



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2016**



Town Board

Frank P. Petrone, Supervisor

Susan A. Berland, Councilwoman

Eugene Cook, Councilman

Mark A. Cuthbertson, Councilman

Tracy A. Edwards, Councilwoman



Town of Huntington, New York
Comprehensive Annual Financial Report
Year Ended December 31, 2016

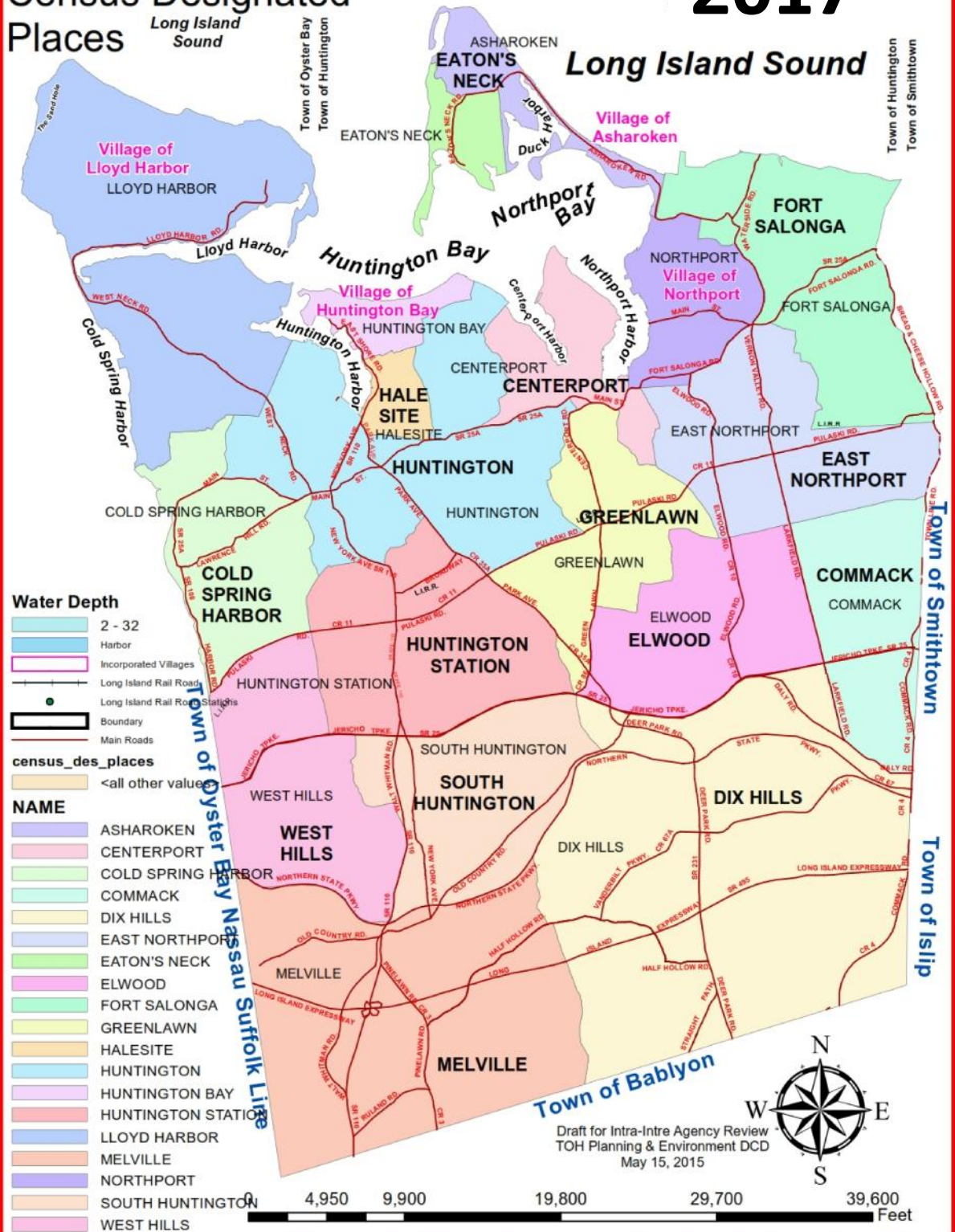
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Department of Audit & Control

Peggy Karayianakis, CPA
Interim Director of Audit & Control

Peter Leodis
Interim Deputy Director of Audit & Control

Town of Huntington Census Designated Places

2017



TOWN OF HUNTINGTON
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YEAR ENDED DECEMBER 31, 2016
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**INTRODUCTORY
SECTION**



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FRANK P. PETRONE
Supervisor

May 30, 2017

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

I am pleased to present the Comprehensive Annual Financial Report of the Town of Huntington, New York for the year ended December 31, 2016. The financial statements have been audited by the accounting firm selected by the Town Board, Cullen & Danowski, LLP. The independent auditors' unqualified opinion is included in this report.

In each of the past eighteen years the Town of Huntington has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Certificates are awarded to those governments whose annual financial reports are judged to conform to the generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is my belief that the December 31, 2016 Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program.

The preparation of this report could not have been accomplished without the dedicated effort of the entire staff of the Comptroller's Office.

Fiscal Year 2016 presented many challenges, however, through sound fiscal management, operating results were better than anticipated. We will continue to monitor the Town's 2017 budget closely and exercise financial discipline as economic conditions warrant.

Sincerely,


FRANK P. PETRONE
Supervisor





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AUDIT & CONTROL
Peggy Karayianakis, CPA
Interim Director

May 30, 2017

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

The Office of the Comptroller is pleased to submit the Comprehensive Annual Financial Report (“CAFR”) of the Town of Huntington, New York (the “Town”) for the year ended December 31, 2016. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

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

The accounting firm of Cullen & Danowski, LLP was selected by the Town Board to perform an independent audit of the Town’s financial statements as of December 31, 2016, and to provide reasonable assurance that the financial statements are free from material misstatement. The auditors’ unmodified opinion on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

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

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

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

General and Historical Information

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

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

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

The Town provides the following services:

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

Town Government

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

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

Town Government-(continued)

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

The Town Board appoints its Assessor, who serves a six-year term. The Town Board appoints the Comptroller and the Town Attorney. The Town Clerk, the Receiver of Taxes and the Superintendent of Highways are elected for four-year terms.

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

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

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

Local Economy

The cornerstones of Huntington's desirability as an outstanding place to live, work, and raise a family have always been its people, quality of life, pristine waterfront and beaches, open spaces, historical charm and property tax stability. With the Town's finances on sound fiscal footing, the Town Board has undertaken numerous initiatives to further enhance the Town's quality of life. These include: sponsorship of a third bond act of \$15 million to purchase and preserve open space, improve park facilities, fund neighborhood improvements, and support green energy efficient projects. The Town has implemented clean energy initiatives by purchasing natural gas garbage trucks, clean diesel fuel buses, hybrid vehicles; installed energy saving light fixtures, solar energy at Town Hall and municipal parking lots, progressed Huntington Station revitalization through a private developer to assist the municipality with the next phase of Huntington Station's revitalization, maintained programs to enhance care for children and seniors; continued the "American Dream" Program providing down payment assistance to first-time home buyers; continued the "Take Back the Blocks Program" to purchase and rehabilitate homes that are sold as affordable housing units with accessory apartments.

Median family income (\$105,451) and housing values (\$497,500) exceed figures for other Suffolk County towns as well as New York City suburban averages. Income within the Town is significantly higher than the state and county averages. Recent economic indicators demonstrate that the Town continues to be an economically vibrant community.

Long Island has shown signs of economic improvement in 2016. Job growth continued in 2016 mainly in education and health services, retail, leisure and hospitality, professional and business services, natural resources, mining and construction, financial activities and manufacturing. Housing demand continued to strengthen in 2016. Home prices remained stable in a continued tight lending market.

Local Economy (continued)

Huntington's unemployment rate has remained low at 3.5% as of December of 2016, below the Suffolk County rate of 4.1%, New York State of 4.5% and the nation's rate of 4.7%.

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

The strength of the local housing market is evidenced by the projects currently under Planning Department review, recently approved, under construction or completed. Since 2013, the Town has approved the construction of over 1,500 housing units of various building types and densities. Several major multi-family housing projects approved recently that are under construction or completed include the Seasons at Elwood, a planned two-hundred and sixty-three (263) unit retirement community, the Club at Melville with two hundred and sixty-one (261) units, Avalon Huntington Station/Country Pointe, a three hundred seventy nine (379) rental project with 76 for-sale condos, and Gateway Plaza, a 66-unit project located within walking distance to the LIRR. With respect to single-family residential subdivisions, the Town Planning Department is currently processing fifty-nine (59) subdivision applications that will ultimately result in the development of approximately two-hundred and eighteen (218) new single-family homes. It is also important to note that there are a number of significant residential projects not included within the town wide housing unit total that have received zone changes and are in various stages of site plan review. Included within this category is the Oheka Castle condominium project, totaling one hundred ninety (190) luxury housing units, and Creekside Apartments II with fourteen (14) units. Downtown Huntington Village also has a total of 435 potential apartments and condos in the pipeline or under construction.

Commercial and industrial development expansion and improvement remains steady. Over the past ten (10) years, over two (2) million square feet of Class A office space has been constructed or renovated in the Town's corporate center, the Melville Employment Center (MEC). The MEC is home to major corporations including Canon USA, the Rubies Corporation, Air Techniques, Henry Schein, Honeywell Corporation, Leviton Corporation and the Capital One Bank Corporate Center. A second phase of the Canon project is projected in the near future, providing an additional 200,000 square feet of research and development space and 260 more employees, bringing the total employees to 2,060.

Vacant commercial and industrial land, like the Canon site, is limited. However, many sites zoned for such uses are under-utilized and excellent candidates for site redevelopment. This is an emerging trend that is fully supported and encouraged by Huntington officials, who have identified existing commercial corridors and industrial sites throughout the Town, and the Melville Employment Center (MEC) in particular, as the Town's primary focus in its 2008 Comprehensive Plan Update "Horizons 2020". Many of the under-utilized industrial sites in Melville are on large parcels in prime locations with access to the Long Island Expressway (LIE). The Town adopted new zoning guidelines in 2006 to promote redevelopment to meet the demands of modern corporations. The strong market demand for quality corporate office space will continue to spur redevelopment and result in increasing market values and commercial property tax revenues. For example, a new six-story 160,000 square foot corporate center is nearing final approval on a property on the LIE South Service Road that formerly housed a one-story aging commercial building. This office site is directly to the east of the Canon site and is currently under review.

As noted, continuing the success of attracting new corporations to the MEC over the past thirty (30) years is a major goal of the Town. The Town recognizes the importance of the MEC to the Long Island region as a major economic generator and is taking the necessary steps to enable its continued growth. In 2015 the Town funded a \$200,000 plan and hired the consultant firm of Buckhurst, Fish & Jacquemart headquartered in Manhattan, to prepare an integrated land use, circulation and infrastructure plan to ensure that the MEC has the necessary land use policies and infrastructure to meet the future needs of corporate development. Following an 18-month planning process which included several public workshops, a DRAFT MEC Plan was completed in 2016 and is being reviewed by the Town Board.

Local Economy (continued)

In addition to Melville, significant projects continue to be proposed in other locations to take advantage of the income and employment levels in the Town. For example, currently under review is a proposal for cluster housing at the Indian Hills Country Club, a 100 acre site in Northport now home to a golf course. There is also an application under review at the former VA site in Northport called Freedoms Point, which would result in an 113,343 square foot assisted living facility on 10.09 acres.

Another important project happening in the Town is the Huntington Station revitalization. The Town has been working in partnership with the community and a master developer, Renaissance Downtowns. Over the last two years, Renaissance Downtowns has developed concept plans for four project sites on New York Avenue, which include the following uses: a boutique hotel, office space, retail space, apartments over storefronts, and potential artist residences. Two projects; Northridge and Gateway Plaza Development have been approved and will result in a total of 82 new housing units within a half-mile of the Huntington LIRR Station.

A similar redevelopment trend is occurring in other corridors as evidenced by the increasing number of applications to the Town's Planning and Zoning Boards for expansion of existing business uses. Shopping centers are upgrading to compete with the "box" stores and outlet centers. Simon Properties completed construction of a 74,000 square foot expansion of its existing 1.2 million square foot Walt Whitman Mall on Route 110 in 2013, Target Corporation purchased a 150,000 square foot retail location and opened a new store in October 2013, creating 250 jobs. Consumer expenditures per capita by Huntington households are among the highest in the nation and will continue to fuel the commercial redevelopment and expansion for the foreseeable future. In addition, there has been an increasing trend, and there are numerous projects underway, for mixed use construction within downtown Huntington Village.

Finally, Huntington is home to several thriving "downtown" business districts, including Huntington Village, Cold Spring Harbor, Greenlawn and Northport Village. Huntington Village is one of Long Island's premier destinations, boasting a 1,573-capacity live entertainment theater, an art museum, a park with free concerts, an active historical society, an independent cinema arts theater, a commercial movie theater, over 50 restaurants and 200 retail stores. The Paramount Theater opened its doors in 2011 and offers live performances attracting many to the downtown area. Other important developments in Huntington Village are a planned boutique hotel that will provide first class lodging to visitors to the region and the increase in construction of mixed use developments in the downtown area, including the Downtown Huntington Main Street proposal with 84 apartments and retail space, currently under review. Located within a mile of local beaches and the LIRR and served by the HART Bus public transportation system, Huntington Village features a considerable stock of rental units and smaller single-family homes located within walking distance to the downtown.

Long-range Financial Planning

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

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

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

Major Initiatives

Through sound fiscal management, the Town has been able to fund and complete various major projects in 2016 including \$14.0 million of road resurfacing, reconstruction, drainage, equipment purchases, land purchases, land improvements, recreational facility and building improvements.

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

- Huntington's three Business Improvement Districts (BID), Huntington Village, Huntington Station and Cold Spring Harbor, as well as its active and well-represented chambers of commerce, including Huntington Chamber, East Northport Chamber and Melville Chamber, continue to work cooperatively with the Town to enhance the Town's downtown business districts and corridors. These combined efforts are tied to stimulating economic activity through community events, business networking, ribbon cuttings of new businesses, recognition of the growth and enhancement of existing business and more. Events include cash mobs, street fairs, parades, sidewalk sales, tree and candle lightings, antique car shows and jazz festivals. The Huntington Chamber's annual Long Island Fall Festival that takes place over the 4-day Columbus Day weekend is a regional event that is attended by tens of thousands per day.
- Further, as a member of the Huntington Village Parking Consortium the Town continues to take the lead in developing a plan to address the need for additional parking in downtown Huntington Village. The consortium is comprised of the Town, the Huntington Chamber Commerce, Town of Huntington Economic Development Corporation, Huntington Village BID and Paramount Theater. In early 2016, the Town released an RFP for the construction of one or more structured parking facilities via a public-private partnership. While several proposals were received, the consortium opted to move in a different direction. A phase one economic feasibility study was recently undertaken by the Town in partnership with its Economic Development Corporation, with initial findings very encouraging in that the projected parking program revenues are projected to be more than sufficient to meet the annual debt service to bond a future parking structure at the New Street/Green Street municipal parking lot.
- The Town of Huntington, through the Huntington Community Development Agency (CDA), administers approximately \$800,000 in program funding annually. This includes a Home Rehabilitation program designed to help elderly and limited-income residents remain in their homes; a Down Payment Assistance program that assists eligible first time buyers achieve the dream of homeownership; and "Take Back the Blocks" that purchases and renovates derelict properties and converts them to owner-occupied affordable housing. CDA soon expects to break ground on one such "Take Back the Blocks" project in Huntington Station known as Columbia Terrace. The 14-unit affordable condominium development will offer preference to U.S. military veterans and serve to uplift the area currently under revitalization. CDA also spearheads development programs to stimulate economic development and job growth in low-income areas such as the Huntington Opportunity Resource Center and Huntington Business Incubator, and serves as the HUD contract agency for the disbursement of Huntington's federal Community Development Block Grant (CDBG). Further, CDA administers the Town of Huntington's affordable housing program as provided under public policy.
- The Town of Huntington, the Town of Huntington Economic Development Corporation, and Renaissance Downtowns, LLC public-private partnership saw construction begin in late 2016 on the Northridge Project, a mixed used development in downtown Huntington Station that includes 6,200 square feet of commercial space and 16 one-bedroom apartments. Among the many benefits of this development are access to small retail, restaurants and public transportation for surrounding residents and commuters that will capture local spending and build the economy. The project anticipates 170+ construction jobs, 12.6 indirect full time jobs and 13.5 full time jobs. Construction will soon follow in spring 2017 on the Gateway Plaza project with 16,000 square feet of ground floor commercial and 66 rental apartments, including 33 studios and 33 one bedrooms.

Major Initiatives (continued)

- In accordance with Town policy, the Town successfully completed the United States Department of Energy (USDOE) Energy Efficiency and Conservation Block Grant (EECBG) for energy-related projects including: 1) the installation of high-energy efficiency street lighting; 2) re-commissioning of Town Hall that included an energy audit and resulting implementation of energy conservation measures, such as, a building automation system upgrade and VFDs, 3) a 28kW solar PV demonstration project for Town Hall; 4) developed & implemented a residential energy efficiency retrofit program for Town homeowners that helped over 1,000 Huntington homeowners save energy and money; and 5) developed a comprehensive Town-wide long-range energy efficiency and capital investment plan. As a result of the Town's success with the EECBG, USDOE invited Huntington to join the Better Buildings Challenge (BBC), and as a BBC partner, the Town has committed to reduce energy intensity 20% by 2020. As a BBC partner, the Town has benchmarked the 40 largest energy consuming facilities, equivalent to 1,000,000 sq. ft. of facility building square footage, on EPA's Energy Star Portfolio Manager. The Town has adopted the NYSDEC Climate Smart Communities Pledge for localities to improve energy efficiency and reduce greenhouse gas emissions, and has developed a Climate Action Plan that was adopted by the Town Board in June, 2015. Huntington is in the process of converting its public transit bus fleet and its garbage trucks to CNG. The Town constructed a 12 KW solar powered PV system and five Electric Vehicle (EV) charging station at Huntington's LIRR South Parking Garage partially funded by a NYSERDA grant. The Town helped develop the LI Unified Solar Permitting Initiative (LIUSPI) resulting in Huntington's invitation to join Sustainable CUNY as a participating partner in NYSERDA's NY Sun Initiative and NY Solar Smart under DOE's Solar Rooftop Challenge II grant. The Town assisted Sustainable CUNY in modifying LIUSPI to bring unified solar permitting to NYS as part of their grant deliverable. Together with Sustainable CUNY and the Town's Advisory Committee on Energy Efficiency, Renewables and Sustainability (ACEERS), Solarize Huntington, a group purchasing program, was developed and launched to provide education and outreach and lower the soft costs of solar PV installations for Town homeowners. The six month Solarize Huntington campaign succeeded in lowering the cost per watt of solar PV compared to the Suffolk County average for homeowners, had 516 applications and 56 contracted installations totaling 496 kW, almost half a megawatt, of contracted solar PV installed in the Town. The Town is a collaborative partner, along with other Long Island Towns and community-based organizations, with Sustainability Institute at Molloy College under their NYSERDA CGC grant, to provide education and outreach for the Long Island Green Homes Initiative helping Long Island homeowners save money by undertaking energy efficient improvements to their homes.
- The Town was awarded \$100,000 grant under NYSERDA's RFP 3044 NY Prize Stage 1, and having successfully completed the Feasibility Assessment, applied for the \$1,000,000 Stage 2 grant for detailed engineering design and business plans for the Town of Huntington Community Microgrid located in Huntington, NY. The proposed microgrid will provide energy service to several critical facilities including: Town Hall, the Flanagan Senior Center, the Wastewater Treatment Plant, Huntington Hospital and the Huntington YMCA. These facilities serve a critical community need and have suffered from historic reliability issues in the past during Hurricane Sandy and Irene. The Town of Huntington earned a Clean Energy Community designation from NYSERDA making the Town eligible to apply for \$250,000 for future energy projects by completing the following four high-impact action items: 1) Establishing the Solarize Huntington program, a group purchasing and community education program that leveraged the collective buying power of Huntington homeowners to significantly reduce the cost of residential solar installations. 2) Amending the Town Code to fast-track approval of solar installation permits and to adopt the NYS Unified Solar Permit Initiative to reduce costs and delays for solar projects. 3) Energy Code Enforcement Training for Town code compliance officers and other Town officials. 4) Leasing a 2017 Chevy Volt Plug-In Hybrid Electric vehicle. The Town also purchased a Level 2 Electric Charging Station Double Pedestal for charging electric vehicles at Town Hall which will be available free to the public, and has applied for a \$5,000 grant for the Chevy Volt and a \$5,000 grant for the electric vehicle charging station from NYSDEC.

Economic Development

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

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

- Renaissance Downtowns, LLC as Master Developer for Huntington Station, continues to finalize its development programs for a series of new buildings on the west side of New York Avenue. These projects include a boutique hotel, office building, potential dine-in theatre and artists' lofts. Because the aforementioned projects involve some state-owned land Renaissance and The Town are in discussions with New York State DOT Region 10 to convey the land. Two projects on the east side of New York Avenue, Gateway Plaza and Northridge, are well on their way to construction, as described above.
- Discussions continue regarding the possibility of developing 49 artist lofts on the west side of New York Avenue in Huntington Station's downtown and transportation hub.
- Town of Huntington Economic Development Corporation is continuing to interact and advise Renaissance Downtowns on the revitalization of Huntington Station and, among other things, is pursuing the continuing development of Gateway Park in Huntington Station. Gateway Park is made up of six land acquisitions totaling \$1.3 million under the Town's Open Space program. The goal is to create a destination to feed the nearby downtown shopping area in Huntington Station. Gateway Park includes a 1900s farmhouse that has been transformed into a meeting house with public restrooms for park-goers, and an exhibit hall to focus on the history of the area, Huntington Station's early agriculture, as well as current trends in agriculture and gardening. The nearly completed renovations to the farmhouse are being funded by a \$370,000 grant from the State of New York and CDBG funds.
- The Huntington Business Incubator (Biz Inc) was opened in fall 2013 by the Huntington Community Development Agency to offer start-up businesses and entrepreneurs a place to access a host of business amenities including co-working space, conference rooms, business technology, professional guidance through volunteer mentors, and more. The purpose of Biz Inc is to seed fledgling businesses with a hope to nurture them to the point where they can be "re-seeded" in the Huntington Station redevelopment area or elsewhere in the Town.
- The Huntington Opportunity Resource Center (HORC) was opened in June 2014 at 1264-1268 New York Avenue to provide an array of services to assist the unemployed and underemployed in the Town. The Town partnered with Suffolk County to bring the County's Department of Social Services and Department of Labor to the Resource Center to assist residents in need. The Town/County partnership leverages shared resources that result in blanketing the community with a plethora of services, including resume writing, business software training, workshops, dress for success services, job search assistance and so much more.

Financial Information

Budgetary Control

The Supervisor prepares a tentative budget each year that becomes the preliminary budget upon the scheduling of a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is adopted by the Town Board as its final budget for the coming year. The Town's fiscal year 2017 final budget was adopted on November 10, 2016.

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

Financial Information (continued)

Budgetary Control (continued)

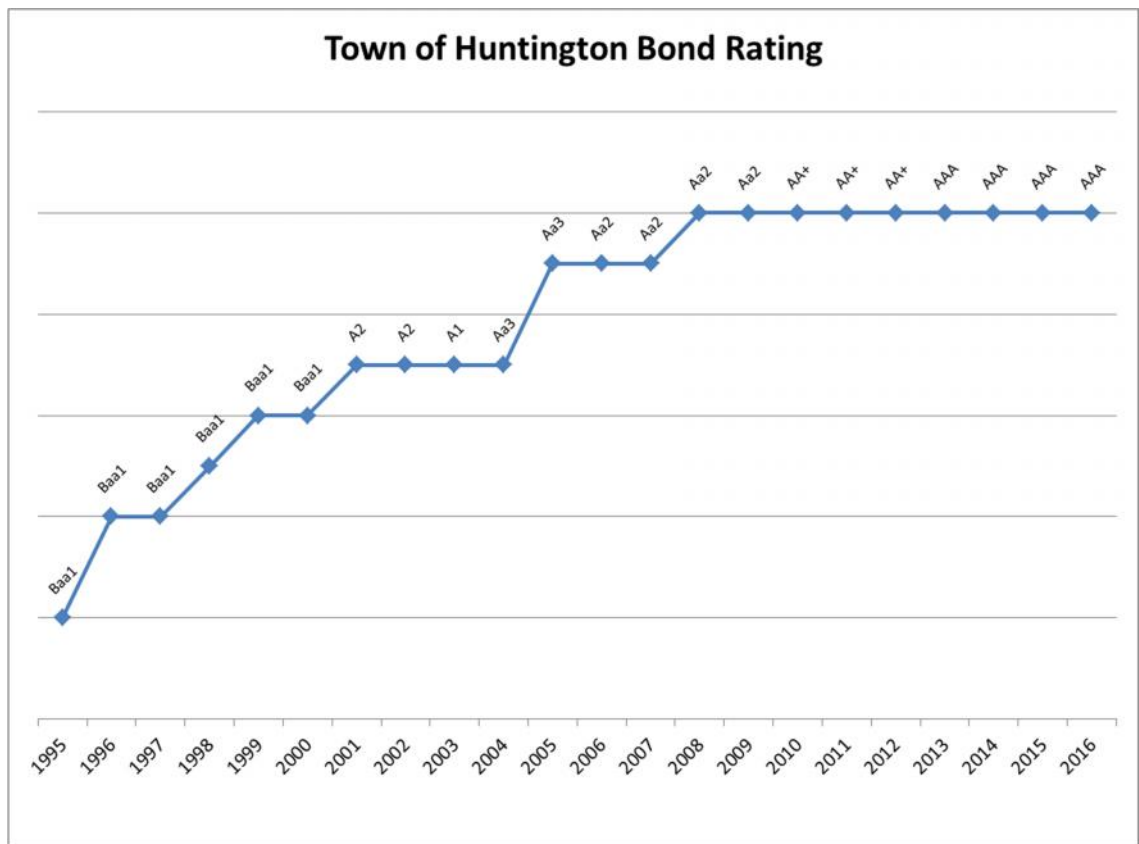
expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments on the proposed budgets. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. In the event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

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

Debt Administration

The Town has achieved the highest bond rating of AAA from two rating agencies, Standard & Poor's, and Moody's Investor's Service from 2010 to 2016, placing Huntington among the best fiscally managed Towns in New York State. These ratings have been upheld for all previously issued bonds as well. This achievement reflects the Town's consistently solid financial position and a low debt with manageable additional capital needs.

