

**TOWN OF  
SOUTHAMPTON  
LONG ISLAND, NEW YORK**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2013**

**TOWN OF SOUTHAMPTON LONG ISLAND, NEW YORK  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2013**



**PREPARED BY:**

**TOWN COMPTROLLER'S OFFICE**

**TOWN OF SOUTHAMPTON**  
**TABLE OF CONTENTS**

	<u>PAGE(S)</u>
<b><i>Introductory Section</i></b>	
Town Map .....	1
Principal Officials.....	2
Organizational Chart.....	3
Supervisor's Letter Of Transmittal.....	4
Comptroller's Letter Of Transmittal.....	5-12
Government Finance Officers Association Certificate Of Achievement	13
<b><i>Financial Section</i></b>	
Independent Auditor's Report .....	14-15
Management's Discussion And Analysis ("MD&A").....	16-29
Basic Financial Statements:	
Government-Wide Financial Statements -	
Statement Of Net Position .....	30
Statement Of Activities And Changes In Net Position.....	31
Fund Financial Statements -	
Balance Sheet - Governmental Funds .....	32
Reconciliation Of The Governmental Funds Balance Sheet To The Statement of Net Position .....	33
Fund Financial Statements -	
Statement Of Revenues, Expenditures And Changes In Fund Balance - Governmental Funds .....	34
Reconciliation Of The Governmental Funds Statement of Revenues, Expenditures And Changes In Fund Balance To The Statement of Activities And Changes In Net Position....	35
Fund Financial Statements -	
Statement Of Net Position - Proprietary Funds.....	36
Statement Of Revenues, Expenses And Changes In Net Position - Proprietary Funds .....	37
Statement Of Cash Flows - Proprietary Funds .....	38
Fund Financial Statements -	
Statement Of Fiduciary Assets And Liabilities - Fiduciary Funds .....	39
Notes To Financial Statements .....	40-74
Required Supplementary Information Other Than MD&A:	
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual	
General Fund .....	75-81
Police District Fund.....	82-84
Town Outside Village Fund .....	85-87
Highway Fund.....	88-90
Public Safety Communications Fund .....	91-92
Schedule Of Employer Contributions - Service Award Program .....	93
Schedule Of Funding Progress - Service Award Program .....	94
Schedule Of Funding Progress For Retiree Health Plan .....	95

Other Supplementary Information:	
Schedule Of Open Projects - Capital Projects Fund.....	96
Schedule Of Cash Receipts And Disbursements - Justice Court.....	97
Non-Major Governmental Funds -	
Combining Balance Sheet.....	98
Combining Schedule Of Revenues, Expenditures And Changes In Fund Balance (Deficit) .....	99
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual	
Fire Protection Districts .....	100
Lighting Districts .....	101
Public Parking Districts .....	102
Water Districts .....	103-104
Ambulance Districts .....	105
Coastal Erosion .....	106
Park Districts .....	107
Fiduciary Funds -	
Combining Schedule of Fiduciary Assets and Liabilities .....	108
Combining Schedule of Changes in Fiduciary Assets and Liabilities - Fiduciary Funds .....	109
<b>Statistical Section</b>	
Objectives Of Statistical Information .....	110
Financial Trends:	
Net Position By Component - Last Ten Fiscal Years .....	111
Change in Net Position - Last Ten Fiscal Years .....	112-113
Fund Balances Of Governmental Funds - Last Ten Fiscal Years .....	114
Changes In Fund Balances Of Governmental Funds - Last Ten Fiscal Years .....	115
Revenue Capacity:	
Assessed Value, Equalization Rate And Estimated Full Value Of Real Property - Last Ten Fiscal Years .....	116
Property Tax Rates, Direct And Overlapping Governments - Last Ten Fiscal Years .....	117
Principal Property Taxpayers - Current Year And Ten Years Ago .....	118
Property Tax Levies And Collections - Last Ten Fiscal Years .....	119
Debt Capacity:	
Ratios Of Outstanding Debt By Type - Last Ten Fiscal Years .....	120
Ratios Of General Bonded Debt Outstanding - Last Ten Fiscal Years .....	121
Direct And Overlapping Governmental Activities .....	122
Debt Limit Margin Information .....	123
Demographic and Economic Information:	
Demographics And Economic Statistics - Last Ten Fiscal Years .....	124

Principal Employers - Current Year..... 125

Operating Information:

Full-Time Equivalent Town Government Employees By Function - Last Ten Fiscal Years..... 126

Operating Indicators By Function - Last Ten Fiscal Years..... 127

Capital Asset Statistics By Function - Last Ten Fiscal Years..... 128



**TOWN OF SOUTHAMPTON**

**PRINCIPAL OFFICIALS**

***SUPERVISOR***

ANNA THRONE-HOLST

***TOWN COUNCIL***

BRIDGET FLEMING

JAMES MALONE

CHRISTOPHER NUZZI

CHRISTINE PRESTON SCALERA

***RECEIVER OF TAXES***

THERESA A. KIERNAN

***SUPERINTENDENT OF HIGHWAYS***

ALEX D. GREGOR

***TOWN CLERK***

SUNDY SCHERMEYER

***TOWN JUSTICES***

EDWARD BURKE SR.

DEBORAH KOOPERSTEIN

ANDREA SCHIAVONI

BARBARA WILSON

***TOWN TRUSTEES***

ERIC SHULTZ, PRESIDENT

FRED HAVEMEYER, SECRETARY/TREASUER

WILLIAM PELL

JON SEMLEAR

EDWARD WARNER JR.

***TOWN ATTORNEY***

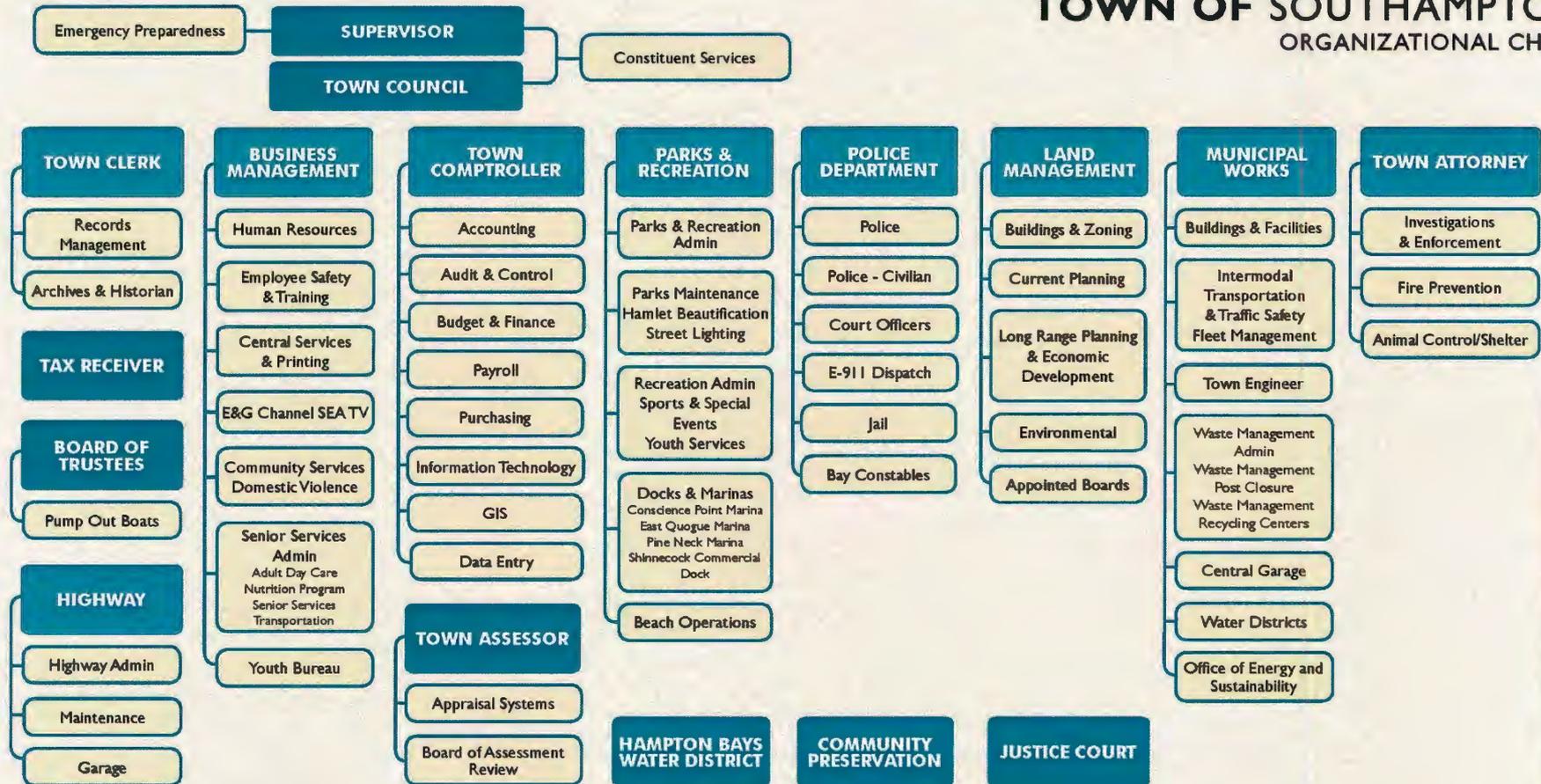
TIFFANY SCARLATO

***TOWN COMPTROLLER***

LEONARD J. MARCHESE

# TOWN OF SOUTHAMPTON

## ORGANIZATIONAL CHART



TOWN OF SOUTHAMPTON



**ANNA THRONE-HOLST**  
*Supervisor*

**TOWN OF  
SOUTHAMPTON**  
116 Hampton Road, Southampton, NY 11968

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**[athrone-holst@southamptontownny.gov](mailto:athrone-holst@southamptontownny.gov)**

April 25, 2014

To the Town Board and Citizens of the  
Town of Southampton, New York:

I hereby present the Comprehensive Annual Financial Report ("CAFR") of the Town of Southampton, New York (the "Town") for the fiscal year ended December 31, 2013.

Over the past three years, the Town has set a forward-looking course to remedy the problems of the past and to lead to a more effective and efficient Town government. That course has been guided by two fundamental principles: sound financial policies and procedures and effective organizational restructuring. The 2014 budget was also guided by the principles of sound financial footing and the ability to create sufficient reserves to meet any future challenge. The recent bond rating upgrade provides a strong indicator that the Town has moved in a very positive direction, and the Town must, of course, continue to keep the focus on sustaining that positive trend. Consequently, the Town is now in a much better position to address some significant issues of the Town's assets and services – Town beaches, roads, critically important technology infrastructure, Town facilities, and Town services (needs of the public safety divisions).

The 2014 Adopted Budget builds on the previous three years' budgets by being structurally balanced, controlling costs, providing for new efficiencies, reducing borrowing and related debt service, and continues to maintain a zero increase to the tax levy to support our constituents and taxpayers. This budget achieves the same objectives and continues to build on many departmental and financial management efforts already underway.

I am confident that our sound fiscal plan will keep the Town on the steady course to improved financial stability that it has been on for the past three years.

I would like to offer my thanks to the staff in the Comptroller's Office for their efforts in the preparation of this report.

Very truly yours,

Anna Throne-Holst  
Supervisor, Town of Southampton



**Town of Southampton**  
116 HAMPTON ROAD  
SOUTHAMPTON, NEW YORK 11968

**TOWN COMPTROLLER**

**LEONARD MARCHESE**  
TOWN COMPTROLLER

Telephone (631) 702-1890  
FAX (631) 287-5709

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April 25, 2014

To the Town Board and Citizens of the  
Town of Southampton, New York:

The Comprehensive Annual Financial Report ("CAFR") of the Town of Southampton, New York (the "Town") for the fiscal year ended December 31, 2013, prepared by the Office of the Comptroller is submitted herewith. General Municipal Law requires the Town to submit an annual report of the financial records and transactions presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Town of Southampton assumes full responsibility for the completeness and reliability of information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. This Comprehensive Annual Financial Report has also been prepared pursuant to the requirements of the Government Finance Officers Association ("GFOA") Certificate of Achievement for Excellence in Financial Reporting program.

The Town's financial statements have been audited by Nawrocki Smith LLP, a firm of licensed certified public accountants, who were selected by the Town Board to perform an independent audit and to form an opinion on the financial statements. The financial statements referred to above present fairly, in all material respects, the financial position of the Town of Southampton, New York as of December 31, 2013, and the changes in financial position for the year then ended in conformity with GAAP.

The Management's Discussion and Analysis ("MDA") and budgetary comparison information, located in the required supplementary information section following the independent auditor's report, provides an introduction, overview, and analysis of the basic financial statements and are used to supplement the financial statements.

The Town is required to undergo an annual "single audit" in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 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 auditor's reports on the internal control structure and compliance with applicable laws and regulations are presented in a separate report, dated April 25, 2014.

### ***Reporting Entity***

This report includes government-wide financial statements (the "Town-Wide"), governmental fund financial statements, proprietary fund financial statements, and fiduciary fund financial statements, which are considered part of the Town of Southampton financial reporting entity. Criteria for determining the reporting entity and presentation of the related financial data are established by the Governmental Accounting Standards Board ("GASB"). The criteria include legal standing and financial accountability. Note 2, section A, of the Notes to the Financial Statements provides details on the financial reporting entity. A brief summary of the nature of significant component units and their relationship to the Town of Southampton are also provided in the Notes to the Financial Statements.

### ***General and Historical Information of the Town***

The Town of Southampton is one of ten townships located in Suffolk County. It is located approximately 70 miles east from Manhattan on the South Fork of Long Island, and encompasses an area of approximately 138 square miles. The Town of Southampton is the largest and most populous of the five East End Towns of Suffolk County.

The Town is bordered on the north by the Town of Riverhead, the Peconic Bays and Shelter Island Sound; on the east by the Town of East Hampton; on the south by the Atlantic Ocean; and on the west by the Town of Brookhaven. The Town includes the incorporated villages of North Haven, Quogue, Southampton, Westhampton Beach, West Hampton Dues, and Sagaponack, as well as most of the Village of Sag Harbor.

Southampton's present population is estimated at 56,790 (U.S. Census Bureau - 2010). The summer population can swell to twice that number or more. The Town of Southampton is considered a popular seasonal resort area drawing thousands of visitors and seasonal residents. Tourism and the vacation home industry drive the economic development engine of the Town. The Town's many commercial facilities - hotels, motels, restaurants and recreational facilities - are associated with this activity. In addition, the Town is historically significant, being the site of the first English settlement (in 1640) in New York State and including the Halsey Homestead, built in 1648 (the oldest English saltbox house in the State); the Windmill at Water Mill, built in 1800; and the Old School House in Quogue, built in 1822. The historic hamlet heritage resources of the Town contribute to its attraction as a resort area, particularly within the hamlet centers and village business areas.

The economy within the Town is also based on real estate and related professional services, construction trades and home maintenance services, and small businesses within hamlet centers relying upon both the year-round population base as well as summer visitors. The local economy is complimented by farming and fishing, with the second largest commercial fishery landing in New York State located in the Hamlet of Hampton Bays at the Shinnecock Inlet. The Town is also home to Gabreski Airport, a county owned facility that also serves as the base of the 106th - Air National Guard Rescue Wing of the United States Air Force. The largest employer within the Town, with over 700 employees, is Southampton Hospital, which provides access to a wide variety of medical specialties for a full range of clinical services. There are also 13 independently-governed school districts within the Town of Southampton, which also contributes to the local economy as public sector employers.

Recreational facilities include beaches on the ocean and the bay, various County and Town parks located throughout the Town, and seven golf courses including the famous Shinnecock Hills (the oldest golf course in the Country) and home of the U. S. Open in 2004 and the upcoming 2018 U.S. Open. Police protection is provided by the Town and fire protection by nine fire districts. Rail transportation is provided by the Long Island Railroad with stations at Speonk, Westhampton, Hampton Bays, Southampton and Bridgehampton. Highways include New York State Routes 27, 27A, and 24 as well as County and Town roads.

The Shinnecock Canal, the heart of the Southampton Town summer resort area, provides a connecting waterway for vessels traveling from the Atlantic Ocean to the Great Peconic Bay. It also serves as part of the Inland Waterway extending from the Atlantic Beach Inlet in western Nassau County, to Block Island Sound. Without the Shinnecock Canal, boats from the south would have to travel all the way to Montauk Point in East Hampton before turning north. The Shinnecock Canal locks are Long Island's only operating navigational lock system.

Southampton's communities of Remsenburg, Speonk, Hampton Bays, Westhampton, Quogue, Flanders, Riverside, Northampton, East Quogue, and part of Eastport lie on the west side of the Shinnecock Canal. The communities of North Sea, Bridgehampton, Water Mill, Noyac, Sag Harbor, Shinnecock Hills, Tuckahoe, and the unincorporated area of Southampton lie on the east side of the Shinnecock Canal.

In addition to the seven incorporated villages in the Town of Southampton, there are two special populations: the Suffolk County Correctional Facility located in Riverside and the Shinnecock Nation, a federal-recognized tribe residing on a reservation situated in Shinnecock Hills. The Shinnecock Nation is self-governing, however, the Town Clerk of the Town of Southampton presides over elections for tribal trustees.

### ***Town Government***

The Town was established in 1801. Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time-to-time adopt local laws.

The legislative power of the Town is vested in the Town Board. The Town Board consists of five members, including the Supervisor, who is the presiding officer and chief executive officer of the Town. The four Councilpersons are elected for a four year term and the Supervisor is elected for a two year term. The position of Councilperson and Supervisor can only be held for a maximum of eight years under a local law imposing term limits. The terms of the Town Councilpersons are staggered such that two are elected every two years.

The Supervisor is the chief fiscal officer and also the budget officer of the Town. Additional elected Town officers are the Town Clerk (elected at large for a four year term), the Receiver of Taxes, who is responsible for the collection of taxes (elected at large for a four year term), the Superintendent of Highways (elected at large for a four year term), four Town Justices (elected at large for a four year term), and five Town Trustees (elected at large for a two year term). The Town Trustees is a separate political body representing the Freeholders and Commonality of Southampton Township and rights conferred under the Dongan Patent over 370 years ago. The Town Trustees oversee matters related to the Town's waterways, creeks, ponds, and bay bottoms, including the construction of docks. In January of 2014, the New York State Supreme Court ruled that the "Trustees are a division of the Town government, not an autonomous entity, and may not maintain bank accounts outside the purview of the Comptroller's office". As of the date of this report, the Trustees legal counsel has filed an appeal of the ruling and has advised the Trustees that the filing of the appellate papers automatically stays in the injunction until the appeal is adjudicated.

