

Agreement was signed in August 2006. Apollo Real Estate Advisors created Riverhead Renaissance, LLC, for the Riverhead project and the CDA Board conducted a public hearing to consider the designation of Riverhead Renaissance, LLC, as a Qualified and Eligible Sponsor for the redevelopment project on October 3, 2006. Riverhead Renaissance, LLC, was designated as a qualified and eligible sponsor for downtown redevelopment on October 17, 2006.

The CDA Board also authorized town staff to undertake and update the 1993 East Main Street Urban Renewal Plan and to prepare a generic Environmental Impact Statement in conjunction the comprehensive planning process in September 2006. The Final Scope of Issues on the Generic Environmental Impact Statement in support of the Urban Renewal Plan update was accepted in November 2006. The Urban Renewal Plan and final GEIS will be completed in 2007.

Calverton Enterprise Park Activity in 2006

In October 2006, the CDA Board issued a Request for Proposals to select an experienced developer(s) for the redevelopment of approximately 600 acres of land zoned for industrial and office uses at Calverton Enterprise Park.

Several proposals were received and had been presented at public meetings by year-end.

Agreements with regard to Calverton Enterprise Park entered into by the CDA in 2006 include:

- 1) a license agreement with the Eastern Long Island Audubon Society, Inc. allowing use of the Calverton Enterprise Park site for a five-year period for the purpose of monitoring, counting and documenting birds;
- 2) an agreement with New York State Department of Economic Development for the administration of the Empire Zone Program; and
- 3) a runway use agreement with South Bay Apparel for periodic use of the CDA-owned runway.

Grant Funding

In October 2006, the CDA applied for and received a \$100,000 grant from the New York State Office of Parks, Recreation and Historic Preservation for funding under the Recreational Trails Program towards the development of an 8.9 mile multi-sport athletic trail. No funds were received or expended by year-end. This project

will augment a town park permit initiated by the CDA in 2001 involving \$600,000 in grant funds from the New York State Office of Parks Recreation and Historic Preservation for public recreational improvements. Phase I was designed and engineered in 2006 for construction in 2007.

All numbers in this Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
County of Suffolk
For The Year Ended 12/31/2006

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation***shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation.***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller within sixty days after the close of the fiscal year of such Municipal Corporation.*** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report.***

STATE of NEW YORK
Office of The State Comptroller
Division of Local Government Services and Economic Development
Albany, NY 12236

*** FINANCIAL SECTION ***

Financial information for the following funds and account groups was included in the Annual Financial Report filed by your government for the fiscal year ended 2005 and had been used by the OCS as the basis for preparing this update document for your fiscal year ended 2006:

(A) GENERAL

All amounts included in this update document for 20054 represent the data filed by your government with the OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

All numbers in this report must be rounded to the nearest dollar.

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
Assets			
Cash	\$ 74,985	A 200	\$ (19,796)
Cash - Time Certificates	<u>\$ 1,150,000</u>	A 201	<u>\$ 1,285,000</u>
TOTAL Cash	<u><u>\$ 1,224,985</u></u>		<u><u>\$ 1,265,204</u></u>
Accounts Receivable	\$ -	A 380	\$ -
Accrued Interest Receivable	\$ 416	A 381	\$ 5,168
Allowance for Uncollected Receivable	<u>\$ -</u>		<u>\$ -</u>
TOTAL Other Receivables	<u><u>\$ 416</u></u>		<u><u>\$ 5,168</u></u>
Due from Other Governments	<u>\$ -</u>	A 440	<u>\$ -</u>
TOTAL Due from Other Governments	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>
	<u>\$ -</u>		<u>\$ -</u>
TOTAL Assets	<u><u>\$ 1,225,401</u></u>		<u><u>\$ 1,270,372</u></u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