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



Financial Policies

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Huntington for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. This was the eighteenth consecutive year that the Town of Huntington has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Distinguished Budget Presentation Award to the Town of Huntington for the fiscal year beginning January 1, 2016. This was the fifth consecutive year that the Town of Huntington has received this prestigious award.

A Certificate of Achievement and Distinguished Budget Presentation Award are valid for a period of one year only. We believe both our current comprehensive annual financial report and our adopted budget continue to conform to their respective program requirements. We are submitting the 2016 CAFR to the GFOA to determine their eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Comptroller's Office and the guidance of our independent auditors, Cullen & Danowski, LLP. I would like to extend my appreciation to all members of the department who assisted and contributed to its preparation.

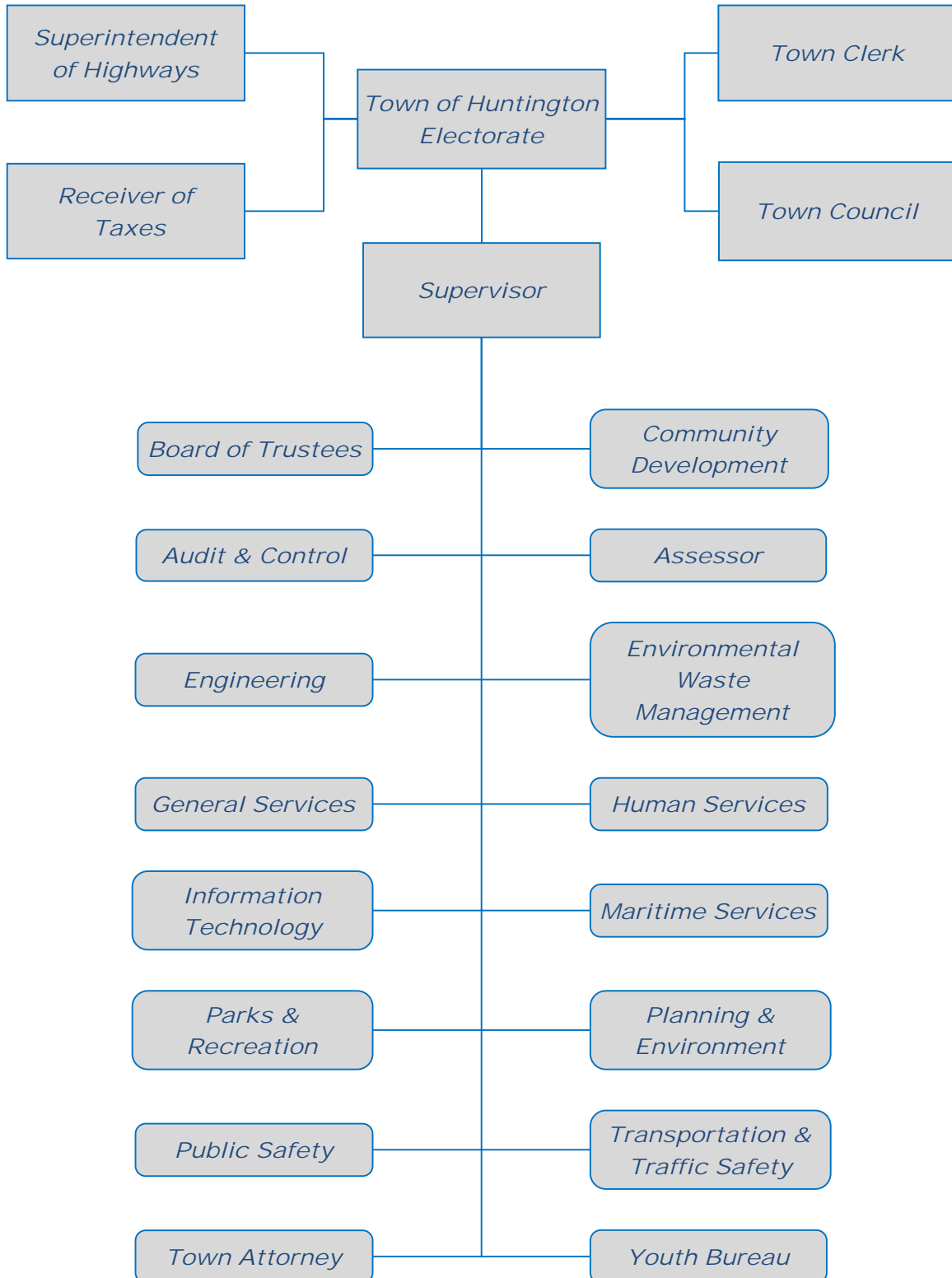
Finally, I would like to thank the Supervisor and the members of the Town Board for continued interest and support in planning and conducting the financial operations of the Town of Huntington in a responsible and progressive manner.

Respectfully submitted,



Peggy Karayianakis CPA
Town of Huntington
Interim Comptroller

Town of Huntington Organizational Chart



Town of Huntington Town Officials

Town Board



Frank P. Petrone
Town Supervisor



Susan A. Berland
Councilwoman



Eugene Cook
Councilman



Mark A. Cuthbertson
Councilman



Tracey A. Edwards
Councilwoman

Town Clerk:

Jo-Ann Raia

Receiver of Taxes:

Ester Bivona

Superintendent of Highways:

Peter Gunther

Assessor:

Roger Ramme

Director of Audit and Control:

Peggy Karayianakis

Director of Engineering:

Joseph Cline

Director of Environmental Control:

Matt Laux

Director of General Services:

Mark J. Tyree

Director of Human Services:

Jillian Guthman-Abadom

Director of Information Technology:

William Crowley

Director of Maritime:

Edward Carr

Director of Parks & Recreation:

Donald McKay

Director of Planning:

Anthony J. Aloisio

Director of Public Safety:

Joseph Rose

Director of Transportation & Traffic Safety:

Stephen McGloin

Director of Youth Bureau:

Maria E. Georgiou

Town Attorney:

Cindy Elan-Mangano

Town Historian:

Robert Hughes



Government Finance Officers Association

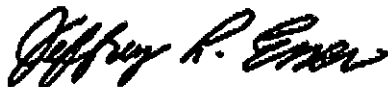
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Huntington
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015



Executive Director/CEO

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**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Town Board
Town of Huntington
Huntington, New York

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York (Town), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the two component units, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Greenlawn Water District and South Huntington Water District, the discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note A.6 to the financial statements, "New Accounting Principles", the Town has adopted the provisions GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 77, *Tax Abatement Disclosures* as of December 31, 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules of funding progress - postemployment benefits healthcare costs, the contributions, and the proportionate share of the net pension liability on pages 22-33 and 84-100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Huntington, New York's basic financial statements. The introductory section, other supplementary information section, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information on pages 102-123 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the other supplementary information on pages 102-123 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2017, on our consideration of the Town of Huntington, New York's internal control over financial reporting and on our tests on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Huntington, New York's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

May 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Huntington (the "Town"), we offer readers of the Town's financial statements this Management Discussion and Analysis ("MD&A") of the financial activities of the Town for the fiscal year ended December 31, 2016. The MD&A is intended to serve as an introduction to the Town's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

New Accounting Principles- Effective with the financial report for the year ended December 31, 2016, the Town has adopted three new pronouncements. GASB Statement No.72 on *Fair Value Measurement and Application*, the objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes. GASB Statement No. 76 on *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, the objective of this Statement is to identify in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principle (GAAP). GASB Statement No. 77, on *Tax Abatement Disclosures*, this Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Reporting on the Town as a Whole

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

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

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

Governmental Activities

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

Discretely Presented Component Units

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

Blended Component Units

Certain Component Units, being legally separated from the primary government, are reported as if they were part of the primary government because they provide services exclusively to the Town and thus are reported as if they were part of the primary government. The Blended Component Units, are Huntington Community Development Agency and Local Development Corporation and are reported as non-major government funds.

Reporting on the Town's Most Significant Funds

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

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

Governmental Funds

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

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Governmental Funds (continued)

Refuse and Garbage Fund and Capital Projects Fund are reported as major funds.

Fiduciary Funds

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

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position

Total assets and deferred outflows of the Town on December 31, 2016, were \$455.7 million, an increase of \$38.6 million over the prior year. Total liabilities and deferred inflows were \$260.0 million, an increase of \$48.6 million over the prior year. This results in a net position balance of \$195.7 million, a decrease of \$10 million over the prior year. Of the Town's net position, \$260.1 million was net investment in capital assets, while \$16.6 million was restricted by statute or other legal requirements, and was not available to finance day-to-day operations of the Town. The unrestricted net position (deficit) was (\$80.9) million, and increased the deficit by \$9.0 million primarily as a result an increase in the Net Pension Liability and Other Post-Employment Benefits liability (OPEB). The Town's bonded indebtedness was \$84.2 million, which included issuances in 2016 for \$12.4 million in Town bonds to finance road construction, improvements to Town facilities, parking and infrastructure.

Condensed Statement of Net Position
Governmental Activities
As of December 31,

	<u>2016</u>	<u>2015</u>
<u>Assets and Deferred outflows</u>		
Current and other assets	\$ 91,514,748	\$ 79,321,934
Non-current pension asset	220,892	242,117
Capital assets	326,195,052	327,647,140
Deferred inflow of resources	<u>37,809,843</u>	<u>9,922,050</u>
Total assets and deferred outflows	455,740,535	417,133,241
<u>Liabilites and Deferred inflows</u>		
Current and other liabilities	37,596,569	39,108,739
Non-current liabilities	206,048,333	168,841,852
Deferred inflow of resources	<u>16,335,510</u>	<u>3,393,173</u>
Total liabilities and deferred inflows	259,980,412	211,343,764
<u>Net Position</u>		
Net investment in capital assets	260,114,664	259,128,388
Restricted	16,587,022	18,576,649
Unrestricted (deficit)	<u>(80,941,563)</u>	<u>(71,915,560)</u>
Total net position	<u><u>\$ 195,760,123</u></u>	<u><u>\$ 205,789,477</u></u>

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Net Position

The Town's program revenues for the year ended December 31, 2016 were \$42.8 million, a decrease of \$3.0 million and general revenues were \$135.9 million, an increase of \$3.6 million over the prior year, for total revenues of \$178.7 million, an increase of \$.6 million. The expenses for the year ended December 31, 2016 of the Town were \$188.7 million, an increase of \$9.0 million. Net position for the year ended December 31, 2016 decreased in the amount of \$10 million. Revenues and expenses of the Town's governmental activities are detailed on the next page.

Governmental Activities

During the current fiscal year, net position for governmental activities decreased by \$10 million from the prior fiscal year for an ending balance of \$195.8 million. The decrease in overall net position of governmental activities is due primarily to the increase in the Net Pension Liability and Other Post-Employment Benefits liability (OPEB).

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

Condensed Statement of Net Position
Governmental Activities
For the Years Ended December 31,

	<u>2016</u>	<u>2015</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 37,020,104	\$ 36,116,247
Operating grants & contributions	5,298,821	6,682,848
Capital grants & contributions	457,168	2,994,958
General Revenues:		
Property taxes	114,486,165	112,993,330
Mortgage taxes	8,695,368	7,896,508
Other taxes	5,298,960	5,032,462
Interest and investment income	1,738,647	1,557,627
State aid - unrestricted	1,067,256	1,067,256
Miscellaneous	4,649,536	3,741,360
Total revenues	<u>178,712,025</u>	<u>178,082,596</u>
<u>Expenses</u>		
General government support	\$44,950,816	\$ 40,273,049
Public safety	15,420,172	13,902,197
Health	2,958,022	3,366,426
Transportation	45,629,853	47,669,222
Economic assistance & opportunity	3,565,307	3,188,292
Culture & recreation	19,208,972	18,496,883
Home & community services	54,307,903	50,030,197
Interest & debt	2,700,334	2,833,326
Total expenses	<u>188,741,379</u>	<u>179,759,592</u>
Decrease in net position	(10,029,354)	(1,676,996)
Net position, January 1	<u>205,789,477</u>	<u>207,466,473</u>
Net position, December 31	<u><u>\$ 195,760,123</u></u>	<u><u>\$ 205,789,477</u></u>

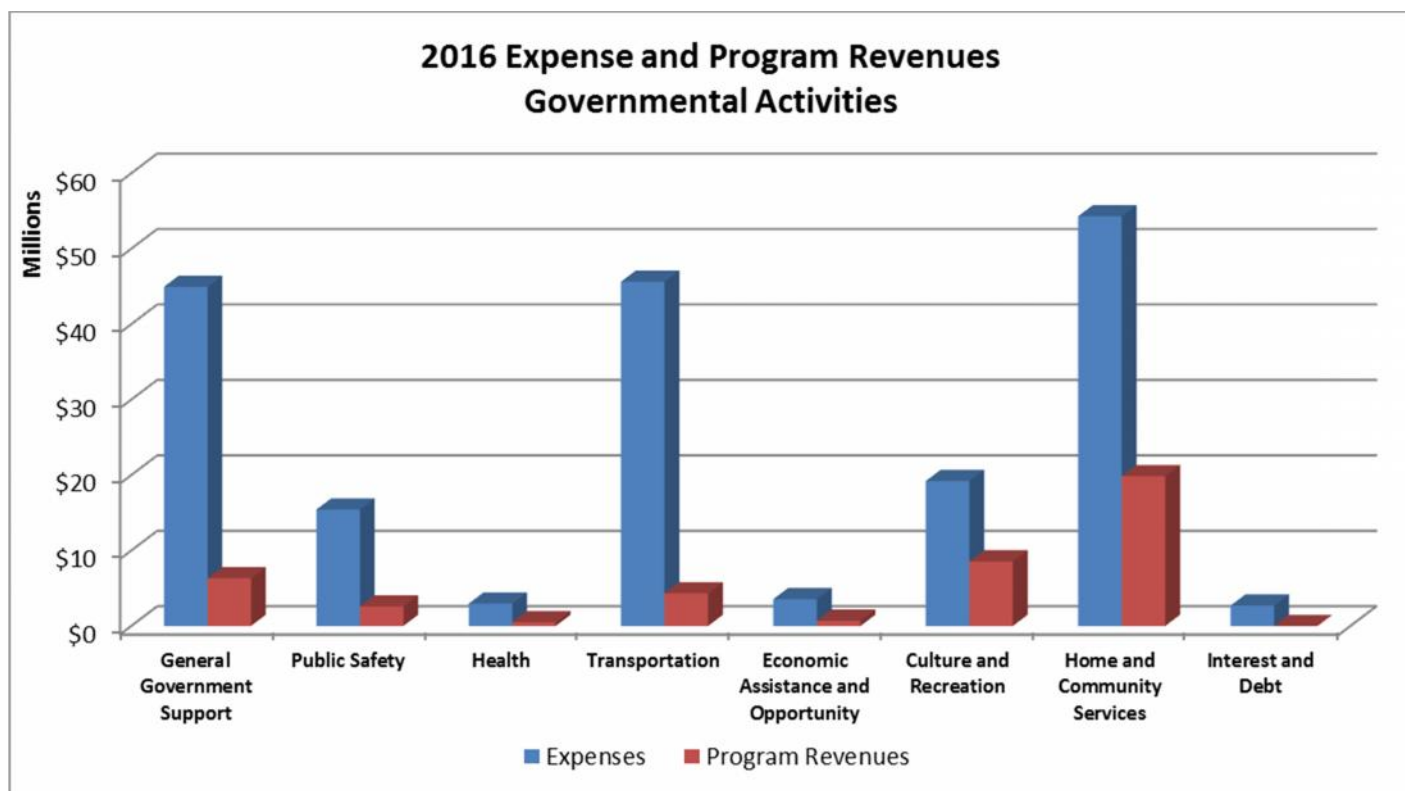
TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Activities (continued)

Net Cost of the Town's Governmental Activities
For Years Ended December 31,

	Total Cost of Services		Net Costs of Services	
	2016	2015	2016	2015
General government support	\$ 44,950,816	\$ 40,273,049	\$ 38,640,472	\$ 33,675,773
Public safety	15,420,172	13,902,197	12,856,565	11,577,870
Health	2,958,022	3,366,426	2,458,901	2,900,089
Transportation	45,629,853	47,669,222	41,304,412	40,755,097
Economic assistance and opportunity	3,565,307	3,188,292	2,877,753	2,600,064
Culture and recreation	19,208,972	18,496,883	10,659,240	10,258,275
Home and community services	54,307,903	50,030,197	34,467,609	29,365,045
Interest on debt	2,700,334	2,833,326	2,700,334	2,833,326
Total	<u>\$ 188,741,379</u>	<u>\$ 179,759,592</u>	<u>\$ 145,965,286</u>	<u>\$ 133,965,539</u>



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Funds

Total assets in the Town's General fund were \$38.0 million. Receivables reported were \$3.4 million, consisting of \$1.8 million in waste management fees, \$1.2 million in franchise fees and \$.4 million of various small revenue receivables. Due from federal, state and other governments were \$2.6 million of which \$2.0 million is due from intermunicipal agreement for services provided by the resource recovery facility and \$.6 million from federal and state granting agencies.

Total liabilities and deferred inflow of resources in the Town's General fund was \$12.7 million. Accrued liabilities of \$5.8 million were the result of payroll accruals, waste management fees, and accounts payable of \$1.9 million. Deferred inflow of \$5 million relates to the 2017 fiscal year property taxes collected in advance.

In addition to the General fund, all Town Special Revenue funds exclusive of the Fire Protection District, the Street Lighting District, the Ambulance Districts, Huntington Community Development Agency and Huntington Local Development Agency, which are included in the non-major governmental funds, have deferred inflow of resources. These balances are derived from tax monies collected for the 2016-2017 tax warrant.

As of December 31, 2016 governmental funds reported an overall fund balance of \$59.2 million. The unassigned fund balances in the General Fund is \$8.8 million. Fund balances in the Highway, Refuse and Garbage, Capital Projects and other non-major funds are recorded as assigned funds, with the exception of those funds with deficit fund balances, in accordance with Governmental Accounting Standards Board Statement No. 54.

In the General Fund, the fund balance has increased by \$1.6 million. The increase in the General Fund was primarily due to increases in departmental income of \$1.1 million, sale of property and compensation for loss \$.5 million, and state aid, \$1.4 million. This was offset by increases in transfers to other governmental funds.

In the Highway Fund, the fund balance has remained relatively unchanged from the previous year.

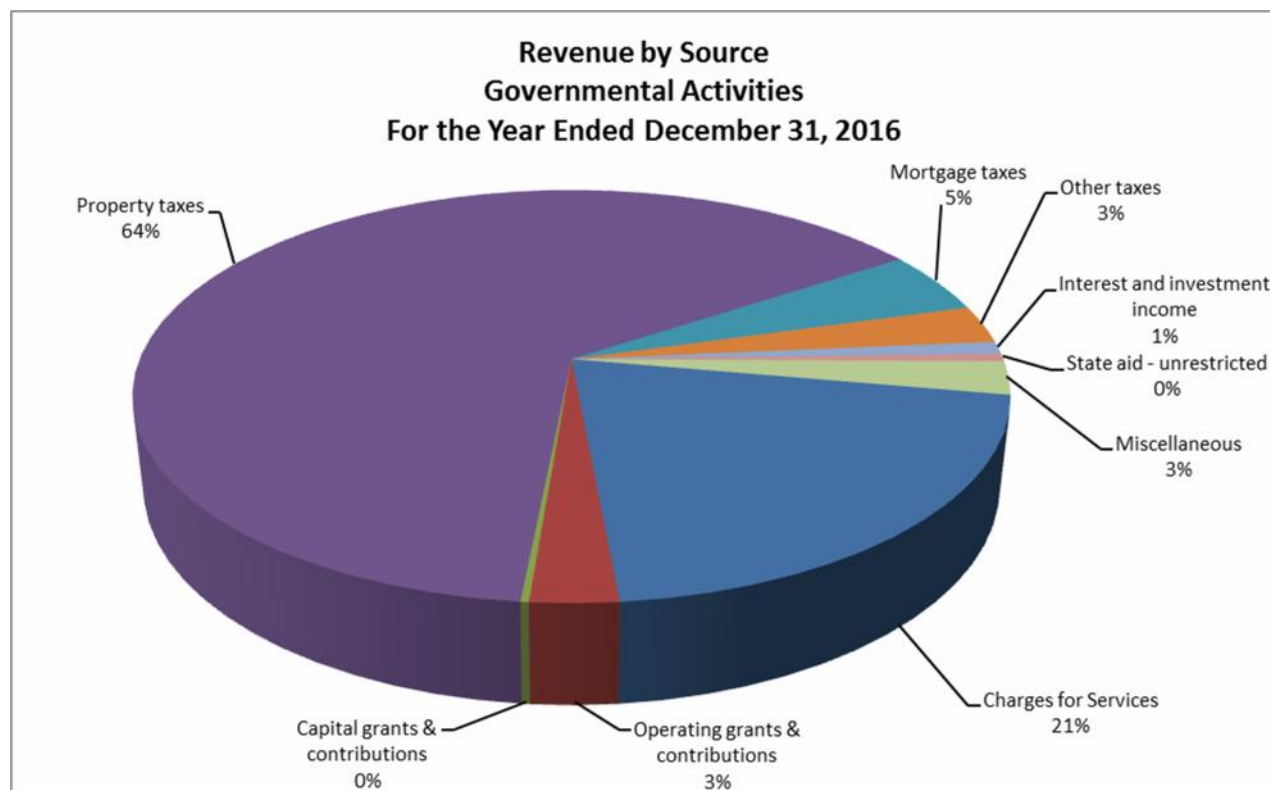
In the Refuse and Garbage Fund, the fund balance increased \$.8 million, which is comparable to the change in fund balance of the prior year. This is due to continued cost reduction in the Home & Community Services expenditures during 2016.

The Capital Projects fund had an increase in fund balance of \$4.3 million. This is due to the timing of when revenues are recorded from the issuance of long-term debt, and when the expenditures for the related projects are incurred.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Governmental Funds (continued)



BUDGETARY HIGHLIGHTS

Variances for the General Fund

In the current year, the General Fund's final revenue budget amounts compared to the original revenue budget showed slight changes due to various immaterial adjustments.

The final expenditure and other financing uses budget compared to the original expenditure budget showed changes that were due primarily to capital improvement projects and land acquisition.

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

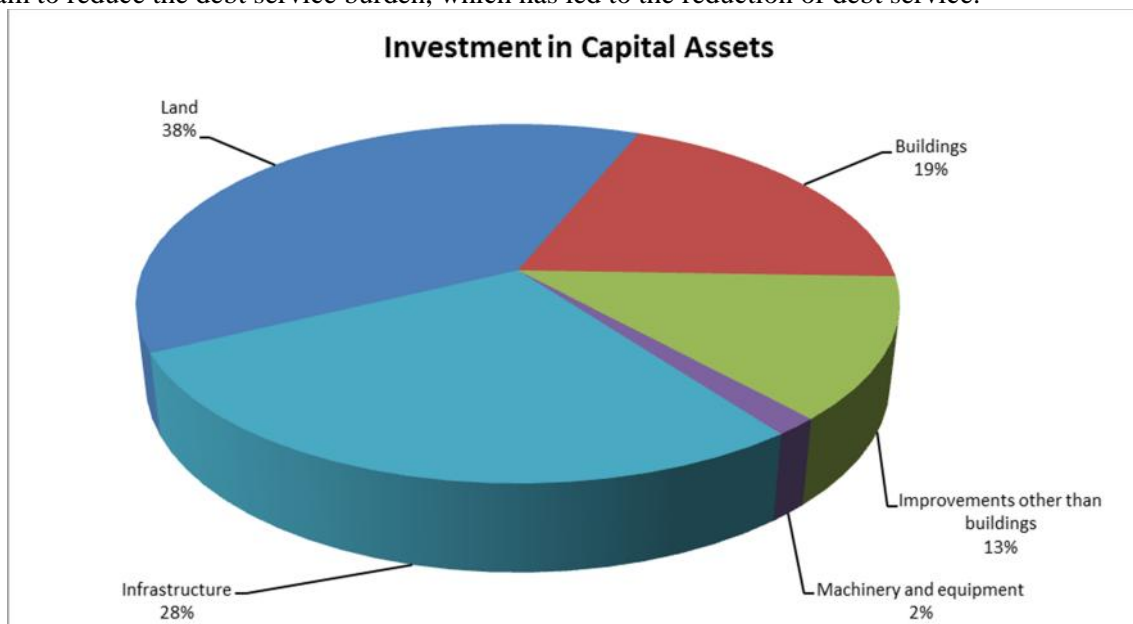
Capital Assets

As of December 31, 2016, the Town had \$326.2 million in net capital assets, of which \$91.2 million net was infrastructure. The Town's capital assets also include land, buildings, improvements other than buildings and machinery and equipment. The details of capital assets are shown in Note C.3 to the financial statements.