In addition, there are several administrative positions appointed by the Town Board including the Town Comptroller (for a two year term), the Town Attorney (for a two year term) and the Assessor (for a seven year term). The Supervisor appoints a Deputy Supervisor, who serves in absence of the Supervisor, but has no voting powers when presiding at a Town Board meeting.

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 then adopted by the Town Board as its final budget for the coming fiscal year. The budget for the 2014 fiscal year of the Town was adopted by the Town Board on November 20, 2013.

Although a Tentative Capital Program is presented by the Supervisor with the Tentative Annual Operating Budget on or before September 30th of each year, the Town adopts the Capital Program on or before November 20 of the preceding year, which coincides with the Annual Operating Budget process. The 2014-2018 Capital Program was adopted by the Town Board on November 20, 2013.

Thirteen independently governed school districts are located wholly or partially within the Town. There are nine independently governed fire districts located wholly or partially within the Town. Those school districts and fire districts rely on their own taxing powers granted by the State to raise revenues to support operating budgets and capital programs. The school districts and fire districts use the Town's assessment roll as their basis for taxation of property located within the Town. The Town of Southampton collects the taxes for the various school districts, fire districts and other special districts. Incorporated villages are independently governed and collect village taxes through their respective Village Clerk/Treasurers in addition to the property taxes collected by the Town for Town, County, and the various special districts.

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. The taxes become a lien on December 1 and are payable in two equal payments without penalty by January 10<sup>th</sup> and May 31<sup>st</sup>, respectively. Penalties are imposed thereafter at the rate of 1% per month from the date such taxes are due (January 10<sup>th</sup>) and payable and 10% after May 31<sup>st</sup>. The Tax Receiver distributes the collected tax money to the Town, fire districts and school districts prior to distributing the balance to the County. Uncollected amounts are not segregated by the Tax Receiver and any deficiency in tax collection is the County's responsibility. The Town thereby is virtually assured of full tax collection.

#### ***Recent Events***

The Town did not experience the effects of Superstorm Sandy as much as other areas to the west. Although there were outages in most of the Town, 75% of the power was restored within days. In addition, there has been coastal erosion to some of its beaches and significant damage to many homes along the shore. The Town submitted to FEMA approximately \$4.4 million in costs due to the storm related to debris removal, overtime, and some minor damage to public buildings and loss of equipment. The Town was reimbursed at a rate of 90% of all expenses incurred as a result of Superstorm Sandy.

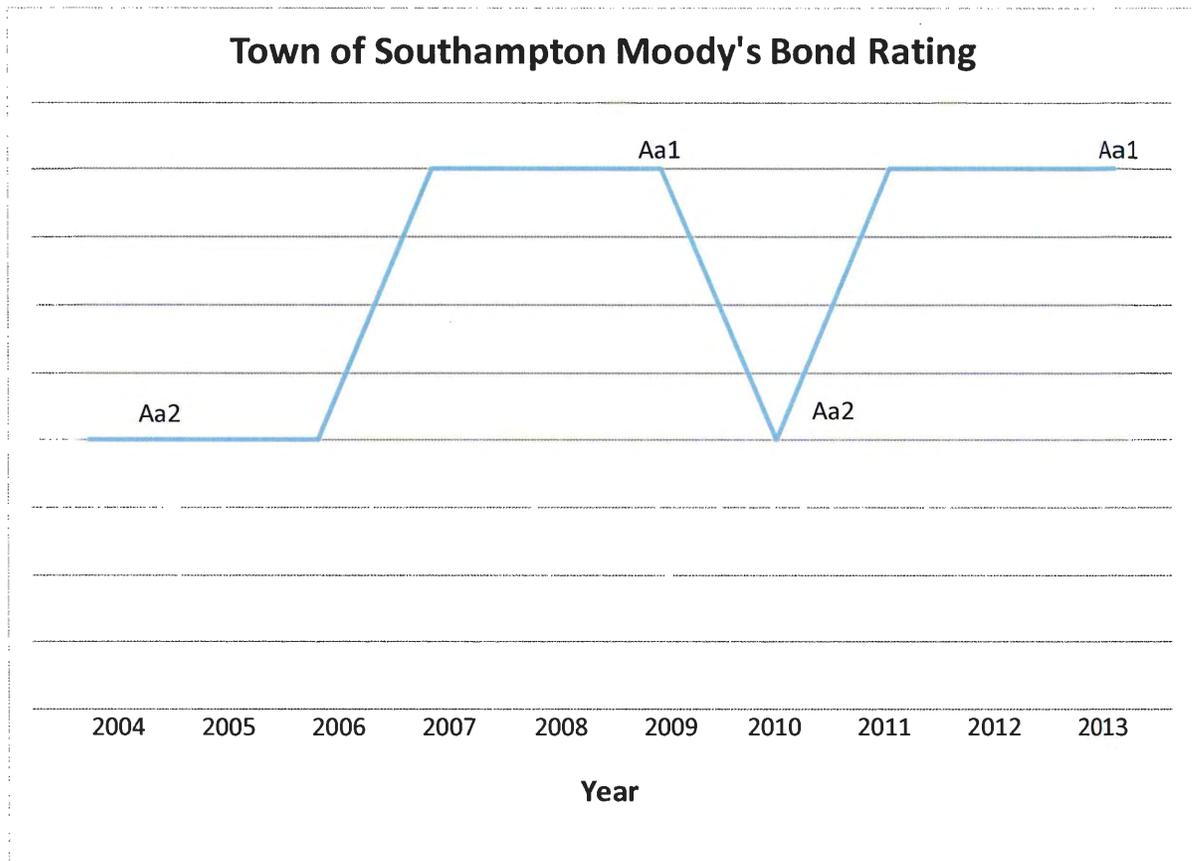
The Town Board authorized resolutions directing the Town Comptroller to transfer monies from the General Fund to a separate fund to pay all costs associated with the storm, of approximately \$1.6 million over the course of the last two years. The Town has been in contact with officials on the Federal and State levels and it is expected that much of any storm related expenses will be reimbursed. Because of the Town's strong financial position, the Town did not find it necessary to borrow for such expenses. That being said, the Town did issue a \$21.8 million bond for the purpose of rebuilding beaches that have suffered from erosion. This bond was planned, and was not a response to Superstorm Sandy, however now more than ever, this issuance is a necessary event.

#### ***Economic Conditions and Outlook***

The Town of Southampton enjoys a strong financial condition due to many years of sound fiscal management of Town resources. Revenues have exceeded expenses creating more than \$680 million in government-wide net position.

The Town's Bond rating according to Moody's Investors Services, Inc. as of July 25, 2013 was Aa1. Comparably, the Town's Bond rating accordingly to Standard & Poor's, as of September 1, 2013, was AA+. This commanding economic condition will allow the Town to borrow at low interest rates for present and future projects.

**Town of Southampton Moody's Bond Rating**



The Town's 2011 through 2013 budgets controlled spending, adhered to sound budgeting practices, reduced staffing, included new health benefit contributions from employees, and in many areas, reorganized and restructured for greater efficiency. The Town is now beginning to realize the full measure of these steps that were taken, and because of this, is now budgeting from a position of financial strength and stability, rather than from one of weakness and uncertainty. The Town is also beginning to see the benefit of a continuing stabilizing economy. The Town's mortgage tax revenues are increasing (at a significant percentage), building permits are up, and the value of the Town's taxable ratables have remained constant. The concerted effort to reduce staffing through three consecutive years of retirement incentives, through attrition (coupled with a firm Town Board commitment to freezing the filling of vacated positions) and by reorganizing operations to achieve greater efficiencies is now bringing about salary cost stabilization, which is a noteworthy accomplishment that has contributed significantly to the ability to balance the 2013 and 2014 budgets, and will continue to positively impact future budgets.

The Town's strong bond rating allowed the Town to refinance existing debt and reduce the debt service on loans by over \$600,000. In June 2013, the Town's Standard and Poor's ("S & P") bond rating was increased from "AA" to "AA+", showing the Town's strong financial management, policies and practices. Equally significant is the strict control on new borrowing, a practice the Town's administration introduced and has resulted in a measurable decrease in debt service over each of the past 3 years, and continues into 2014 and 2015. The decrease in borrowing, favorable interest rates, and aggressive treasury management have resulted in a significant cost reduction for the Town and the taxpayer. It is important to note that, consistent with the Town's practice of setting a long-term financial strategy as a component of the annual budget, you will find a five-year borrowing projection plan, in the 2014 budget, that reduces borrowing an additional 30% while providing sufficient funding for critical infrastructure.

The practice of aggressive treasury management and strategic use of accrued savings have allowed the Town to pay down a significant portion of some of the most expensive borrowing undertaken in years. This practice builds on the principal of combining the ability to refund (the financial term for refinancing existing debt at lower rates), while applying improved fund balance as a result of stringent cost controls, and paying down debt in advance. Over the past two years the Town has managed to refund a total of \$14.8 million for a total savings of \$1.7 million over 12 years, and limited capital borrowing to \$3 million annually.

In year's past, it was the Town's practice to pay their New York State Employees' Retirement System ("NYSERS") and New York State Police and Firemen Retirement System ("NYSPFRS") contributions at the minimum amount allowed and utilize the Alternate Contribution Stabilization Program. As of December 31, 2012, the Town's liability for costs being amortized exceeded \$3.0 million. During 2013, the Town paid off all of the costs that were being amortized and as of December 31, 2013, the Town no longer had a liability for amortizable NYSERS and NYSPFRS costs. Once again, this can be attributable to the Town's sound financial policies and strong financing footing.

Another strategy for limiting borrowing has been the institution of a "Pay as you Go" policy, or a policy continued and sustained in this budget. It is a very important financial management tool, and moving the Town away from poorly conceived prior borrowing habits. The Town has eliminated the practice of using capital borrowing for employee salaries and short-lived capital assets, such as vehicles and computers. The "Pay as you Go" fund has transferred expenses from capital borrowing and made those expenses components of the operating budget. As unanticipated needs arise, having a "Pay as you Go" fund available to address various needs allows for flexibility without the necessity of cutting projects, depleting fund balance, or taking on additional borrowing.

In 1998, the voters of the five East End towns (East Hampton, Riverhead, Shelter Island, Southampton, and Southold) approved a referendum creating a Community Preservation Fund (the "Fund") for each Town, which is a conservation program to preserve open space and farmland in the five towns. The fund is financed by a 2% tax on most real estate sales. This is a one-time tax that the buyer of real estate is required to pay when purchasing a new or used home or vacant property. In 2006, the voters in all five towns approved a referendum to extend the collection of the tax through 2030.

The Fund facilitates a voluntary program whereby landowners can sell their land or the development rights to the land to the respective towns at fair market value. The towns may issue bonds for purchases to be paid back through the life of the Fund with the 2% tax revenues. When a town finances an acquisition through the issuance of bonds, Section 64-e of Town Law requires the preparation of a report by or on behalf of the Town Supervisor which demonstrates how such indebtedness will be repaid by the Fund. The repayment report must include an estimate of projected revenues of the Fund during the period of indebtedness, an accounting of all other indebtedness incurred against the Fund to be repaid for the same period, and a finding that there will be sufficient revenue to repay such indebtedness in its entirety from the Fund.

The Town is generally responsible for providing certain services to the citizens, as required, on a Townwide basis. The Town maintains a Town road system necessitating a regular road resurfacing and improvement program and the acquisition of machinery and equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. The Town is also primarily responsible for the financing and construction of surface and storm water drainage improvements, and the Town is regularly acquiring and improving recreation facilities. The Town generally has provided the financing for water facilities for the Hampton Bays Water District and maintains primary responsibility for this function. The Town is also responsible for the disposal of certain solid waste generated within the Town and will upgrade its four transfer stations as deemed necessary and appropriate.

Additionally the Town finances park and community center improvements, and technology infrastructure. In general, needs for capital financing for the above described projects for which the Town has responsibility are anticipated to continue and may substantially increase as certain requirements imposed on the Town by State or Federal regulations in connection with its disposal of solid waste cause capital expenditures to be necessary.

The Town Board authorized the implementation of an easy to use informative website ([www.southamptontownny.gov](http://www.southamptontownny.gov)) that is reflective of the offerings and activities of the Town. This website offers information about the Town government and a comprehensive listing of the numerous services provided by the various Town of Southampton departments. As well as basic contact information for all Town Departments, the site provides answers to frequently asked questions and a narrative about each individual area. The site provides information on current events and news articles, up-coming purchasing bids, scheduled meetings and many other public interest activities. In addition, there is a community calendar of Town-wide events and public meetings, information regarding the elected officials with direct e-mail links to both the officials and individual departments. Subsequent to December 31, 2013, but prior to the issuance of this report, the Town underwent a major overhaul of their website in order to make it more user friendly and keep up with the now trending "mobile" website.

### ***Major Economic Development Initiatives***

There are various capital projects underway that are expected to further stimulate the Town's economy in 2014 in the amount of \$15.4 million in accordance with the 2014 Adopted Capital Budget. Some of the major projects include the following:

- Nathaniel Rogers House Restoration Phase 2 (Community Preservation Fund) \$4,000,015 - a Southampton Town Landmark located on the southeast corner of Ocean Road and Montauk Highway.
- Various Road Improvements (Highway) \$3,947,377 - reconstruction and improvement of the Town's extensive road network.
- Parks and beaches various projects (Parks and Recreation) \$461,560 - various projects including: dredging, restroom restoration, beach facility upgrades, equipment and repairs.
- Police various equipment (Police) \$659,060 - various police equipment including: Intergraph Command and Dispatch ("ICAD") equipment, heavy trucks and bay constable patrol boats.
- Water main extensions Phase 2 (Water District) \$1,100,000 - ongoing extension certain water mains within Hampton Bays.
- Town Facilities Renovations (Municipal Works) \$2,081,523 - the focus of this project is to make improvements and renovations to underutilized space at Town Hall and other Town Facilities.

### ***Town Financial Information***

Pursuant to Town Law 20.3(b), the Town Board established the Office of the Town Comptroller and assigned certain financial responsibilities to this office pursuant to Town Law 34, which include the administration and direction of the following divisions: Budget and Finance, Audit and Control, Payroll and Purchasing, as well as management of Town information systems. During 2012, the Town Board enacted Town Code Chapter 72 to codify the powers and duties granted to the Town Comptroller pursuant to New York State law, as well as the powers and duties delegated to the Town Comptroller by the Town Board.

### ***Financial Policies***

- Investment Policy - The Town's policy, adopted in 2009, is consistent with the guidelines promulgated by the Office of the State Comptroller, which the Town Board adopts each year.
- Capital Asset Policy - The Town adopted a Capital Asset Policy ("Asset Management Policy") in 2003, which formalizes the responsibility and reporting guidelines for all Town assets. This policy is detailed in the notes to the financial statements. The policy was updated during 2013, however was not adopted by the Town Board until February 2014. This policy pertains to periods beginning fiscal 2014.
- Debt Management Policy - The Debt Management Policy was implemented in 2004, and is detailed in the Management Discussion and Analysis section of these financial statements.

- Fund Balance Policy - The Town of Southampton was one of the first towns on Long Island to adopt a Fund Balance Policy, which has become the model for other Town Boards. Such policy was adopted in 2005. The details of this policy can also be found in the Management's Discussion and Analysis section. Town Board enacted a Local Law (No. 6), in recognition of sound fiscal policy and in order to stabilize and preserve the current credit rating of the Town. The Town Board affirms its commitment to make all reasonable efforts to maintain a fund balance in its General Fund at the end of each fiscal year equal to no less than 17% of the total respective ensuing year's operating budget. Such fund balance will be inclusive of the reserve for tax stabilization purposes pursuant to Chapter 8 of the Town Code. For special districts and the part-town operating funds, the Town Board restricts 7% of the total ensuing year's operating threshold. As a result, the Town's Fund Balance policy has been codified in Chapter 8 Budget by resolution 2013-347 on March 26, 2013 and is in compliance with and conforms to GASB Statement Number 54.
- Capital Program Policy - The Town adopted a Capital Program Policy during 2012 and it consists of a plan of capital projects proposed to be undertaken during a six-year period, the priority of their implementation, the estimated cost thereof, and proposed method of financing.
- The Town of Southampton also has updated its Procurement Policy, as of September 22, 2009.

#### **Awards**

The GFOA of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the year ended December 31, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and effectively organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable reporting requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for the certificate.

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, Nawrocki Smith LLP. I would like to express my appreciation to all members of the departments who assisted and contributed to its preparation.

Finally I would like to thank the Supervisor and the members of the Town Board and Audit Advisory Committee for their continued leadership and support in planning and conducting the financial operations of the Town of Southampton in a responsible and progressive manner.

Respectfully submitted,



Leonard J. Marchese, MBA, CPA  
Comptroller, Town of Southampton



Government Finance Officers Association

**Certificate of  
Achievement  
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Reporting**

Presented to

**Town of Southampton  
New York**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO



CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Supervisor and Town Board of the  
Town of Southampton:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Southampton (the "Town"), as of and for the year ended December 31, 2013, 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.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of 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 purposes 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Southampton, as of December 31, 2013, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

# NawrockiSmith

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, on pages 16-29 and 75-93, 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 ("GASB"), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We 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 Southampton's basic financial statements. The introductory section, other supplementary information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section 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 April 25, 2014, on our consideration of the Town of Southampton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Southampton's internal control over financial reporting and compliance.