Balance Sheet

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
Liabilities & Fund Equity			
Due to Other Funds	\$ -	A 489	\$ 350,000
Due to Other Governments	\$ 125,000	A 631	\$ -
Deferred Rental Revenue	\$ -	A 691	\$ -
TOTAL Due to Other Governments	<u>\$ 125,000</u>		<u>\$ 350,000</u>
TOTAL LIABILITIES	<u>\$ 125,000</u>		<u>\$ 350,000</u>
Reserve for Encumbrances	\$ 13,080	A 821	\$ 288
TOTAL Reserve for Encumbrances	<u>\$ 13,080</u>		<u>\$ 288</u>
Fund Balance - Unreserved	\$ 1,087,321	A 911	\$ 920,084
TOTAL Fund Balance - Unreserved	<u>\$ 1,087,321</u>		<u>\$ 920,084</u>
TOTAL Fund Equity	<u>\$ 1,100,401</u>		<u>\$ 920,372</u>
TOTAL Liabilities and Fund Equity	<u>\$ 1,225,401</u>		<u>\$ 1,270,372</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
Detail Revenues and Other Sources			
Agency Fees	\$ -	A 2170	\$ 175,000
TOTAL Departmental Income	<u>\$ -</u>		<u>\$ 175,000</u>
Interest and Earnings	\$ 45,783	A 2401	\$ 63,231
Lease Payments	\$ 26,021	A 2410	\$ 25,737
Sale of Real Property	\$ -	A 2660	\$ -
Sale of Equipment	\$ -	A 2665	\$ -
TOTAL Use of Money and Property	<u>\$ 71,804</u>		<u>\$ 88,968</u>
Refund of Prior Years Expenses	\$ -		\$ -
TOTAL Miscellaneous Income	<u>\$ -</u>		<u>\$ -</u>
State Aid	\$ -	A3789	\$ -
Federal Aid	\$ -	A4789	\$ -
TOTAL Federal/State Aid	\$ -		\$ -
TOTAL REVENUES	<u>\$ 71,804</u>		<u>\$ 263,968</u>
Interfund Transfers - Other Gov't	\$ -	A4789	\$ -
TOTAL Other Sources	\$ -		\$ -
TOTAL Revenues & Other Sources	<u>\$ 71,804</u>		<u>\$ 263,968</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
Detail Revenues and Other Sources			
Planning & Management Development - Equipment	\$ 38,758	A8684.2	\$ 450
Planning & Management Development - Contr Expen.	\$ 409,392	A8684.4	\$ 443,547
TOTAL Planning and Management Development	<u>\$ 448,150</u>	A8684.0	<u>\$ 443,997</u>
 CDA Administration, Contr Expen.	 \$ -	 A8686.4	 \$ -
TOTAL CDA Administrator	<u>\$ -</u>	A8686.0	<u>\$ -</u>
 TOTAL Home and Community Service	 <u>\$ 448,150</u>		 <u>\$ 443,997</u>
 TOTAL Expenditures	 <u>\$ 448,150</u>		 <u>\$ 443,997</u>
 Other Uses			
Transfer to Other Governments	\$ -		\$ -
TOTAL Other Uses	<u>\$ -</u>		<u>\$ -</u>
 TOTAL Detail Expenditures and Other Uses	 <u>\$ 448,150</u>		 <u>\$ 443,997</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY
ANNUAL UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
ANALYSIS OF CHANGES IN FUND EQUITY			
FUND EQUITY-BEGINNING OF YEAR*	\$ 1,476,747	A8021	\$ 1,100,401
ADD-REVENUES AND OTHER SOURCES	\$ 71,804		\$ 263,968
DEDUCT-EXPENDITURES AND OTHER USES	<u>\$ 448,150</u>		<u>\$ 443,997</u>
FUND EQUITY-END OF YEAR*	<u>\$ 1,100,401</u>	A8029	<u>\$ 920,372</u>

* TOTAL INCLUDES RESERVED AND UNRESERVED FUND BALANCE IN GOVERNMENTAL FUNDS, OR RETAINED EARNINGS OR FUND EQUITY FOR PROPRIETARY FUNDS. ADJUSTMENTS TO BEGINNING FUND EQUITY RESULTING FROM A CORRECTION OF A PRIOR YEAR'S ACCOUNTING ERROR SHOULD BE REPORTED AS A PRIOR PERIOD ADJUSTMENT.

PLEASE EXPLAIN ALL PRIOR PERIOD ADJUSTMENTS BELOW.

CORRECTED 2005 REVENUES, REDUCED BY \$416, RESULTED IN REDUCED 12/31/05 FUND BALANCE.

DOUBLE ENTRY UNITS ** FUND EQUITY-END OF YEAR MUST AGREE WITH TOTAL FUND EQUITY AS SHOWN ON THE BALANCE SHEET.
SINGLE ENTRY FIRE DISTRICTS ** FUND EQUITY-BEGINNING OF YEAR PLUS TOTAL REVENUES MUST AGREE WITH FUND EQUITY-END OF YEAR PLUS TOTAL EXPENDITURES.

The Town of Riverhead Community Development Agency
Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Riverhead Community Development Agency have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government 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.

A. FINANCIAL REPORTING ENTITY

The Town of Riverhead Community Development Agency was created by Chapter 480 of the Laws of 1982, a special act of the New York State Legislature. The Community Development Agency is an independent governmental agency and instrumentality of the State of New York and is a Corporate Governmental Agency constituting a public benefit corporation of the State of New York. The Community Development Agency can enter into contracts, sue and be sued, and acquire and own real and personal property, each on its own behalf and in its own name. The Community Development Agency can incur debt and issue bonds and notes in its own name and, unless the Town of Riverhead elects to guarantee principle of and interest on, or only interest on, indebtedness issued by the Community Development Agency, all indebtedness of the Community Development agency is a liability only of the Community Development Agency and not of the Town of Riverhead.