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

	2016	2015
Land	\$ 125,227,370	\$ 123,632,060
Buildings	63,197,488	64,405,866
Improvements other than buildings	41,408,527	39,438,600
Machinery and equipment	5,200,443	5,883,866
Infrastructure	91,161,224	94,286,748
Total net capital assets	<u>\$ 326,195,052</u>	<u>\$ 327,647,140</u>

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



TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration

The Town of Huntington may issue both general obligation bonds and bond anticipation notes. The Town may contract indebtedness only for a Town purpose and pledges its full faith and credit for the payment of principal and interest. Standard & Poor's affirmed the Town's 'AAA', reflecting the town's strong local economy, a diverse and continually expanding local employment base, consistently solid financial position with healthy unreserved fund balances and a low debt burden on a market value basis. Moody's Investors Service affirmed the Town's bond rating to Aaa.

During fiscal year 2016, the Town of Huntington, including discretely presented component units, issued \$13.9 million in general obligation bonds to finance the following: road reconstruction; acquisition of property; improvements to Erb and Sweet Hollow Parks; acquisition of highway equipment, technology upgrades for Greenlawn Water District; and other improvements to Town infrastructure and facilities. Note-C.4 to the financial statements shows the details of the Town's long-term liabilities.

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

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

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

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

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

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

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

At December 31, 2016 the total outstanding indebtedness for the Town of Huntington (including component units) aggregated \$108.5 million. Of this amount \$84.3 million was subject to the constitutional debt limit and represented approximately 3.25% of the statutory debt limit.

FACTORS AND NEXT YEAR'S BUDGET AND RATES

Union Contracts

The Town employs approximately 697 full-time employees as of December 31, 2016. The Civil Service Employees Association covers approximately 200 employees. Local 342, Long Island Service Employees, United Marine Division, and International Longshoremen's Association, covers approximately 416 of the Town's employees and is divided into two units. The supervisory unit covers 76 employees and the labor unit covers 340 employees. The Civil Service Employees Association contract expired on December 31, 2016 and all other contracts expired on December 31, 2015.

State Aid

The Town receives state aid from the State of New York. While the State is not constitutionally obligated to maintain or continue providing State Aid; it has given no indication of terminating the funding in 2016. Operating revenues in the General Fund Budget include approximately 9.5% to be derived from State Aid. The largest allotment of State Aid is derived from Mortgage Tax Collections. Mortgage tax revenue exceeded expectations in 2016 by \$1.2 million and the real estate market remains steady. Revenues from mortgage tax collections are expected to meet the budget projection for 2017.

Utility and Fuel Costs

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

Tax Collection

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

TOWN OF HUNTINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

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

Tax Collection (continued)

<u>As of May 31</u>	<u>Total Tax Levy</u>	<u>To Town Supervisor</u>	<u>To County Treasurer</u>	<u>Uncollected/ Returned</u>
2016	1,005,781,356	863,060,764	142,720,592	24,470,626
2015	990,124,518	849,582,079	140,542,439	25,764,056
2014	960,878,249	828,251,272	132,626,977	24,508,573
2013	941,140,645	809,174,772	131,965,873	22,286,297
2012	918,665,388	791,338,298	127,337,090	22,906,987

The Tax Receiver distributes collected tax money to the Town, Fire Districts and School Districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receiver and any deficiency in tax collection is the County's responsibility. The Town is thereby assured of full tax collection.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact the Town of Huntington, Department of Audit & Control at 100 Main Street, Huntington, NY 11743.

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BASIC FINANCIAL STATEMENTS

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TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2016

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 54,026,221	\$ 10,522,517
Cash - Restricted	16,587,022	6,321,416
Accounts receivable	4,175,680	2,148,127
Due from federal, state and other governments	12,220,993	65,819
Inventory of material and supplies	-	353,744
Prepays	4,504,832	196,507
Total Current Assets	<u>91,514,748</u>	<u>19,608,130</u>
Non-Current Assets		
Net Pension Asset	220,892	-
Non-depreciable capital assets	125,227,370	6,680,120
Depreciable capital assets, net of depreciation	200,967,682	56,440,964
Total Non-Current Assets	<u>326,415,944</u>	<u>63,121,084</u>
DEFERRED OUTFLOW OF RESOURCES		
Pensions	37,809,843	1,665,832
Deferred charges, net of accumulated amortization	-	92,529
Total Deferred Outflow of Resources	<u>37,809,843</u>	<u>1,758,361</u>
Total Assets and Deferred Outflow	<u>\$ 455,740,535</u>	<u>\$ 84,487,575</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable and other current liabilities	\$ 6,249,009	\$ 1,452,685
Accrued liabilities	7,293,314	331,243
Accrued interest payable	561,272	-
Bond anticipation notes payable	500,000	-
Due to other governments	1,496,729	-
Due within one year	21,496,245	2,862,049
Total Current Liabilities	<u>37,596,569</u>	<u>4,645,977</u>
Non-Current Liabilities:		
Due in more than one year	206,048,333	29,002,331
Total Non-Current Liabilities	<u>206,048,333</u>	<u>29,002,331</u>
Total Liabilities	<u>\$ 243,644,902</u>	<u>\$ 33,648,308</u>
DEFERRED INFLOW OF RESOURCES		
Deferred revenues	12,133,658	-
Pensions	4,201,852	187,962
Total Deferred Inflow of Resources	<u>16,335,510</u>	<u>187,962</u>
NET POSITION		
Net Investment in capital assets	260,114,664	42,341,140
Restricted	16,587,022	6,321,416
Unrestricted (deficit)	(80,941,563)	1,988,749
Total Net Position	<u>\$ 195,760,123</u>	<u>\$ 50,651,305</u>

See notes to the financial statements.

TOWN OF HUNTINGTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

					Net (Expense) Revenue and and Changes in Net Position	
		Program Revenues				
			Operating	Capital	Primary	
Governmental Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
General government support	\$ 44,950,816	\$ 5,948,409	\$ 9,141	\$ 352,794	\$ (38,640,472)	
Public safety	15,420,172	2,563,607	-	-	(12,856,565)	
Health	2,958,022	232,950	266,171	-	(2,458,901)	
Transportation	45,629,853	1,337,183	2,988,258		(41,304,412)	
Economic assistance and opportu	3,565,307	383,472	304,082	-	(2,877,753)	
Culture and recreation	19,208,972	7,472,694	1,077,038	-	(10,659,240)	
Home and community services	54,307,903	19,081,789	654,131	104,374	(34,467,609)	
Interest on debt	2,700,334	-	-	-	(2,700,334)	
Total Primary Government	<u>\$ 188,741,379</u>	<u>\$ 37,020,104</u>	<u>\$ 5,298,821</u>	<u>\$ 457,168</u>	<u>\$(145,965,286)</u>	
Component Units:						
Home and community services	<u>\$ 14,321,799</u>	<u>\$ 7,007,847</u>				<u>\$ (7,313,952)</u>
General Revenues						
					\$ 114,486,165	\$ 6,311,637
					8,695,368	-
					5,298,960	-
					1,738,647	997,261
					1,067,256	-
					4,649,536	677,966
			Total General Revenues		135,935,932	7,986,864
			Change in net position		(10,029,354)	672,912
			Net position - Beginning of year (as restated)		205,789,477	49,978,393
			Net position - Ending of year		\$ 195,760,123	\$ 50,651,305

See notes to the financial statements.

TOWN OF HUNTINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	Major Governmental Funds					Nonmajor	Total
	General	Highway	Debt Service	Refuse and Garbage	Capital Projects	Governmental Funds	
Assets							
Cash and cash equivalents	\$ 15,955,114	\$ 4,165,515	\$ -	\$ 6,699,040	\$ 18,888,535	\$ 8,318,017	\$ 54,026,221
Cash - Restricted	14,146,148	1,775,633	-	74,687	-	590,554	16,587,022
Accounts receivable, net	3,356,944	77,585	-	4,707	-	736,444	4,175,680
Due from federal, state and other governments	2,620,604	5,118,094	-	261,558	1,401,476	402,326	9,804,058
Due from other funds	667,827	-	-	10,900	755,007	1,950	1,435,684
Prepays	1,298,983	429,317	-	153,295	-	361,758	2,243,353
Total Assets	<u>\$ 38,045,620</u>	<u>\$ 11,566,144</u>	<u>\$ -</u>	<u>\$ 7,204,187</u>	<u>\$ 21,045,018</u>	<u>\$ 10,411,049</u>	<u>\$ 88,272,018</u>
Liabilities, Deferred Inflows and Fund Balances							
Liabilities							
Accounts payable and other current liabilities	1,926,809	391,932	-	724,807	2,279,334	926,127	6,249,009
Accrued liabilities	5,775,763	294,477	-	754,005	-	469,069	7,293,314
Bond Anticipation Notes Payable	-	-	-	-	500,000	-	500,000
Due to other governments	-	-	-	-	92,952	1,403,777	1,496,729
Due to other funds	10,116	1,147,940	-	226,185	-	51,443	1,435,684
Total Liabilities	<u>7,712,688</u>	<u>1,834,349</u>	<u>-</u>	<u>1,704,997</u>	<u>2,872,286</u>	<u>2,850,416</u>	<u>16,974,736</u>
Deferred Inflows of Resources							
Deferred revenue	5,006,368	4,000,000	-	1,473,233	-	1,654,057	12,133,658
Total Deferred Inflows	<u>5,006,368</u>	<u>4,000,000</u>	<u>-</u>	<u>1,473,233</u>	<u>-</u>	<u>1,654,057</u>	<u>12,133,658</u>
Fund Balances							
Non-Spendable							
Prepays	1,298,983	429,317	-	153,295	-	361,758	2,243,353
Restricted for:							
Open space land preservation	10,973,496	-	-	-	-	-	10,973,496
Debt service	362,700	99,338	-	21,258	-	53,558	536,854
Snow and ice removal/road repair	471,649	912,118	-	-	-	-	1,383,767
Workers' compensation	310,396	-	-	-	-	-	310,396
Judgments and claims	362,035	-	-	-	-	-	362,035
Retirement contribution	804	96,870	-	25,207	-	59,297	182,178
General Capital reserve	1,059,489	535,724	-	-	-	51,898	1,647,111
Employee Benefit Accrual Liability Reserve	605,579	131,583	-	28,222	-	425,801	1,191,185
Assigned:							
Highway	-	2,262,911	-	-	-	-	2,262,911
Refuse District	-	-	-	3,495,592	-	-	3,495,592
Capital projects fund balance	-	-	-	-	18,172,732	-	18,172,732
Town Outside Village	-	-	-	-	-	468,992	468,992
Community Development	-	-	-	-	-	-	-
Local Development Corporation	-	-	-	-	-	317,115	317,115
Fire Protection	-	-	-	-	-	19,828	19,828
Streetlighting	-	-	-	-	-	1,325,004	1,325,004
Ambulance Services	-	-	-	-	-	133,847	133,847
Sewer Services	-	-	-	-	-	1,486,261	1,486,261
Water Services	-	-	-	-	-	753,766	753,766
Subsequent year's budget	225,000	25,000	-	300,000	-	1,430,000	1,980,000
Unappropriated Fund Balance	883,339	1,238,934	-	2,383	-	102,652	2,227,308
Unassigned:							
General fund	8,773,094	-	-	-	-	-	8,773,094
Nonmajor Governmental Funds	-	-	-	-	-	(1,083,201)	(1,083,201)
Total Fund Balances	<u>25,326,564</u>	<u>5,731,795</u>	<u>-</u>	<u>4,025,957</u>	<u>18,172,732</u>	<u>5,906,576</u>	<u>59,163,624</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 38,045,620</u>	<u>\$ 11,566,144</u>	<u>\$ -</u>	<u>\$ 7,204,187</u>	<u>\$ 21,045,018</u>	<u>\$ 10,411,049</u>	<u>\$ 88,272,018</u>

See notes to the financial statements.

TOWN OF HUNTINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
As of December 31, 2016

Total Fund Balances - Governmental Funds \$ 59,163,624

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

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

Capital Assets - Non-Depreciable	\$ 125,227,370	
Capital Assets - Depreciable	676,266,529	
Accumulated Depreciation	<u>(475,298,847)</u>	
		326,195,052

Other Agency Net Pension Asset - LOSAP		220,892
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New York State Employees Retirement System annual contributions paid on an annual basis have been prepaid, creating a year-end asset. The asset is not a current available resource and is not reported in the funds.		2,261,479
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Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.		2,416,935
--	--	-----------

Proportionate share of long-term asset and liability, and deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or obligations and are not reported in the funds.

Deferred outflows of resources	37,809,843	
Net pension liability - employees' retirement system	(33,480,134)	
Deferred inflows of resources	<u>(4,201,852)</u>	
		127,857

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Assets.

General obligation bonds	(84,253,120)	
Due to Employee Retirement System	(2,480,535)	
Other post-employment benefits payable	(83,421,756)	
Other Agency Liabilities- LOSAP	(708,511)	
Compensated absences	(13,342,716)	
Claims and judgments	(9,586,658)	
Estimated liability for landfill closure and post-closure care costs	(271,148)	
Installment purchase debt	<u>-</u>	
		(194,064,444)

Interest payable applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position.		<u>(561,272)</u>
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Net Position of Governmental Activities		<u>\$ 195,760,123</u>
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See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended December 31, 2016

	Major Governmental Funds					Nonmajor	
	General	Highway	Debt Service	Refuse and Garbage	Capital Projects	Governmental Funds	Total
REVENUES							
Real property taxes	\$ 39,577,619	\$ 31,713,152	\$ -	\$ 24,160,829	\$ -	\$ 19,034,565	\$ 114,486,165
Other real property tax items	365,187	60,222	-	210	-	12,861	438,480
Non-property tax items	4,715,779	-	-	-	-	144,701	4,860,480
Departmental income	31,688,875	560,438	-	8,430	-	9,163,554	41,421,297
Intergovernmental charges	138,365	5,412	-	10,900	-	-	154,677
Use of money and property	1,125,915	146,765	-	72,570	54,447	338,950	1,738,647
Licenses and permits	1,048,059	291,475	-	-	-	815,757	2,155,291
Fines and forfeitures	1,160,476	-	-	-	-	-	1,160,476
Sale of property and compensation for loss	1,048,705	149,318	-	77,374	-	142,788	1,418,185
Miscellaneous local sources	1,113,249	210,394	-	49,725	550,996	1,326,008	3,250,372
Interfund revenues	4,469,548	-	-	-	-	-	4,469,548
State aid	11,329,131	2,173,591	-	-	225,303		13,728,025
Federal aid	990,479		-	-	231,865	586,157	1,808,501
Total Revenues	98,771,387	35,310,767	-	24,380,038	1,062,611	31,565,341	191,090,144
EXPENDITURES							
Current:							
General government support	24,450,385	180,744	-	2,088,791	-	4,495,395	31,215,315
Public safety	5,037,331	-	-	-	-	3,844,665	8,881,996
Health	798,663	-	-	-	-	2,061,881	2,860,544
Transportation	4,815,160	19,388,887	-	-	-	2,519,387	26,723,434
Economic assistance and opportunity	2,158,587	-	-	-	-	48,235	2,206,822
Culture and recreation	12,436,746	-	-	-	-	-	12,436,746
Home and community services	21,454,137	-	-	18,576,864	-	10,967,413	50,998,414
Employee benefits	18,556,191	7,770,777	-	2,672,822	-	6,274,484	35,274,274
Capital outlay	-	-	-	-	13,639,645	-	13,639,645
Debt service:							
Principal	500,000	-	10,610,913	-	-	-	11,110,913
Interest	12,500	-	2,664,925	-	-	-	2,677,425
Total Expenditures	90,219,700	27,340,408	13,275,838	23,338,477	13,639,645	30,211,460	198,025,528
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	8,551,687	7,970,359	(13,275,838)	1,041,561	(12,577,034)	1,353,881	(6,935,384)
Other Financing Sources (Uses)							
Debt issued	-	-	-	-	12,925,000	-	12,925,000
Transfers in	65,347	-	13,275,838	-	3,998,251	28,419	17,367,855
Transfer Out	(3,197,854)	(560,397)	-	(65,000)	(93,766)	(175,000)	(4,092,017)
Transfers out (Debt Service)	(3,859,058)	(7,386,282)	-	(193,865)	-	(1,836,633)	(13,275,838)
Total Other Financing Sources (Uses)	(6,991,565)	(7,946,679)	13,275,838	(258,865)	16,829,485	(1,983,214)	12,925,000
Net Change in Fund Balances	1,560,122	23,680	-	782,696	4,252,451	(629,333)	5,989,616
Fund Balances at Beginning of Year	23,766,442	5,708,115	-	3,243,261	13,920,281	6,535,909	53,174,008
Fund Balances at End of Year	\$ 25,326,564	\$ 5,731,795	\$ -	\$ 4,025,957	\$ 18,172,732	\$ 5,906,576	\$ 59,163,624

See notes to the financial statements.

TOWN OF HUNTINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Net Change in Fund Balance \$ 5,989,616

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:

Capital Outlay	\$ 13,416,702	
Depreciation Expense	<u>(14,831,900)</u>	(1,415,198)

Gains and losses on disposals of equipment are not reported by the governmental funds, but are included in the Statement of Activities. (36,890)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Prepaid charges		(568,020)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (17,912)

The issuance of long-term debt and increase in obligations under capital leases provides current financial resources to governmental funds, while the repayment of the principal of long term debt and capital leases consumes the current financial resources of governmental funds.
Neither transaction has any effect on net assets.

Debt issued	(12,925,000)	
Repayment of bond principal	11,110,913	
Pension Liability	(2,513,883)	
Due to Employee Retirement System	372,171	
Other post-employment benefits payable	(9,210,919)	
Other Agency Liabilities- LOSAP	(179,343)	
Compensated absences	111,697	
Claims and judgments	(750,879)	
Estimated liability for landfill closure and post-closure care costs	27,202	
Installment purchase debt	-	
Accrued interest payable	<u>(22,909)</u>	<u>(13,980,950)</u>

Change in Net Position of Governmental Activities \$ (10,029,354)

See notes to the financial statements.

TOWN OF HUNTINGTON
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2016

	<u>Total Agency Funds</u>
ASSETS	
Cash	\$ 234,013,901
Other assets	<u>1,455,091</u>
Total Assets	<u><u>\$ 235,468,992</u></u>
LIABILITIES	
Liabilities:	
Due to school districts	\$ 111,995,542
Due to other governments	111,995,542
Other liabilities	<u>11,477,908</u>
Total Liabilities	<u><u>\$ 235,468,992</u></u>

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TOWN OF HUNTINGTON
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December 31, 2016

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TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. REPORTING ENTITY

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. REPORTING ENTITY (continued)

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

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

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

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

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

2. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Government-wide Financial Statements (continued)

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

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. BASIS OF PRESENTATION (continued)

Fund Financial Statements (continued)

Additionally, the Town reports the following non-major funds:

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

- Town Outside Village Fund – is used for revenues and expenditures for certain services provided to the area of the Town located outside of Incorporated Villages. The major sources of funding are real property taxes and building permits.
- Special Grant Fund (HCDA) – is used to account for the Huntington Community Development Agency. This agency is used to account for Federal Aid from the Community Development Block Grant Program. The major source of revenue is federal funding.
- Local Development Corporation (LDC) – is used to account for sponsor conduit financing and earn a fee income to support its mission.
- Special District Funds – are used to account for taxes or other revenue sources which are raised or received to provide special services to areas that encompass less than the whole Town. The Special District Funds consist of a number of separate districts which are administered by the Board including a fire protection district, a street lighting district, two ambulance districts, three sewer districts, business improvement district and a water district.

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

- Trust and Agency Funds – include agency funds which are used for money (and/or property) received and held in the capacity of trustee, custodian or agent.
- Town Agency Funds – accounts for consolidated payroll, amounts due to component units and other agency liabilities.
- Town Receiver of Taxes Agency Funds – accounts for amounts due to other governments for general and school taxes collected.

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

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

4. ASSETS, LIABILITIES AND FUND EQUITY

RECEIVABLES

Receivables include amounts due from Federal, State, and other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

PREPAIDS

Prepays in the various funds represent insurance premiums paid for coverage that will benefit the subsequent period. Prepays in the government-wide statements represent retirement benefits that will benefit a future period.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town did not have any items that qualified.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Town has two items that qualify for reporting in this category. The first item represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is the Town's contributions to the pension system subsequent to the measurement date,

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that are reported as deferred inflow of resources. First item relates to deferred revenue that represents collections of the 2016 tax warrant. The property taxes collected are applicable to the 2017 fiscal and thus are not available for use at year end. The second item is related to pensions reported in the district-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportionate share of total contributions to the pension system not included in pension expense, including the net difference between projected and actual earnings on pension plan investments.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure assets, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage system, street lighting, water mains and sewer system are capitalized along with other capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. ASSETS, LIABILITIES AND FUND EQUITY (continued)

LONG-TERM OBLIGATIONS

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

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

EQUITY CLASSIFICATIONS

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

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

REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES (continued)

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

INTERFUND TRANSACTIONS

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

a) **Interfund Revenues**

Interfund revenues in the General Fund represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefit of the service or facilities, are reflected as an expenditure of that fund.

b) **Transfers**

Transfers represent primarily payments to the Debt Service Fund and Capital Projects Fund from the other funds for their appropriate share of the debt service and capital projects.

COMPENSATED ABSENCES

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. REVENUES AND EXPENDITURES (continued)

OTHER POST-EMPLOYMENT BENEFITS

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

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

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

6. NEW ACCOUNTING PRINCIPLES

Effective with the financial report for the year ended December 31, 2016, the Town has adopted Governmental Accounting Standards Board (GAS Statement No. 72) *Fair Value Measurement and Application*. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes. This standard was not applicable for the year ended December 31, 2016.

Effective with the financial report for the year ended December 31, 2016, the Town has adopted Governmental Accounting Standards Board (GAS Statement No. 76) *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principle (GAAP).

Effective with the financial report for the year ended December 31, 2016, the Town has adopted Governmental Accounting Standards Board (GAS Statement No. 77) *Tax Abatement Disclosures*, this Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements.

7. USE OF ESTIMATES

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY DATA

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

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

1. BUDGETARY DATA (continued)

The 2017 budget reflects a 2.85% increase in real property tax revenue from the prior year for the Town's overall government activities. In 2016, the Town adopted a local law to exceed the 2017 property tax cap imposed by New York State.

2. FUND BALANCES

FUND BALANCE CLASSIFICATION

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

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

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

ASSIGNED FUND BALANCE

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

The 2016 Preliminary Budget submitted by the Town Supervisor became the Adopted Budget on November 5, 2015. The 2016 adopted budget contained a projected use of \$3,892,000 of fund balance.

ENCUMBRANCES

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. FUND BALANCES (continued)

All encumbrances are classified as assigned fund balance at December 31, 2016. The Town encumbered the following amounts:

	2016 Assigned Fund Balance
General Fund	883,339
Part Town Fund	30,929
Highway	1,238,934
Street Lighting	36,461
Refuse District	2,383
Sewer District	10,775
Water District	24,487
Total Assigned Unappropriated Fund Balance	<u>2,227,308</u>

C. DETAILED NOTES ON ALL FUNDS

1. CASH AND INVESTMENTS

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

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

CLASS is a cooperative investment plan consisting of U.S. Treasury Obligations and repurchase agreements relating to treasury obligations. Investments are stated at cost, which approximates market. CLASS was established as a cooperative investment arrangement organized under the CLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. The Town does not maintain any cash and/or investments with CLASS.

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

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

1. CASH AND INVESTMENTS (continued)

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

Cash with the Town Supervisor	\$ 80,630,114
Cash with the Town Receiver of Taxes	<u>223,997,031</u>
	<u>\$ 304,627,145</u>

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

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

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

At December 31, 2016 the Town's bank deposit balances were \$292,742,717. Of these balances, \$4,000,000 was covered by the Federal Deposit Insurance Corporation; \$315,958,737 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name. No funds were uncollateralized.

At December 31, 2016, the Town's component units' bank balances were \$17,367,349. Of these balances, \$1,241,883 was covered by the Federal Deposit Insurance Corporation and \$16,372,535 was covered by collateral held by the Town's component units' agent, a third-party financial institution, in the Town's component units' name. No funds were uncollateralized.

Credit Risk – State law and Town law limit investments to those authorized by State statutes. The Town has a written investment policy.