Melville, New York  
April 25, 2014



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TOWN OF SOUTHAMPTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

The following is a discussion and analysis of the Town of Southampton's (the "Town") financial performance for the year ended December 31, 2013. This section is a summary of the Town's financial activities based on currently known facts, decisions and conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

**FINANCIAL AND BUDGETARY HIGHLIGHTS**

- The Town experienced a 2013 Total Governmental Operating Funds planned deficiency of \$17.5 million (before other financing sources/uses), compared to the Total Governmental Operating Funds surplus of \$3.8 million in 2012. The planned deficiency is the result of expenditures within the Coastal Erosion Fund, which were offset by current year bond proceeds of \$21.5 million. Other financing sources (uses) amounted to \$21.8 million and resulted in a positive change in fund balance of \$4.3 million.
- Total Fund Balance for the Operating Funds at the end of 2013 was \$37.4 million, an increase of 12.9% over the prior year fund balance. Total Unassigned Fund Balance at the end of 2013 was \$4.3 million, or 11.6% of total Operating Fund Balance.
- All Major Operating Funds, Special Revenue Funds and Special District Funds had a positive Fund Balance at the end of 2013, and total Governmental Funds revenue increased by \$28.2 million, or 36.2% due to increases in all categories, except Real Property Taxes.
- The Community Preservation Fund had a positive change in fund balance of \$18.5 million, leading to total fund balance at the end of 2013 of \$62.3 million. The Town's Capital Fund had a positive change in fund balance of \$5.4 million, which was driven by current year serial bond issuances of \$7.6 million.
- Total 2013 Debt Service for the Town's Operating Funds was \$10.5 million, or 10.8% of Total Operating Revenues. The Community Preservation Fund Debt Service was \$6.0 million in 2013, and in comparison it ended the year with a Restricted Debt Service Reserve of \$9.5 million.
- Total 2013 Revenues for the Town's Operating Funds were \$97.2 million, of which \$62.9 million or 64.7% was from Property Taxes. Comparatively, in 2012, Total Operating Revenues were \$91.8 million, of which 68.9% were from Property Taxes. Year over year, Total Operating Revenues increased 5.9%. In 2013, State and Federal Aid comprised 51.1% of total Non-Property Tax Operating Revenues.
- Total 2013 Expenditures for the Town's Operating Funds were \$114.8 million, an increase of \$26.7 million over the year 2012. Excluding Debt Service and Special Grant Funds (Housing and Urban Development "HUD" and Community Development Block Grant "CDBG"), Total Town Expenditures were \$141.5 million, of which \$26.9 million, or 19.1%, were employee related Compensation and Benefits. Total Employee Benefit Costs increased 32.4% between 2012 and 2013 due to the full payment of the Town's long-term pension liabilities and based on overall rate increases.
- The General Fund's total fund balance, as reflected in the fund financial statements, is \$13,969,951, which is a decrease of \$604,014, or 4.1%, as compared to the prior year (see pages 32 and 34). This was related to an increase in employee benefits expenditures of \$2,889,358 for payments made for costs to the New York State Employee Retirement System.
- The General Fund's total revenues, excluding net financing sources, were favorable to the 2013 Revised Budget by \$2,767,681, or 8.1%, mainly driven by higher than expected revenue from State and Federal aid. Total expenditures were favorable to the 2013 Revised Budget by \$1,849,214, or 4.7%, due to lower than anticipated expenditures in all financial statement categories, however mainly related to General Governmental Support (see pages 75 through 81).

- The Police District Fund's fund balance, as reflected in the financial statements, was \$2,272,228, which is a decrease of \$818,383 or 26.5%, over the prior year's fund balance. Although revenues and expenditures were favorable to the revised budget, the decrease in fund balance is a result of the Town's decision to pay all of their outstanding deferred pension liabilities related to the New York State Police and Fire Retirement System during 2013. With \$1.8 million greater than initially budgeted expenditures, the Town's fund balance was only reduced by \$818,383 which is approximately \$1.0 million less than the anticipated fund balance reduction after the revised appropriations (see page 84).
- The Town Outside Village Fund's total fund balance, as reflected in the financial statements, was \$1,407,347, which is an increase of \$59,126, or 4.4% over the prior year's fund balance. The improvement reflects favorable revenues, excluding net financing sources, to the 2013 Revised Budget of \$163,886, due to higher than anticipated departmental income. Operating expenditures were favorable to the 2013 Revised Budget by \$425,733 or 6.8%, due to lower than anticipated expenditures in all categories (see pages 85 through 87).
- The Highway Fund's total fund balance, as reflected in the financial statements, was \$2,713,409, which is an improvement of \$323,934 over the prior year's fund balance. Real property taxes decreased from 2012 by \$403,982, due to changes in the allocation of certain administrative staff expenses in 2013. Total revenues, excluding net financing sources, to the 2013 Revised Budget were favorable by \$948,943, or 7.5% due to higher than expected Federal aid. The increase in Federal aid can be primarily attributable to reimbursement monies received as a result of Superstorm Sandy. Operating expenditures were favorable by \$822,591 due to less than anticipated spending on equipment and salaries of approximately \$410,000 (see pages 88 through 90).
- The Town's total net position, as reflected in the *government-wide* (the "Town-wide") financial statements, increased by \$42,001,346 or 6.4% (up from 2012's increase of \$21,136,087 or 3.3%). This increase is primarily due to an increase in the Community Preservation Fund Transfer Tax revenue. The total unrestricted net position will continue to decline each year due to the annual recognition of post-employment benefits in accordance with GASB. As of December 31, 2013 the Town's liability for post-employment benefits was \$54.3 million.
- The Town's expenses for the year, as reflected in the *government-wide* (the "Town-wide") financial statements, totaled \$121,762,152. Of this amount, \$85,088,458 (which includes \$58,063,837 of Community Preservation revenues) was offset by program charges for services, operating grants and capital grants. General revenues of \$78,675,040 amounted to 48.0% of total revenues (see page 31).

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of five parts: the introductory section, basic financial statements, required supplementary information including management's discussion and analysis (this section), other supplementary information and statistical information. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements (the "Town-wide") that provide both short-term and long-term information about the Town's overall financial status (see pages 30 and 31).
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide (the "Town-wide") financial statements.
  - The *governmental fund financial statements* tell how basic services were financed in the *short-term* as well as what remains for future spending (see pages 32 through 35).
  - Proprietary fund financial statements provide both short-term and long-term information on the Town's business-type activities with the primary revenue sources being charges for services (see pages 36 through 38).
  - Fiduciary fund financial statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others (see page 39).

## Reporting the Town as a Whole

The analysis of the Town as a whole begins on page 30. One of the most important questions asked about the Town's finances should be, "Is the Town as a whole better off or worse off as a result of the current year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. You can think of the Town's net position - the difference between assets, deferred outflows, liabilities and deferred inflows - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into three categories:

- *Governmental activities* - Most of the Town's basic services are reported here, including police, fire, public works, parks departments and general administration. Property taxes, franchise fees, and State and Federal grants finance most of these activities.
- *Business-type activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's waste management, golf course and beaches and marinas facilities are reported here.
- *Component unit* - The component unit is a legally separate organization for which the Town is either financially accountable, or the nature and relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town includes one discretely presented component unit (Town of Southampton Housing Authority) as a separate column on the Town-wide financial statements. Complete financial statements of the component unit can be obtained from their administrative office (see Note 2).

## Reporting the Town's Most Significant Funds

Fund financial statements present financial information in the traditional governmental accounting format, with an emphasis on the most significant funds. Our analysis of the Town's major funds begins on page 32. Some funds are required to be established by State law and by bond covenants. However, the Town establishes many other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (grants received from the U.S. Department of Housing and Urban Development). The Town's three kinds of funds - governmental, proprietary and fiduciary - use different accounting approaches.

- *Governmental Funds* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds (pages 32 and 34) in a reconciliation following each of the governmental fund financial statements (pages 33 and 35).
- *Proprietary Funds* - When the Town charges customers for the services it provides - whether to outside customers or to other units of the Town - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the Town-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds (pages 36-38).

- *Fiduciary Funds* - Fiduciary funds are used to account for resources that are earmarked for the benefit of other parties, and are not reflected on the Town-wide financial statements because those funds are not available to support the Town's activities (page 39).

## FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

### Financial Highlights:

#### Net position

The Town's total assets (including deferred outflows) on December 31, 2013 were \$949.1 million, an increase of \$63.6 million over the prior year. Total liabilities (including deferred inflows) were \$250.7 million, an increase of \$21.6 million from the prior year. The result is a net position of \$698.4 million, an increase of \$42.0 million over the prior year. Of the Town's net position, \$671.0 million were invested in capital assets, net of related debt. Restricted net position was \$87.1 million and unrestricted net position was a deficit of \$59.7 million on December 31, 2013.

- Positive working capital of \$100.6 million on December 31, 2013 compared with the December 31, 2012 positive working capital of \$74.2 million increased primarily due to a \$21.7 million change in cash.
- Net investment in capital assets of \$671.0 million (compared to \$649.0 million in 2012) increased primarily due to ongoing bond principal payments, reduction of bond principal payable as a result of bond refunding and ongoing capital projects purchases offset by depreciation charges.
- The Town's bonded indebtedness was \$144.6 million which is included in liabilities of which \$51.6 million is related to purchases of land by the Community Preservation Fund. The Town also has an outstanding installment purchase debt of \$6.6 million related to purchases of land by the Community Preservation Fund.

#### Change in Net Position

The Town's program revenues for the year ended December 31, 2013 were \$85.1 million, an increase of \$23.0 million from 2012, which is primarily related to increases in operating and capital grants. General revenues of \$76.6 million were slightly higher than last year. Total combined revenues for 2013 were \$161.7 million, an increase of \$24.5 million from 2012. Expenses for the year ended December 31, 2013 were \$121.8 million reflecting an increase of \$6.3 million which is primarily related to increases in the Town's other post-employment benefit liability, offset by the full satisfaction of the Town's employee retirement system liability. This resulted in a change in net position for the year ended December 31, 2013 of approximately \$40.0 million.

The Town's combined net position increased from a year ago from \$656.4 million to \$698.4 million. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

<b>Table 1:</b>						
Condensed Statements of Net Position						
Governmental and Business-type Activities - Primary Government						
As of December 31,						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current assets	\$ 129,399,428	\$ 100,584,781	\$ 2,561,495	\$ 2,121,857	\$ 131,960,923	\$ 102,706,638
Non-current assets	792,816,263	760,039,555	24,136,552	22,506,141	816,952,815	782,545,696
Total assets	922,215,691	860,624,336	26,698,047	24,627,998	948,913,738	885,252,334
Deferred outflows	182,406	199,415	-	-	182,406	199,415
Total assets and deferred outflows	\$922,398,097	\$860,823,751	\$ 26,698,047	\$ 24,627,998	\$949,096,144	\$885,451,749
<b>Liabilities:</b>						
Current liabilities	\$ 30,067,200	\$ 27,185,120	\$ 1,247,267	\$ 1,288,840	\$ 31,314,467	\$ 28,473,960
Noncurrent liabilities	198,884,055	179,671,525	6,952,168	7,202,514	205,836,223	186,874,039
Total liabilities	228,951,255	206,856,645	8,199,435	8,491,354	237,150,690	215,347,999
Deferred inflows	13,403,895	13,559,055	111,648	116,130	13,515,543	13,675,185
Total liabilities and deferred inflows	\$242,355,150	\$220,415,700	\$ 8,311,083	\$ 8,607,484	\$250,666,233	\$229,023,184

**Table 1:**

Condensed Statements of Net Position  
 Governmental and Business-type Activities - Primary Government  
 As of December 31,  
 (CONTINUED)

Net position:						
Net investment in capital assets	\$654,433,516	\$634,405,267	\$ 16,569,181	\$ 14,584,547	\$671,002,697	\$648,989,814
Restricted	87,166,036	62,529,907	-	-	87,166,036	62,529,907
Unrestricted	(61,556,605)	(56,527,123)	1,817,783	1,435,967	(59,738,822)	(55,091,156)
Total net position	<u>\$680,042,947</u>	<u>\$640,408,051</u>	<u>\$ 18,386,964</u>	<u>\$ 16,020,514</u>	<u>\$698,429,911</u>	<u>\$656,428,565</u>

**Table 2:**

Condensed Statements of Activities and Changes in Net Position  
 Governmental and Business-type Activities - Primary Government  
 For the Years Ended December 31,

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Program revenues:</b>						
Charges for services, fees, fines and forfeitures	\$ 12,817,580	\$ 12,199,002	\$ 4,208,937	\$ 4,521,620	\$ 17,026,517	\$ 16,720,622
Operating grants and contributions	64,285,558	44,489,319	207,864	265,849	64,493,422	44,755,168
Capital grants and contributions	3,568,519	831,877	-	-	3,568,519	831,877
Total program revenues	<u>80,671,657</u>	<u>57,520,198</u>	<u>4,416,801</u>	<u>4,787,469</u>	<u>85,088,458</u>	<u>62,307,667</u>
<b>General revenues:</b>						
Real property taxes	62,863,930	63,259,796	475,640	476,900	63,339,570	63,736,696
Other real property tax items	577,961	536,486	-	-	577,961	536,486
Non-property tax items	1,530,975	1,431,473	-	-	1,530,975	1,431,473
Interest earnings	581,728	617,034	4,080	1,697	585,808	618,731
State aid - unrestricted	10,418,900	7,893,931	-	-	10,418,900	7,893,931
Sale of property and compensation for loss	164,755	-	-	-	164,755	-
Miscellaneous	15,044	76,214	-	-	15,044	76,214
Total general revenues	<u>76,153,293</u>	<u>73,814,934</u>	<u>479,720</u>	<u>478,597</u>	<u>76,633,013</u>	<u>74,293,531</u>
Total revenues	<u>156,824,950</u>	<u>131,335,132</u>	<u>4,896,521</u>	<u>5,266,066</u>	<u>161,721,471</u>	<u>136,601,198</u>
<b>Program expenses:</b>						
General governmental support	23,891,061	23,735,945	-	-	23,891,061	23,735,945
Public safety	35,628,311	32,672,478	-	-	35,628,311	32,672,478
Health	2,895,640	2,742,820	-	-	2,895,640	2,742,820
Transportation	24,374,926	23,067,768	-	-	24,374,926	23,067,768
Economic assistance and opportunity	4,667,705	4,194,245	-	-	4,667,705	4,194,245
Culture and recreation	5,638,303	6,375,416	-	-	5,638,303	6,375,416
Home and community services	15,879,919	13,857,100	-	-	15,879,919	13,857,100
Interest on debt	3,963,461	3,984,822	281,595	303,733	4,245,056	4,288,555
Beaches and marinas	-	-	1,602,784	1,565,118	1,602,784	1,565,118
Waste management	-	-	2,302,072	2,252,794	2,302,072	2,252,794
Golf course	-	-	636,375	712,872	636,375	712,872
Total expenses	<u>116,939,326</u>	<u>110,630,594</u>	<u>4,822,826</u>	<u>4,834,517</u>	<u>121,762,152</u>	<u>115,465,111</u>
Excess before transfers	<u>39,885,624</u>	<u>20,704,538</u>	<u>73,695</u>	<u>431,549</u>	<u>39,959,319</u>	<u>21,136,087</u>
Transfer of capital assets	-	-	2,042,027	-	2,042,027	-
Interfund transfers	(250,728)	(20,086)	250,728	20,086	-	-
Total transfers	<u>(250,728)</u>	<u>(20,086)</u>	<u>2,292,755</u>	<u>20,086</u>	<u>2,042,027</u>	<u>-</u>
Change in net position	<u>\$ 39,634,896</u>	<u>\$ 20,684,452</u>	<u>\$ 2,366,450</u>	<u>\$ 451,635</u>	<u>\$ 42,001,346</u>	<u>\$ 21,136,087</u>

### Governmental Activities

Revenues for the Town's governmental activities increased by 19.4% (\$25.4 million) while total expenses increased by 5.7% (\$6.3 million). The majority of the increase in revenue is due to an increase in operating grants and contributions which was the result of an increase in the amount of transfer tax revenue in the Community Preservation Fund.

The cost of all governmental activities this year was \$158.6 million (page 34). However, as shown in the Statement of Activities (page 31), the amount that taxpayers ultimately financed for these activities through Town taxes was only \$62.9 million, because some of the cost was paid by those who directly benefited from the programs (\$12.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$67.9 million).

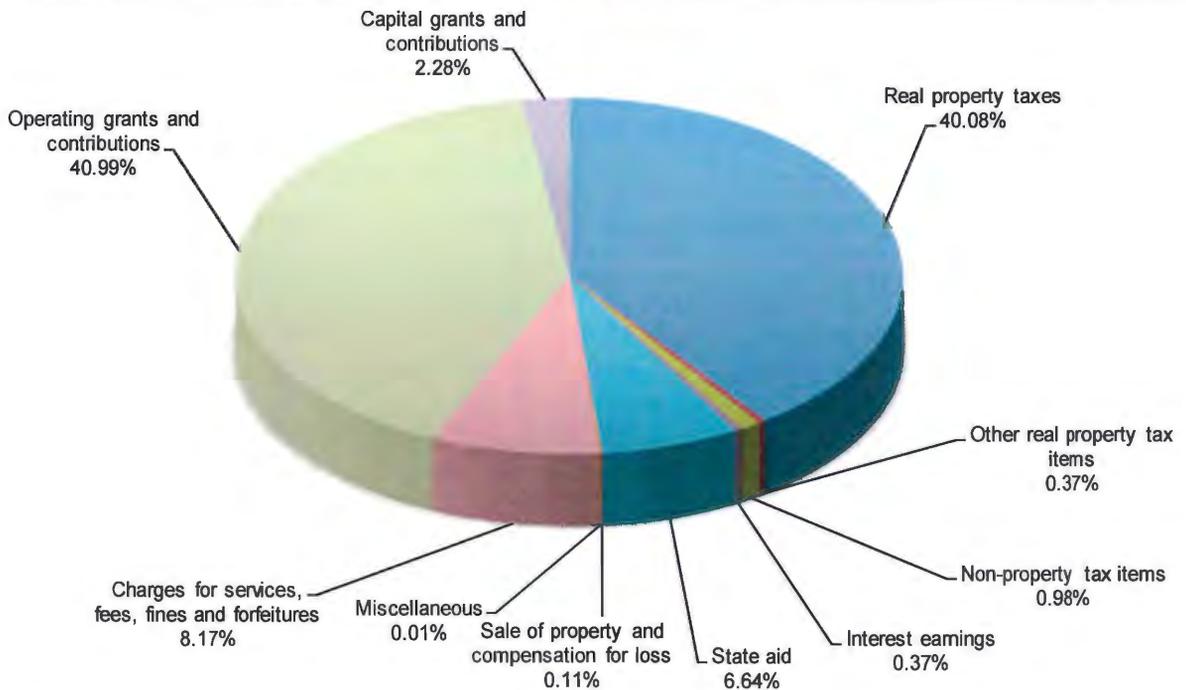
Table 3 presents the cost of the Town's governmental activities as well as the net cost of services (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions (see page 31).