Inclusion of the Community Development Agency as a component unit of the Town of Riverhead reported as a special revenue fund type is required by GASB Statement No. 14 solely because the members of the Community Development Agency are the same as the members of the Town Board of the Town of Riverhead. When acting as a member of the Community Development Agency, however, a member has a fiduciary responsibility to the Community Development Agency and not to the Town of Riverhead. Inclusion of the Community development agency as a component unit of the Town of Riverhead reported as a special revenue fund type is not intended to state or imply, and should not give rise to any impression or inference, either that the Town of Riverhead is legally responsible for the indebtedness and other liabilities of the Community Development Agency or that the Town of Riverhead has any legal claim to the assets of the Community Development Agency.

B. BASIS OF PRESENTATION

The accounts of the Community Development Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses 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 summarized by type in the financial statements. The following fund types are used:

1. FUND CATEGORIES

a. **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 based upon determination of financial position and changes in financial position. The following are the Community Development Agency's governmental fund types.

Special Reserve Fund - The principal operating fund includes all operations not required to be recorded in other funds. This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Basis of accounting refers to revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expense.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within sixty days after the close of the fiscal year.

Material revenues that are accrued include state and federal aid and certain user charges.

Expenditures are recorded when the fund liability is incurred except that:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursements.
- b) Principal and Interest and indebtedness are not recognized as an expenditure until due.

D. PROPERTY TAXES

There are no real property taxes levied by the Community Development Agency.

E. BUDGETARY DATA

1. BUDGET POLICIES - The budget policies are as follows:

a) No later than Sept. 30, the budget officer submits a tentative budget to the Member of the Community Development Agency for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

b) The Members of the Community Development Agency formulates the Preliminary Budget which becomes the subject of public hearings.

c) After a public hearing is conducted to obtain taxpayer comments, no later than November 20th, the Members of the Community Development Agency adopts the budget.

d) All modifications of the budget must be approved by the Members of the Community Development Agency.

2. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. BUDGET BASIS OF ACCOUNTING

Budgets are adopted annually on a basis consistent with Generally Accepted Accounting Principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior period.

F. CHANGES IN ACCOUNTING POLICIES

During the 2006 fiscal year, the Community Development Agency did not adopt any changes in accounting policies.

G. PROPERTY, PLANT AND EQUIPMENT - GENERAL

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at costs in the General Fixed Assets Account Groups.

Fixed assets consisting of certain infrastructure type improvements, other than buildings,

including roads, bridges, curbs and gutters, street & sidewalks, drainage and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Agency. Therefore, the purposes of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

H. INSURANCE

The Agency assumes the liability for most risk including but not limited to, property damage and personal injury liability. In 1987, the Riverhead Town Board elected to self insure for all liability claims. As such, the Agency joined with the Town of Riverhead and all claims are processed through the Town of Riverhead Self-Insurance Fund. In October 1993, the Town of Riverhead obtained catastrophic loss insurance coverage.

I. VACATION, PERSONAL LEAVE AND SICK LEAVE

There are currently no paid employees of the Agency.

J. POST RETIREMENT BENEFITS

There are currently no paid employees of the Agency.

K. TOTAL COLUMNS OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, result of operations or changes in financial position in conformity with Generally Accepted Accounting Principle, nor is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

II. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. MATERIAL VIOLATIONS OF FINANCE - RELATED PROVISIONS

There are no material violations of finance - related provisions.

B. DEFICIT FUND BALANCES

There are no deficit fund balances as of 12/31/06.

C. OVERDRAWN APPROPRIATIONS

There were no overdrawn appropriations.

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. CASH & INVESTMENTS

The Agency's investment policies are governed by state statutes. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Chairman of the Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of NYS or its localities.

Collateral is required for demand deposits and certificates of deposits at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the U.S. and its Agencies and obligations of the state and its municipalities and school agencies.

2. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>TYPE</u>	<u>BALANCE</u>		<u>BALANCE</u>	
	<u>JAN 1, 2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>DEC 31, 2006</u>
Land	\$ 31,644,781.	\$.00	\$.00	\$31,644,781.
Building	\$45,200.	\$.00		\$45,200.
Improvements other than Buildings	\$60,529,825.	\$.00	\$.00	\$60,529,825
Machinery and Equip	<u>\$.00</u>	\$.00	\$.00	\$.00
Total	<u>\$92,219,806.</u>	\$.00	\$.00	<u>\$ 92,219,806</u>

B. LIABILITIES

1. PENSION PLANS

There are currently no paid employees of the Agency.

2. Short-Term Debt

There are no outstanding BAN's as of December 31, 20065.

3. Long-Term Debt

a) Serial Bonds and Capital Notes

There are no outstanding serial bonds and capital notes as of December 31, 2006.

C. DEFERRED COMPENSATION PLAN

There are no paid Employees of the Agency.

IV. CONTINGENCIES

There are no contingency items to disclose.

V. SUBSEQUENT EVENTS

There are no subsequent events.