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

2. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2016 represent primarily the payment of debt service and operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

<u>Major Funds</u>	<u>Amount Receivable</u>	<u>Amount Payable</u>
General Fund	\$ 667,827	\$ 10,116
Highway Fund	-	1,147,940
Refuse and Garbage Fund	10,900	226,185
Capital Projects Fund	755,007	-
 <u>Nonmajor Funds</u>		
Town Outside Village	110	36,487
Ambulance District	1,607	-
Street Lighting District	-	9,704
Sewer Districts	233	2,221
Water Districts	-	3,031
	<u>\$ 1,435,684</u>	<u>\$ 1,435,684</u>

Interfund transfer balances for the primary government at December 31, 2016 represent primarily the receipt and payment of general obligation bond principal and interest and funding of capital project expenditures and are stated as follows:

<u>Major Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 65,347	\$ 7,056,912
Highway Fund	-	7,946,679
Refuse and Garbage Fund	-	258,865
Capital Projects Fund	3,998,251	93,766
Debt Service	13,275,838	-
 <u>Nonmajor Funds</u>		
Town Outside Village	-	182,943
Street Lighting District	369	11,229
Sewer Districts	28,050	978,604
Water Districts	-	838,857
	<u>\$ 17,367,855</u>	<u>\$ 17,367,855</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance			Balance
<u>Primary government</u>	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/16</u>
Capital assets not being depreciated				
Land	\$ 123,632,060	\$ 1,613,179	\$ 17,869	\$ 125,227,370
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>123,632,060</u>	<u>1,613,179</u>	<u>17,869</u>	<u>125,227,370</u>
Other capital assets:				
Buildings	105,313,565	1,560,741	67,500	106,806,806
Improvements other than buildings	87,539,819	4,835,240	126,900	92,248,159
Machinery and equipment	42,897,591	1,915,794	982,624	43,830,761
Infrastructure	<u>429,889,055</u>	<u>3,491,748</u>	<u>-</u>	<u>433,380,803</u>
Total depreciable capital assets	<u>665,640,030</u>	<u>11,803,523</u>	<u>1,177,024</u>	<u>676,266,529</u>
Total assets Primary Government	<u>789,272,090</u>	<u>13,416,702</u>	<u>1,194,893</u>	<u>801,493,899</u>
Less accumulated depreciation				
Buildings	40,907,699	2,750,098	48,479	43,609,318
Improvements other than buildings	48,101,219	2,865,313	126,900	50,839,632
Machinery and equipment	37,013,725	2,599,217	982,624	38,630,318
Infrastructure	<u>335,602,307</u>	<u>6,617,272</u>	<u>-</u>	<u>342,219,579</u>
Total accumulated depreciation	<u>\$ 461,624,950</u>	<u>\$ 14,831,900</u>	<u>\$ 1,158,003</u>	<u>475,298,847</u>
Total net depreciable capital assets				<u>200,967,682</u>
Total net capital assets				<u>\$ 326,195,052</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 1,326,048
Public safety	952,455
Transportation	6,468,880
Economic assistance and opportunity	62,420
Culture and recreation	2,850,467
Home and community services	<u>3,171,630</u>
Total governmental activities depreciation expense	<u>\$ 14,831,900</u>

The Town of Huntington evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Town's policy is to record an impairment loss in the period when the Town determines that the carrying amount of the asset will not be recoverable. At December 31, 2016, the Town has not recorded any such impairment losses.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

3. CAPITAL ASSETS (continued)

	Restated Balance			Balance
<u>Discretely presented component units</u>	<u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/16</u>
Capital assets not being depreciated				
Land	\$ 1,306,746	\$ -	\$ -	\$ 1,306,746
Construction in progress	2,632,591	4,371,188	1,630,405	5,373,374
Total capital assets not being depreciated	3,939,337	4,371,188	1,630,405	6,680,120
Depreciable capital assets				
Buildings and improvements	46,474,513	2,872,032	-	49,346,545
Machinery and equipment	17,465,769	177,026	90,733	17,552,062
Infrastructure	53,328,148	382,819	-	53,710,967
Total depreciable capital assets	117,268,430	3,431,877	90,733	120,609,574
Total Assets - Component Units	121,207,767	7,803,065	1,721,138	127,289,694
Less accumulated depreciation				
Buildings and improvements	15,502,718	1,262,778	-	16,765,496
Machinery and equipment	9,431,824	747,475	90,733	10,088,566
Infrastructure	36,257,790	1,056,758	-	37,314,548
Total accumulated depreciation	\$ 61,192,332	\$ 3,067,011	\$ 90,733	64,168,610
Total net depreciable capital assets				56,440,964
Total net capital assets				\$ 63,121,084

4. INDEBTEDNESS

SHORT TERM DEBT

Bond Anticipation Notes (BANs) – Liabilities for BANs are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. The Town issued \$1,000,000 in BANs during 2016, in which \$1,000,000 was redeemed by December 31, 2016. Total balance of bond anticipation notes payable as of year-end is \$500,000. The remaining BAN payable matures on July, 7, 2017 and carries an interest rate of 1.40%.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT

Summary of changes in long term debt transactions for the year ended December 31, 2016 is as follows:

	Balance 1/1/16	Increases	Reductions	Balance 12/31/16	Non-current liabilities due within one year	Non-current liabilities
Primary Government:						
General obligation bonds	\$ 82,439,033	\$ 12,425,000	\$ 10,610,913	\$ 84,253,120	\$ 10,003,109	\$ 74,250,011
Net Pension Liability	6,969,189	26,510,945		33,480,134		33,480,134
Due to Employee Retirement System	2,852,706		372,171	2,480,535	383,380	2,097,155
Other Long Term Liability-GASB 45	74,210,837	16,750,364	7,539,445	83,421,756		83,421,756
Net Pension Obligation-LOSAP	550,393	538,118	380,000	708,511	416,961	291,550
Compensated absences	13,454,413	5,786,377	5,898,074	13,342,716	5,898,074	7,444,642
Claims and judgments	8,835,779	5,993,718	5,242,839	9,586,658	4,765,471	4,821,187
Estimated liability for landfill closure and post-closure care costs	298,350	-	27,202	271,148	29,250	241,898
	<u>\$ 189,610,700</u>	<u>\$ 68,004,522</u>	<u>\$ 30,070,644</u>	<u>\$ 227,544,578</u>	<u>\$ 21,496,245</u>	<u>\$ 206,048,333</u>
Component Units:						
General obligation bonds	\$ 25,330,968	\$ 1,500,000	\$ 2,624,087	\$ 24,206,881	\$ 2,776,891	\$ 21,429,990
Premiums on Issuance	308,321	19,846	57,015	271,152	57,843	213,309
Other Long Term Liability-GASB 45	4,741,765	797,228	219,550	5,319,443	-	5,319,443
Net Pension Liability	328,862	1,456,852	278,090	1,507,624	-	1,507,624
Compensated absences	543,904	31,109	15,733	559,280	27,315	531,965
	<u>\$ 31,253,820</u>	<u>\$ 3,805,035</u>	<u>\$ 3,194,475</u>	<u>\$ 31,864,380</u>	<u>\$ 2,862,049</u>	<u>\$ 29,002,331</u>

General Obligation Bonds – The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Town, bear interest at various rates from 2.00% to 5.2% and have maturity dates in 2018 through 2031. The outstanding debt, including component units, as of December 31, 2016 is \$108,460,001.

	<u>Beg Bal 1/1/16</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance @ 12/31/16</u>
Principal Government				
General Fund	\$29,446,898	\$5,275,000	\$2,981,745	\$31,740,153
Town Outside Village	1,800,716	200,000	134,128	1,866,588
Highway Fund	41,132,886	5,350,000	5,998,752	40,484,134
Sewer Districts	4,213,398	885,000	649,333	4,449,065
Street Lighting District	58,922	0	8,872	50,050
Refuse and Garbage Fund	1,550,011	190,000	147,184	1,592,827
Water District	4,236,202	525,000	690,899	4,070,303
	<u>82,439,033</u>	<u>12,425,000</u>	<u>10,610,913</u>	<u>84,253,120</u>
Component Units				
Greenlawn Water District	3,941,990	1,500,000	471,521	4,970,469
South Huntington Water District	21,388,978	0	2,152,566	19,236,412
	<u>25,330,968</u>	<u>1,500,000</u>	<u>2,624,087</u>	<u>24,206,881</u>
Total General Obligation Bonds	<u>\$107,770,001</u>	<u>\$13,925,000</u>	<u>\$13,235,000</u>	<u>\$108,460,001</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

4. INDEBTEDNESS (continued)

LONG TERM DEBT (continued)

Principal Government:

Year Ending December, 31	Principal Due	Interest Due	Total
2017	\$ 10,003,109	\$ 2,590,004	\$ 12,593,113
2018	9,616,102	2,237,435	11,853,537
2019	9,227,095	1,922,189	11,149,284
2020	8,862,525	1,608,276	10,470,801
2021	8,275,475	1,314,426	9,589,901
2022-2026	27,132,104	3,373,160	30,505,264
2027-2031	11,136,710	632,663	11,769,372
	\$ 84,253,120	\$ 13,678,153	\$ 97,931,272

Component Units:

Year Ending December, 31	Principal Due	Interest Due	Total
2017	\$ 2,776,891	\$ 789,560	\$ 3,566,451
2018	2,878,898	694,268	3,573,166
2019	2,632,906	598,571	3,231,477
2020	2,432,475	505,853	2,938,328
2021	2,264,524	422,564	2,687,088
2022-2026	8,562,896	1,079,023	9,641,919
2027-2031	2,658,291	163,466	2,821,757
	\$ 24,206,881	\$ 4,253,305	\$ 28,460,186

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

Prior-Year Defeasance of Debt

In prior years, the Town of Huntington defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town’s financial statements. At December 31, 2016, the amount of defeased bonds outstanding was approximately \$10 million, of which approximately \$8 million was for general Town purposes and approximately \$2 million was for the component units.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM

Plan Description

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

The obligation of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of their funds.

A publicly available annual report containing financial statements and required supplemental information for the Employees' Retirement System may be obtained by writing to the New York State Retirement System, Governor Smith State Building, Albany, NY 12244.

Funding Policy

The System is noncontributory for employees who joined the New York State and Local Employees' Retirement System prior to July 27, 1976 (Tiers 1 & 2). Employees who joined the New York State and Local Retirement System between July 27, 1976 and December 31, 2009 (Tiers 3 & 4) are required to contribute 3% of their gross earnings until they have ten years of membership or ten years of credited services, whichever occurs first. Employees who joined the New York State and Local Retirement System between January 1, 2010 and March 31, 2012 (Tier 5) must contribute 3% of their gross earning for their entire career. Employees who joined the New York State and Local Retirement System after April 1, 2012 to present (Tier 6) must contribute between 3% and 6% of their gross earning for their entire career. The amount that Tier 6 members contribute is initially based on their annual wage. 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 employers to the pension accumulation fund.

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

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

	<u>ERS</u>
For the year ending December 31, 2016	\$ 9,045,917
2015	11,317,997
2014	10,790,971

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

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

At December 31, 2016, the Town reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as March 31, 2016. The total pension liability used to calculate the net pension (liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS System in reports provided to the Town.

Actuarial valuation date	April 1, 2015
Net pension liability	\$ 33,480,134
Town's portion of the Plan's total net pension liability	0.2085953%

For the year ended December 31, 2016, the Town recognized pension expense of \$12,127,820. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$169,183	\$3,968,511
Net difference between projected and actual earnings on pension plan investments	19,862,252	
Changes of Assumptions	8,928,142	
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	979,735	233,341
Town's Contribution Subsequent to Measurement Date	7,870,531	
Total	<u>\$37,809,843</u>	<u>\$4,201,852</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND
INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

Net amount of the Town's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended March 31</u>	<u>Amount</u>
2017	\$6,505,516
2018	6,505,516
2019	6,505,516
2020	6,220,912
2021	-0-
Thereafter	<u>-0-</u>
	\$25,737,460

ACTUARIAL ASSUMPTIONS

The total pension liability as of the measurement date was determined using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS
Measurement Date	March 31, 2016
Actuarial Valuation Date	April 1, 2015
Interest Rate	7.0%
Salary Scale	3.8%
Decrement Tables	Developed from Plan's 2015 experience study for period April 1, 2010 through March 31, 2015
Inflation Rate	2.5%

Annuity mortality rates are based on April 1, 2010-March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

ACTUARIAL ASSUMPTIONS (continued)

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation indexed bonds	2.00%	4.00%
	<u>100.00%</u>	

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

5. RETIREMENT SYSTEM (continued)

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1% point lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability (asset)	\$75,495,270	\$33,480,134	(\$2,020,861)

PENSION PLAN FIDUCIARY NET POSITION

The components of the current-year pension liability of the employers as of the valuation date were as follows:

	ERS (Dollars in thousands)
Measurement Date	March 31, 2016
Employer's total pension liability	\$ 172,303,544
Fiduciary net position	156,253,265
Employer's net pension liability	<u>\$ 16,050,279</u>
Ratio of fiduciary net position to the employers' total pension liability	90.7%

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Plan Description:

The Town provides fully paid health insurance for exempt employees who separate from service, are at least 50 years old and have 15 consecutive years of full time service with the Town. The retiree and his/her beneficiaries receive this coverage for the life of the retiree and continued coverage for a non-married spouse and dependent children upon the death of the retiree. For all other employees who separate from service with the Town and have 10 consecutive years of full time service, the Town will pay 75% of premiums for employees and 35% of spouse's premium.

Funding Policy:

The number participants as of January 1, 2015, the effective date of the biennial other post-employment benefits (OPEB) valuation, are as follows. There have been no significant changes in the number or type of coverage since that date.

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Active Employees	630	598	32
Retirees	640	616	24
Spouses of Retired Employees	327	310	17
Total	1,597	1,524	73

The Town currently pays for post-employment health care benefits on a pay-as-you-go basis. GASB 45 does not require that the unfunded liability be amortized nor that it be funded only that the unfunded accrued liability is accounted for and in compliance in meeting its Annual Required Contribution ("ARC"). However, if the liability is funded, assets must be transferred to a qualifying irrevocable trust or equivalent arrangement for the exclusive benefit of plan members and must be protected from creditors.

At this time, there is no New York State statute providing local governments with the requisite authority for establishing another post-employment benefits trust. Therefore, these financial statements are presented on a pay-as-you-go basis until a funding mechanism is authorized for Municipalities by New York State statute.

Annual Other Post-Employment Benefits Cost and Net Obligation:

For the year ended December 31, 2016, the Town's annual other post-employment benefits, including component units, cost (expenses) were \$17,743,662. Considering the annual expense as well as the payment of current health insurance premiums, which totaled \$7,955,065 for retirees and their beneficiaries, the result was an increase in the other post-employment benefits liability of \$9,788,597 for the year ended December 31, 2016.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

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

The Town's annual other post-employment benefits cost, the amount actually paid and changes to the Town's net other post-employment benefits obligation to the Plan for the year ended December 31, 2016 are as follows:

	<u>Total</u>	<u>Town</u>	<u>Component Units</u>
Annual Required Contribution (ARC)	18,809,079	17,748,174	1,060,905
Interest on net OPEB Obligation	3,158,105	2,968,434	189,671
Adjustment to ARC	<u>(4,223,522)</u>	<u>(3,966,244)</u>	<u>(257,278)</u>
Annual OPEB Cost	17,743,662	16,750,364	993,298
Payments Made	<u>(7,955,065)</u>	<u>(7,539,445)</u>	<u>(415,620)</u>
Increase in Net OPEB Obligation	9,788,597	9,210,919	577,678
Net OPEB Obligation-beginning of year	<u>78,952,602</u>	<u>74,210,837</u>	<u>4,741,765</u>
Net OPEB Obligation-end of year	<u>\$ 88,741,199</u>	<u>\$ 83,421,756</u>	<u>\$ 5,319,443</u>

The Town's annual other post-employment benefits cost, the percentage of annual other post-employment benefits cost contributed to the Plan and the net other post-employment benefits obligation for the year ended December 31, 2016:

Annual Other Post-Employment Benefits Cost and Net Obligation:

<u>Town of Huntington</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 16,750,364	45.0%	\$ 83,421,756
2015	\$ 16,127,345	41.4%	\$ 74,210,837
2014	\$ 14,357,620	46.3%	\$ 64,764,446

<u>Component Units</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 993,298	41.8%	\$ 5,319,443
2015	\$ 955,505	35.1%	\$ 4,741,765
2014	\$ 951,819	40.2%	\$ 4,121,816

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

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

Funded Status and Funding Progress:

The funded status of the plan as of January 1, 2016 is as follows:

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
Town	1/1/2015	-	\$ 228,677,882	\$ 228,677,882	0%	\$ 59,916,368	381.7%
Component Units	1/1/2015	-	13,127,395	13,127,395	0%	2,324,858	564.7%
Total			<u>\$ 241,805,277</u>	<u>\$ 241,805,277</u>		<u>\$ 62,241,226</u>	

Actuarial Methods and Assumptions:

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

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

Based on the Town's actuarial update as of January 1, 2016, the annual other post-employment benefits cost (expense) is calculated based on the annual required contribution (ARC) to the Town, an amount that was actuarially determined by using the entry age method (one of the actuarial cost methods in accordance with parameters of GASB 45) and level percentage of projected payroll of active plan members on a closed basis. Included coverage is "community-rated" and annual premiums for community-rated coverage was used with future trend increases without age adjustments. The actuarial methods and assumptions are as follows:

	Town	Component Units
Interest Rate	4.00%	4.00%
2015 Medical Rate Trends (Pre-65/Post-65)	9.00%/8.00%	9.00%/6.00%
Ultimate Medical Trend Rate	5.00%	5.00%
Year Ultimate Trend Rates Reached(Pre-65/Post-65)	2019/2018	2019/2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Remaining Amortization Period at 12/31/15	21.67	21.33, 21.21
Annual Payroll Increase	2.50%	2.50%

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

7. COMPENSATED ABSENCES

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the government-wide financial statements. Payment of vacation time and sick leave is dependent upon many factors, and therefore the timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2016, the value of the accumulated vacation time and sick leave was \$13,342,716 for the Town and \$559,280 for the Component Units.

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
<u>Primary Government</u>				
General Fund	\$ 7,837,332	\$ 3,170,314	\$ 3,107,294	\$ 7,900,352
Town Outside Village	1,040,310	475,693	616,381	899,622
Highway	2,485,840	1,363,620	1,352,666	2,496,794
Street Lighting	145,953	96,406	92,391	149,968
Refuse	1,054,253	409,278	410,284	1,053,247
Sewer Districts	301,623	165,091	182,005	284,709
Water Districts	395,466	52,606	91,367	356,705
Community Development	193,636	53,369	45,686	201,319
Total Primary Government	<u>\$ 13,454,413</u>	<u>\$ 5,786,377</u>	<u>\$ 5,898,074</u>	<u>\$ 13,342,716</u>
<u>Component Units</u>				
Greenlawn Water District	\$ 253,769	\$ -	\$ 15,733	\$ 238,036
South Huntington Water District	290,135	31,109	-	321,244
Total Components	<u>\$ 543,904</u>	<u>\$ 31,109</u>	<u>\$ 15,733</u>	<u>\$ 559,280</u>

8. TAX ABATEMENTS

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

C. DETAILED NOTES ON ALL FUNDS (continued)

8. TAX ABATEMENTS (continued)

Information relevant to disclosure of these agreements for the year ended December 31, 2016 is as follows:

Start Date	Agreement	Taxable Assessed Valuation	Tax Rate	Tax Value	PILOT Received	Terms of the Agreement	Taxes Abated
03/01/1999	Huntington Housing Authority, 40 units	\$50,700	26.458	\$13,414	\$1,801	49 Years	\$11,613
12/01/2015	HG Housing Development Fund Company, Inc. & Highland Green Residence, LLC. Vacant Land	\$11,650	25.459	\$ 2,966	\$ -0-	30 Years	\$ 2,966
				\$16,380	\$1,801		\$14,579

In addition, the Suffolk County Industrial Development Agency (SCIDA) has entered into PILOT agreements on ten properties located within the Town of Huntington in lieu of Real Property Taxes. The PILOT agreements are eligible and authorized under Title I of Article 18-A of General Municipal Law Section 874 of the State of New York. The purpose of these agreements fall within the scope of the SCIDA mission statement which is to promote the economic welfare, employment opportunities and quality of life of the residents of Suffolk. The SCIDA accomplishes this mission by providing financial assistance to businesses in order to help them flourish and grow in Suffolk County. The Town's tax value and the PILOTs on these properties as of December 31, 2016 was \$393,405 and \$188,777 respectively. The abated taxes are comprised of General Fund, Highway Fund, Part-Town Fund, Street-Lighting and various non-major funds and totaled \$204,628.

D. COMMITMENTS AND CONTINGENCIES

1. RISK RETENTION

In common with other municipalities, the Town receives numerous notices of claims. The Town self-insures for bodily injury and property damage up to a maximum of \$2,000,000 per claim. Claims in excess of \$2,000,000 are covered by an excess liability policy providing for \$10,000,000 per occurrence and in the aggregate. The Town is also self-insured for automobile liability insurance with the same limits as above. Additionally, the Town is self-insured for workers' compensation insurance. Estimated benefits to be paid are appropriated in the various operating funds of the Town. The Town has provided an umbrella-type policy protecting against catastrophic workers' compensation losses up to a \$10,000,000 cap with a \$2,000,000 retention for each loss. Although the eventual outcome of these claims cannot presently be determined, the amount of unsettled claims and litigation is estimated to be \$9,586,658. The Town is of the opinion that the ultimate settlement of the outstanding claims will not result in a material adverse effect on the Town's financial position.

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

D. COMMITMENTS AND CONTINGENCIES (continued)

1. RISK RETENTION (continued)

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

	Workers' Compensation		General Liability	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unpaid claims and claim adjustment expenditures at beginning of year	\$5,186,824	\$6,900,639	\$3,648,955	\$4,120,157
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in provision for insured events of prior years	3,156,014	1,517,069	2,837,704	1,054,027
Less Payments:				
Claims and claim adjustment expenditures attributable to insured events and of the current and prior years	<u>(3,134,115)</u>	<u>(3,230,884)</u>	<u>(2,108,724)</u>	<u>(1,525,229)</u>
Total unpaid claims and claim adjustment expenditures at the end of year	<u><u>\$5,208,723</u></u>	<u><u>\$5,186,824</u></u>	<u><u>\$4,377,935</u></u>	<u><u>\$3,648,955</u></u>

2. RESOURCE RECOVERY FACILITY

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

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

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

D. COMMITMENTS AND CONTINGENCIES (continued)

2. RESOURCE RECOVERY FACILITY (continued)

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

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

As further consideration for allowing the Town to use its landfill, the agreement grants the Town of Smithtown the right to deliver its processable solid waste to the waste-to-energy facility. By the terms of the agreement, the Town of Smithtown has agreed to share the obligations of the Town under the Service Agreement with Covanta. The total costs paid by the Town under this service agreement during 2016 amounted to \$19,100,473 of which \$7,067,175 was reimbursed by the Town of Smithtown.

3. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Town of Huntington to place a final cover on its landfill site, which stopped accepting waste in 1989, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Accordingly, as of December 31, 2016, the Town has recorded a liability of \$271,148, which represents the provision to be made in future budgets for unfunded closure and post-closure landfill costs. Actual costs may be higher or lower due to inflation or deflation, changes in technology or changes in regulations or applicable laws.

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress, commitments for equipment purchases and other capital acquisition commitments amounting to \$5,778,049 has been recorded as encumbrances in the Capital Projects Fund.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

D. COMMITMENTS AND CONTINGENCIES (continued)

5. LITIGATION

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

6. GRANTS

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

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP

Plan Description

The Town of Huntington participates in two Volunteer Ambulance First Aid Workers Service Award Programs (the Plans): Commack Volunteer Ambulance Corps. and Huntington Community First Aid Squad, Inc. Both plans are single-employer defined benefit pension plans covering the volunteer ambulance workers. The Plans are administered by Penflex, Inc. with all provisions and amendments subject to approval of the Board. None of the pension plans issue separate audited reports on the pension plans.

Funding Policy

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

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

Pension expense is determined based on an annual actuarial calculation. The required contribution for the Plans consists of two components. The first component, the annual prior service cost which equals the level annual payment required to fund over the prior service funding period, the portion of the current participants' projected benefits at entitlement age which is based on the service credit ambulance workers earned before the effective date of the Service Award Program. The second component, the "normal cost," which is equal to the level annual payment required to fund the portion of the current participants' projected benefits based on their service credit earned after the effective date of the Service Award Program. Based upon accepted actuarial methods and the assumptions used, it has been determined that the contributions for the Commack Volunteer Ambulance Corps of \$81,637 and the Huntington Community First Aid Squad of \$434,138 for the year ended December 31, 2015 was sufficient to satisfy current and future service award obligations upon eligibility for retirement. The Fiscal Year 2015 contribution was made in Fiscal Year 2016. Actuarial results for Fiscal Year 2016 were not available to be reported in this financial statement. The Annual Required Contribution and the Annual Contribution do not vary significantly from year to year and are not material to the financial statements as a whole.