**Table 3:**  
Net Costs of Services  
Governmental Activities  
For the Years Ended December 31,

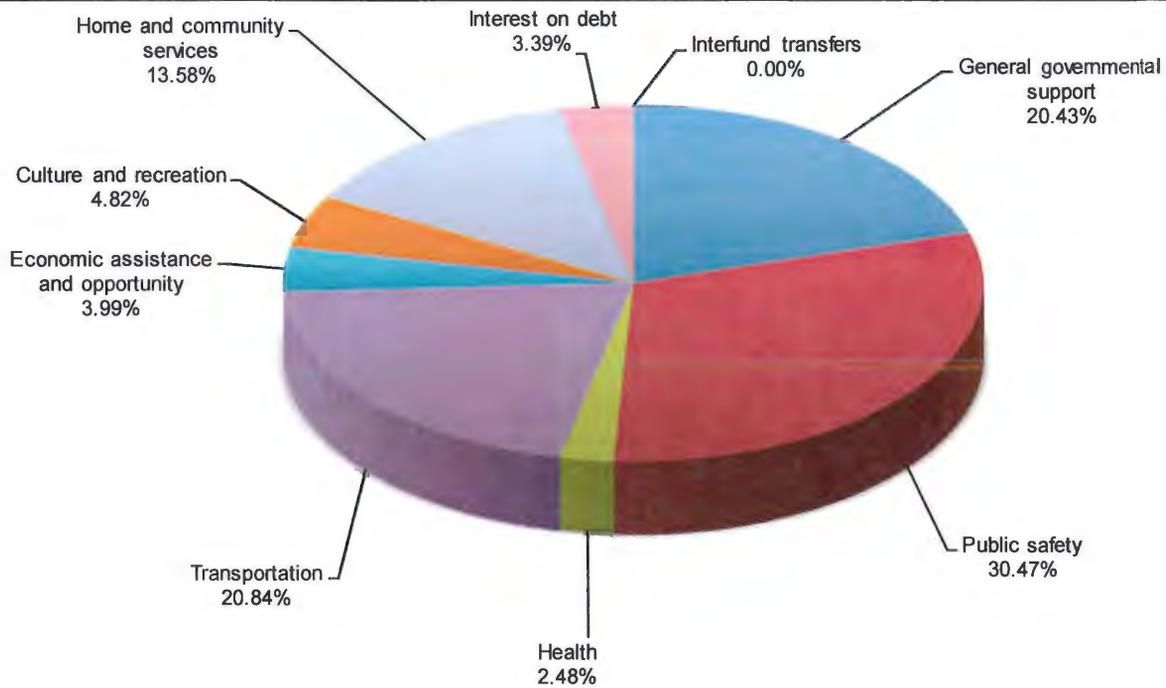
	Total Cost of Services		Program Revenues		Net (Cost) of Services	
	2013	2012	2013	2012	2013	2012
General governmental support	\$ 23,891,061	\$ 23,735,945	\$ 60,794,431	\$ 41,496,059	\$ 36,903,370	\$ 17,760,114
Public safety	35,628,311	32,672,478	3,137,235	2,976,705	(32,491,076)	(29,695,773)
Health	2,895,640	2,742,820	-	-	(2,895,640)	(2,742,820)
Transportation	24,374,926	23,067,768	2,922,500	1,932,460	(21,452,426)	(21,135,308)
Economic assistance and opportunity	4,667,705	4,194,245	2,151,282	998,272	(2,516,423)	(3,195,973)
Culture and recreation	5,638,303	6,375,416	781,653	961,531	(4,856,650)	(5,413,885)
Home and community services	15,879,919	13,857,100	10,884,556	9,155,171	(4,995,363)	(4,701,929)
Interest on debt	3,963,461	3,984,822	-	-	(3,963,461)	(3,984,822)
	<u>\$ 116,939,326</u>	<u>\$ 110,630,594</u>	<u>\$ 80,671,657</u>	<u>\$ 57,520,198</u>	<u>\$ (36,267,669)</u>	<u>\$ (53,110,396)</u>

The overall net cost of services decreased over 2012 by \$16.8 million. The decrease in cost of services was due to a larger than expected increase in the amount of Real Estate Transfer Tax, offset by increases in all other categories, with the exception of culture and recreation and interest on debt.

**Table 4: Sources of Revenues for Fiscal Year 2013 - Governmental Activities**



**Table 5: Expenses for Fiscal Year 2013 - Governmental Activities**

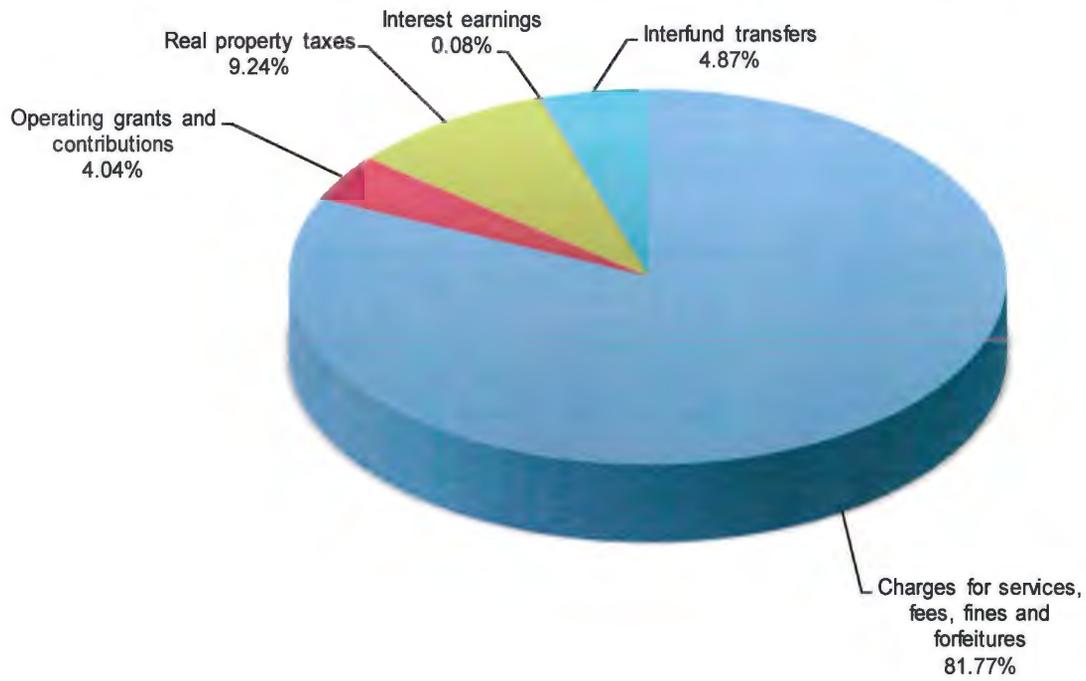


#### Business-Type Activities

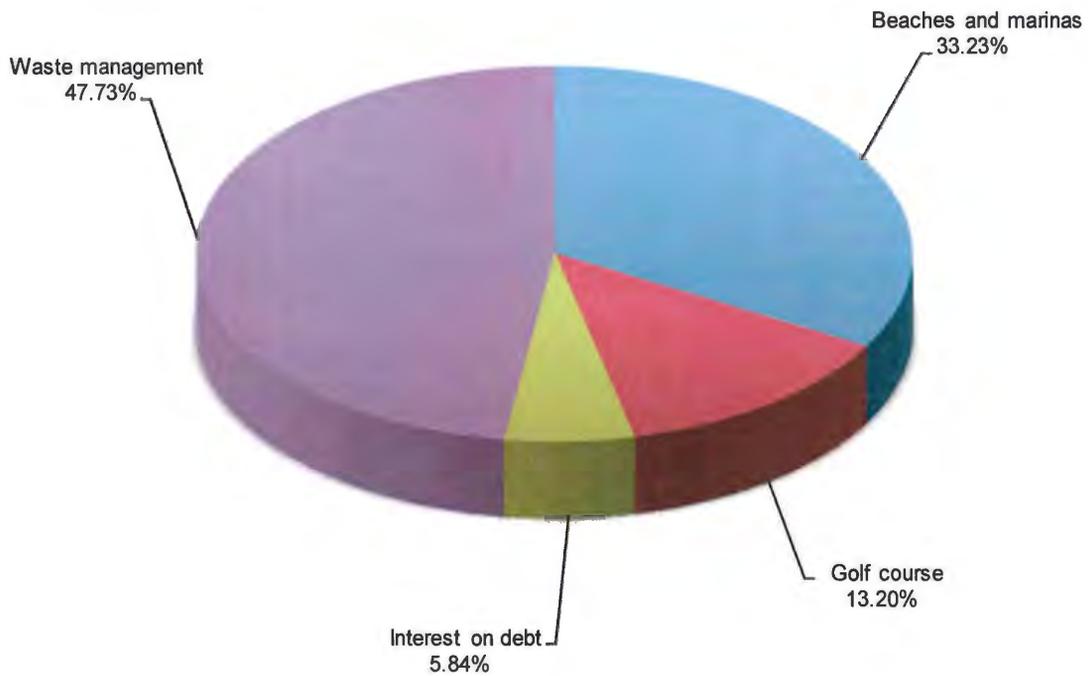
The Town's total revenues from business-type activities decreased by 7.1 percent (\$0.4 million) over 2013. Some significant year-end financial data relating to these entities are highlighted as follows:

- Operating revenue in the Beaches and Marinas Fund totaled \$1.8 million in 2013. Operating revenue was slightly less than 2012, due to decreases in all revenue categories. The fund had an increase in net position of approximately \$146,000, as compared to an increase of approximately \$331,000 in 2012. The decrease in surplus was driven by the amount of property tax revenue allocated to the fund, as well as, less fees collected for activities relating to the fund. Operating expenses were greater than 2012 by \$37,666 due to increases in both depreciation expense and employee benefits which also attributed to the decrease in surplus.
- Operating revenue in the Waste Management Fund totaled \$2.4 million in 2013. Operating revenue decreased by approximately \$64,000, and can be primarily attributable to decreases in charges for services. Real property taxes were increased in order to help subsidize increased employee benefit costs. The fund had an increase in net position of approximately \$132,000 in 2013. The Fund's ending net position was approximately \$2.2 million (page 37).
- The Golf Course experienced a decrease in operating revenues (of approximately \$113,000) and a decrease in operating expenses (of approximately \$76,000). The fund realized an operating gain of approximately \$20,000. In the previous year, the fund recorded an operating gain of approximately \$57,000. During 2013, the Town turned over the management of the golf course to Steven Lee PGA Golf as outlined in Note 15 of the financial statements. Total change in net position for 2013 was approximately \$2.1 million due to the transfer of capital assets, which is detailed later in this section. Improved management of expenses have attributed to the funds positive growth (page 37).

**Table 6:** Sources of Revenues for Fiscal Year 2013 - Business-Type Activities



**Table 7:** Expenses for Fiscal Year 2013 - Business-Type Activities



**FINANCIAL ANALYSIS OF CERTAIN TOWN GOVERNMENTAL FUNDS**

Governmental Funds

General Fund assets decreased by 2.4%, primarily related to a decrease in due from fiduciary funds, which was related to the payment of funds owed from the Town's Agency Fund. Liabilities and deferred inflows decreased by 2.3%, primarily related to a decrease in deferred inflows from property taxes and accounts payable offset by an increase of \$1.5 million in accrued liabilities. The increase in accrued liabilities is a direct result of the Town's full satisfaction of long-term New York State Employee Retirement System liabilities. Fund balance decreased by approximately \$604,000, or 4.1%, as a result of increased expenditures relating to the aforementioned liabilities.

The General Fund has an unassigned fund balance of \$4.6 million, and a tax stabilization reserve of \$6.2 million, which represents, in total, 29.1% of annual operating general fund expenditures.

Revenues in the Police Fund increased by approximately \$271,000 and expenditures increased by approximately \$1.5 million from 2012. Operating expenses, with the exception of employee benefits, decreased by approximately \$837,000. During 2013, the Town fully paid its New York State pensions systems liability attributing to a 27.4% increase in employee benefit expenses. Fund balance decreased by approximately \$818,000.

The Capital Projects Fund had a increase in fund balance of \$5.4 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. During April 2013, the Town issued \$8.0 million in public improvement serial bonds, of which, \$7.6 million was issued to the Capital Fund.

In the Community Preservation Fund, fund balance increased by \$18.5 million as a result of increased revenues of approximately \$18.9 million or 48.3% due to higher than anticipated transfer tax revenue. The fund also experienced a decrease in expenditures of \$9.4 million, or 19.4%.

At December 31, 2013, the Town's governmental funds had a combined fund balance of \$105,991,265, which is an increase of \$28.2 million, from the previous year. Fund balances for the Town's governmental funds for the past two years were distributed as follows:

<b>Table 8:</b>		
Fund Balances		
As of December 31,		
<u>Governmental Activities:</u>	<u>2013</u>	<u>2012</u>
<b>General Fund</b>		
Nonspendable:		
Prepaid expenses	\$ 1,420,951	\$ 1,317,335
Restricted:		
Debt reserve	957,806	1,096,415
Tax stabilization	6,173,626	5,309,325
Assigned:		
Designated for subsequent year's expenditures	572,181	981,250
Encumbrances	194,637	83,569
Unassigned:	4,650,750	5,786,071
<b>Total General Fund</b>	<b>13,969,951</b>	<b>14,573,965</b>
<b>Police District Fund</b>		
Nonspendable:		
Prepaid expenses	894,507	850,750
Restricted:		
Debt reserve	52,147	11,223
Tax stabilization	1,634,445	1,568,279
Assigned:		
Encumbrances	-	3,230
Designated for special purpose	-	657,129
Unassigned:	(308,871)	-
<b>Total Police District Fund</b>	<b>2,272,228</b>	<b>3,090,611</b>

**Table 8:**

Fund Balances  
As of December 31,  
(CONTINUED)

**Town Outside Village Fund**

Nonspendable:		
Prepaid expenses	\$ 166,989	\$ 160,369
Restricted:		
Debt reserve	97,597	8,547
Tax stabilization	405,750	392,504
Assigned:		
Designated for subsequent year's expenditures	216,159	-
Designated for special purpose	520,852	786,801
	<hr/>	<hr/>
Total Town Outside Village Fund	1,407,347	1,348,221

**Highway Fund**

Nonspendable:		
Prepaid expenses	220,614	220,793
Restricted:		
Debt reserve	205,214	221,411
Tax stabilization	928,922	883,673
Assigned:		
Designated for subsequent year's expenditures	536,766	110,293
Designated for special purpose	821,893	953,305
	<hr/>	<hr/>
Total Highway Fund	2,713,409	2,389,475

**Public Safety Communications**

Nonspendable:		
Prepaid expenses	95,550	96,607
Restricted:		
Debt reserve	4,821	5,891
Tax stabilization	166,244	162,728
Assigned:		
Designated for subsequent year's expenditures	130,602	160,000
Designated for special purpose	206,958	331,842
	<hr/>	<hr/>
Total Pubic Safety Communications	604,175	757,068

**Capital Projects Fund**

Restricted:		
Capital Projects Fund	6,343,616	914,918
	<hr/>	<hr/>
Total Capital Projects Fund	6,343,616	914,918

**Community Preservation Fund**

Nonspendable:		
Prepaid expenses	3,752	3,730
Restricted:		
Debt reserve	9,501,651	9,452,514
Community preservation operations	52,748,172	34,327,081
	<hr/>	<hr/>
Total Community Preservation Fund	62,253,575	43,783,325

**Table 8:**

Fund Balances  
As of December 31,  
(CONTINUED)

**Non-Major Funds**

## Nonspendable:

Prepaid expenses	\$ 55,841	\$ 51,229
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## Restricted:

Debt reserve	1,087,129	1,092,715
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Tax stabilization	625,818	-
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Restricted for specific project	6,173,502	6,695,793
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Restricted for specific grant	59,576	386,890
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## Assigned:

Encumbrances	5,066,241	-
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Designated for subsequent year's expenditures	-	80,000
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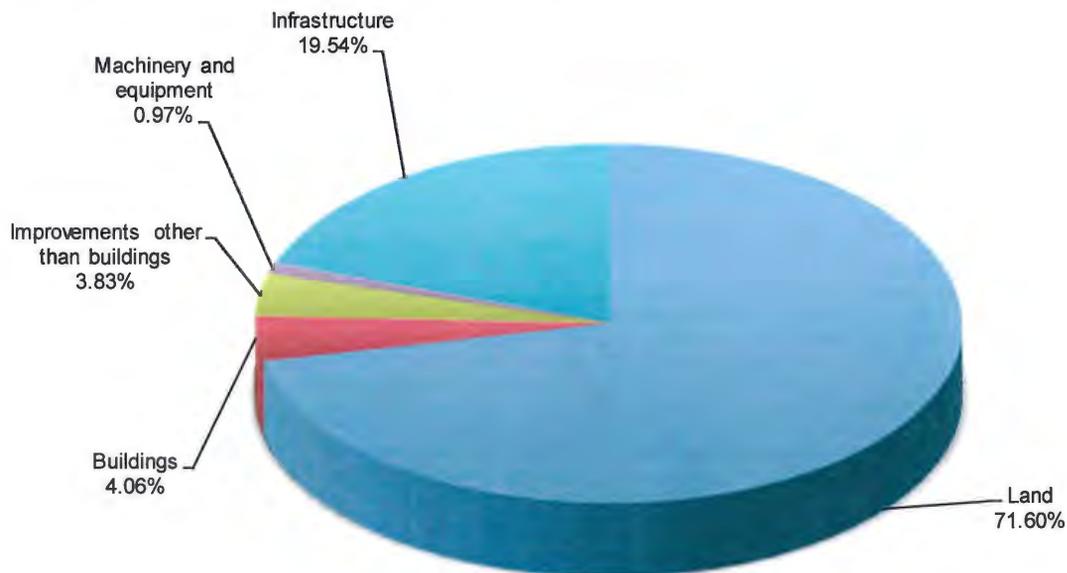
Designated for special purpose	3,358,857	2,664,717
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Total Non-Major Funds	16,426,964	10,971,344
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Total fund balances	\$ 105,991,265	\$ 77,828,927
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**CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets

At the end of 2013, the Town had \$817.0 million invested in a broad range of capital assets, including beaches, land, police equipment, buildings, park facilities, roads, bridges and water infrastructure (See Table 9). Since the inception of the Community Preservation Fund in 1999, the Town of Southamptton has acquired preserved land valued at approximately \$468.4 million of the Town's total \$584.9 million of land. The details of capital assets are shown in Note 7 to the financial statements.