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

D. COMMITMENTS AND CONTINGENCIES (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP

Funding Policy (continued)

Commack Volunteer Ambulance Corps

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Paid	Percentage of Annual Postemployment Benefit Cost Contributed	Net Service Award Obligation (Asset)
12/31/2016	\$ 80,732	\$ 59,507	74%	\$ (220,892)
12/31/2015	\$ 55,294	\$ 48,482	88%	\$ (242,117)
12/31/2014	\$ (41,419)	\$ 63,646	-154%	\$ (248,929)
12/31/2013	\$ 7,224	\$ 69,687	965%	\$ (143,864)
12/31/2012	\$ 78,827	\$ 68,524	87%	\$ (81,401)
12/31/2011	\$ 14,367	\$ 71,971	501%	\$ (91,704)

	2016	2015	2014	2013	2012	2011
Annual required contribution (ARC)	\$ 81,637	\$ 59,507	\$ 48,482	\$ 63,646	\$ 69,687	\$ 68,524
Interest on net OPEB obligation	(14,527)	(14,936)	(8,991)	(5,291)	(5,960)	(2,216)
Adjustment to ARC	13,622	10,723	(80,910)	(51,131)	15,100	(51,942)
Annual OPEB cost (expense)	80,732	55,294	(41,419)	7,224	78,827	14,366
Payments made	(59,507)	(48,482)	(63,646)	(69,687)	(68,524)	(71,970)
Increase (decrease) in net OPEB obligation	21,225	6,812	(105,065)	(62,463)	10,303	(57,604)
Net OPEB, beginning of year	(242,117)	(248,929)	(143,864)	(81,401)	(91,704)	(34,100)
Net OPEB, end of year	<u>\$ (220,892)</u>	<u>\$ (242,117)</u>	<u>\$ (248,929)</u>	<u>\$ (143,864)</u>	<u>\$ (81,401)</u>	<u>\$ (91,704)</u>

The funded status of the plan as of December 31, 2015 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) /Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2015	1,174,373	953,480	(220,892)	123.2%	N/A	N/A
12/31/2014	1,124,558	882,441	(242,117)	127.4%	N/A	N/A
12/31/2013	1,033,644	784,719	(248,925)	131.7%	N/A	N/A
12/31/2012	835,007	691,143	(143,864)	120.8%	N/A	N/A
12/31/2011	703,107	621,706	(81,401)	113.1%	N/A	N/A
12/31/2010	687,326	595,622	(91,704)	115.4%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

D. COMMITMENTS AND CONTINGENCIES (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP

Funding Policy (continued)

Huntington Community First Aid Squad

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Paid	Percentage of Annual Postemployment Benefit Cost Contributed	Net Service Award Obligation (Asset)
12/31/2016	\$ 538,118	\$ 380,000	71%	\$ 708,511
12/31/2015	\$ 496,517	\$ 356,409	72%	\$ 550,393
12/31/2014	\$ 117,369	\$ 356,813	304%	\$ 410,285
12/31/2013	\$ 178,112	\$ 355,889	200%	\$ 649,729
12/31/2012	\$ 432,859	\$ 328,130	76%	\$ 827,506
12/31/2011	\$ 227,078	\$ 320,258	141%	\$ 722,777

	2016	2015	2014	2013	2012	2011
Annual required contribution (ARC)	\$ 434,138	\$ 416,961	\$ 356,409	\$ 356,813	\$ 355,889	\$ 328,130
Interest on net OPEB obligation	33,024	24,617	40,608	53,788	46,981	53,037
Adjustment to ARC	70,956	54,939	(279,648)	(232,489)	29,989	(154,089)
Annual OPEB cost (expense)	538,118	496,517	117,369	178,112	432,859	227,078
Payments made	(380,000)	(356,409)	(356,813)	(355,889)	(328,130)	(320,258)
Increase (decrease) in net OPEB obligation	158,118	140,108	(239,444)	(177,777)	104,729	(93,180)
Net OPEB, beginning of year	550,393	410,285	649,729	827,506	722,777	815,957
Net OPEB, end of year	\$ 708,511	\$ 550,393	\$ 410,285	\$ 649,729	\$ 827,506	\$ 722,777

The funded status of the plan as of December 31, 2015 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) /Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2015	4,568,878	5,277,389	708,511	86.6%	N/A	N/A
12/31/2014	4,337,628	4,888,021	550,393	88.7%	N/A	N/A
12/31/2013	3,922,570	4,332,855	410,285	90.5%	N/A	N/A
12/31/2012	3,185,108	3,834,837	649,729	83.1%	N/A	N/A
12/31/2011	2,700,107	3,527,613	827,506	76.5%	N/A	N/A
12/31/2010	2,488,933	3,211,710	722,777	77.5%	N/A	N/A

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

D. COMMITMENTS AND CONTINGENCIES (continued)

7. LENGTH OF SERVICE AWARD PROGRAM-LOSAP

Funding Policy (continued)

Actuarial Methods and Assumptions

Commack Volunteer Ambulance Corps

Valuation Date	December 31, 2015
Actuarial Cost Method	Attained Age Normal Cost Method
Amortization Method	Level Dollar, Open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	5 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return,	
Including an inflation factor	6 %

Huntington Community First Aid Squad

Valuation Date	December 31, 2015
Actuarial Cost Method	Attained Age Normal Cost Method
Amortization Method	Level Dollar, Open
Pre-Entitlement age mortality table	None assumed
Post-entitlement age mortality table	50/50 blend 1994 US Uninsured Pensioner Mortality
Remaining Amortization Period	5 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	
Including an inflation factor	6 %

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

E. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed financial statements for the discretely presented component units as of and for the year ended December 31, 2016:

Condensed Statement of Net Position:

	South Huntington Water District	Greenlawn Water District	Totals
Assets			
Current assets and other assets	13,269,511	6,338,619	19,608,130
Capital assets net of depreciation	43,501,914	19,619,170	63,121,084
Deferred outflow of resources	902,226	856,135	1,758,361
Total Assets	<u>57,673,651</u>	<u>26,813,924</u>	<u>84,487,575</u>
Liabilities and Net Position			
Current liabilities	3,288,951	1,357,026	4,645,977
Other long term liabilities	20,926,291	8,076,040	29,002,331
Investment in capital assets	27,692,439	14,648,701	42,341,140
Deferred inflow of resources	85,549	102,413	187,962
Restricted	4,063,434	2,257,982	6,321,416
Unrestricted	1,616,987	371,762	1,988,749
Total Liabilities and Net Position	<u>57,673,651</u>	<u>26,813,924</u>	<u>84,487,575</u>

Condensed Statement of Activities:

	Program			General Revenue		Net Assets (As restated)		
	Expenses	Charges for Services	Net (Expense) Revenue	Property Tax	Other	Change	1/1/16	12/31/16
South Huntington Water District	\$ 8,469,597	\$ 4,367,110	\$ (4,102,487)	\$ 3,958,752	\$ 1,066,787	\$ 923,052	\$ 32,449,808	\$ 33,372,860
Greenlawn Water District	5,852,202	2,640,737	(3,211,465)	2,352,885	608,440	(250,140)	17,528,585	17,278,445
	<u>\$ 14,321,799</u>	<u>\$ 7,007,847</u>	<u>\$ (7,313,952)</u>	<u>\$ 6,311,637</u>	<u>\$ 1,675,227</u>	<u>\$ 672,912</u>	<u>\$ 49,978,393</u>	<u>\$ 50,651,305</u>

TOWN OF HUNTINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

F. SUBSEQUENT EVENTS

There were no reportable subsequent events.

G. NEW PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS Statement No. 75) *Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions*, replacing Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB, No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*, establishing new accounting and financial reporting requirements for OPEB plans. This statement is effective for financial statements for fiscal years beginning after June 15, 2017.

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS Statement No. 80) *Blending Requirements for Certain Component Units*, an amendment of Statement No. 14, *The Financial Reporting Entity*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Governmental Accounting Standards Board (GASB) issued authoritative guidance (GAS Statement No. 82) *Pension Issues*, an amendment of Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting. And Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and 68*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

Governmental Accounting Standards Board (GASB) 83 issued authoritative guidance GAS Statement No. 83) *Certain Asset Retirement Obligations*. The objective of this statement is to enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The Town is required to implement this authoritative guidance for reporting periods beginning after June 15, 2018.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Notes to Required Supplementary Information

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

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

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 39,502,847	\$ 39,502,847	\$ 39,577,619	\$ 74,772
Total Real Property Taxes	39,502,847	39,502,847	39,577,619	74,772
OTHER REAL PROPERTY TAXES				
Payment In lieu of taxes	68,045	68,045	62,273	(5,772)
Interest and penalty on taxes	280,000	280,000	302,914	22,914
Total Other Real Property Taxes	348,045	348,045	365,187	17,142
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	4,243,306	4,243,306	4,715,779	472,473
Total Non-Property Tax Items	4,243,306	4,243,306	4,715,779	472,473
DEPARTMENTAL INCOME				
Town clerk fees	400,000	400,000	362,670	(37,330)
Other general departmental income	189,000	228,675	250,414	21,739
Parking meter fees	850,000	850,000	754,135	(95,865)
Transportation	439,000	439,000	479,880	40,880
Charges - programs for the aging	320,000	320,000	392,676	72,676
Park and recreational charges	1,946,000	1,954,674	1,986,143	31,469
Recreational concessions	79,000	79,000	82,666	3,666
Special recreational facility charges	5,377,000	5,377,000	5,401,557	24,557
Refuse and garbage charges	22,917,481	22,917,481	21,978,734	(938,747)
Total Departmental Income	32,517,481	32,565,830	31,688,875	(876,955)
INTERGOVERNMENTAL CHARGES				
Miscellaneous Revenue	27,000	27,000	39,722	12,722
Refuse and Garbage Service	101,357	101,357	98,643	(2,714)
Total Intergovernmental Charges	128,357	128,357	138,365	10,008
USE OF MONEY AND PROPERTY				
Interest and earnings	209,000	209,000	288,037	79,037
Rental of real property	826,312	826,312	837,878	11,566
Total Use of Money and Property	1,035,312	1,035,312	1,125,915	90,603
LICENSES AND PERMITS				
Bingo licenses	13,500	13,500	15,574	2,074
Dog licenses	29,700	29,700	33,810	4,110
Parking Permits	905,000	905,000	972,225	67,225
Other permits	25,000	25,000	26,450	1,450
Total Licenses and Permits	973,200	973,200	1,048,059	74,859
FINES AND FORFEITURES				
Fines	1,530,000	1,530,000	1,160,476	(369,524)
Total Fines and Forfeitures	1,530,000	1,530,000	1,160,476	(369,524)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
SALE OF PROPERTY AND				
COMPENSATION FOR LOSS				
Sales of scrap and excess material	25,000	25,000	50,295	25,295
Sales of refuse for recycling	21,200	21,200	7,871	(13,329)
Sales other	8,000	8,000	5,511	(2,489)
Sales of Real Property	-	-	208,750	208,750
Sales of equipment	5,000	5,000	16,450	11,450
Insurance recoveries	220,000	222,525	759,828	537,303
Total Sale of Property & Compensation for Loss	279,200	281,725	1,048,705	766,980
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures	-	-	19,331	19,331
Gifts and donations	-	10,400	14,269	3,869
Miscellaneous revenue	933,750	958,750	1,079,649	120,899
Total Miscellaneous Local Sources	933,750	969,150	1,113,249	144,099
INTERFUND REVENUES				
	4,469,548	4,469,548	4,469,548	-
STATE AID				
State Aid - revenue sharing	1,067,256	1,067,256	1,067,256	-
State Aid - mortgage tax	7,500,000	7,500,000	8,713,280	1,213,280
State Aid - other	-	-		
State Aid - bus and other mass transit	789,085	789,085	814,668	25,583
State Aid - programs for aging	206,000	206,000	193,242	(12,758)
State Aid - youth program	448,112	448,112	422,139	(25,973)
State Aid - other culture and recreation	50,000	50,000	51,349	1,349
State Aid - other home and community services	-	27,939	67,197	39,258
Total State Aid	10,060,453	10,088,392	11,329,131	1,240,739
FEDERAL AID				
Federal Aid - programs for the aging	217,000	217,000	219,557	2,557
Federal Aid - youth program	775,462	775,462	770,343	(5,119)
Federal Aid - other home and community services	-	-	579	579
Total Federal Aid	992,462	992,462	990,479	(1,983)
Total Revenues	\$ 97,013,961	\$ 97,128,174	\$ 98,771,387	\$ 1,643,213

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2016

Function	Budgetary Amounts		Actual	Encumbrances	Variance with
	Original	Final			Final Budget
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Town board	\$ 738,173	\$ 739,856	\$ 738,006	\$ -	\$ 1,850
Traffic violations bureau	116,199	116,807	116,531	-	276
Supervisor	812,505	835,136	825,317	-	9,819
Comptroller	1,234,698	1,215,116	1,187,898	17,500	9,718
Tax collection	658,710	687,527	687,439	-	88
Purchasing	295,752	309,526	307,609	-	1,917
Assessment	1,204,875	1,140,740	1,094,700	-	46,040
Fiscal agent fees	35,000	40,000	38,626	-	1,374
Town clerk	1,057,140	1,106,854	1,077,775	-	29,079
Town attorney	2,807,510	3,061,161	2,904,184	71,091	85,886
Personnel	675,654	701,293	694,395	-	6,898
Engineer	1,011,282	981,265	953,874	2,250	25,141
General services	706,605	563,607	556,235	-	7,372
Operation of plant	9,766,566	10,034,716	9,840,406	12,438	181,872
Central storeroom	431,768	451,926	439,818	1,854	10,254
Central printing and mailing	251,000	251,000	226,685	-	24,315
Information Technology	2,335,570	2,423,900	2,091,389	171,531	160,980
Unallocated insurance	333,184	345,684	341,114	-	4,570
Municipal assessment dues	9,000	8,500	8,217	-	283
Judgments and claims	300,000	795,000	294,455	495,472	5,073
Purchase of land and right of way	1,500,000	1,500,000	-	-	1,500,000
Taxes and assessment on municipal property	20,000	12,100	12,012	-	88
Contractual	20,000	326,133	13,700	-	312,433
Total General Government Support	26,321,191	27,647,847	24,450,385	772,136	2,425,326
PUBLIC SAFETY					
Administration	2,739,183	3,072,487	3,056,170	15,104	1,213
Harbors and waterways	710,338	777,212	772,565	-	4,647
Control of dogs	923,977	979,270	965,699	-	13,571
Safety inspection	249,118	215,234	211,760	-	3,474
Civil defense	75,089	63,385	31,137	-	32,248
Total Public Safety	4,697,705	5,107,588	5,037,331	15,104	55,153
HEALTH					
Substance Abuse	859,312	848,052	798,663	-	49,389
Total Health	859,312	848,052	798,663	-	49,389
TRANSPORTATION					
Highway and street administration	777,698	777,044	734,372	-	42,672
Public transportation	3,922,214	4,051,756	4,015,183	8,422	28,151
Waterways Navigation	61,895	65,965	65,605	-	360
Total Transportation	4,761,807	4,894,765	4,815,160	8,422	71,183
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Community action administration	78,035	34,903	28,815	-	6,088
Public Information	163,173	163,035	163,035	-	-
Veterans service	8,500	8,500	7,600	-	900
Family Assistance Program	169,270	169,270	169,270	-	-
Programs for the aging	1,861,151	1,884,214	1,789,867	5,573	88,774
Total Economic Assistance And Opportunity	2,280,129	2,259,922	2,158,587	5,573	95,762

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year ended December 31, 2016

Function	Budgetary Amounts		Actual	Encumbrances	Variance with
	Original	Final			Final Budget
CULTURE AND RECREATION					
Council on the arts	147,500	147,500	147,500	-	-
Recreation administration	3,797,267	3,748,912	3,679,694	13,600	55,618
Playgrounds and recreation centers	1,349,886	1,381,603	1,217,554	112	163,937
Special recreation facility charges	2,751,113	2,772,094	2,621,012	1,500	149,582
Band concerts	143,811	153,668	147,325	-	6,343
Youth programs	555,050	563,401	561,734	-	1,667
Joint youth programs	2,701,916	2,636,069	2,636,069	-	-
Museums	808,875	763,085	735,302	2,400	25,383
Historian	53,565	57,139	55,748	-	1,391
Celebrations	10,000	9,027	3,550	-	5,477
Adult recreation	682,052	671,440	631,258	-	40,182
Total Culture and Recreation	13,001,035	12,903,938	12,436,746	17,612	449,580
HOME AND COMMUNITY SERVICES					
Refuse and garbage	20,178,119	19,790,719	19,788,413	-	2,306
Landfill Post Closure	66,500	62,500	44,183	-	18,317
Recycling	612,122	641,130	618,816	-	22,314
General natural resources	875,631	974,556	969,739	-	4,817
Miscellaneous	45,799	68,172	32,986	33,242	1,944
Total Home and Community Services	21,778,171	21,537,077	21,454,137	33,242	49,698
EMPLOYEE BENEFITS					
State employee retirement system	6,072,111	4,878,102	4,878,102	-	-
Social security	99,500	59,500	55,960	-	3,540
Workers' compensation	1,100,000	1,567,290	1,536,039	31,250	1
Life insurance	50,000	37,905	32,090	-	5,815
Unemployment insurance	130,000	60,865	60,864	-	1
Disability benefits	90,000	89,006	52,069	-	36,937
Hospital, medical and dental	11,188,000	10,790,176	10,790,173	-	3
Union welfare benefits	270,000	270,000	255,941	-	14,059
Other employee benefits	798,000	931,506	894,953	-	36,553
Total Employee Benefits	19,797,611	18,684,350	18,556,191	31,250	96,909
DEBT SERVICE					
Principal on Bond Anticipation Note	-	500,000	500,000	-	-
Interest on Bond Anticipation Note	-	12,500	12,500	-	-
Total Debt Service	-	512,500	512,500	-	-
Total Expenditures	93,496,961	94,396,039	90,219,700	883,339	3,293,000
Excess (Deficiency) of Revenues					
Over Expenditures	3,517,000	2,732,135	8,551,687	(883,339)	4,936,213
Other Financing Sources (Uses)					
Transfers In	-	65,347	65,347	-	-
Transfers out	-	(3,197,854)	(3,197,854)	-	-
Transfers out (Debt Service)	(4,115,000)	(3,859,063)	(3,859,058)	-	5
Total Other Financing Sources (Uses)	(4,115,000)	(6,991,570)	(6,991,565)		5
Net Change in Fund Balance	<u>\$ (598,000)</u>	<u>\$ (4,259,435)</u>	1,560,122	<u>\$ (883,339)</u>	<u>\$ 4,936,218</u>
Fund Balance at Beginning of Year			23,766,442		
Fund Balance at End of Year			\$ 25,326,564		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2016

	Budgetary Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 31,713,152	\$ 31,713,152	\$ 31,713,152	\$ -
Total Real Property Taxes	31,713,152	31,713,152	31,713,152	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	66,500	66,500	59,946	(6,554)
Interest and penalties on taxes	-	-	276	276
Total Other Real Property Taxes	66,500	66,500	60,222	(6,278)
DEPARTMENTAL INCOME				
Other general departmental income	-	560,397	560,438	41
Total Departmental Income	-		560,438	41
INTERGOVERNMENT CHARGE				
Transportation Services, Other Government	-	-	5,412	5,412
Total Departmental Income	-		5,412	5,412
USE OF MONEY AND PROPERTY				
Interest and earnings	90,000	90,000	146,765	56,765
Total Use of Money and Property	90,000	90,000	146,765	56,765
LICENSES AND PERMITS				
Licenses and permits	200,000	291,475	291,475	-
Total Licenses and Permits	200,000	291,475	291,475	-
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of scrap materials/equipment	8,000	16,453	24,400	7,947
Insurance recoveries	5,000	124,327	124,918	591
Total Sale of Property and Compensation for Loss	13,000	140,780	149,318	8,538
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	175,100	175,100	210,394	35,294
Total Miscellaneous Local Sources	175,100	175,100	210,394	35,294
STATE AID				
State aid - Consolidated highway aid	1,709,769	1,709,769	2,100,748	390,979
State Aid - Other	-	72,843	72,843	-
Total State Aid	1,709,769	1,782,612	2,173,591	390,979
Total Revenues	\$ 33,967,521	\$ 34,259,619	\$ 35,310,767	\$ 490,751

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
For the Year ended December 31, 2016

	Budgetary Amounts				Variance with
	Original	Final	Actual	Encumbrances	Final Budget
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 106,085	\$ 90,783	\$ 90,783	\$ -	\$ -
Bond and note issue expense	45,000	34,946	34,945	-	1
Other Government Support	70,320	958,767	55,016	900,000	3,751
Total General Government Support	221,405	1,084,496	180,744	-	3,752
TRANSPORTATION					
Highway repairs	12,802,638	12,112,590	12,088,969	-	23,621
Capital highway improvements	1,706,000	1,673,209	2,100,748	327,468	(755,007)
Highway and machinery	2,052,011	1,934,767	1,911,387	11,465	11,915
Brush and weeds	410,000	362,383	354,697	-	7,686
Snow removal	2,188,908	2,933,087	2,933,086	-	1
Total Transportation	19,159,557	19,016,036	19,388,887	338,933	(711,784)
EMPLOYEE BENEFITS					
State employee retirement system	2,322,659	2,009,098	2,009,098	-	-
Social security	48,000	9,584	9,583	-	1
Workers Compensation	1,100,000	1,192,098	1,192,098	-	-
Life insurance	400	198	197	-	1
Unemployment insurance	75,000	6,756	6,755	-	1
Disability benefits	1,000	238	167	-	71
Hospital, medical and dental	4,171,500	4,195,267	4,192,861	-	2,406
Union welfare benefits	200,000	190,740	190,740	-	-
Other employee benefits	224,000	169,279	169,278	-	1
Total Employee Benefits	8,142,559	7,773,258	7,770,777	-	2,481
Total Expenditures	27,523,521	27,873,790	27,340,408	338,933	- 705,551
Excess (Deficiency) of Revenues					
Over Expenditures	6,444,000	6,385,829	7,970,359	(338,933)	(214,800)
Other Financing Sources (Uses)					
Transfer Out	-	(560,397)	(560,397)	-	-
Transfers out (Debt Service)	(7,444,000)	(7,444,000)	(7,386,282)	-	(57,718)
Other Financing Sources (Uses)	(7,444,000)	(8,004,397)	(7,946,679)	-	(57,718)
Net Change in Fund Balance	\$ (1,000,000)	\$ (1,618,568)	\$ 23,680	\$ (338,933)	\$ (272,518)
Fund Balance at Beginning of Year			5,708,115		
Fund Balance at End of Year			\$ 5,731,795		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 24,160,829	\$ 24,160,829	\$ 24,160,829	\$ -
Total Real Property Taxes	24,160,829	24,160,829	24,160,829	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	1,000	1,000	210	(790)
Total Other Real Property Tax Items	1,000	1,000	210	(790)
DEPARTMENTAL INCOME				
Refuse and garbage charges	9,040	9,040	8,430	(610)
Total Departmental Income	9,040	9,040	8,430	(610)
INTERGOVERNMENT CHARGE				
Refuse & Garbage Service, Other Government	9,658	9,658	10,900	1,242
Total Intergovernment Charge	9,658	9,658	10,900	1,242
USE OF MONEY AND PROPERTY				
Interest and earnings	71,200	71,200	72,570	1,370
Total Use of Money and Property	71,200	71,200	72,570	1,370
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sales of recycled materials	40,000	40,000	50,084	10,084
Insurance recoveries	-	-	27,290	27,290
Total Sale of Property and Compensation for Loss	40,000	40,000	77,374	37,374
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	50,000	50,000	49,725	(275)
Total Miscellaneous Local Sources	50,000	50,000	49,725	(275)
Total Revenues	\$ 24,341,727	\$ 24,341,727	\$ 24,380,038	\$ 38,311

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE AND GARBAGE FUND
For the Year ended December 31, 2016

	Budgetary Amounts				Variance with
	Original	Final	Actual	Encumbrances	Final Budget
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 76,284	\$ 76,284	\$ 65,280	\$ -	\$ 11,004
Other government support	2,026,310	2,190,294	2,023,511	-	166,783
Total General Government Support	2,102,594	2,266,578	2,088,791		177,787
HOME AND COMMUNITY SERVICES					
Refuse and garbage	19,907,859	19,458,864	18,576,864	2,383	879,617
Total Home and Community Services	19,907,859	19,458,864	18,576,864	2,383	879,617
EMPLOYEE BENEFITS					
State employee retirement system	740,174	585,271	585,271	-	-
Social security	23,000	23,000	5,080	-	17,920
Workers Compensation	300,000	678,650	678,650	-	-
Life insurance	500	500	99	-	401
Unemployment insurance	20,000	20,000	3,427	-	16,573
Disability insurance	500	500	83	-	417
Hospital, medical and dental	1,227,100	1,267,002	1,255,547	-	11,455
Union welfare benefits	68,000	68,000	60,720	-	7,280
Other employee benefits	104,000	141,995	83,945	-	58,050
Total Employee Benefits	2,483,274	2,784,918	2,672,822	-	112,096
Total Expenditures	24,493,727	24,510,360	23,338,477	2,383	1,169,500
Excess (Deficiency) of Revenues					
Over Expenditures	(152,000)	(168,633)	1,041,561	(2,383)	1,207,811
Other Financing Sources (Uses)					
Transfers out	-	(65,000)	(65,000)	-	-
Transfers in	-	-		-	-
Transfers out (Debt Service)	(198,000)	(198,000)	(193,865)	-	4,135
Total Other Financing Sources (Uses)	(198,000)	(263,000)	(258,865)		4,135
Net Change in Fund Balance	\$ (350,000)	\$ (431,633)	782,696	\$ (2,383)	\$ 1,211,946
Fund Balance at Beginning of Year			3,243,261		
Fund Balance at End of Year			\$ 4,025,957		

TOWN OF HUNTINGTON
SCHEDULE OF FUNDING PROGRESS
POST-EMPLOYMENT BENEFITS HEALTHCARE COSTS
December 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll
1/1/2016	\$ -	\$ 228,677,882	\$ 228,677,882	0%	\$ 59,916,368	381.7%
1/1/2015	-	221,109,413	221,109,413	0%	61,337,769	360.5%
1/1/2014	-	199,225,531	199,225,531	0%	59,000,459	337.7%

Additional Post-employment Benefits information is shown on Note C. 7 to the financial statements.