**Table 9: Net Investment in Capital Assets for Fiscal Year 2013**

**Table 10:**

Capital Assets  
As of December 31,

<u>Governmental Activities:</u>	2013	2012
Land	\$ 571,582,888	\$ 544,585,048
Buildings	40,445,936	39,970,898
Improvements other than buildings	33,614,771	15,212,541
Machinery and equipment	28,988,626	27,472,208
Infrastructure -		
Bridges	1,299,880	1,297,496
Landfill	9,412,515	9,412,515
Roads, curbs and sidewalks	355,004,161	352,366,953
Lighting system	1,349,791	1,349,791
Bulkheads, piers and boardwalks	10,231,215	10,228,580
Water and sewer mains	13,831,881	12,650,579
Total capital assets	1,065,761,664	1,014,546,609
Less accumulated depreciation	272,945,401	254,507,054
Total net capital assets	\$ 792,816,263	\$ 760,039,555
 <u>Business-type Activities:</u>		
Land	\$ 13,329,090	\$ 11,287,063
Buildings	4,596,906	4,422,433
Improvements other than buildings	9,084,337	9,084,337
Machinery and equipment	3,200,042	2,975,859
Total capital assets	30,210,375	27,769,692
Less accumulated depreciation	6,073,823	5,263,551
Total net capital assets	\$ 24,136,552	\$ 22,506,141

The Town's fiscal year 2013 capital budget includes the continuation of funding for infrastructure improvements. Of the \$10.8 million capital spending plan in 2013, \$3.9 million was dedicated to the reconstruction of roads, bridges, and drainage improvement projects. The Town also continued several projects to improve the Town's buildings and parks initiated projects aimed at enhancing efficiency through technology improvements in software and hardware.

#### Debt Administration

The Town's debt management policy limits the Town's debt service funded by taxpayers to not more than 15% of operating expenditures, excluding the Community Preservation Fund. For 2013, the Town's governmental funds total debt service was approximately \$16.4 million, of which \$5.9 million was paid by the Community Preservation Fund, resulting in taxpayer supported debt service of approximately \$10.5 million. Governmental funds debt service in 2013, excluding CPF, was 9.1% of operating expenditures.

The Town of Southampton current outstanding bonded indebtedness was \$144.6 million at year-end 2013, of which \$51.6 million was related to the Community Preservation Fund land purchases, \$21.7 million the Erosion Control District, \$28.8 million related to highway improvements and \$5.4 million for the Hampton Bays Water District.

In April of 2013, the Town issued \$8.0 million in Public Improvement Serial Bonds for various capital improvement projects. In September of 2013, the Town also issued \$21.7 million in Serial Bonds in the Erosion Control District fund for the purpose of remediation to the Sagaponack and Bridgehampton beaches.

The Town has accrued a \$54.3 million obligation for other post-employment benefits in accordance with GASB Pronouncements on the Town-wide financial statements. Note 9 to the financial statements shows the details of the Town's long-term liabilities.

## Union Contracts

The Town provides services through approximately 16 elected officials, 500 full-time employees and approximately 132 part-time employees. The Town employs approximately 300 part-time seasonal employees. The Town also has 44 appointed Board members. The Civil Service Employee Association (the "CSEA") represents approximately 280 employees under a contract which expired on December 31, 2013. The Police Benevolent Association (the "PBA") represents approximately 73 employees under a contract which expired on December 31, 2012. The Superior Officers Association (the "SOA") represents approximately 16 employees under a contract which expired on December 31, 2013. The Chief of Police is a non-union employee. Accordingly, the Town has accrued for any potential retroactive payments related to unresolved contract negotiations that may have an adverse effect on the Town's operating results when such contracts are finalized.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

### Budget Procedures

The Town's elected officials considered many factors when setting the fiscal-year 2013 budget, tax rates and fees to be charged for the business-type activities. The 2013 Adopted Operating Budget was primarily structurally balanced and the only funds with appropriated fund balance were the General Fund (\$981,250), Highway Fund (\$110,293), Public Safety Communications (\$160,000) and Water Districts Fund (\$80,000). In 2003, the Town Board mandated a 5% cap on any increases in the Town tax rate in any given year. Beginning in 2012, New York State mandated a 2% cap on any increases in the Town tax rate in any given year.

As the economy recovers from one of the worst economic recessions in decades affecting our taxpayers, a more cost efficient budget was adopted for 2014, which sought to minimize property tax increases. The Town Board appropriated approximately \$600,000 to balance the 2014 Adopted Operating Budget. The 2014 Operating Budget was projected to meet the proposed 2% Tax Levy cap proposed by the New York State Governor, and appropriated approximately \$0.6 million to balance the 2014 Adopted Operating Budget.

See pages 16-17 for discussion regarding significant budget variances and see pages 75 through 92, as well as pages 100 through 107 for budget versus actual comparisons.

### Tax Collection

Property taxes for the Town, together with the County, fire and school district taxes are collected by the Town Tax Receiver on a single tax bill. The taxes become a lien on December 1, and are payable in two equal payments without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the day such taxes are due and payable and 10% after May 31.

<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>
2013	\$ 331,493,841	\$ 315,112,728	\$ 16,381,113	\$ 13,671,438
2012	322,746,273	307,538,277	15,207,996	12,695,891
2011	313,906,596	297,658,185	16,248,411	14,387,403
2010	301,950,319	286,374,105	15,576,214	13,738,138
2009	284,311,284	269,892,478	14,418,806	12,005,252
2008	263,554,591	248,575,719	14,978,872	11,749,256

The Town Receiver distributes the collected money to the Town, fire 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 liability. The Town is thereby assured of full tax collection.

### Business-Type Activities

As for the Town's business-type activities, it is expected that the 2014 results will continue to improve based on these rate decisions:

- For 2013 the Beaches and Marinas fund had a net profit of approximately \$146,000 thereby increasing their net position. The Town is budgeting for a net profit of \$99,700 in 2014, with forecasted increases in charges for services revenues. Property taxes will continue to subsidize debt service payments in the future.
- The Waste Management Enterprise Fund continued to increase their net position during 2013. It is expected that property taxes will continue to subsidize debt service payments, and for 2014 the budgeted amount of tax revenue has been increased slightly by 3.7%.
- As of December 31, 2012, the Poxabogue Golf Course was jointly owned with the Town of East Hampton. In August of 2013, the Town purchased the remaining interest from the Town of East Hampton, thus ending their profit sharing agreement. The golf course was purchased with Community Preservation Fund proceeds, however, the asset is reflected in the Golf Course Enterprise Fund capital asset land amounts due to the fact that the land is being used to generate revenue for this fund. In 2013, operating expenses for the golf course decreased by 10.7% which offset revenues decreasing by 14.7%. It is expected that the golf course will continue to operate with minimal Town funding.

### **FACTOR'S BEARING ON THE FUTURE OF THE TOWN**

At the time these financial statements were prepared and audited, the Town was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The "Tax Levy Limitation Law" which was enacted on June 24, 2011, restricts the amount of property taxes that may be levied in a particular year. Although there are exceptions, exemptions, and overrides to the limitation, the new Law is expected to make budgetary decisions more difficult. Local governments may override the tax levy limit by first passing a local law that allows for the tax levy limit to be exceeded, which requires a 60% vote of the total voting power of the governing board. The Town has complied with this law and has not required an override vote.
- In January 2014, the State Supreme Court declared that the Trustees are a division of the Town, not a separate entity, and therefore cannot conduct business outside the Town Comptroller's office. On February 12, 2014, the Trustees were served with a court injunction, ordering members to turn over control of their financial accounts to the Town. The legal representation for the Trustees has filed an appeal on the ruling, and as of the report date, no decision has been reached.

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Comptroller's Office at Town of Southampton, 116 Hampton Road, Southampton, NY 11968 (631) 283-6000.

# FINANCIAL SECTION

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 29,658,686	\$ 2,099,872	\$ 31,758,558	\$ 47,392
Restricted cash	79,328,462	-	79,328,462	339,843
Accounts receivable, net	4,412,757	25,173	4,437,930	60,288
Due from Southampton Community Development Corporation	-	-	-	109,072
State and federal aid receivables	2,808,359	144,500	2,952,859	-
Due from fiduciary funds	1,030,022	228,066	1,258,088	-
Due from other governments	9,302,938	-	9,302,938	39,500
Prepaid expenses	2,858,204	43,827	2,902,031	17,615
Inventory of materials and supplies	-	20,057	20,057	-
Other assets	-	-	-	6,588
Total current assets	<u>129,399,428</u>	<u>2,561,495</u>	<u>131,960,923</u>	<u>620,298</u>
Non-current assets:				
Loan receivable	-	-	-	500,000
Due from Southampton Community Development Corporation	-	-	-	183,508
Bond proceeds held by fiscal agent	-	-	-	100,602
Non-depreciable capital assets	571,582,888	13,329,090	584,911,978	683,700
Depreciable capital assets, net	<u>221,233,375</u>	<u>10,807,462</u>	<u>232,040,837</u>	<u>2,825,684</u>
Total non-current assets	<u>792,816,263</u>	<u>24,136,552</u>	<u>816,952,815</u>	<u>4,293,494</u>
Total assets	<u>922,215,691</u>	<u>26,698,047</u>	<u>948,913,738</u>	<u>4,913,792</u>
<b>DEFERRED OUTFLOWS</b>				
Other outflows	-	-	-	15,056
Discount on bonds payable	<u>182,406</u>	<u>-</u>	<u>182,406</u>	<u>32,987</u>
Total deferred outflows	<u>182,406</u>	<u>-</u>	<u>182,406</u>	<u>48,043</u>
Total assets and deferred outflows	<u>\$ 922,398,097</u>	<u>\$ 26,698,047</u>	<u>\$ 949,096,144</u>	<u>\$ 4,961,835</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 5,177,444	\$ 213,775	\$ 5,391,219	\$ 40,889
Accrued liabilities	4,284,504	-	4,284,504	86,228
Accrued interest payable	1,345,565	76,303	1,421,868	-
Due to fiduciary funds	1,315,884	1,485	1,317,369	-
Due to other governments	216,554	249,860	466,414	-
Non-current liabilities due within one year:				
General obligation bonds payable	13,687,538	705,844	14,393,382	75,000
Special assessment bonds with governmental commitment	31,605	-	31,605	-
Installment purchase debt payable	3,500,000	-	3,500,000	-
Compensated absences	77,504	-	77,504	-
Judgments and claims payable	267,600	-	267,600	-
Estimated liability for landfill closure and post-closure care costs	<u>163,002</u>	<u>-</u>	<u>163,002</u>	<u>-</u>
Total current liabilities	<u>30,067,200</u>	<u>1,247,267</u>	<u>31,314,467</u>	<u>202,117</u>
Non-current liabilities:				
General obligation bonds payable	123,297,010	6,819,896	130,116,906	4,102,000
Special assessment bonds with governmental commitment	93,106	-	93,106	-
Installment purchase debt payable	3,072,700	-	3,072,700	-
Compensated absences	10,961,837	132,272	11,094,109	-
Judgments and claims payable	4,192,400	-	4,192,400	-
Other post-employment benefits	54,338,267	-	54,338,267	-
Estimated liability for landfill closure and post-closure care costs	<u>2,928,735</u>	<u>-</u>	<u>2,928,735</u>	<u>-</u>
Total non-current liabilities	<u>198,884,055</u>	<u>6,952,168</u>	<u>205,836,223</u>	<u>4,102,000</u>
Total liabilities	<u>228,951,255</u>	<u>8,199,435</u>	<u>237,150,690</u>	<u>4,304,117</u>
<b>DEFERRED INFLOWS</b>				
Rents and other inflows	-	-	-	16,975
Fees for services	-	70,017	70,017	-
Property taxes	9,998,001	-	9,998,001	-
Deferred inflows from issuance of bond, net of amortization	<u>3,405,894</u>	<u>41,631</u>	<u>3,447,525</u>	<u>-</u>
Total deferred inflows	<u>13,403,895</u>	<u>111,648</u>	<u>13,515,543</u>	<u>16,975</u>
<b>NET POSITION</b>				
Net investment in capital assets	654,433,516	16,569,181	671,002,697	15,371
Restricted:				
Debt service	11,906,365	-	11,906,365	-
Tax stabilization	9,934,805	-	9,934,805	-
Capital projects	6,343,616	-	6,343,616	-
Community preservation operations	52,748,172	-	52,748,172	-
Restricted for specific project	6,173,502	-	6,173,502	570,266
Restricted for specific grant	59,576	-	59,576	-
Unrestricted	<u>(61,556,605)</u>	<u>1,817,783</u>	<u>(59,738,822)</u>	<u>55,106</u>
Total net position	<u>680,042,947</u>	<u>18,386,964</u>	<u>698,429,911</u>	<u>640,743</u>
Total liabilities, deferred inflows and net position	<u>\$ 922,398,097</u>	<u>\$ 26,698,047</u>	<u>\$ 949,096,144</u>	<u>\$ 4,961,835</u>

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Revenues				Net Revenues (Expenses) and Changes in Net Position			
	Expenses	Charges for Services, Fees Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
Functions and programs:								
Primary Government -								
Governmental activities:								
General governmental support	\$ 23,891,061	\$ 910,917	\$ 58,213,762	\$ 1,669,752	\$ 36,903,370	\$ -	\$ 36,903,370	
Public safety	35,628,311	2,946,557	190,678	-	(32,491,076)	-	(32,491,076)	
Health	2,895,640	-	-	-	(2,895,640)	-	(2,895,640)	
Transportation	24,374,926	1,005,871	44,817	1,870,812	(21,452,426)	-	(21,452,426)	
Economic assistance and opportunity	4,667,705	880,127	1,271,155	-	(2,516,423)	-	(2,516,423)	
Culture and recreation	5,638,303	55,938	725,715	-	(4,856,650)	-	(4,856,650)	
Home and community services	15,879,919	7,017,170	3,839,431	27,955	(4,995,363)	-	(4,995,363)	
Interest on debt	3,963,461	-	-	-	(3,963,461)	-	(3,963,461)	
Total governmental activities	<u>116,939,326</u>	<u>12,817,580</u>	<u>64,285,558</u>	<u>3,568,519</u>	<u>(36,267,669)</u>	<u>-</u>	<u>(36,267,669)</u>	
Business-type activities:								
Beaches and marinas	1,602,784	1,693,806	5,568	-	-	96,590	96,590	
Waste management	2,302,072	1,859,264	201,909	-	-	(240,899)	(240,899)	
Golf course	636,375	655,867	387	-	-	19,879	19,879	
Interest on debt	281,595	-	-	-	-	(281,595)	(281,595)	
Total business-type activities	<u>4,822,826</u>	<u>4,208,937</u>	<u>207,864</u>	<u>-</u>	<u>-</u>	<u>(406,025)</u>	<u>(406,025)</u>	
Total primary government	<u>\$ 121,762,152</u>	<u>\$ 17,026,517</u>	<u>\$ 64,493,422</u>	<u>\$ 3,568,519</u>	<u>(36,267,669)</u>	<u>(406,025)</u>	<u>(36,673,694)</u>	
Component Unit -								
Economic assistance and opportunity	<u>\$ 822,316</u>	<u>\$ 178,512</u>	<u>\$ 541,607</u>	<u>\$ -</u>				<u>\$ (102,197)</u>
General revenues:								
Real property taxes					62,863,930	475,640	63,339,570	-
Other real property tax items					577,961	-	577,961	-
Non-property tax items					1,530,975	-	1,530,975	-
Interest earnings					581,728	4,080	585,808	748
State aid - unrestricted					10,418,900	-	10,418,900	-
Sale of property and compensation for loss					164,755	-	164,755	-
Miscellaneous					15,044	-	15,044	121,390
Total general revenues					<u>76,153,293</u>	<u>479,720</u>	<u>76,633,013</u>	<u>122,138</u>
Excess revenues over expenditures before transfers					39,885,624	73,695	39,959,319	19,941
Transfer of capital assets					-	2,042,027	2,042,027	-
Interfund transfers					(250,728)	250,728	-	-
Total transfers					<u>(250,728)</u>	<u>2,292,755</u>	<u>2,042,027</u>	<u>-</u>
Change in net position					39,634,896	2,366,450	42,001,346	19,941
Total net position, beginning of year (as restated, see note 16)					640,408,051	16,020,514	656,428,565	620,802
Total net position, end of year					<u>\$ 680,042,947</u>	<u>\$ 18,386,964</u>	<u>\$ 698,429,911</u>	<u>\$ 640,743</u>

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

**TOWN OF SOUTHAMPTON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2013**

	MAJOR FUNDS						MAJOR FUNDS			
	General Fund	Police District Fund	Town Outside Village Fund	Highway Fund	Public Safety Communications	Non-Major Governmental Funds	Total Operating Funds	Capital Projects Fund	Community Preservation Fund	Total Governmental Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 9,757,506	\$ 1,901,382	\$ 1,466,692	\$ 3,055,808	\$ 728,151	\$ 12,749,147	\$ 29,658,686	\$ -	\$ -	\$ 29,658,686
Restricted cash	7,131,432	1,686,592	503,347	1,134,136	171,065	7,547,927	18,174,499	8,153,201	53,000,762	79,328,462
Accounts receivable, net	778,763	358,387	-	6,511	7,811	843,009	1,994,481	-	2,500	1,996,981
State and federal aid receivables	259,134	1,980,343	-	498,882	70,000	-	2,808,359	-	-	2,808,359
Due from fiduciary funds	-	1,061	-	-	1,424	1,027,537	1,030,022	-	-	1,030,022
Due from other governments	-	-	-	-	-	-	-	-	9,302,938	9,302,938
Prepaid expenses	1,420,951	894,507	166,989	220,614	95,550	55,841	2,854,452	-	3,752	2,858,204
<b>Total assets</b>	<b>\$ 19,347,786</b>	<b>\$ 6,822,272</b>	<b>\$ 2,137,028</b>	<b>\$ 4,915,951</b>	<b>\$ 1,074,001</b>	<b>\$ 22,223,461</b>	<b>\$ 56,520,499</b>	<b>\$ 8,153,201</b>	<b>\$ 62,309,952</b>	<b>\$ 126,983,652</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 470,428	\$ 81,856	\$ 8,870	\$ 77,725	\$ 16,671	\$ 3,938,699	\$ 4,594,249	\$ 562,459	\$ 20,736	\$ 5,177,444
Accrued liabilities	1,587,082	1,488,145	323,112	384,224	149,935	316,388	4,248,886	-	35,618	4,284,504
Due to fiduciary funds	10,224	-	1,203	7,777	-	49,531	68,735	1,247,126	23	1,315,884
Due to other governments	216,554	-	-	-	-	-	216,554	-	-	216,554
<b>Total liabilities</b>	<b>2,284,288</b>	<b>1,570,001</b>	<b>333,185</b>	<b>469,726</b>	<b>166,606</b>	<b>4,304,618</b>	<b>9,128,424</b>	<b>1,809,585</b>	<b>56,377</b>	<b>10,994,386</b>
<b>DEFERRED INFLOWS</b>										
Property taxes	3,093,547	2,980,043	396,496	1,732,816	303,220	1,491,879	9,998,001	-	-	9,998,001
<b>Total deferred inflows</b>	<b>3,093,547</b>	<b>2,980,043</b>	<b>396,496</b>	<b>1,732,816</b>	<b>303,220</b>	<b>1,491,879</b>	<b>9,998,001</b>	<b>-</b>	<b>-</b>	<b>9,998,001</b>
<b>FUND BALANCE</b>										
Fund balance:										
Nonspendable	1,420,951	894,507	166,989	220,614	95,550	55,841	2,854,452	-	3,752	2,858,204
Restricted	7,131,432	1,686,592	503,347	1,134,136	171,065	7,946,025	18,572,597	6,343,616	62,249,823	87,166,036
Assigned	766,818	-	737,011	1,358,659	337,560	8,425,098	11,625,146	-	-	11,625,146
Unassigned	4,650,750	(308,871)	-	-	-	-	4,341,879	-	-	4,341,879
<b>Total fund balance</b>	<b>13,969,951</b>	<b>2,272,228</b>	<b>1,407,347</b>	<b>2,713,409</b>	<b>604,175</b>	<b>16,426,964</b>	<b>37,394,074</b>	<b>6,343,616</b>	<b>62,253,575</b>	<b>105,991,265</b>
<b>Total liabilities, deferred inflows and fund balance</b>	<b>\$ 19,347,786</b>	<b>\$ 6,822,272</b>	<b>\$ 2,137,028</b>	<b>\$ 4,915,951</b>	<b>\$ 1,074,001</b>	<b>\$ 22,223,461</b>	<b>\$ 56,520,499</b>	<b>\$ 8,153,201</b>	<b>\$ 62,309,952</b>	<b>\$ 126,983,652</b>