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TOWN OF HUNTINGTON
SCHEDULE OF TOWN'S CONTRIBUTIONS
LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 9,045,917	\$ 11,317,997	\$ 10,790,971
Contributions in relation to the contractually required contribution	<u>9,045,917</u>	<u>11,317,997</u>	<u>10,790,971</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered employee payroll	54,676,490	55,099,418	53,285,268
Contributions as a percentage of covered employee payroll	17%	21%	20%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 12,736,105	\$ 10,760,219	\$ 8,010,413	\$ 5,777,432	\$ 3,675,479	\$ 4,165,774	\$ 4,139,894
<u>12,736,105</u>	<u>6,855,035</u>	<u>8,010,413</u>	<u>5,777,432</u>	<u>3,675,479</u>	<u>4,165,774</u>	<u>4,139,894</u>
\$ -	\$ 3,905,184	\$ -	\$ -	\$ -	\$ -	\$ -
51,630,809	52,095,461	49,396,373	51,110,066	50,805,977	49,240,978	48,625,551
25%	13%	16%	11%	7%	8%	9%

TOWN OF HUNTINGTON
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2016

Employees' Retirement System

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.2085953%	0.2062962%
Town's proportionate share of the net pension liability	\$ 33,480,134	\$ 6,969,189
Town's covered employee payroll	\$ 53,342,327	\$ 55,263,873
of its covered employee payroll	62.76 %	12.61 %
Plan fiduciary net position as a percentage of the total pension liability	90.68%	97.95%

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COMPONENT UNITS
SCHEDULE OF DISTRICTS' CONTRIBUTIONS
LAST TEN YEARS

Greenlawn Water District

	2016	2015	2014
Contractually required contribution	\$ 204,112	\$ 241,020	\$ 253,554
Contributions in relation to the contractually required contribution	204,112	241,020	253,554
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered employee payroll	1,160,988	1,232,499	1,315,312
Contributions as a percentage of covered employee payroll	18%	20%	19%

South Huntington Water District

	2016	2015	2014
Contractually required contribution	\$ 193,255	\$ 205,756	\$ 326,700
Contributions in relation to the contractually required contribution	193,255	205,756	326,700
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered employee payroll	1,228,683	1,316,312	1,373,704
Contributions as a percentage of covered employee payroll	16%	16%	24%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 286,409	\$ 181,359	\$ 215,544	\$ 136,735	\$ 72,345	\$ 126,743	\$ 119,054
<u>286,409</u>	<u>181,359</u>	<u>215,544</u>	<u>136,735</u>	<u>72,345</u>	<u>126,743</u>	<u>119,054</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,271,843	1,198,977	1,117,345	1,185,214	1,009,692	936,971	923,033
23%	15%	19%	12%	7%	14%	13%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 215,311	\$ 255,066	\$ 166,737	\$ 144,068	\$ 75,202	\$ 88,049	\$ 94,689
<u>215,311</u>	<u>255,066</u>	<u>166,737</u>	<u>144,068</u>	<u>75,202</u>	<u>88,049</u>	<u>94,689</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,352,331	1,204,400	1,265,077	1,203,485	1,108,048	1,034,812	1,007,497
16%	21%	13%	12%	7%	9%	9%

COMPONENT UNITS
SCHEDULE OF THE DISTRICTS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2016

Employees' Retirement System

	Greenlawn Water District	South Huntington Water District
District's proportion of the net pension liability	0.0050102%	0.0043830%
District's proportionate share of the net pension liability	\$ 804,147	\$ 703,477
District's covered employee payroll	\$ 1,243,616	\$ 1,184,360
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	64.66 %	59.40 %
Plan fiduciary net position as a percentage of the total pension liability	90.68%	90.68%

OTHER SUPPLEMENTARY INFORMATION

Combining Fund Statements

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

Special Revenue Funds						
	Town	Special	Local	Town Business		
	Outside Village	Grant (HCDA)	Development	Improvement	Special Districts	Total
			Corp (LDC)	Districts		
Assets						
Cash and cash equivalents	\$ 1,282,838	\$ 351,233	\$ 318,115	\$ -	\$ 6,365,831	\$ 8,318,017
Cash-Restricted	417,015	-	-	-	173,539	590,554
Prepays	202,947	14,255	-	-	144,556	361,758
Accounts receivable, net	102,774	26,889	-	-	606,781	736,444
Due from federal, state & other governments	141,375	89,974	-	-	170,977	402,326
Due from other funds	110	-	-	-	1,840	1,950
Total Assets	<u>2,147,059</u>	<u>482,351</u>	<u>318,115</u>	<u>-</u>	<u>7,463,524</u>	<u>10,411,049</u>
Liabilities						
Accounts payable & other current liabilities	135,379	103,991	-	-	686,757	926,127
Accrued liabilities	265,155	20,575	-	-	183,339	469,069
Due to other governments	-	1,403,777	-	-	-	1,403,777
Due to other funds	36,487	-	-	-	14,956	51,443
Total Liabilities	<u>437,021</u>	<u>1,528,343</u>	<u>-</u>	<u>-</u>	<u>885,052</u>	<u>2,850,416</u>
Deferred Inflows						
Deferred revenue	500,155	22,954	1,000	-	1,129,948	1,654,057
Total Deferred Inflows	<u>500,155</u>	<u>22,954</u>	<u>1,000</u>	<u>-</u>	<u>1,129,948</u>	<u>1,654,057</u>
Fund Balance						
Non-Spendable						
Prepays	202,947	14,255	-	-	144,556	361,758
Restricted for:						
Debt service	-	-	-	-	53,558	53,558
Capital projects	-	-	-	-	-	-
Retirement contribution	241	-	-	-	59,056	59,297
Capital reserve	51,898	-	-	-	-	51,898
Employee Benefit Accrual Liability	364,876	-	-	-	60,925	425,801
Assigned to:						
Town Outside Village	468,992	-	-	-	-	468,992
Community Development	-	-	-	-	-	-
Local Development Corporation	-	-	317,115	-	-	317,115
Fire Protection	-	-	-	-	19,828	19,828
Street Lighting	-	-	-	-	1,325,004	1,325,004
Ambulance Services	-	-	-	-	133,847	133,847
Sewer Services	-	-	-	-	1,486,261	1,486,261
Water Services	-	-	-	-	753,766	753,766
Subsequent year's budget	90,000	-	-	-	1,340,000	1,430,000
Unappropriated Fund Balance	30,929	-	-	-	71,723	102,652
Unassigned Fund Balance/(Deficit)	-	(1,083,201)	-	-	-	(1,083,201)
Total Fund Balance/(Deficit)	<u>1,209,883</u>	<u>(1,068,946)</u>	<u>317,115</u>	<u>-</u>	<u>5,448,524</u>	<u>5,906,576</u>
al Liabilities, Deferred Inflows & Fund Balance	<u>\$ 2,147,059</u>	<u>\$ 482,351</u>	<u>\$ 318,115</u>	<u>\$ -</u>	<u>\$ 7,463,524</u>	<u>\$ 10,411,049</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue Funds					Total
	Town Outside Village	Special Grant (HCDA)	Local Development Corp (LDC)	Town Business Improvement Districts	Special Districts	
REVENUES						
Real property taxes	\$ 4,266,967	\$ -	\$ -	\$ 186,500	\$ 14,581,098	\$ 19,034,565
Other real property tax items	7,228	-	-	2	5,631	12,861
Non-property tax items	-	-	-	-	144,701	144,701
Departmental income	5,390,028	-	33,720	-	3,739,806	9,163,554
Use of money and property	19,555	-	1,020	-	318,375	338,950
Licenses and permits	815,757	-	-	-	-	815,757
Sale of property and Compensation for loss	5,460	-	-	-	137,328	142,788
Miscellaneous local sources	238,856	979,144	-	-	108,008	1,326,008
State aid	-	-	-	-	0	-
Federal aid	-	586,157	-	-	0	586,157
Total Revenues	<u>10,743,851</u>	<u>1,565,301</u>	<u>34,740</u>	<u>186,502</u>	<u>19,034,947</u>	<u>31,565,341</u>
EXPENDITURES						
Current:						
General government support	2,003,677	-	-	-	2,491,718	4,495,395
Public safety	2,366,507	-	-	-	1,478,158	3,844,665
Health	130,540	-	-	-	1,931,341	2,061,881
Transportation	-	-	-	-	2,519,387	2,519,387
Economic assistance and opportunity	-	-	48,235	-	-	48,235
Home and community services	2,247,780	1,724,791	-	186,502	6,808,340	10,967,413
Employee benefits	3,566,230	-	-	-	2,708,254	6,274,484
Total Expenditures	<u>10,314,734</u>	<u>1,724,791</u>	<u>48,235</u>	<u>186,502</u>	<u>17,937,198</u>	<u>30,211,460</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	429,117	(159,490)	(13,495)	-	1,097,749	1,353,881
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	28,419	28,419
Transfers out	-	-	-	-	(175,000)	(175,000)
Transfers out (Debt Service)	(182,943)	-	-	-	(1,653,690)	(1,836,633)
Total Other Financing Sources (Uses)	<u>(182,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,800,271)</u>	<u>(1,983,214)</u>
Net Change in Fund Balance	246,174	(159,490)	(13,495)	-	(702,522)	(629,333)
Fund Balances/(Deficit) at Beginning of Year	<u>963,709</u>	<u>(909,456)</u>	<u>330,610</u>	<u>-</u>	<u>6,151,046</u>	<u>6,535,909</u>
Fund Balances/(Deficit) at End of Year	<u>\$ 1,209,883</u>	<u>\$ (1,068,946)</u>	<u>\$ 317,115</u>	<u>\$ -</u>	<u>\$ 5,448,524</u>	<u>\$ 5,906,576</u>

TOWN OF HUNTINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
December 31, 2016

	Special Revenue Funds					
	Fire Protection District	Street Lighting District	Ambulance Districts	Sewer Districts	Water District	Total
ASSETS						
Cash and cash equivalents	\$ 35,177	\$ 2,384,447	\$ 44,922	\$ 2,664,112	\$ 1,237,173	\$ 6,365,831
Cash-Restricted	-	25,115	-	59,264	89,160	173,539
Prepays	-	29,279	-	70,081	45,196	144,556
Accounts receivable, net	-	3,178	87,318	4,149	512,136	606,781
Due from federal, state and other governr	-	-	-	144,701	26,276	170,977
Due from other funds	-	-	1,607	233	-	1,840
Total Assets	<u>35,177</u>	<u>2,442,019</u>	<u>133,847</u>	<u>2,942,540</u>	<u>1,909,941</u>	<u>7,463,524</u>
LIABILITIES						
Accounts payable and other current liabil	15,349	195,346	-	300,418	175,644	686,757
Accrued liabilities	-	21,110	-	136,753	25,476	183,339
Due to other funds	-	9,704	-	2,221	3,031	14,956
Total Liabilities	<u>15,349</u>	<u>226,160</u>	<u>-</u>	<u>439,392</u>	<u>204,151</u>	<u>885,052</u>
DEFERRED INFLOWS						
Deferred revenues	-	300,000	-	626,767	203,181	1,129,948
Total Deferred Inflows	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>626,767</u>	<u>203,181</u>	<u>1,129,948</u>
FUND BALANCE						
Non-Spendable						
Prepays	-	29,279	-	70,081	45,196	144,556
Restricted for:						
Debt service	-	-	-	49,322	4,236	53,558
Retirement contribution	-	4,549	-	3,376	51,131	59,056
Employee Benefit Accrual Liability	-	20,566	-	6,566	33,793	60,925
Assigned to:						
Fire Protection	19,828	-	-	-	-	19,828
Street Lighting	-	1,325,004	-	-	-	1,325,004
Ambulance Services	-	-	133,847	-	-	133,847
Sewer Services	-	-	-	1,486,261	-	1,486,261
Water Services	-	-	-	-	753,766	753,766
Subsequent year's budget	-	500,000	-	250,000	590,000	1,340,000
Unappropriated Fund Balance	-	36,461	-	10,775	24,487	71,723
Total Fund Balance	<u>19,828</u>	<u>1,915,859</u>	<u>133,847</u>	<u>1,876,381</u>	<u>1,502,609</u>	<u>5,448,524</u>
ities, Deferred Inflows and Fund Balance	<u>\$ 35,177</u>	<u>\$ 2,442,019</u>	<u>\$ 133,847</u>	<u>\$ 2,942,540</u>	<u>\$ 1,909,941</u>	<u>\$ 7,463,524</u>

TOWN OF HUNTINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL DISTRICT FUNDS
Year Ended December 31, 2016

	Special Revenue Funds					
	Fire Protection District	Street Lighting District	Ambulance Districts	Sewer Districts	Water District	Total
REVENUES						
Real property taxes	\$ 1,572,553	\$ 3,295,166	\$ 2,578,468	\$ 4,722,880	\$ 2,412,031	\$14,581,098
Other real property tax items	13	3,268	167	2,161	22	5,631
Non-property tax items	-	-	-	144,701	-	144,701
Departmental income	-	-	-	1,740,064	1,999,742	3,739,806
Use of money and property	3,838	14,828	5,897	28,135	265,677	318,375
Sale of Property and Compensation for loss	-	18,759	87,318	19,851	11,400	137,328
Miscellaneous local sources	-	17,806	54,100	24,371	11,731	108,008
Federal aid	-	-	-	-	-	-
Total Revenues	1,576,404	3,349,827	2,725,950	6,682,163	4,700,603	19,034,947
EXPENDITURES						
Current:						
General government support	97,502	561,303	186,227	924,204	722,482	2,491,718
Public safety	1,478,158	-	-	-	-	1,478,158
Health	-	-	1,931,341	-	-	1,931,341
Transportation	-	2,519,387	-	-	-	2,519,387
Culture and recreation	-	-	-	-	-	-
Home and community services	-	-	-	3,735,712	3,072,628	6,808,340
Employee benefits	-	454,518	515,775	999,369	738,592	2,708,254
Total Expenditures	1,575,660	3,535,208	2,633,343	5,659,285	4,533,702	17,937,198
Excess (Deficiency) of Revenues Over Expenditures	744	(185,381)	92,607	1,022,878	166,901	1,097,749
Other Financing Sources (Uses)						
Transfers in	-	369	-	28,050	-	28,419
Transfers out	-	-	-	(175,000)	-	(175,000)
Transfers out (Debt Service)	-	(11,229)	-	(803,604)	(838,857)	(1,653,690)
Total Other Financing Sources (Uses)	-	(10,860)	-	(950,554)	(838,857)	(1,800,271)
Net Change in Fund Balance	744	(196,241)	92,607	72,324	(671,956)	(702,522)
Fund Balances at Beginning of Year	19,084	2,112,100	41,240	1,804,057	2,174,565	6,151,046
Fund Balances at End of Year	\$ 19,828	\$ 1,915,859	\$ 133,847	\$ 1,876,381	\$ 1,502,609	\$ 5,448,524

TOWN OF HUNTINGTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
ASSETS				
Town Agency Fund				
Cash	\$ 9,817,710	\$ 222,260,114	\$ 222,060,954	\$ 10,016,870
Other assets	1,766,681	184,206,951	184,518,541	1,455,091
Total Assets - Town Agency Fund	<u>11,584,391</u>	<u>406,467,065</u>	<u>406,579,495</u>	<u>11,471,961</u>
Town Receiver of Taxes Agency Fund				
Cash	229,789,493	1,622,527,967	1,628,320,429	223,997,031
Total Assets - Town Receiver of Taxes Agency Fund	<u>229,789,493</u>	<u>1,622,527,967</u>	<u>1,628,320,429</u>	<u>223,997,031</u>
Total Assets	<u>\$ 241,373,884</u>	<u>\$ 2,028,995,032</u>	<u>\$ 2,034,899,924</u>	<u>\$ 235,468,992</u>
LIABILITIES				
Town Agency Fund				
Other liabilities	\$ 11,586,406	\$ 837,225,667	\$ 837,334,165	\$ 11,477,908
Total Liabilities - Town Agency Fund	<u>11,586,406</u>	<u>837,225,667</u>	<u>837,334,165</u>	<u>11,477,908</u>
Town Receiver of Taxes Agency Fund				
Due to school districts	114,884,081	111,995,541	114,884,080	111,995,542
Due to other governments	114,903,397	993,807,881	996,715,736	111,995,542
Total Liabilities - Town Receiver Agency Fund	<u>229,787,478</u>	<u>1,105,803,422</u>	<u>1,111,599,816</u>	<u>223,991,084</u>
Total Liabilities	<u>\$ 241,373,884</u>	<u>\$ 1,943,029,089</u>	<u>\$ 1,948,933,981</u>	<u>\$ 235,468,992</u>

**Schedules of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Nonmajor Special Revenue Funds**

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,266,967	\$ 4,266,967	\$ 4,266,967	\$ -
Total Real Property Taxes	4,266,967	4,266,967	4,266,967	-
OTHER REAL PROPERTY TAXES				
Payment in lieu of taxes	36,000	36,000	7,191	(28,809)
Interest and penalties on taxes	1,000	1,000	37	(963)
Total Other Real Property Taxes	37,000	37,000	7,228	(29,772)
DEPARTMENTAL INCOME				
Building fees	4,600,000	4,600,000	4,628,986	28,986
Zoning board fees	138,000	138,000	148,917	10,917
Planning fees	300,000	300,000	308,227	8,227
Other fees	232,500	232,500	303,898	71,398
Total Departmental Income	5,270,500	5,270,500	5,390,028	119,528
USE OF MONEY AND PROPERTY				
Interest and earnings	23,000	23,000	19,555	(3,445)
Total Use of Money and Property	23,000	23,000	19,555	(3,445)
LICENSES AND PERMITS				
Building permits	790,000	790,000	815,757	25,757
Total Licenses and Permits	790,000	790,000	815,757	25,757
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	5,460	5,460
Total Sale of Property and Compensation for Loss	-	-	5,460	5,460
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	260,000	260,000	238,856	(21,144)
Total Miscellaneous Local Sources	260,000	260,000	238,856	(21,144)
Total Revenues	\$ 10,647,467	\$ 10,647,467	\$ 10,743,851	\$ 96,384

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN OUTSIDE VILLAGE FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Government Support Administration	\$ 1,987,877	\$ 2,157,941	\$ 1,976,766	\$ 181,175
Insurance	31,447	31,447	26,911	4,536
Total General Government Support	2,019,324	2,189,388	2,003,677	185,711
PUBLIC SAFETY				
Traffic control	662,005	655,340	577,438	47,316
Safety inspection	1,772,617	1,802,457	1,789,069	13,045
Total Public Safety	2,434,622	2,457,797	2,366,507	60,361
HEALTH				
Registrar of vital statistics	139,486	134,623	130,540	4,083
Total Health	139,486	134,623	130,540	4,083
HOME AND COMMUNITY SERVICES				
Zoning	163,449	165,619	147,670	17,949
Planning	1,693,707	1,798,794	1,741,488	57,306
Joint planning board	128,949	128,451	125,465	2,986
Accessory Apartment	204,256	220,540	220,310	230
Conservation	16,199	15,199	12,847	2,352
Total Home and Community Services	2,206,560	2,328,603	2,247,780	80,823
EMPLOYEE BENEFITS				
State employee retirement system	1,091,375	900,340	900,340	-
Social security	26,500	26,500	15,924	10,576
Workers Compensation	120,000	147,300	147,300	-
Life insurance	10,000	10,000	7,806	2,194
Unemployment insurance	8,000	8,000	3,625	4,375
Disability benefits	20,000	20,000	7,907	12,093
Hospital, medical and dental	2,354,000	2,251,402	2,244,418	6,984
Other employee benefits	172,000	265,047	238,910	26,137
Total Employee Benefits	3,801,875	3,628,589	3,566,230	62,359
Total Expenditures	10,601,867	10,739,000	10,314,734	393,337
Excess (Deficiency) of Revenues				
Over Expenditures	45,600	(91,533)	429,117	489,721
Other Financing Uses				
Transfers out	-	-	-	-
Operating transfers in	-	-	-	-
Transfers out (Debt Service)	(189,600)	(189,600)	(182,943)	(6,657)
Total Other Financing Uses	(189,600)	(189,600)	(182,943)	(6,657)
Net Change in Fund Balance	\$ (144,000)	\$ (281,133)	246,174	\$ 483,064
Fund Balance at Beginning of Year			963,709	
Fund Balance at End of Year			\$ 1,209,883	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOWN BUSINESS IMPROVEMENT DISTRICTS
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 186,500	\$ 186,500	\$ 186,500	\$ -
Total Real Property Taxes	186,500	186,500	186,500	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	5	5	2	(3)
Total Other Real Property Tax Items	5	5	2	(3)
Total Revenues	186,505	186,505	186,502	(3)
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Contractual expenditures	186,505	186,505	186,502	3
Total Home and Community Services	186,505	186,505	186,502	3
Total Expenditures	186,505	186,505	186,502	3
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PROTECTION DISTRICT FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 1,572,553	\$ 1,572,553	\$ 1,572,553	\$ -
Total Real Property Taxes	1,572,553	1,572,553	1,572,553	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	13	13
Total Other Real Property Tax Items	-	-	13	13
USE OF MONEY AND PROPERTY				
Interest and earnings	5,000	5,000	3,838	(1,162)
Total Use of Money and Property	5,000	5,000	3,838	(1,162)
Total Revenues	1,577,553	1,577,553	1,576,404	(1,149)
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	97,502	97,502	97,502	-
Total General Government Support	97,502	97,502	97,502	-
PUBLIC SAFETY				
Fire protection	1,480,051	1,480,051	1,478,158	1,893
Total Public Safety	1,480,051	1,480,051	1,478,158	1,893
Total Expenditures	1,577,553	1,577,553	1,575,660	1,893
Net Change in Fund Balance	\$ -	\$ -	744	\$ 744
Fund Balance at Beginning of Year			19,084	
Fund Balance at End of Year			\$ 19,828	

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,295,166	\$ 3,295,166	\$ 3,295,166	\$ -
Total Real Property Taxes	3,295,166	3,295,166	3,295,166	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	7,700	7,700	3,239	(4,461)
Interest and penalties on taxes	-	-	29	29
Total Other Real Property Tax Items	7,700	7,700	3,268	(4,432)
USE OF MONEY AND PROPERTY				
Interest and earnings	22,500	22,500	14,828	(7,672)
Total Use of Money and Property	22,500	22,500	14,828	(7,672)
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Insurance Recoveries	-	-	18,759	18,759
Total Sale of Property/Compensation for Loss	-	-	18,759	18,759
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	15,000	15,000	17,806	2,806
Total Miscellaneous Local Sources	15,000	15,000	17,806	2,806
Total Revenues	\$ 3,340,366	\$ 3,340,366	\$ 3,349,827	\$ 9,461

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING DISTRICT FUND
For the Year ended December 31, 2016

	Budgetary Amounts				Variance with
	Original	Final	Actual	Encumbrances	Final Budget
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 12,287	\$ 12,287	\$ 10,516	\$ -	\$ 1,771
Other government support	551,867	551,867	550,787	-	1,080
Total General Government Support	564,154	564,154	561,303		2,851
TRANSPORTATION					
Lighting	2,972,861	2,983,490	2,519,387	36,461	427,642
Total Transportation	2,972,861	2,983,490	2,519,387	36,461	427,642
EMPLOYEE BENEFITS					
State employee retirement system	148,301	148,301	133,156	-	15,145
Social security	7,250	7,250	119	-	7,131
Workers Compensation	10,000	38,832	38,832	-	-
Life insurance	300	300	55	-	245
Unemployment insurance	5,000	5,000	-	-	5,000
Disability insurance	1,000	1,000	83	-	917
Hospital, medical and dental	292,200	308,821	265,500	-	43,321
Union welfare benefits	11,000	11,000	9,240	-	1,760
Other employee benefits	67,000	67,980	7,533	-	60,447
Total Employee Benefits	542,051	588,484	454,518	-	133,966
Total Expenditures	4,079,066	4,136,128	3,535,208	36,461	564,459
Excess (Deficiency) of Revenues					
Over Expenditures	(738,700)	(795,762)	(185,381)	(36,461)	573,920
Other Financing Uses					
Transfers in	-	369	369	-	-
Transfers out (Debt Service)	(11,300)	(11,300)	(11,229)	-	(71)
Total Other Financing (Uses)	(11,300)	(10,931)	(10,860)	-	(71)
Net Change in Fund Balance	\$ (750,000)	\$ (806,693)	(196,241)	\$ (36,461)	\$ 573,849
Fund Balance at Beginning of Year			2,112,100		
Fund Balance at End of Year			\$ 1,915,859		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE DISTRICTS FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,578,468	\$ 2,578,468	\$ 2,578,468	\$ -
Total Real Property Taxes	2,578,468	2,578,468	2,578,468	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	2,100	2,100	144	(1,956)
Interest and penalties on taxes	100	100	23	(77)
Total Other Real Property Tax Items	2,200	2,200	167	(2,033)
USE OF MONEY AND PROPERTY				
Interest and earnings	7,600	7,600	5,897	(1,703)
Total Use of Money and Property	7,600	7,600	5,897	(1,703)
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Insurance Recoveries	-	9,638	87,318	77,680
Total Sale of Property/Compensation for Loss	-	9,638	87,318	77,680
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	46,300	46,300	54,100	7,800
Total Miscellaneous Local Sources	46,300	46,300	54,100	7,800
Total Revenues	2,634,568	2,644,206	2,725,950	81,744
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Other government support	186,227	186,227	186,227	-
Total General Government Support	186,227	186,227	186,227	-
HEALTH				
Ambulance	1,926,341	1,931,341	1,931,341	-
Total Health	1,926,341	1,931,341	1,931,341	-
EMPLOYEE BENEFITS				
State employee retirement system	522,000	531,638	515,775	15,863
Total Employee Benefits	522,000	531,638	515,775	15,863
Total Expenditures	2,634,568	2,649,206	2,633,343	15,863
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (5,000)</u>	92,607	<u>\$ 97,607</u>
Fund Balance at Beginning of Year			41,240	
Fund Balance at End of Year			<u>\$ 133,847</u>	