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

**TOWN OF SOUTHAMPTON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

Total Fund Balance - Governmental Funds		\$ 105,991,265
<p>Amounts reported for governmental activities in the Statement of Net Position are different due to the following:</p>		
<p>Capital assets less accumulated depreciation are included in the Statement of Net Position:</p>		
<p>Capital assets:</p>		
Non-depreciable	\$ 571,582,888	
Depreciable	494,178,776	
Accumulated depreciation	<u>(272,945,401)</u>	792,816,263
<p>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 governmental funds financial statements. However, these liabilities are included in the Statement of Net Position:</p>		
General obligation bonds payable	(136,984,548)	
Special assessment bonds with governmental commitment	(124,711)	
Installment purchase debt payable	(6,572,700)	
Compensated absences	(11,039,341)	
Judgments and claims payable	(4,460,000)	
Other post-employment benefits	(54,338,267)	
Estimated liability for landfill closure and post-closure care costs	<u>(3,091,737)</u>	(216,611,304)
Deferred outflows included in the Statement of Net Position		182,406
Deferred inflows from issuance of bonds, net of amortization		(3,405,894)
Revenue that was not accrued on the governmental funds financial statements because it does not meet the availability criteria under the modified accrual basis of accounting is included in the Statement of Net Position.		2,415,776
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 governmental funds financial statements. However, these liabilities are included in the Statement of Net Position.		<u>(1,345,565)</u>
Net Position - Governmental Activities		<u><u>\$ 680,042,947</u></u>

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	MAJOR FUNDS						MAJOR FUNDS			
	General Fund	Police District Fund	Town Outside Village Fund	Highway Fund	Public Safety Communications	Non-Major Governmental Funds	Total Operating Funds	Capital Projects Fund	Community Preservation Fund	Total Governmental Funds
<b>REVENUES</b>										
Real property taxes	\$ 21,449,689	\$ 19,738,896	\$ 2,169,884	\$ 11,060,035	\$ 2,058,182	\$ 6,387,244	\$ 62,863,930	\$ -	\$ -	\$ 62,863,930
Other real property tax items	208,216	135,560	15,019	76,359	13,140	129,667	577,961	-	-	577,961
Non-property tax items	1,530,975	-	-	-	-	-	1,530,975	-	58,058,512	59,589,487
Special assessments	47,335	-	-	-	-	-	47,335	-	-	47,335
Departmental income	794,720	583,429	3,612,684	-	126,022	3,404,486	8,521,341	-	-	8,521,341
Intergovernmental charges	307,863	-	-	699,008	-	-	1,006,871	-	-	1,006,871
Use of money and property	45,405	23,781	4,963	16,589	3,551	343,970	438,259	16,653	126,816	581,728
Licenses and permits	357,565	190,699	-	-	-	-	548,264	-	-	548,264
Fines and forfeitures	1,813,642	-	-	-	-	-	1,813,642	-	-	1,813,642
Sale of property and compensation for loss	132,624	19,884	-	-	7,677	4,570	164,755	-	-	164,755
Miscellaneous local sources	725,715	71,712	-	44,817	-	1,286,199	2,128,443	149,925	5,325	2,283,693
State aid	7,613,296	1,944,911	-	842,159	70,000	12,590	10,482,956	53,000	-	10,535,956
Federal aid	2,191,794	118,966	-	906,178	-	3,867,386	7,084,324	69,475	-	7,153,799
<b>Total revenues</b>	<b>37,218,839</b>	<b>22,827,838</b>	<b>5,802,550</b>	<b>13,645,145</b>	<b>2,278,572</b>	<b>15,436,112</b>	<b>97,209,056</b>	<b>289,053</b>	<b>58,190,653</b>	<b>155,688,762</b>
<b>EXPENDITURES</b>										
General governmental support	12,163,259	-	-	-	-	254,109	12,417,368	-	32,780,606	45,197,974
Public safety	2,346,882	14,044,870	518,974	-	1,592,249	812,513	19,315,488	-	-	19,315,488
Health	-	-	-	-	-	2,895,640	2,895,640	-	-	2,895,640
Transportation	767,789	-	-	5,821,241	-	511,565	7,100,595	-	-	7,100,595
Economic assistance and opportunity	2,967,070	-	-	-	-	490	2,967,560	-	-	2,967,560
Culture and recreation	2,706,126	-	-	-	-	449,462	3,155,588	-	-	3,155,588
Home and community services	581,865	-	3,060,389	-	-	26,007,195	29,649,449	-	-	29,649,449
Employee benefits	10,593,823	8,976,554	2,031,152	3,420,040	850,728	918,584	26,790,881	-	167,873	26,958,754
Capital outlay	-	-	-	-	-	-	-	4,905,920	-	4,905,920
Debt service -										
Principal	4,225,839	436,100	222,380	2,880,652	5,000	689,605	8,459,576	-	3,940,000	12,399,576
Interest	873,904	40,556	13,493	876,214	1,488	219,247	2,024,902	-	2,007,918	4,032,820
<b>Total expenditures</b>	<b>37,226,557</b>	<b>23,498,080</b>	<b>5,846,388</b>	<b>12,998,147</b>	<b>2,449,465</b>	<b>32,758,410</b>	<b>114,777,047</b>	<b>4,905,920</b>	<b>38,896,397</b>	<b>158,579,364</b>
Excess (deficiency) of revenues over (under) expenditures	(7,718)	(670,242)	(43,838)	646,998	(170,893)	(17,322,298)	(17,567,991)	(4,616,867)	19,294,256	(2,890,602)
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond anticipation note redeemed from appropriations	-	-	-	-	-	-	-	945,000	-	945,000
Serial bond, issuance	-	-	-	-	-	21,750,000	21,750,000	7,600,000	-	29,350,000
Premium on debt issuance	11,048	6,842	1,283	70,992	-	918,503	1,008,668	-	-	1,008,668
Interfund transfers in	296,611	45,017	111,681	5,944	18,000	1,988,542	2,465,795	2,329,917	55,644	4,851,356
Interfund transfers out	(903,955)	(200,000)	(10,000)	(400,000)	-	(1,879,127)	(3,393,082)	(829,352)	(879,650)	(5,102,084)
<b>Total other financing sources (uses)</b>	<b>(596,296)</b>	<b>(148,141)</b>	<b>102,964</b>	<b>(323,064)</b>	<b>18,000</b>	<b>22,777,918</b>	<b>21,831,381</b>	<b>10,045,565</b>	<b>(824,006)</b>	<b>31,052,940</b>
<b>Net change in fund balance</b>	<b>(604,014)</b>	<b>(818,383)</b>	<b>59,126</b>	<b>323,934</b>	<b>(152,893)</b>	<b>5,455,620</b>	<b>4,263,390</b>	<b>5,428,698</b>	<b>18,470,250</b>	<b>28,162,338</b>
Fund balance, beginning of year	14,573,965	3,090,611	1,348,221	2,389,475	757,068	10,971,344	33,130,684	914,918	43,783,325	77,828,927
Fund balance, end of year	\$ 13,969,951	\$ 2,272,228	\$ 1,407,347	\$ 2,713,409	\$ 604,175	\$ 16,426,964	\$ 37,394,074	\$ 6,343,616	\$ 62,253,575	\$ 105,991,265

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

**TOWN OF SOUTHAMPTON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Net Change in Fund Balance - Governmental Funds \$ 28,162,338

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 capital outlay exceeds depreciation in the current period is:

Capital outlay, net of reclassifications	\$ 51,344,690	
Depreciation expense	<u>(18,567,982)</u>	32,776,708

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,136,188

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Deferred inflows from issuance of bonds	(1,008,668)	
Serial bond issuance	(29,350,000)	
Repayment of bond principal	11,410,076	
Repayment of special assessment bonds	44,500	
Repayment of installment purchase debt	<u>3,500,000</u>	(15,404,092)

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:

Other post-employment benefits	(8,955,124)	
Employees' retirement system	3,304,814	
Compensated absences	(486,490)	
Judgments and claims payable	(1,340,000)	
Estimated liability for landfill closure and post-closure care costs	371,195	
Amortization of deferred inflows	307,642	
Amortization of deferred outflows	(17,009)	
Accrued interest costs	<u>(221,274)</u>	<u>(7,036,246)</u>

Net Change in Net Position - Governmental Activities \$ 39,634,896

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2013**

	<b>MAJOR BUSINESS-TYPE ACTIVITIES</b>		<b>NON-MAJOR BUSINESS-TYPE ACTIVITIES</b>	<b>Total Proprietary Funds</b>
	<b>Beaches and Marinas</b>	<b>Waste Management</b>	<b>Golf Course</b>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 301,408	\$ 1,370,856	\$ 427,608	\$ 2,099,872
Accounts receivable, net	-	16,712	8,461	25,173
Due from fiduciary funds	-	228,066	-	228,066
State and federal aid receivable	-	144,500	-	144,500
Prepaid expenses	13,969	29,858	-	43,827
Inventory of materials and supplies	-	20,057	-	20,057
<b>Total current assets</b>	<b>315,377</b>	<b>1,810,049</b>	<b>436,069</b>	<b>2,561,495</b>
Non-current assets:				
Non-depreciable capital assets	8,024,789	169,100	5,135,201	13,329,090
Depreciable capital assets, net of depreciation	5,190,513	5,040,385	576,564	10,807,462
<b>Total non-current assets</b>	<b>13,215,302</b>	<b>5,209,485</b>	<b>5,711,765</b>	<b>24,136,552</b>
<b>Total assets</b>	<b>\$ 13,530,679</b>	<b>\$ 7,019,534</b>	<b>\$ 6,147,834</b>	<b>\$ 26,698,047</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 68,975	\$ 137,842	\$ 6,958	\$ 213,775
Accrued interest payable	33,498	42,805	-	76,303
Due to fiduciary funds	1,485	-	-	1,485
Due to other governments	-	-	249,860	249,860
Non-current liabilities due within one year - General obligation bonds payable	402,020	303,824	-	705,844
<b>Total current liabilities</b>	<b>505,978</b>	<b>484,471</b>	<b>256,818</b>	<b>1,247,267</b>
Non-current liabilities:				
General obligation bonds payable	2,716,917	4,102,979	-	6,819,896
Compensated absences	5,615	126,657	-	132,272
<b>Total non-current liabilities</b>	<b>2,722,532</b>	<b>4,229,636</b>	<b>-</b>	<b>6,952,168</b>
<b>Total liabilities</b>	<b>3,228,510</b>	<b>4,714,107</b>	<b>256,818</b>	<b>8,199,435</b>
<b>DEFERRED INFLOWS</b>				
Fees for services	18,156	51,861	-	70,017
Deferred inflow from issuance of bond	35,430	6,201	-	41,631
<b>Total deferred inflows</b>	<b>53,586</b>	<b>58,062</b>	<b>-</b>	<b>111,648</b>
<b>NET POSITION</b>				
Net investment in capital assets	10,060,935	796,481	5,711,765	16,569,181
Unrestricted	187,648	1,450,884	179,251	1,817,783
<b>Total net position</b>	<b>10,248,583</b>	<b>2,247,365</b>	<b>5,891,016</b>	<b>18,386,964</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 13,530,679</b>	<b>\$ 7,019,534</b>	<b>\$ 6,147,834</b>	<b>\$ 26,698,047</b>

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES	Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 1,693,806	\$ 1,859,264	\$ 655,867	\$ 4,208,937
Other	5,568	201,909	387	207,864
Total operating revenues	<u>1,699,374</u>	<u>2,061,173</u>	<u>656,254</u>	<u>4,416,801</u>
<b>OPERATING EXPENSES:</b>				
Beaches and marinas	1,088,111	-	-	1,088,111
Waste management	-	1,393,789	-	1,393,789
Golf course	-	-	610,189	610,189
Depreciation	303,485	482,413	24,374	810,272
Employee benefits	211,188	425,870	1,812	638,870
Total operating expenses	<u>1,602,784</u>	<u>2,302,072</u>	<u>636,375</u>	<u>4,541,231</u>
Operating income (loss)	<u>96,590</u>	<u>(240,899)</u>	<u>19,879</u>	<u>(124,430)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Real property taxes	136,039	339,601	-	475,640
Interfund transfers in	58,004	166,874	25,850	250,728
Transfer of capital assets	-	-	2,042,027	2,042,027
Interest income	1,077	2,207	796	4,080
Interest on debt	(145,537)	(136,058)	-	(281,595)
Total non-operating revenues (expenses)	<u>49,583</u>	<u>372,624</u>	<u>2,068,673</u>	<u>2,490,880</u>
Change in net position	146,173	131,725	2,088,552	2,366,450
Total net position, beginning of year	<u>10,102,410</u>	<u>2,115,640</u>	<u>3,802,464</u>	<u>16,020,514</u>
Total net position, end of year	<u>\$ 10,248,583</u>	<u>\$ 2,247,365</u>	<u>\$ 5,891,016</u>	<u>\$ 18,386,964</u>

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

**TOWN OF SOUTHAMPTON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES	Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Revenue collected:				
Cash receipts from customers	\$ 1,689,156	\$ 1,851,792	\$ 656,267	\$ 4,197,215
Other operating cash receipts	5,568	57,409	387	63,364
Payments for expenses:				
Cash payments to other suppliers of goods or services	(1,046,829)	(1,314,256)	(645,123)	(3,006,208)
Cash payments to employees for services and related expenses	(208,132)	(408,428)	(1,812)	(618,372)
Other operating cash payments	55,276	(171,511)	(35,260)	(151,495)
Net cash provided (used) by operating activities	495,039	15,006	(25,541)	484,504
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(28,367)	(175,546)	(194,743)	(398,656)
Principal paid on bond anticipation note	-	(40,000)	-	(40,000)
Principal paid on capital debt	(439,311)	(316,113)	-	(755,424)
Serial bond proceeds	-	435,000	-	435,000
Premium on bonds payable	-	6,201	-	6,201
Interest paid on debt	(145,537)	(136,058)	-	(281,595)
Interfund transfer	58,004	166,874	25,850	250,728
Net cash used by capital financing activities	(555,211)	(59,642)	(168,893)	(783,746)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Real property taxes	136,039	339,601	-	475,640
Net cash provided by non-capital financing activities	136,039	339,601	-	475,640
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and earnings received	1,077	2,207	796	4,080
Net cash provided by investing activities	1,077	2,207	796	4,080
Net increase (decrease) in cash and cash equivalents	76,944	297,172	(193,638)	180,478
Cash and cash equivalents, beginning of year	224,464	1,073,684	621,246	1,919,394
Cash and cash equivalents, end of year	\$ 301,408	\$ 1,370,856	\$ 427,608	\$ 2,099,872
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income	\$ 96,590	\$ (240,899)	\$ 19,879	\$ (124,430)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	303,485	482,413	24,374	810,272
Accounts receivable	275	(1,714)	400	(1,039)
State and federal aid receivable	-	(144,500)	-	(144,500)
Due from fiduciary funds	53,790	(171,511)	-	(117,721)
Prepaid expenses	(364)	4,462	-	4,098
Accounts payable and accrued liabilities	41,646	75,071	(34,934)	81,783
Due to fiduciary funds	1,486	-	-	1,486
Due to other governments	-	-	(35,260)	(35,260)
Fees for services	(4,925)	(5,758)	-	(10,683)
Compensated absences	3,056	17,442	-	20,498
Net cash provided (used) by operating activities	\$ 495,039	\$ 15,006	\$ (25,541)	\$ 484,504

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2013**

<b>ASSETS</b>	<b>Agency Funds</b>
Cash	\$ 75,807,517
Accounts receivable	5,419
Due from proprietary funds	1,485
Due from governmental funds	1,315,884
Service award program assets	1,907,204
Total assets	\$ 79,037,509
<b>LIABILITIES</b>	
Due to proprietary funds	\$ 228,066
Due to governmental funds	1,030,022
Due to school districts	35,943,962
Due to Law Enforcement Services	24,080
Town Justice liability	304,856
Bail liability	451,833
Service award program liabilities	1,907,204
Other agency liabilities	39,147,486
Total liabilities	\$ 79,037,509

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

## **NOTES TO FINANCIAL STATEMENTS**

**TOWN OF SOUTHAMPTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**1. BACKGROUND**

The Town of Southampton (the "Town"), was established in 1801 and is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations. The Town Board consists of the Supervisor who is elected for a term of two years and four council members who are elected for terms of four years. The Town Board appoints the Town Attorney, Comptroller, Assessor and the Commissioner of Public Works whose terms are fixed by Town Law. The Town Clerk, the Superintendent of Highways and Receiver of Taxes are elected and serve for four years. The Town Board appoints various department heads.