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TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,722,880	\$ 4,722,880	\$ 4,722,880	\$ -
Total Real Property Taxes	4,722,880	4,722,880	4,722,880	-
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	30,500	30,500	2,120	(28,380)
Interest and penalties on taxes	500	500	41	(459)
Total Other Real Property Tax Items	31,000	31,000	2,161	(28,839)
NON-PROPERTY TAX ITEMS				
Local government assistance	144,701	144,701	144,701	-
Total Non-Property Tax Items	144,701	144,701	144,701	-
DEPARTMENTAL INCOME				
Sewer charges	1,387,970	1,407,075	1,740,064	332,989
Total Departmental Income	1,387,970	1,407,075	1,740,064	332,989
USE OF MONEY AND PROPERTY				
Interest and earnings	19,000	19,000	28,135	9,135
Total Use of Money and Property	19,000	19,000	28,135	9,135
SALE OF PROPERTY/COMPENSATION FOR LOSS				
Insurance Recoveries	-	-	19,851	19,851
Total Sale of Property/Compensation for Loss	-	-	19,851	19,851
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	21,000	21,000	24,371	3,371
Total Miscellaneous Local Sources	21,000	21,000	24,371	3,371
Total Revenues	\$ 6,326,551	\$ 6,345,656	\$ 6,682,163	\$ 336,507

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEWER DISTRICTS FUND
For the Year ended December 31, 2016

	Budgetary Amounts				Variance with
	Original	Final	Actual	Encumbrances	Final Budget
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 20,865	\$ 20,721	\$ 17,853	\$ -	\$ 2,868
Other government support	923,033	945,588	906,351	-	39,237
Total General Government Support	943,898	966,309	924,204	-	42,105
HOME AND COMMUNITY SERVICES					
Sewer	3,601,894	3,844,556	3,735,712	10,775	98,069
Total Home and Community Services	3,601,894	3,844,556	3,735,712	10,775	98,069
EMPLOYEE BENEFITS					
State employee retirement system	343,769	271,608	265,497	-	6,111
Social security	10,445	10,445	1,890	-	8,555
Workers Compensation	80,000	66,429	16,565	-	49,864
Life insurance	1,000	1,000	-	-	1,000
Unemployment insurance	8,000	3,250	-	-	3,250
Disability benefits	750	750	-	-	750
Hospital, medical and dental	691,000	696,465	658,216	-	38,249
Union welfare benefits	30,000	30,000	25,190	-	4,810
Other employee benefits	75,000	83,205	32,011	-	51,194
Total Employee Benefits	1,239,964	1,163,152	999,369	-	163,783
Total Current	5,785,756	5,974,017	5,659,285	10,775	303,957
Total Expenditures	5,785,756	5,974,017	5,659,285	10,775	303,957
Excess (Deficiency) of Revenues					
Over Expenditures	540,795	371,639	1,022,878	(10,775)	640,464
Other Financing Sources (Uses)					
Transfers in	-	28,050	28,050	-	-
Transfers out	-	(175,000)	(175,000)	-	-
Transfers out (Debt Service)	(809,900)	(809,900)	(803,604)	-	6,296
Total Other Financing Sources (Uses)	(809,900)	(956,850)	(950,554)	-	6,296
Net Change in Fund Balance	<u>\$ (269,105)</u>	<u>\$ (585,211)</u>	72,324	<u>\$ (10,775)</u>	<u>\$ 646,760</u>
Fund Balance at Beginning of Year			<u>1,804,057</u>		
Fund Balance at End of Year			<u>\$ 1,876,381</u>		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2016

	Budgetary Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,412,031	\$ 2,412,031	\$ 2,412,031	\$ -
Total Real Property Taxes	2,412,031	2,412,031	2,412,031	-
OTHER REAL PROPERTY TAX ITEMS				
Interest and penalties on taxes	-	-	22	22
Total Other Real Property Tax Items	-	-	22	22
DEPARTMENTAL INCOME				
Metered water sales	1,925,250	1,925,250	1,893,263	(31,987)
Water rental arrears	100,000	100,000	106,479	6,479
Total Departmental Income	2,025,250	2,025,250	1,999,742	(25,508)
USE OF MONEY AND PROPERTY				
Interest and earnings	13,561	13,561	14,733	1,172
Tower rental	255,825	255,825	250,944	(4,881)
Total Use of Money and Property	269,386	269,386	265,677	(3,709)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	11,400	11,400
Total Sale of Property and Compensation for Loss	-	-	11,400	11,400
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous	10,000	10,000	11,731	1,731
Total Miscellaneous Local Sources	10,000	10,000	11,731	1,731
Total Revenues	\$ 4,716,667	\$ 4,716,667	\$ 4,700,603	\$ (16,064)

(Continued)

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DISTRICT FUND
For the Year ended December 31, 2016

	Budgetary Amounts				Variance with
	Original	Final	Actual	Encumbrances	Final Budget
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Insurance	\$ 16,402	\$ 16,402	\$ 14,037	\$ -	\$ 2,365
Other government support	709,778	732,294	708,445	-	23,849
Total General Government Support	726,180	748,696	722,482	-	26,214
HOME AND COMMUNITY SERVICES					
Water	3,111,512	3,253,023	3,072,628	24,487	155,908
Total Home and Community Services	3,111,512	3,253,023	3,072,628	24,487	155,908
EMPLOYEE BENEFITS					
State employee retirement system	212,975	212,975	184,718	-	28,257
Social security	12,000	12,000	5,429	-	6,571
Workers' Compensation	60,000	60,000	45,062	-	14,938
Life insurance	300	300	197	-	103
Unemployment benefits	5,000	5,000	-	-	5,000
Disability benefits	500	500	83	-	417
Hospital, medical and dental	447,200	445,703	414,404	-	31,299
Union welfare benefits	17,000	17,000	13,530	-	3,470
Other employee benefits	146,000	146,000	75,169	-	70,831
Total Employee Benefits	900,975	899,478	738,592	-	160,886
Total Expenditures	4,738,667	4,901,197	4,533,702	24,487	343,008
Excess (Deficiency) of Revenues					
Over Expenditures	(22,000)	(184,530)	166,901	(24,487)	326,944
Other Financing Sources (Uses)					
Transfers out (Debt Service)	(841,000)	(841,000)	(838,857)	-	2,143
Total Other Financing Sources (Uses)	(841,000)	(841,000)	(838,857)	-	2,143
Net Change in Fund Balance	\$ (863,000)	\$ (1,025,530)	(671,956)	\$ (24,487)	\$ 329,087
Fund Balance at Beginning of Year			2,174,565		
Fund Balance at End of Year			\$ 1,502,609		

TOWN OF HUNTINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year ended December 31, 2016

	Budgetary Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
EXPENDITURES				
DEBT SERVICE				
Principal	\$ -	\$ 10,610,913	\$ 10,610,913	\$ -
Interest	-	2,664,925	2,664,925	-
Total Debt Service	-	13,275,838	13,275,838	-
Total Expenditures	-	13,275,838	13,275,838	-
Deficiency of Revenues Over Expenditures	-	(13,275,838)	(13,275,838)	-
Other Financing Sources				
Transfers In	-	13,275,838	13,275,838	-
Total Other Financing Sources	-	13,275,838	13,275,838	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

**DISCRETELY PRESENTED
COMPONENT UNITS**

These component units of the Town provide water services to residents and businesses within the districts. These districts are organized under New York State Town Law and have separately elected boards. Long-term debt, backed by the full faith and credit of the Town, and other matters result in an interdependency with the Town.

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2016

	South Huntington Water District	Greenlawn Water District	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 7,798,127	\$ 2,724,390	\$ 10,522,517
Cash Restricted	4,063,434	2,257,982	6,321,416
Accounts receivable, net	1,099,332	1,048,795	2,148,127
Due from federal, state and other governments	65,819	-	65,819
Inventory of materials and supplies	157,980	195,764	353,744
Prepays	84,819	111,688	196,507
Total Current Assets	13,269,511	6,338,619	19,608,130
Non-Current Assets			
Non-depreciable capital assets	5,259,968	1,420,152	6,680,120
Depreciable capital assets, net of depreciation	38,241,946	18,199,018	56,440,964
Total Non-Current Assets	43,501,914	19,619,170	63,121,084
Deferred Outflow of Resources			
Deferred charges, net of accumulated amortization	92,529	-	92,529
Pensions	809,697	856,135	1,665,832
Total Deferred Outflow of Resources	902,226	856,135	1,758,361
Total Assets	57,673,651	26,813,924	84,487,575
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable and other current liabilities	730,509	722,176	1,452,685
Accrued liabilities	282,222	49,021	331,243
Accrued interest payable	-	-	-
Non-current liabilities due within one year	2,276,220	585,829	2,862,049
Total Current Liabilities	3,288,951	1,357,026	4,645,977
Non-Current Liabilities			
Due in more than one year	20,926,291	8,076,040	29,002,331
Total Non-Current Liabilities	20,926,291	8,076,040	29,002,331
Total Liabilities	24,215,242	9,433,066	33,648,308
Deferred Inflow of Resources			
Pensions	85,549	102,413	187,962
Total Deferred inflow of Resources	85,549	102,413	187,962
NET POSITION			
Investment in capital assets, net of related debt	27,692,439	14,648,701	42,341,140
Restricted for:			
Capital Projects	4,063,434	2,157,022	6,220,456
Employee benefit accrued liability	-	100,960	100,960
Unrestricted	1,616,987	371,762	1,988,749
Total Net Position	33,372,860	17,278,445	50,651,305
Total Liabilities and Net Position	\$ 57,673,651	\$ 26,813,924	\$ 84,487,575

TOWN OF HUNTINGTON
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year ended December 31, 2016

	South Huntington Water District	Greenlawn Water District	Totals
REVENUES			
Charges for services	\$ 4,367,110	\$ 2,640,737	\$ 7,007,847
Real property taxes	3,958,752	2,352,885	6,311,637
Interest and investment income	463,422	533,839	997,261
Miscellaneous	603,365	74,601	677,966
	<hr/>	<hr/>	<hr/>
Total Revenues	9,392,649	5,602,062	14,994,711
	<hr/>	<hr/>	<hr/>
EXPENSES			
Current:			
Home and community services	8,469,597	5,852,202	14,321,799
	<hr/>	<hr/>	<hr/>
Total Expenditures	8,469,597	5,852,202	14,321,799
	<hr/>	<hr/>	<hr/>
Changes in Net Position	923,052	(250,140)	672,912
	<hr/>	<hr/>	<hr/>
Net Position at Beginning of Year (as restated)	32,449,808	17,528,585	49,978,393
	<hr/>	<hr/>	<hr/>
Net Position at End of Year	<u>\$ 33,372,860</u>	<u>\$ 17,278,445</u>	<u>\$ 50,651,305</u>

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STATISTICAL SECTION

The comprehensive statistical data for the Town includes, in some cases, statistical information for the villages, school districts, and special districts which are not part of the Town reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the Town and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and may present data from outside of the Town's accounting records. This part of the Town of Huntington's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Page

Financial Trends

These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

126-133

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

134-139

Debt Capacity

These schedules present information to help the reader assess the Affordability of the government's current level s of outstanding debt and the government's ability to issue additional debt in the future.

140-143

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the Reader understand the environment within which the government's Financial activities take place.

144-145

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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TOWN OF HUNTINGTON
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

Year Ended December 31,	2016	2015	2014	2013
Primary government				
Governmental activities				
Net investment in capital assets	\$ 260,114,664	\$ 259,128,388	\$ 254,011,721	\$ 259,663,495
Restricted	16,587,022	18,576,649	20,407,556	22,649,980
Unrestricted	<u>(80,941,563)</u>	<u>(71,915,560)</u>	<u>(64,637,706)</u>	<u>(51,961,730)</u>
Total primary governmental net position	<u>\$ 195,760,123</u>	<u>\$ 205,789,477</u>	<u>\$ 209,781,571</u>	<u>\$ 230,351,745</u>

* Excludes restatement of net pension liability of \$2.3 million.

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 245,737,404	\$ 245,685,682	\$ 242,979,302	\$ 223,896,536	\$ 206,681,526	\$ 196,497,063
15,237,323	16,229,038	22,238,564	31,253,835	28,468,496	35,100,108
<u>(26,378,032)</u>	<u>(22,650,385)</u>	<u>(18,948,323)</u>	<u>(11,169,761)</u>	<u>13,048,556</u>	<u>18,812,542</u>
<u>\$ 234,596,695</u>	<u>\$ 239,264,335</u>	<u>\$ 246,269,543</u>	<u>\$ 243,980,610</u>	<u>\$ 248,198,578</u>	<u>\$ 250,409,713</u>

TOWN OF HUNTINGTON
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

Year Ended December 31,	2016	2015	2014
Expenses			
Governmental activities:			
General government support	\$44,950,816	\$40,273,049	\$41,719,964
Public safety	15,420,172	13,902,197	14,465,259
Health	2,958,022	3,366,426	3,526,646
Transportation	45,629,853	47,669,222	52,657,107
Economic assistance and opportunity	3,565,307	3,188,292	3,395,864
Culture and recreation	19,208,972	18,496,883	21,483,238
Home and community service	54,307,903	50,030,197	50,666,829
Interest on long-term debt	2,700,334	2,833,326	2,983,178
Total governmental activities expenses	<u>188,741,379</u>	<u>179,759,592</u>	<u>190,898,085</u>
Total primary government expenses	<u>\$ 188,741,379</u>	<u>\$ 179,759,592</u>	<u>\$ 190,898,085</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government support	\$5,948,409	\$ 5,692,858	\$ 4,926,059
Public safety	2,563,607	2,324,327	2,012,936
Health	232,950	227,660	219,720
Transportation	1,337,183	1,098,912	738,867
Economic assistance and opportunity	383,472	312,380	335,082
Culture and recreation	7,472,694	7,167,157	8,064,953
Home and community service	19,081,789	19,292,953	17,963,084
Operating grants and contributions	5,298,821	6,682,848	5,923,624
Capital grants and contributions	457,168	2,994,958	1,680,112
Total governmental activities program revenues	<u>42,776,093</u>	<u>45,794,053</u>	<u>41,864,437</u>
Total primary government program revenues	<u>\$ 42,776,093</u>	<u>\$ 45,794,053</u>	<u>\$ 41,864,437</u>
Net (Expense)/Revenue			
Governmental activities	<u>\$ (145,965,286)</u>	<u>\$ (133,965,539)</u>	<u>\$ (149,033,648)</u>
Total primary government net expense	<u>\$ (145,965,286)</u>	<u>\$ (133,965,539)</u>	<u>\$ (149,033,648)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Real property taxes	\$114,486,165	\$112,993,330	\$ 109,929,165
Mortgage tax	8,695,368	7,896,508	6,423,492
Refunded Debt	-	-	-
Other taxes	5,298,960	5,032,462	4,822,112
Unrestricted grants and contributions	-	(72,710)	-
Interest earnings	1,738,647	1,557,627	1,351,384
State aid-unrestricted	1,067,256	1,067,256	1,067,256
Special Item	-	-	(19,781)
Miscellaneous	4,649,536	3,814,070	3,628,523
Total governmental activities	<u>135,935,932</u>	<u>132,288,543</u>	<u>127,202,151</u>
Total primary government	<u>\$ 135,935,932</u>	<u>\$ 132,288,543</u>	<u>\$ 127,202,151</u>
Change in Net Position			
Governmental Activities	<u>\$ (10,029,354)</u>	<u>\$ (1,676,996)</u>	<u>\$ (21,831,497)</u>
Total primary government	<u>\$ (10,029,354)</u>	<u>\$ (1,676,996)</u>	<u>\$ (21,831,497)</u>

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

2013	2012	2011	2010	2009	2008	2007
\$ 38,235,587	\$ 41,391,051	\$ 39,036,309	\$ 39,790,531	\$ 38,857,392	\$ 38,494,761	\$ 37,510,058
13,568,077	13,800,053	12,123,722	11,476,179	11,038,050	11,066,396	10,827,569
3,440,004	3,302,681	3,052,675	3,222,943	3,148,777	3,003,556	2,957,496
50,671,798	59,810,512	50,963,397	42,082,298	39,357,751	38,092,747	35,401,854
3,288,214	3,394,231	3,335,597	3,319,996	2,977,427	2,850,847	2,720,148
23,333,531	20,374,655	18,824,298	18,219,053	18,292,698	18,226,501	16,454,187
52,238,856	40,672,616	46,382,915	52,609,247	53,781,830	49,874,168	55,433,797
2,683,833	3,193,082	3,903,598	4,025,756	3,717,197	3,900,344	3,795,661
<u>187,459,900</u>	<u>185,938,882</u>	<u>177,622,512</u>	<u>174,746,002</u>	<u>171,171,122</u>	<u>165,509,320</u>	<u>165,100,770</u>
<u>\$ 187,459,900</u>	<u>\$ 185,938,882</u>	<u>\$ 177,622,512</u>	<u>\$ 174,746,002</u>	<u>\$ 171,171,122</u>	<u>\$ 165,509,320</u>	<u>\$ 165,100,770</u>
\$ 4,815,610	\$ 4,428,836	\$ 8,177,246	\$ 5,149,354	\$ 4,313,478	\$ 4,390,671	\$ 4,460,228
1,803,881	1,317,625	1,230,831	1,148,705	1,169,492	1,121,825	1,251,949
219,180	208,700	210,970	203,810	193,270	203,200	219,040
601,018	462,488	736,177	500,861	690,742	490,646	361,563
304,172	309,956	276,643	259,887	276,579	329,830	304,113
8,124,066	8,205,323	7,620,757	7,222,427	7,202,512	7,105,367	7,107,158
18,085,563	14,700,673	18,212,053	18,518,355	19,722,791	19,793,208	18,979,836
16,123,065	21,469,143	8,869,297	6,159,015	4,427,799	5,355,625	4,797,541
3,102,784	1,407,987	8,009,856	8,076,450	3,121,355	337,856	8,949,883
<u>53,179,339</u>	<u>52,510,731</u>	<u>53,343,830</u>	<u>47,238,864</u>	<u>41,118,018</u>	<u>39,128,228</u>	<u>46,431,311</u>
<u>\$ 53,179,339</u>	<u>\$ 52,510,731</u>	<u>\$ 53,343,830</u>	<u>\$ 47,238,864</u>	<u>\$ 41,118,018</u>	<u>\$ 39,128,228</u>	<u>\$ 46,431,311</u>
<u>\$ (134,280,561)</u>	<u>\$ (133,428,151)</u>	<u>\$ (124,278,682)</u>	<u>\$ (127,507,138)</u>	<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>
<u>\$ (134,280,561)</u>	<u>\$ (133,428,151)</u>	<u>\$ (124,278,682)</u>	<u>\$ (127,507,138)</u>	<u>\$ (130,053,104)</u>	<u>\$ (126,381,092)</u>	<u>\$ (118,669,459)</u>
\$ 109,889,320	\$ 113,181,079	\$ 107,674,455	\$ 108,462,698	\$ 108,148,199	\$ 104,553,579	\$ 104,268,372
7,988,336	6,742,019	6,678,915	6,948,509	310,923	8,440,815	15,242,969
-	-	-	99,571	8,493,498	-	-
4,513,225	390,204	484,626	442,311	12,975	462,913	508,273
-	-	9,176	26,126	2,462,846	35,815	36,869
1,390,584	2,014,266	949,519	1,464,479	1,159,105	4,790,462	7,741,662
1,067,256	1,067,256	1,067,256	1,089,037	5,089,592	1,201,356	1,247,213
-	3,948,106	-	(979,724)	-	-	-
6,163,186	-	5,705,282	6,474,156	-	4,843,015	4,887,977
<u>131,011,907</u>	<u>127,342,930</u>	<u>122,569,229</u>	<u>124,027,163</u>	<u>125,677,138</u>	<u>124,327,955</u>	<u>133,933,335</u>
<u>\$ 131,011,907</u>	<u>\$ 127,342,930</u>	<u>\$ 122,569,229</u>	<u>\$ 124,027,163</u>	<u>\$ 125,677,138</u>	<u>\$ 124,327,955</u>	<u>\$ 133,933,335</u>
\$ (3,268,654)	\$ (6,085,221)	\$ (1,709,453)	\$ (3,479,975)	\$ (4,375,966)	\$ (2,053,137)	\$ 15,263,876
<u>\$ (3,268,654)</u>	<u>\$ (6,085,221)</u>	<u>\$ (1,709,453)</u>	<u>\$ (3,479,975)</u>	<u>\$ (4,375,966)</u>	<u>\$ (2,053,137)</u>	<u>\$ 15,263,876</u>

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

<u>Year Ended December 31,</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund				
Nonspendable	\$ 1,298,983	\$ 1,145,091	\$ 1,065,926	\$ 1,037,161
Restricted	14,146,148	15,941,518	16,722,415	18,464,541
Assigned	1,108,339	1,107,420	1,389,557	1,696,483
Unassigned	8,773,094	5,572,413	4,756,176	7,148,985
Total General Fund	<u>\$ 25,326,564</u>	<u>\$ 23,766,442</u>	<u>\$ 23,934,074</u>	<u>\$ 28,347,170</u>
 All other governmental funds				
Nonspendable	\$ 944,370	\$ 836,989	\$ 826,253	\$ 805,303
Restricted	2,440,874	2,635,131	3,685,141	4,990,742
Assigned	31,535,017	26,857,735	30,411,502	35,977,907
Unassigned, reported in:				
Special Revenue Funds	(1,083,201)	(922,289)	(947,800)	-
Total all other governmental funds	<u>\$ 33,837,060</u>	<u>\$ 29,407,566</u>	<u>\$ 33,975,096</u>	<u>\$ 41,773,952</u>

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

2012	2011	2010	2009	2008	2007
\$ 1,038,259	\$ 970,613	\$ 793,306	\$ 742,453	\$ 1,098,045	\$ 1,330,362
23,756,924	20,461,112	19,616,680	22,171,472	33,125,337	37,551,655
2,640,211	3,018,000	5,237,708	7,453,051	7,378,874	6,169,078
11,435,795	11,221,787	7,663,441	9,361,915	10,671,160	10,400,159
<u>\$ 38,871,189</u>	<u>\$ 35,671,512</u>	<u>\$ 33,311,135</u>	<u>\$ 39,728,891</u>	<u>\$ 52,273,416</u>	<u>\$ 55,451,254</u>
\$ 464,581	\$ 746,844	\$ 672,765	\$ 649,493	\$ 455,616	\$ 493,503
12,617,074	18,362,285	18,266,637	10,940,268	8,003,520	10,695,033
16,913,749	17,170,751	24,344,963	41,493,165	43,780,247	46,906,855
-	-	-	-	-	-
<u>\$ 29,995,404</u>	<u>\$ 36,279,880</u>	<u>\$ 43,284,365</u>	<u>\$ 53,082,926</u>	<u>\$ 52,239,383</u>	<u>\$ 58,095,391</u>