The Town provides a full range of municipal services, including police and justice court, home and community services, public works and road maintenance, recreation and parks, and general and administrative services.

The accompanying financial statements include all funds of the Town for which the elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. All such entities of the Town have been included in this report.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Southampton 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 most significant of the Town accounting policies are described below.

**A. Reporting entity**

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

The decision to include a potential component unit in the Town of Southampton reporting entity is based on several criteria set forth by GASB which includes legal standing, dependency and financial accountability. Based on the application of these criteria, a summary of certain entities considered in determining the Town of Southampton's reporting entity is discussed below.

The Trustees of the Freeholders and Commonalty of the Town of Southampton (the "Trustees") are independently elected and are responsible for the receipt, maintenance and safety of legally specified property. Operations are supported by user fee revenues established by the Trustees and derived from the issuance of building, mooring and boat ramp permits, as well as budgeted appropriations from the Town. The Town approves the hiring of employees and records the compensation of employees, as well as all of the capital projects of the Trustees on the books of the Town. The Trustees are accounted for as a blended component unit of the Town and are reported as a special revenue fund in the non-major governmental funds. Complete financial statements of the Trustees can be obtained from their administrative office: The Trustees of the Freeholders and Commonalty of the Town of Southampton, 116 Hampton Road, Southampton, N.Y. 11968. Subsequent to year end, the State Supreme Court declared the Trustees to be a division of the Town. The members have since been ordered to turn over control of their financial accounts to the Town (see Subsequent Events, Note 18).

The Town of Southampton Housing Authority (the "Authority") provides housing for low income residents of the Town of Southampton. The Authority is governed by its Board of Directors, which is comprised of five members appointed by the Town of Southampton. Long-term debt that is backed by the full faith and credit of the Town, and other fiscal matters result in a fiscal interdependency with the Town. Accordingly, the Authority has been determined to be a component unit of the Town and is presented discretely in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. Complete financial statements of the Authority can be obtained from their administrative offices: Town of Southampton Housing Authority, 57 Springville Road, Hampton Bays, NY 11946.

B. Excluded from the reporting entity

Within the geographic boundaries of the Town are 7 incorporated villages, 13 school districts and 9 fire districts. These entities are excluded from the Town's financial statements because their operations are controlled by officials elected by their respective constituencies and the Town has no fiscal responsibilities to them and cannot influence their operations.

C. Undivided interest

An "undivided interest" (also known as a joint operation) is an arrangement that resembles a joint venture but no entity or organization is created by the participants. An undivided interest is an ownership arrangement in which two or more parties own property in which title is held individually to the extent of each party's interest. Implied in that definition is that each participant is also liable for specific, identifiable obligations (if any) of the operation. Because an undivided interest is not a legal entity, borrowing to finance its operations often is done individually by each participant. The Town has participated in the following undivided interest:

The Town of Southampton and the Town of East Hampton had entered into an equal, inter-municipal agreement to purchase and operate a public golf course, driving range, and related facilities, known as the Poxabogue Golf Course. In August 2013, the Town of Southampton purchased the remaining fifty-percent share of the golf course from the Town of East Hampton for approximately \$2.1 million, with the primary source of funding being the Community Preservation Fund. This purchase ended the undivided interest with the Town of East Hampton, and any monies owed at year end for profit-sharing have been satisfied prior to the date of these financial statements being issued.

D. 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).

1. Government-wide financial statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the primary government and its component units. These financial statements include the financial activities of the overall government except for fiduciary activities. Eliminations of internal activity have been made in these financial statements. The primary government is reported separately from the legally separate component unit for which the primary government is financially accountable. All of the activities of the Town as primary government are governmental activities.

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 and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functional categories (public safety, transportation, home and community services, etc.), which are otherwise supported by general government revenues (property taxes, certain intergovernmental revenues, interest earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues 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 revenues (property taxes, intergovernmental revenues, interest earnings, etc.).

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.

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.

## 2. 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. Non-major 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. Accordingly, the Town maintains the following fund types:

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. Governmental funds are further classified as major or non-major funds.

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.

Police District Fund: is used to account for financial resources for police purposes. Primary revenue sources are from real property taxes and state aid.

Town Outside Village Fund: is used for revenues and expenditures for certain services provided to the area of the Town located outside of the Incorporated Villages. Primary revenue sources are from real property taxes and departmental income.

Highway Fund: is used to account for revenues and expenditures for highway purposes. Primary revenue sources are from real property taxes and state aid.

Public Safety Communications: is used to account for financial resources for the operation of the E-911 communication facility. Primary revenue sources are from real property taxes.

Capital Projects Fund: is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Primary sources of funds are from debt issuances and appropriations.

Community Preservation Fund: is used to account for financial resources for land acquisition and preservation purposes (current legislation provides for this fund through the 2030 fiscal year). Primary revenue sources are from non-property tax items.

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:

Special Grant Fund: is used to account for the revenues and expenditures related to federal aid for the Community Development Block Grant Program and the Section 8 Housing Choice Vouchers Program.

Special Fund: is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Trustees of the Freeholders and Commonalty: is used to account for financial resources for the preservation and protection of the waterways.

Special District Funds: are used to account for taxes or other revenues, 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 Town Board as follows:

Fire Protection Districts:	
North End Quogue	Noyac
Baypoint	
Lighting Districts:	
Eastport	Flanders
Westhampton	Quogue
East Quogue	Hampton Bays
Riverside	Bridgehampton
Water Mill	
Public Parking Districts:	
Hampton Bays	Bridgehampton
Water Districts:	
Flanders	Hampton Bays
Riverside	
Ambulance Districts:	
Westhampton	Northampton
Hampton Bays	Southampton
Coastal Erosion:	
Bridgehampton	Tiana
Sagaponack	
Parks Districts:	
Bridgehampton	Hampton Bays
Water Mill	

### 3. Proprietary Fund financial statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows for each major proprietary fund and the non-major fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Beaches and Marinas, Waste Management and Golf Course are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses. 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.

The Town applies all provisions of the Accounting Standards Codification ("ASC") of the Financial Accounting Standards Board ("FASB") and interpretations except those that conflict with or contradict GASB pronouncements to its business-type activities.

The Town reports the following major proprietary funds:

Enterprise Funds: used to account for the following operations:

Beaches and Marinas: used to account for operations related to the Town's beaches and marinas. Revenue is mainly derived from charges for services which include licenses, permits, dock fees and other recreation related items.

Waste Management: used to account for operations related to the Town's refuse. Revenue is mainly derived from items disposed by the Town's residents which are not part of the regular sanitation pickup.

Additionally, the Town reports the following non-major proprietary fund:

Golf Course: used to account for operations related to Poxabogue Golf Course. Revenue is derived from charges for services related to greens fees, driving range fees and other related items.

#### 4. Fiduciary Funds:

The fiduciary funds are used to account for the assets held by the Town in a trustee capacity or as agency for individuals, private organizations and their governments. These activities are not included in the government-wide financial statements, because their resources do not belong to the Town, and are not available to be used.

The Town reports the following fiduciary funds:

Agency Fund: is for money (and/or property) received and held in the capacity of trustee, custodian or agent. The Town's fiduciary funds include agency funds as follows:

Town Agency Fund: accounts for consolidated payroll, amounts due to/from other governments, service award programs and other agency liabilities.

Town Receiver of Taxes Agency Fund: accounts for amounts due to other governments for general and school taxes collected.

Justice Court Agency Fund: accounts for amounts due to other governments and bail liability.

E. Measurement focus and basis of accounting

Measurement focus refers to what is being measured whereas 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 financial 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 economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial 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. Application of "susceptible to accrual" criterion requires judgment, consideration of the materiality of the item in question, and due regard for the practicality of accrual, as well as consistency in application.

Revenues susceptible to accrual include Suffolk County local assistance at year end on behalf of the Town, franchise fees, 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 and (c) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded for budgetary control purposes in order to reserve that 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 reserved against fund balances are re-appropriated in the ensuing year. Encumbrances are reported as 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.

F. Property taxes

In Suffolk County ("County"), the assessment and lien of real property for taxation is done by the County Department of Assessment. 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 and by special districts of the County and the Town.

The Town of Southampton Receiver of Taxes ("Receiver") collects all real property taxes for the Town, Suffolk County, Town special districts and school districts located within the Town of Southampton as a single bill. Town and County taxes are levied on December 1<sup>st</sup>, and are due in two equal installments, payable without penalty on January 10<sup>th</sup> and May 31<sup>st</sup> respectively; after which taxes are payable to the County Treasurer. Penalties are imposed thereafter at the rate of 1% per month from January 10<sup>th</sup> until May 31<sup>st</sup>. The Receiver collects all taxes based on this single bill and distributes the proceeds to the Town Supervisor prior to distributing the remaining taxes collected to the County. Responsibility for the collection of unpaid taxes rests with the County and, accordingly, the Town is assured 100% collection of real property taxes.

G. Interfund transactions

Interfund transactions have been eliminated from the government-wide financial statements. In the fund financial statements, interfund transactions include:

1. Interfund revenues

Interfund revenues represent amounts charged for services or facilities provided by one fund to another fund. The amounts paid by the fund receiving the benefits of the service or facilities are reflected as an expenditure of the fund receiving the service.

2. Transfers

Interfund transfers represent payments to/from other funds for reimbursement of costs paid by one fund for another fund or funding for capital projects.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and cash equivalents/investments

Cash consists of funds deposited in demand accounts, time deposit accounts and certificates of deposit with maturities of less than three months from the date acquired by the Town.

For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

J. Receivables

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

K. Inventory - materials and supplies

Inventory in the proprietary funds is valued at cost using the first-in, first-out method.

L. Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses in the Balance Sheet and Statement of Net Position represent amounts paid in advance for employee retirement benefits and insurance.

M. Restricted assets

Certain assets are classified as restricted assets because their use is restricted by contractual agreements and regulations.

N. Capital assets

Capital assets purchased or acquired with an original cost of \$10,000 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. 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	10-50 years
Improvements other than buildings	20 years
Machinery and equipment	5-30 years
Infrastructure -	
Bridges	20-50 years
Landfill	30 years
Roads, curbs and sidewalks	20-30 years
Lighting system	15 years
Bulkheads, piers and boardwalks	10-30 years
Water and sewer mains	10-65 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

O. Premiums on debt issuance

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of deferred inflows. Premiums considered to be immaterial are not amortized. In the fund financial statements, premiums are recognized during the current period as other financing sources.

P. Deferred outflows

Deferred outflows of resources are defined as a consumption of net position by the government that is applicable to future periods. Discounts related to the issuance of long-term debt and any loss on the early retirement of refunded debt are amortized on a straight-line basis over the life of the later issue, and are presented net of accumulated amortization, in the government-wide financial statements as deferred outflows of resources. Bond issuance costs are not amortized. In the fund financial statements, bond issuance costs are recognized during the current period as expenditures.

Q. Deferred inflows

Deferred inflows of resources are defined as an acquisition of net position by the government that is applicable to future periods. Deferred inflows are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred inflows also arise when the Town receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the deferred inflow is removed and revenues are recorded.

R. Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions, as well as short-term interfund loans are classified as "due to and from other funds". Long-term interfund loans (non-current portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

S. Long-term obligations

The liabilities for long-term obligations consisting of general obligation bonds payable, special assessment bonds payable, installment purchase debt payable, compensated absences, judgments and claims, other post-employment benefits and liability for landfill closure and post-closure care costs 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 when paid.

T. Compensated absences (accumulated unpaid vacation, sick pay and other employee benefits)

Town employees receive accumulated earned but unused vacation and sick pay benefits pursuant to labor contracts or Town policies. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations.

The liability for vested or accumulated vacation or sick leave (compensated absences) is recorded as current and non-current obligations in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, only the compensated absence liability payable from expendable available financial resources is incurred. The amount that is expected to be liquidated with expendable available financial resources is reported as expenditures and a liability in the fund financial statements and the respective fund that will pay it and are only reported in the fund financial statements, only to the extent that they have matured.

U. Notes payable

Tax anticipation notes and revenue anticipation notes are generally recorded as fund liabilities in the fund receiving the proceeds. Bond anticipation notes are classified as fund liabilities in the funds receiving the proceeds unless all legal steps have been taken to refinance the notes and the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis, at which time they are recorded as other financing sources, bond anticipation notes redeemed from appropriations, in the fund financial statements. In the government-wide Statement of Net Position, they are recorded as a liability.

V. Equity classifications:

Government-wide financial statements

In the government-wide financial statements there are three classes of net position:

Net investment in capital assets: consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted: consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted: is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund financial statements

In the fund financial statements, there are five classifications of fund balance:

1. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenses recorded in the Town's various funds in the amount of \$2,858,204.
2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town has established the following restricted fund balances:

Debt Service

According to General Municipal Law §6-l, the Debt Service Reserve must be established for the purpose of retiring the outstanding debt service payments on the general obligation bonds used to originally purchase the property. The funding of the reserve is from the proceeds of the sale of property or capital improvement.

A summary of the activity in the Debt Service Reserve for the year ended December 31, 2013 is as follows:

Balance - beginning	\$ 11,888,716
Board approved transfer of fund balance	204,953
Liquidation of reserve for debt service payments	<u>(187,304)</u>
Balance - ending	<u>\$ 11,906,365</u>

Tax Stabilization

According to General Municipal Law §6-l and Town Law, the Tax Stabilization Reserve was established for the purposes of providing a degree of stability and to weather fluctuations in revenues and expenditures without severely impacting property tax rates. The monies in the reserve may be expended only pursuant to an appropriation for purposes authorized by the Town Supervisor and the adoption of a resolution appropriating the recommended amount by at least two-thirds of the voting strength of the Town Board.

Community Preservation

The Town established a Community Preservation Fund (the "CPF") in accordance with Town Law Section 64-d and 64-e and Local Law Section 139 for the purpose of protecting and preserving open and undeveloped lands in the Town of Southampton, including wetlands, woodlands, agricultural lands, shore lands, and other natural resources of the Town, for the purpose of protecting historic places and properties within the Town and for the purpose of providing the Town's visitors and residents with outdoor recreational opportunities. Funding of this reserve is primarily from revenues collected from the two percent real estate transfer tax imposed by the Town pursuant to Article 31-D of New York State Tax Law. In accordance with Local Law Section 139, financial activities for the Community Preservation Fund are maintained in a separate bank account. The Town currently accounts for the financial activity of the Community Preservation Fund as a major governmental fund. In accordance with the purpose of this fund, not more than ten percent of the fund shall be utilized for management and stewardship activities. Upon completion of the Community Preservation Project Plan, any remaining funds will be applied to reduce any bonded indebtedness or other obligations incurred.

## Capital

Capital Projects Funds are used to account for and report financial resources that are restricted for capital outlays, including the acquisition or construction of capital facilities and other capital assets, and accordingly the Town has reflected its fund balance as such. Capital Projects Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

3. Committed - Includes amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Town Board is the decision-making authority that can, by Board resolution, commit fund balance. The Town has no committed fund balances as of December 31, 2013.
4. Assigned - Includes amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund (may not have negative balances), and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. The Town Board has the authority to assign amounts to be used for specific purposes. They also include constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, and should be reported as assigned fund balance, except for tax stabilization arrangements.

## Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the Major Funds, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

5. Unassigned - Includes all other General Fund fund balance that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

Fund balances for all the major and nonmajor governmental funds as of December 31, 2013, were distributed as follows:

	General Fund	Police District Fund	Town Outside Village Fund	Highway Fund	Public Safety Communications	Capital Projects Fund	Community Preservation Fund	Non-Major Funds	Total Governmental Funds
<b>Nonspendable</b>									
Prepaid expenses	\$ 1,420,951	\$ 894,507	\$ 166,989	\$ 220,614	\$ 95,550	\$ -	\$ 3,752	\$ 55,841	\$ 2,858,204
<b>Total nonspendable</b>	<b>1,420,951</b>	<b>894,507</b>	<b>166,989</b>	<b>220,614</b>	<b>95,550</b>	<b>-</b>	<b>3,752</b>	<b>55,841</b>	<b>2,858,204</b>
<b>Restricted</b>									
Debt reserve	957,806	52,147	97,597	205,214	4,821	-	9,501,651	1,087,129	11,906,385
Tax stabilization	6,173,626	1,634,445	405,750	928,922	166,244	-	-	625,818	9,934,805
Capital projects	-	-	-	-	-	6,343,616	-	-	6,343,616
Community preservation	-	-	-	-	-	-	52,748,172	-	52,748,172
Restricted for specific project	-	-	-	-	-	-	-	6,173,502	6,173,502
Restricted for specific grant	-	-	-	-	-	-	-	59,576	59,576
<b>Total restricted</b>	<b>7,131,432</b>	<b>1,686,592</b>	<b>503,347</b>	<b>1,134,136</b>	<b>171,065</b>	<b>6,343,616</b>	<b>62,249,823</b>	<b>7,946,025</b>	<b>87,166,036</b>
<b>Assigned</b>									
Designated for subsequent year's expenditures	572,181	-	216,159	536,766	130,602	-	-	-	1,455,708
Encumbrances	194,637	-	-	-	-	-	-	5,066,241	5,260,878
Designated for special purpose	-	-	520,852	821,893	206,958	-	-	3,358,857	4,908,560
<b>Total assigned</b>	<b>766,818</b>	<b>-</b>	<b>737,011</b>	<b>1,358,659</b>	<b>337,560</b>	<b>-</b>	<b>-</b>	<b>8,425,098</b>	<b>11,625,146</b>
<b>Unassigned</b>	<b>4,650,750</b>	<b>(308,871)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,341,879</b>
<b>Total</b>	<b>\$ 13,969,951</b>	<b>\$ 2,272,228</b>	<b>\$ 1,407,347</b>	<b>\$ 2,713,409</b>	<b>\$ 604,175</b>	<b>\$ 6,343,616</b>	<b>\$ 62,253,575</b>	<b>\$ 16,426,964</b>	<b>\$ 105,991,265</b>

## Order of use of fund balance

The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

### **3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND FINANCIAL STATEMENTS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

#### **A. Total fund balances of governmental funds vs. net position of governmental activities**

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental funds Balance Sheet.

#### **B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The categories are shown below:

##### **1. Long-term revenue/expense differences**

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

##### **2. Capital related differences**

Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund financial statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund financial statements and depreciation expense on those items as recorded in the Statement of Activities.