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

Year Ended December 31,	2016	2015	2014	2013
Revenues				
Real property taxes	\$ 114,486,165	\$ 112,993,330	\$ 109,929,165	\$ 109,889,320
Other real property tax items	438,480	479,802	451,627	412,497
Non-property taxes	4,860,480	4,552,660	4,370,485	4,100,728
Departmental income	41,421,297	40,601,800	38,859,896	38,686,154
Intergovernmental charges	154,677	168,872	205,545	143,594
Use of money and property	1,738,647	1,557,627	1,351,384	1,390,584
License and permits	2,155,291	2,132,672	1,910,407	1,918,531
Fines and forfeitures	1,160,476	1,136,862	1,101,734	1,135,462
Sale of property and compensation for loss	1,418,185	1,006,267	1,065,514	1,364,545
Miscellaneous and local sources	3,250,372	2,807,805	2,563,009	4,774,920
Interfund revenues	4,469,548	4,150,647	4,138,963	4,051,494
State aid	13,728,025	13,472,502	11,452,087	12,423,562
Federal aid	1,808,501	4,649,441	3,674,689	14,933,074
Total Revenues	191,090,144	189,710,287	181,074,505	195,224,465
Expenditures				
Current:				
General government support	31,215,315	30,883,557	30,649,115	29,590,411
Public safety	8,881,996	8,802,980	8,614,910	8,080,611
Health	2,860,544	3,246,213	3,363,719	3,281,771
Transportation	26,333,036	30,872,783	29,286,713	32,264,244
Economic assistance and opportunity	2,206,822	2,132,736	2,101,653	2,071,285
Culture and recreation	12,436,746	12,795,662	14,057,894	14,048,065
Home and community service	50,998,414	50,679,893	50,325,062	49,571,193
Employee benefits	35,274,274	36,572,602	33,842,793	36,012,603
Capital outlay	14,030,043	13,983,820	16,534,234	21,583,565
Debt Service:				
Principal	11,110,913	10,881,634	11,007,429	10,704,821
Interest	2,677,425	3,178,569	3,049,258	3,171,256
Total Expenditures	198,025,528	204,030,449	202,832,780	210,379,825
Excess of revenues over (under) expenditures	(6,935,384)	(14,320,162)	(21,758,275)	(15,155,360)
Other financing sources (uses)				
Amortization of retirement system contribution	-	-	-	-
Bonds issued	12,925,000	9,585,000	8,285,000	7,430,000
Capital leases	-	-	-	-
Transfers in	17,367,855	18,213,138	17,877,295	26,283,066
Transfers out	(17,367,855)	(18,213,138)	(17,877,295)	(26,283,066)
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	12,925,000	9,585,000	8,285,000	7,430,000
Net change in fund balances	\$ 5,989,616	\$ (4,735,162)	\$ (13,473,275)	\$ (7,725,360)
Debt service as a percentage of noncapital expenditures	7.49%	7.40%	7.55%	7.35%

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

Note: Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

	2012	2011	2010	2009	2008	2007
\$	109,054,601	\$ 107,552,908	\$ 108,375,068	\$ 108,050,206	\$ 104,482,088	\$ 104,268,372
	360,204	334,396	362,430	302,597	342,356	363,569
	3,962,886	3,885,051	3,732,931	3,418,102	3,219,166	2,977,294
	34,801,298	35,902,822	36,371,423	37,091,352	37,932,147	37,550,785
	232,158	235,671	212,017	230,523	198,017	182,185
	2,014,267	1,854,711	2,208,584	3,187,399	5,457,339	8,387,194
	1,594,776	1,754,907	1,550,543	1,588,318	1,412,228	1,447,023
	760,548	646,834	655,849	748,601	676,093	755,113
	840,836	4,708,647	2,359,773	1,616,146	1,747,098	1,761,072
	2,291,436	1,888,592	2,379,497	2,418,825	1,235,762	1,003,358
	4,279,359	5,657,187	5,609,839	5,531,969	5,573,344	5,826,953
	13,441,235	14,505,595	12,032,056	13,371,366	13,277,833	29,785,313
	17,246,580	10,017,200	8,819,217	1,394,175	2,763,613	2,124,246
	190,880,184	188,944,521	184,669,227	178,949,579	178,317,084	196,432,477
	30,090,454	30,374,952	31,541,339	31,324,727	30,989,879	30,845,576
	8,034,402	7,385,006	7,685,737	7,458,446	7,066,827	7,091,650
	3,136,480	3,086,042	3,097,626	3,043,546	2,890,720	2,829,372
	38,949,298	28,737,380	25,945,124	26,380,638	24,702,035	23,725,720
	2,112,812	2,043,773	2,127,168	2,108,791	2,071,199	1,902,587
	13,850,124	13,644,237	13,424,653	13,312,110	12,574,292	12,717,401
	41,707,028	47,267,179	52,114,208	53,747,108	55,486,780	54,935,602
	34,421,468	30,302,386	28,084,741	24,303,462	24,581,780	23,398,787
	10,814,930	22,550,436	33,582,051	25,462,611	23,117,859	22,138,606
	10,654,320	11,049,744	10,707,885	11,292,923	10,962,502	10,434,124
	3,264,926	3,666,929	3,750,762	3,965,197	3,964,601	3,848,293
	197,036,242	200,108,064	212,061,294	202,399,559	198,408,474	193,867,718
	(6,156,058)	(11,163,543)	(27,392,067)	(23,449,980)	(20,091,390)	2,564,759
	3,905,184	-	-	-	-	-
	7,600,000	6,380,000	11,160,000	11,443,000	10,900,000	14,565,000
	18,987	139,431	15,752	313,082	157,544	46,282
	14,841,544	17,660,108	20,443,890	28,859,469	20,050,066	24,072,181
	(14,841,544)	(17,660,108)	(20,443,890)	(28,859,469)	(20,050,066)	(24,072,181)
	15,481,635	-	-	-	-	-
	(15,481,635)	-	-	-	-	-
	11,524,171	6,519,431	11,175,752	11,756,082	11,057,544	14,611,282
\$	5,368,113	\$ (4,644,112)	\$ (16,216,315)	\$ (11,693,898)	\$ (9,033,846)	\$ 17,176,041
	7.47%	8.29%	8.10%	8.62%	8.52%	8.32%

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

Year Ended December 31,	Residential Property	Commercial Property	Vacant Property	Other	Less: Tax Exempt Real Property
2016	\$ 253,364,853	\$ 41,435,946	\$ 2,345,781	\$ 71,452,714	\$ 43,391,168
2015	253,773,579	41,962,696	2,373,696	71,265,542	43,618,401
2014	255,652,884	42,396,208	2,340,531	71,359,816	44,543,941
2013	257,584,341	42,433,561	2,517,806	71,492,560	45,303,795
2012	259,638,035	43,874,382	2,211,427	71,437,375	45,495,271
2011	261,810,983	45,198,563	2,204,842	71,544,679	46,445,869
2010	263,770,555	46,357,047	2,387,307	71,183,911	46,975,939
2009	265,575,827	46,286,235	2,354,454	71,118,730	47,455,305
2008	266,664,631	46,281,700	2,354,454	71,118,730	47,455,305
2007	266,185,449	46,901,830	2,825,488	70,878,314	48,261,051

Source: Town of Huntington Assessors Office, Town of Huntington IT Department

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

Total Net Assessed Value	Total Direct Tax Rate (a)	State Equalization Rate	Full Valuation	Assessed Value as a Percentage of Full Value
\$ 325,208,126	27.82	0.86%	\$ 37,814,898,372	0.97%
325,757,112	27.35	0.89%	\$ 36,601,922,697	1.01%
327,205,498	26.34	0.90%	\$ 36,356,166,444	1.02%
328,724,473	26.34	0.90%	\$ 36,524,941,444	1.02%
331,665,948	25.92	0.88%	\$ 37,689,312,273	1.00%
334,313,198	25.18	0.88%	\$ 37,990,136,136	1.00%
336,722,881	25.18	0.82%	\$ 41,063,765,976	0.93%
337,879,941	25.18	0.76%	\$ 44,457,886,974	0.87%
338,964,210	25.18	0.77%	\$ 44,021,325,974	0.88%
338,530,030	23.84	0.80%	\$ 42,316,253,750	0.91%

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

Town Direct Rates					
Years Ended December 31,	Full Valuation	State Equalization Rate	Total Taxable Assessed Value	Tax Levy For Town	Total Town Direct Tax Rate ¹
2016	\$ 37,814,898,372	0.86%	\$ 325,208,126	\$ 114,391,393	27.82
2015	36,601,922,697	0.89%	325,757,112	112,860,928	27.35
2014	36,356,166,444	0.90%	327,205,498	109,686,705	26.34
2013	36,524,941,444	0.90%	328,724,473	109,686,705	26.34
2012	37,689,312,273	0.88%	331,665,948	109,413,864	25.92
2011	37,990,136,136	0.88%	334,313,198	107,692,484	25.18
2010	41,063,765,975	0.82%	336,722,881	108,503,547	25.18
2009	44,457,886,973	0.76%	337,879,941	108,186,064	25.18
2008	44,021,325,974	0.77%	338,964,210	104,582,829	25.18
2007	42,316,253,750	0.80%	338,530,030	104,383,431	23.84

Source: Town of Huntington Tax Warrant & IT Department

¹ Per \$100 of assessed value

Overlapping Rates				
County Tax Levy For Town	Total County Direct Rate ¹	School Levy	Total School Direct Rate ¹	Total Direct & Overlapping Rates
\$ 142,720,593	43.89	\$ 704,944,597	216.77	288.47
140,542,439	43.14	694,180,118	213.10	283.59
132,626,977	40.53	677,469,063	207.05	273.92
131,965,873	40.14	659,657,285	200.67	267.16
127,337,090	38.39	643,809,830	194.11	258.43
118,888,782	35.56	579,387,049	173.31	234.05
114,639,824	34.05	566,610,386	168.27	227.50
113,772,335	33.67	595,186,877	176.15	235.01
104,451,179	30.81	572,110,308	168.78	224.78
109,948,191	32.48	547,479,443	161.72	218.04

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

2016				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (a)
1	LIPA/Keyspan Energy Corporation	Utility	\$ 37,267,232	11.46%
2	The Retail Property Trust	Real Estate	2,000,000	0.61%
3	Reckson FS Limited Partnership	Commercial	801,465	0.25%
4	Avalon Bay Communities	Real Estate	764,975	0.24%
5	Huntington Quadrangle	Real Estate	675,000	0.21%
6	CKL-HP	Office Building	585,000	0.18%
7	Verizon	Utility	561,711	0.17%
8	Estee Lauder	Cosmetics	469,700	0.14%
9	Avalon Huntington Former S Corp	Real Estate	455,000	0.14%
10	Grandview Hotel Limited	Hotel	425,000	0.13%
	Total		<u>\$ 44,005,083</u>	<u>13.53%</u>

2007				
Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation (b)
1	Keyspan Energy Corp.	Utility	\$35,875,637	10.60%
2	The Retail Property Trust	Real Estate	\$2,050,000	0.61%
3	Melville Industrial Associates	Office Buildings	\$922,000	0.27%
4	Verizon	Utility	\$908,885	0.27%
5	Huntington Quadrangle #1 Co.	Real Estate	\$850,000	0.25%
6	Reckson FS Limited Partnership	Commercial	\$801,465	0.24%
7	TMCT, LLC (Newsday)	Newspaper	\$571,000	0.17%
8	Grandview Hotel Limited	Hotel	\$550,000	0.16%
9	Avalon Bay Communities	Real Estate	\$532,400	0.16%
10	Sunstone Broadhollow, LLC	Hotel	\$525,000	0.16%
	Total		<u>\$ 43,586,387</u>	<u>12.88%</u>

Source: Town of Huntington Department of Information Technology

(a) Total taxable assessed valuations per the Town's 2015 assessment roll for taxes levied in fiscal 2016 are \$325,208,126

(b) Total taxable assessed valuations per the Town's 2006 assessment roll for taxes levied in fiscal 2007 are \$338,530,030

TOWN OF HUNTINGTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ended December 31,	Tax Levy For Town ^(a)	Total Tax Levy ^(b)	Amount Collected ^(c)	Percent Collected for Town ^(d)	Amount Uncollected ^(c)	Percent Uncollected ^(d)
2016	\$ 114,391,393	\$ 1,005,781,356	\$ 114,391,393	100.00%	\$ -	0.00%
2015	112,860,928	990,124,518	112,860,928	100.00%	-	0.00%
2014	109,686,705	960,878,249	109,686,705	100.00%	-	0.00%
2013	109,686,705	941,140,645	109,686,705	100.00%	-	0.00%
2012	109,413,864	918,665,388	109,413,864	100.00%	-	0.00%
2011	107,692,484	879,997,364	107,692,484	100.00%	-	0.00%
2010	108,503,547	862,046,658	108,503,547	100.00%	-	0.00%
2009	108,186,064	851,271,257	108,186,064	100.00%	-	0.00%
2008	104,582,829	812,218,796	104,582,829	100.00%	-	0.00%
2007	104,383,431	792,607,515	104,383,431	100.00%	-	0.00%
	<u>\$ 1,089,387,949</u>	<u>\$ 9,014,731,746</u>	<u>\$ 1,089,387,949</u>		<u>\$ -</u>	

Source: The most recent official statement of the Town of Huntington and Town of Huntington 2015 Adopted Budget

(a) Gross levy for Town purposes. (Includes all Town controlled funds)

(b) Includes all Town and County taxes.

(c) At end of the levy year.

(d) Uncollected taxes are returned to the County for collection.

The Town retains 100% of its levy. See "Tax Collection Procedures".

All subsequent year tax collections are collected by the County.

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

Year Ended	Governmental Activities			Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Capital Leases	Total Primary Government		
2016	\$ 84,253,119	\$ -	\$ 84,253,119	0.84%	412
2015	82,439,032	-	82,439,032	0.82%	404
2014	84,020,659	2,634	84,023,293	0.84%	412
2013	86,743,093	63,435	86,806,528	0.88%	427
2012	90,017,918	214,296	90,232,214	0.93%	444
2011	94,334,163	295,678	94,629,841	0.97%	467
2010	99,003,914	284,950	99,288,864	1.05%	491
2009	98,551,800	394,220	98,946,020	0.97%	483
2008	98,712,647	392,650	99,105,297	1.01%	486
2007	98,775,151	437,107	99,212,258	1.04%	487
2006	94,644,275	599,041	95,243,316	1.04%	470

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

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

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

Year Ended	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Full Taxable Value¹ of Property	Per Capita²
2016	\$ 84,253,119	\$ (536,854)	\$ 83,716,265	0.22%	410
2015	82,439,035	(873,067)	81,565,968	0.22%	400
2014	84,020,659	(1,106,604)	82,914,055	0.23%	406
2013	86,743,093	(772,229)	85,970,864	0.24%	423
2012	90,017,918	(663,624)	89,354,294	0.24%	440
2011	94,334,163	(1,156,839)	93,177,324	0.25%	460
2010	99,003,914	(263,178)	98,740,736	0.24%	488
2009	98,551,800	(620,781)	97,931,019	0.22%	478
2008	98,712,647	(980,083)	97,732,564	0.22%	479
2007	98,775,151	(1,312,215)	97,462,936	0.23%	478

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

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

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

TOWN OF HUNTINGTON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2016

Governmental Unit	Net Long-Term Debt	Percentage Applicable to the Town of Huntington	Town of Huntington Share of Debt
Direct:			
Town of Huntington	\$ 84,253,123	100.00%	\$ 84,253,123
Component Units	24,206,877	100.00%	24,206,877
Total direct Debt			<u>108,460,000</u>
Overlapping:			
County	\$ 1,449,439,162	15.63%	226,547,341
Villages	6,765,000	100.00%	6,765,000
School Districts	137,378,235	60.92%	83,686,062
Library Districts	18,600,000	93.35%	17,362,983
Fire Districts	7,652,397	100.00%	7,652,397
Total overlapping debt			<u>342,013,783</u>
Total direct and overlapping debt			<u><u>\$ 450,473,783</u></u>

Source: Official Statement of the Town of Huntington

Note: Amounts are inclusive of component unit debt.

TOWN OF HUNTINGTON
DEBT LIMIT MARGIN INFORMATION
December 31, 2016

Year Ended December 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2016	\$ 325,208,126	0.86%	\$ 37,814,898,372
2015	325,757,112	0.89%	36,601,922,697
2014	327,205,498	0.90%	36,356,166,444
2013	328,724,473	0.90%	36,524,941,444
2012	331,665,948	0.88%	37,689,312,272
Total Five Year Full Valuation			<u>\$ 184,987,241,229</u>
Five Year Average Full Valuation of Taxable Real Property			<u>36,997,448,246</u>
Constitutional Debt Limit (7% of Average Full Valuation)			<u>2,589,821,377</u>
Outstanding Indebtedness at December 31st			108,460,000
Less: Water Bonds			<u>24,206,877</u>
Net Indebtedness Subject to Debt Limit			<u>84,253,123</u>
Net Debt Contracting Margin			<u>\$ 2,505,568,254</u>
Percentage of Net Debt Contracting Margin Available			96.75%
Percentage of Net Debt Contracting Power Exhausted			3.25%

Last Ten Years							Percentage of Net Debt Contracting Margin Available
Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Appropriations for Debt Principal	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin		
2016	\$ 2,589,821,377	\$ 108,460,000	\$ 24,206,877	\$ 84,253,123	\$ 2,505,568,254		96.75%
2015	2,079,847,788	107,770,000	25,330,965	82,439,035	1,997,408,753		96.04%
2014	2,654,740,512	108,044,993	24,024,334	84,020,659	2,570,719,853		96.84%
2013	2,768,164,599	113,114,998	26,371,905	86,743,093	2,681,421,506		96.87%
2012	2,873,113,983	112,540,000	22,522,082	90,017,918	2,783,096,065		96.87%
2011	2,937,891,163	119,250,000	24,915,837	94,334,163	2,843,557,000		96.79%
2010	2,950,556,432	99,003,913	29,238,675	69,765,238	2,880,791,194		97.64%
2009	2,878,072,240	118,345,005	25,769,146	92,575,859	2,785,496,381		96.78%
2008	2,698,332,860	118,335,002	27,383,430	90,951,572	2,607,381,288		96.63%
2007	2,470,958,115	117,165,002	27,089,502	90,075,500	2,380,882,615		96.35%

TOWN OF HUNTINGTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year Ended December 31,	Population¹	Personal Income (millions of dollars)	Per Capita Income³	Unemployment Rate²	Year-Round Households Estimate⁴	Average Household Size Estimates⁴	Population Density Per Square Mile⁴
2016	204,398	10,029	49,067	3.5%	69,000	2.92	2,174
2015	204,088	10,072	49,349	3.5%	69,026	2.96	2,171
2014	204,088	9,989	48,943	4.4%	69,026	2.91	2,171
2013	203,447	9,830	48,315	4.5%	69,311	2.89	2,164
2012	203,138	9,653	47,519	6.2%	69,311	2.89	2,161
2011	202,633	9,715	47,944	6.3%	69,311	2.89	2,156
2010	202,185	9,430	46,638	6.2%	69,165	2.93	2,151
2009	204,784	10,154	49,582	6.3%	68,896	2.92	2,179
2008	203,977	9,819	48,138	5.3%	68,696	2.92	2,170
2007	203,834	9,526	46,736	3.5%	68,713	2.92	2,168

Sources:

¹ Bureau of the Census (factfinder.census.gov)

² Bureau of Economic Analysis/State Department of Labor

³ Factfinder.census.gov and Suffolk County Planner (Peter Lambert)

⁴ Factfinder.census.gov)

TOWN OF HUNTINGTON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2016					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Huntington Hospital	Huntington	Hospital	2,000	1.9%
2	Northport Veterans Affairs Medical Center	Northport	Healthcare	2,000	1.9%
3	Canon	Melville	Imaging Products	1,800	1.7%
4	Estee Lauder, Inc.	Melville	Cosmetics	1,500	1.5%
5	Henry Schein, Inc	Melville	Medical & Dental Supplies	1,400	1.4%
6	Western Suffolk Boces	Dix Hills	Education	1,317	1.3%
7	Newsday	Melville	Newspaper	1,228	1.2%
8	Marchon Eyewear	Melville	Healthcare	1,055	1.0%
9	Town of Huntington	Huntington	Government	702	0.7%
10	BAE	Greenlawn	Technology	650	0.6%

2007					
Rank	Name	Headquarters	Type of Business	Number of Employees	% of Total Town Employees
1	Newsday	Melville	Newspaper	2,905	2.8%
2	Estee Lauder	Melville	Cosmetics	2,229	2.2%
3	Huntington Hospital	Huntington	Hospital	2,000	1.9%
4	American Home Mortgage	Melville	Mortgage Banking	1,460	1.4%
5	Henry Schein	Huntington	Medical Supplies	1,000	1.0%
6	Summit Security Services	Melville	Security	960	0.9%
7	Underwriters Laboratories	Melville	Product Safety Testing	800	0.8%
8	Town of Huntington	Huntington	Government	757	0.7%
9	Arrow Electronics	Melville	Electronics	750	0.7%
10	Nu Horizons Electronics Corp.	Melville	Electronics	659	0.6%

Source: Audit & Control

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

	Full-time Equivalent Employees as of December 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function										
General government support	251	264	249	248	253	270	263	275	288	295
Public safety	90	99	82	81	78	82	79	78	80	84
Health	3	5	4	4	5	5	5	5	4	4
Transportation	222	228	224	215	218	230	230	230	235	237
Economic assistance and opportunity	26	25	27	27	27	28	30	26	29	33
Culture and recreation	142	151	148	151	149	167	160	145	136	150
Home and community services	<u>148</u>	<u>152</u>	<u>145</u>	<u>146</u>	<u>142</u>	<u>150</u>	<u>157</u>	<u>163</u>	<u>178</u>	<u>173</u>
Total	<u><u>882</u></u>	<u><u>924</u></u>	<u><u>879</u></u>	<u><u>872</u></u>	<u><u>872</u></u>	<u><u>932</u></u>	<u><u>924</u></u>	<u><u>923</u></u>	<u><u>950</u></u>	<u><u>976</u></u>

Source: Department of Information Technology

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TOWN OF HUNTINGTON
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2016	2015	2014	2013
Function				
Public Safety				
Building				
Residential building permits issued	2,533	2,881	2,615	2,325
Commercial building permits issued	604	497	352	330
Building inspections	13,394	9,773	7,967	11,871
Fire Prevention				
Fire inspections*	1,593	1,631	1,086	1139
Transportation				
Public Transportation				
Average daily ridership	725	716	698	966
Streetlighting	20,840	15,211		
Energy Efficient Streetlights	16,975	12,913	12,913	10,886
Public Safety				
Parking violations	17,762	14,256	12,876	24,879
Accessory apartment permits	1,749	1,661	2,205	1,689
Highways and streets				
Street resurfacing (miles)	30	20	19	30
Number of trees planted	90	158	158	160
Number of trees removed	789	646	729	858
Culture and Recreation				
Beach permits issued	12,754	13,297	11,429	10,708
Rounds of golf	72,136	73,163	67,147	71,120
Recreation program registrations	10,441	11,678	9,898	10,892
Home and Community Services				
Sanitation				
Refuse collected (tons/day)	268.4	261.2	266.5	271.3
Recyclables collected (tons/yr)	39,521	37,730	36,983	39,360
Water				
Water main breaks	17	12	15	13
Average daily consumption (thousands of gallons)	6,011	6,089	5,529	5,940
Sewer Usage				
Average daily sewage treatment (millions of gallons)	1.6	1.8	1.9	1.9
Wastewater				
Average daily sewage treatment (thousands of gallons)	59	47	48	50

Source: Various government departments of the Town of Huntington

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1,756	2,170	2,100	2,312	2,506	2,436
767	353	225	213	301	572
11,405	11,388	10,558	11,670	14,621	15,470
1,225	1,203	1,835	3,820	4,309	4,216
870	869	880	912	929	880
9,000					
14,000	9,104	9,801	10,065	13,087	13,262
1,667	1,555	1,494	1,827	1,747	1,958
35	28	32	30	40	49
450	340	456	445	312	154
2,400	1,900	750	710	800	676
10,529	10,453	10,922	10,479	10,846	7,877
73,299	66,242	72,223	73,350	79,030	79,654
11,109	10,906	10,818	15,116	13,673	14,467
302.0	273.0	263.5	268.7	283.8	301.0
35,520	39,528	40,518	40,542	40,351	39,252
13	8	10	8	10	16
5,496	5,512	6,504	4,648	5,247	6,259
2.5	2.5	2.4	2.1	2.0	2.0
53	44	45	46	47	50

TOWN OF HUNTINGTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Year Ended December 31,	2016	2015	2014	2013
Function				
General Government				
Municipal Building	1	1	1	1
Maintenance Buildings	5	5	5	5
Vehicles	444	460	470	470
Public safety				
Animal Shelter	1	1	1	1
Vehicles	38	36	38	37
Transportation				
Public Transportation				
Buses	26	24	24	24
Highways and streets				
Streets (miles)	816	789	789	789
Streetlighting				
Traffic signals	266	257	253	239
Culture and recreation				
Parks	43	43	42	40
Beaches	9	9	9	9
Boat launch ramps	5	5	5	5
Golf Courses	2	2	2	2
Ice Rinks	2	2	2	1
Marinas	3	3	3	3
Rifle Ranges	0	0	0	0
Rollerblading Parks	2	1	4	3
Skateboarding Parks	2	2	2	2
Swimming pools	1	1	1	1
Home and Community Services				
Building	1	1	1	1
Sanitation				
Collection trucks	25	26	26	26
Resource Recovery Plants	1	1	1	1
Maximum daily capacity (tons burned per day)	750	750	750	750
Water				
Fire hydrants	1290	1288	1284	1285
Water mains (miles)	170	170	170	169
Maximum daily capacity (millions of gallons)	33	33	33	33
Sewer				
Sewer Treatment Plant	1	1	1	1
Sanitary sewers (miles)	26	26	26	26
Maximum daily treatment capacity (millions of gallons)	3	3	3	3

Source: Various government departments of the Town of Huntington

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1	1	1	1	1	1
5	5	5	5	5	5
470	470	470	470	470	470
1	1	1	1	1	1
37	37	38	45	42	42
24	24	20	20	21	23
789	789	789	789	789	789
239	239	238	236	233	234
40	40	40	40	40	40
9	9	9	9	9	9
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	3
0	0	0	0	0	0
3	3	3	3	3	3
2	2	2	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
26	26	26	26	25	26
1	1	1	1	1	1
750	750	750	750	750	750
1285	1284	1284	1284	1284	1284
169	169	169	169	169	169
33	33	33	33	33	33
1	1	1	1	1	1
26	26	26	26	26	26
3	3	3	3	3	3