##### **3. Long-term debt transaction differences**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund financial statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

### **4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **A. Budgetary data**

The Town follows the procedures enumerated below in establishing the budgetary data (pages 75 through 92, as well as pages 100 through 107) reflected in the financial statements:

1. On or before September 20<sup>th</sup>, each department, office or district submits to the Supervisor 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 year.
2. On or before September 30<sup>th</sup>, the Supervisor files with the Town Clerk and the Comptroller.
3. On or before October 5<sup>th</sup>, the Town Clerk presents to the Town Board a tentative budget for the ensuing year (Town Law Sections 106 and 108). The Town Board reviews the tentative budget and files a preliminary budget with the Town Clerk.

4. The Town Board conducts a public hearing on the preliminary budget and on or before November 20<sup>th</sup>, the Town Board meets to adopt the budget now known as the "adopted budget".
5. Formal budgetary integration is employed during the year as a management control device for the General Fund and certain major funds. The Town Board adopts the budget and establishes a legal level of control of 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 appropriation require Town 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 Fund and certain other funds, detailed individual statements of revenues, expenditures and changes in fund balance – budget and actual, are presented as supplementary schedules in this report.
6. Budgets for the General Fund and certain major funds are legally adopted for each year. The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made. The Capital Projects Fund and Special Grant Funds are budgeted on a project or grant basis. The Special Revenue Fund and the Trustees of the Freeholders and Commonality do not have annually adopted budgets.

B. Fund balances

Designation of fund balance

Portions of the assigned fund balances at December 31, 2013 were designated for the subsequent year's operating budgets as follows:

<u>Fund</u>	<u>Total Assigned Fund Balance</u>	<u>Fund Balance Designated For Subsequent Year</u>
Major governmental funds:		
General Fund	\$ 766,818	\$ 572,181
Town Outside Village Fund	737,011	216,159
Highway Fund	1,358,659	536,766
Public Safety Communications	337,560	130,602
Non-Major governmental funds:		
Fire Protection Districts	110,670	-
Lighting Districts	464,409	-
Public Parking Districts	149,581	-
Water Districts	865,188	-
Ambulance Districts	82,555	-
Coastal Erosion	6,328,466	-
Parks Districts	424,229	-
 Total	 <u>\$ 11,625,146</u>	 <u>\$ 1,455,708</u>

Fund deficits

As of December 31, 2013, there were no deficit fund balances in any governmental funds.

**5. CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS**

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. The Town's monies must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the state. The Town is authorized to use certificates of deposit, N.O.W., super N.O.W. accounts and money market deposit accounts.

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.

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 exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

GASB directs that deposits 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, 2013, the Town's book balances were \$186,894,537. The Town's bank deposit balances were \$188,497,174, of which \$12,164,431 was covered by the Federal Deposit Insurance Corporation, \$58,485,010 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name and \$117,743,111 was collateralized with securities held by the pledging financial institution, or its trust, in the name of the Town. Bank accounts operated and held by the Town of Southampton Housing Authority on behalf of the Town of Southampton are held with a separate collateral agreement. Those bank balances amounted to \$104,622 as of December 31, 2013.

At December 31, 2013, the Town's component units' bank balances were covered by the Federal Deposit Insurance Corporation.

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: Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

As of December 31, 2013, the Town did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances for the primary government at December 31, 2013 primarily represent the payment of operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

	Amount Receivable	Amount Payable
Major Governmental Funds:		
General Fund	\$ -	\$ 10,224
Police District Fund	1,061	-
Town Outside Village Fund	-	1,203
Highway Fund	-	7,777
Public Safety Communications	1,424	-
Capital Projects Fund	-	1,247,126
Community Preservation Fund	-	23
Non-Major Governmental Funds	1,027,537	49,531
Major Business-Type Funds:		
Beaches and Marinas	-	1,485
Waste Management	228,066	-
Agency Funds	1,317,369	1,258,088
	<u>\$ 2,575,457</u>	<u>\$ 2,575,457</u>

Interfund transfer balances for the primary government at December 31, 2013 primarily represent the payment of operating and capital expenditures in addition to general obligation bond and bond anticipation note principal and interest and are stated as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ 296,611	\$ 903,955
Police District Fund	45,017	200,000
Town Outside Village Fund	111,681	10,000
Highway Fund	5,944	400,000
Public Safety Communications	18,000	-
Capital Projects Fund	2,329,917	829,352
Community Preservation Fund	55,644	879,650
Non-Major Governmental Funds	1,988,542	1,879,127
Major Business-Type Funds:		
Beaches and Marinas	58,004	-
Waste Management	166,874	-
Golf Course	25,850	-
	<u>\$ 5,102,084</u>	<u>\$ 5,102,084</u>

## 7. CAPITAL ASSETS

Governmental activities, capital asset balances and activity for the year ended December 31, 2013 were as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 544,585,048	\$ 26,997,840	\$ -	\$ 571,582,888
Total	<u>\$ 544,585,048</u>	<u>\$ 26,997,840</u>	<u>\$ -</u>	<u>571,582,888</u>
Depreciable capital assets:				
Buildings	\$ 39,970,898	\$ 475,038	\$ -	40,445,936
Improvements other than buildings	15,212,541	18,402,230	-	33,614,771
Machinery and equipment	27,472,208	1,646,053	(129,635)	28,988,626
Infrastructure -				
Bridges	1,297,496	2,384	-	1,299,880
Landfill	9,412,515	-	-	9,412,515
Roads, curbs and sidewalks	352,366,953	2,637,208	-	355,004,161
Lighting system	1,349,791	-	-	1,349,791
Bulkheads, piers and boardwalks	10,228,580	2,635	-	10,231,215
Water and sewer mains	12,650,579	1,181,302	-	13,831,881
Total depreciable capital assets	<u>\$ 469,961,561</u>	<u>\$ 24,346,850</u>	<u>\$ (129,635)</u>	<u>494,178,776</u>
Less accumulated depreciation:				
Buildings	\$ 9,818,423	\$ 802,683	\$ -	10,621,106
Improvements other than buildings	7,315,437	1,489,779	-	8,805,216
Machinery and equipment	20,081,350	2,034,760	(129,635)	21,986,475
Infrastructure -				
Bridges	254,657	36,381	-	291,038
Landfill	5,589,365	313,750	-	5,903,115
Roads, curbs and sidewalks	201,143,928	13,327,525	-	214,471,453
Lighting system	1,325,455	15,296	-	1,340,751
Bulkheads, piers and boardwalks	5,425,185	272,661	-	5,697,846
Water and sewer mains	3,553,254	275,147	-	3,828,401
Total accumulated depreciation	<u>\$ 254,507,054</u>	<u>\$ 18,567,982</u>	<u>\$ (129,635)</u>	<u>272,945,401</u>
Total depreciable capital assets, net				<u>221,233,375</u>
Total capital assets, net				<u>\$ 792,816,263</u>
Depreciation expense was charged to governmental functions as follows:				
General governmental support				\$ 1,362,335
Public safety				717,209
Transportation				14,281,205
Economic assistance and opportunity				60,524
Culture and recreation				1,278,109
Home and community services				868,600
Total governmental activities depreciation expense				<u>\$ 18,567,982</u>

Business-type activities, capital asset balances and activity for the year ended December 31, 2013 were as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 11,287,063	\$ 2,042,027	\$ -	\$ 13,329,090
Total	<u>\$ 11,287,063</u>	<u>\$ 2,042,027</u>	<u>\$ -</u>	<u>13,329,090</u>
Depreciable capital assets:				
Buildings	\$ 4,422,433	\$ 174,473	\$ -	4,596,906
Improvements other than buildings	9,084,337	-	-	9,084,337
Machinery and equipment	2,975,859	224,183	-	3,200,042
Total depreciable capital assets	<u>\$ 16,482,629</u>	<u>\$ 398,656</u>	<u>\$ -</u>	<u>16,881,285</u>
Less accumulated depreciation:				
Buildings	\$ 1,144,736	\$ 95,180	\$ -	1,239,916
Improvements other than buildings	2,106,007	454,273	-	2,560,280
Machinery and equipment	2,012,808	260,819	-	2,273,627
Total accumulated depreciation	<u>\$ 5,263,551</u>	<u>\$ 810,272</u>	<u>\$ -</u>	<u>6,073,823</u>
Total depreciable capital assets, net				<u>10,807,462</u>
Total capital assets, net				<u>\$ 24,136,552</u>
Depreciation expense was charged to business-type activities functions as follows:				
Waste management				\$ 482,413
Beaches and marinas				303,485
Golf course				24,374
Total business-type activities depreciation expense				<u>\$ 810,272</u>

During 2013, the Town of Southampton purchased the Town of East Hampton's share of the Poxabogue Golf Course using Community Preservation Fund monies. Subsequently, the Town transferred the cost of the land, \$2,042,027, to the Golf Course Enterprise Fund, as reflected in the capital asset schedule above. The transfer was made to properly reflect the use of the asset since the land is being utilized by the Golf Course Enterprise Fund to generate revenues. In the event that the land is sold, the cost of the land must be returned back to the Community Preservation Fund.

The Town of Southampton 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, 2013, the Town has not recorded any such impairment losses.

Discretely presented component unit's capital asset balances and activity for the year ended December 31, 2013 were as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 683,700	\$ -	\$ -	\$ 683,700
Total	<u>\$ 683,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>683,700</u>
Depreciable capital assets:				
Buildings	\$ 2,435,796	\$ -	\$ -	2,435,796
Equipment	165,891	4,088	-	169,979
Building improvements	644,401	310,673	-	955,074
Total depreciable capital assets	<u>\$ 3,246,088</u>	<u>\$ 314,761</u>	<u>\$ -</u>	<u>3,560,849</u>
Less accumulated depreciation:				
Buildings	\$ 454,574	\$ 61,987	\$ -	516,561
Equipment	84,650	27,498	-	112,148
Building improvements	65,299	45,039	-	110,338
Total accumulated depreciation	<u>\$ 604,523</u>	<u>\$ 134,524</u>	<u>\$ -</u>	<u>739,047</u>
Total depreciable capital assets, net				<u>2,821,802</u>
Total capital assets, net				<u>\$ 3,505,502</u>
Depreciation expense was charged as follows:				
Economic assistance and opportunity				<u>\$ 134,524</u>

## 8. SHORT-TERM DEBT

Bond anticipation notes ("BANs") are used as a temporary means of financing capital expenditures in the Capital Projects Fund and land acquisitions in the Community Preservation 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. Liabilities for BANs are generally accounted for in the Capital Projects Fund and Community Preservation Fund. BANs are generally paid from the proceeds of bond issuance after renewal of these notes.

A summary of changes in short-term debt for the Town for the year ended December 31, 2013 is as follows:

	Beginning Balance	Increases	Reductions	Ending Balance
Bond anticipation notes @ .50% matured on April 18, 2013	<u>\$ 6,105,000</u>	<u>\$ -</u>	<u>\$ 6,105,000</u>	<u>\$ -</u>

Total interest paid on short-term debt was \$30,525 during the year ended December 31, 2013.

## 9. LONG-TERM DEBT OBLIGATIONS

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Increases	Reductions	Ending Balance	Amounts Due Within One Year	Noncurrent Liabilities
<b>Governmental activities:</b>						
General obligation bonds payable	\$ 119,044,624	\$ 29,350,000	\$ 11,410,076	\$ 136,984,548	\$ 13,687,538	\$ 123,297,010
Special assessment bonds						
with governmental commitment	169,211	-	44,500	124,711	31,605	93,106
Installment purchase debt payable	10,072,700	-	3,500,000	6,572,700	3,500,000	3,072,700
Due to employees' retirement system	3,304,814	-	3,304,814	-	-	-
Compensated absences	10,552,851	519,909	33,419	11,039,341	77,504	10,961,837
Judgments and claims payable	3,120,000	1,566,068	226,068	4,460,000	267,600	4,192,400
Other post-employment benefits	45,383,143	12,615,326	3,660,202	54,338,267	-	54,338,267
Estimated liability for landfill closure and post-closure care costs	3,462,932	173,577	544,772	3,091,737	163,002	2,928,735
<b>Total governmental activities</b>	<b>\$ 195,110,275</b>	<b>\$ 44,224,880</b>	<b>\$ 22,723,851</b>	<b>\$ 216,611,304</b>	<b>\$ 17,727,249</b>	<b>\$ 198,884,055</b>
<b>Business-type activities:</b>						
General obligation bonds payable	\$ 7,846,164	\$ 435,000	\$ 755,424	\$ 7,525,740	\$ 705,844	\$ 6,819,896
Compensated absences	111,774	20,498	-	132,272	-	132,272
<b>Total business-type activities</b>	<b>\$ 7,957,938</b>	<b>\$ 455,498</b>	<b>\$ 755,424</b>	<b>\$ 7,658,012</b>	<b>\$ 705,844</b>	<b>\$ 6,952,168</b>
<b>Discretely presented component unit:</b>						
General obligation bonds payable	\$ 3,603,500	\$ -	\$ 76,500	\$ 3,527,000	\$ 75,000	\$ 3,452,000
Notes payable	-	650,000	-	650,000	-	650,000
<b>Total discretely presented component unit</b>	<b>\$ 3,603,500</b>	<b>\$ 650,000</b>	<b>\$ 76,500</b>	<b>\$ 4,177,000</b>	<b>\$ 75,000</b>	<b>\$ 4,102,000</b>

\*Liabilities for termination benefits cannot be reasonably estimated and therefore, are not reported within these financial statements.

**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 1.031% to 5.550% and have maturity dates in 2015 through 2030.

On August 15, 2013, the Town issued \$8,035,000 in public improvement serial bonds with an interest rate of 2.00% increasing to 2.375% to fund various projects as well as to redeem outstanding bond anticipation notes in the amount of \$6,105,000. The net proceeds of \$2,880,000 (after payment of \$17,750 in underwriting fees, insurance and other issuance costs) will be used for various Town projects and the purchase of Town equipment. The total purchase price of the bonds were \$8,149,542 with an original issue premium of \$114,542, which will be amortized over the life of the bonds on a straight-line basis as a component of interest expense in the Statement of Activities.

On September 1, 2013, the Town issued \$21,750,000 in serial bonds with an interest rate of 2.00% increasing to 4.00% to fund beach erosion control projects. The net proceeds of \$21,750,000 (after payment of \$17,250 in underwriting fees, insurance and other issuance costs) were used for the purposes of erosion control within the Town's various beach erosion control districts. The total purchase price of the bonds were \$22,650,327 with an original issue premium of \$900,327, which will be amortized over the life of the bonds on a straight-line basis as a component of interest expense in the Statement of Activities.

**Special assessment bonds** - The Town has \$124,711 of special assessment debt outstanding to provide funds for road improvements. These bonds will be repaid from amounts levied against the property owners benefited by these improvements. In the event that a deficiency exists because of unpaid delinquent special assessments at the time a debt service payment is due, and although the Town is not directly liable, the Town must provide resources to cover the deficiency until other resources are received. The bonds have interest rates ranging from 2.00% to 5.00% and are payable over the next 8 years.

The following is a summary of the maturity of long-term bond indebtedness:

Governmental activities:

General obligations bonds payable -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2013
NYS EFC bonds	6/1/95	5/15/15	3.700% - 5.550%	\$ 80,000
NYS EFC bonds	7/1/97	6/15/17	3.750% - 5.350%	140,000
NYS EFC bonds	3/13/03	4/15/20	1.031% - 4.551%	365,000
NYS EFC bonds	3/4/04	3/4/20	1.056% - 4.235%	6,690,000
Public improvement serial bonds	11/1/04	11/1/24	3.125% - 4.125%	8,305,500
Refunding serial bonds	2/24/05	5/1/16	3.000% - 5.000%	935,000
Public improvement serial bonds	2/1/06	12/1/20	3.250% - 4.000%	2,573,800
Public improvement serial bonds	9/15/07	9/15/22	3.875% - 4.125%	6,410,200
Open space preservation serial bonds	1/15/09	1/15/30	3.000% - 4.375%	16,900,000
Open space preservation serial bonds	4/1/09	4/1/30	3.000% - 4.500%	16,900,000
Refunding serial bonds	5/1/10	5/1/22	2.000% - 5.000%	6,276,617
Public improvement serial bonds	8/12/10	8/12/29	2.000% - 3.250%	16,533,000
Public improvement serial bonds	4/28/11	4/15/22	2.000% - 4.000%	11,486,000
Refunding serial bonds	8/8/12	10/1/23	2.000% - 5.000%	12,089,431
Retirement serial bonds	11/27/12	11/15/22	2.000% - 2.400%	1,950,000
Public improvement serial bonds	4/17/13	4/15/27	2.000% - 2.375%	7,600,000
Erosion control district serial bonds	9/4/13	9/1/23	2.000% - 4.000%	21,750,000
				<u>\$ 136,984,548</u>

Special assessment bonds -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2013
Public improvement serial bonds	2/1/06	12/1/20	3.250% - 4.000%	\$ 60,100
Refunding serial bonds	5/1/10	5/1/16	2.000% - 5.000%	64,611
				<u>\$ 124,711</u>

Business-type activities:

General obligation bonds payable -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2013
Public improvement serial bonds	11/1/04	11/1/24	3.125% - 4.125%	\$ 94,500
Public improvement serial bonds	2/1/06	12/1/20	3.250% - 4.000%	1,566,100
Public improvement serial bonds	9/15/07	9/15/22	3.875% - 4.125%	2,514,800
Refunding serial bonds	5/1/10	5/1/22	2.000% - 4.500%	238,772
Public improvement serial bonds	8/12/10	8/12/29	2.000% - 3.250%	2,097,000
Public improvement serial bonds	4/28/11	4/15/22	2.000% - 4.000%	264,000
Refunding serial bonds	8/8/12	10/1/23	2.000% - 5.000%	315,568
Public improvement serial bonds	4/17/13	4/15/27	2.000% - 2.375%	435,000
				<u>\$ 7,525,740</u>

The following is a summary of maturing debt service requirements for bonds:

Governmental activities:

General obligations bonds payable -

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended <u>December 31,</u>			
2014	\$ 13,687,538	\$ 4,519,571	\$ 18,207,109
2015	13,580,531	4,042,943	17,623,474
2016	13,282,135	3,644,399	16,926,534
2017	12,628,861	3,242,817	15,871,678
2018	12,664,414	2,839,843	15,504,257
2019-2023	49,688,863	8,359,193	58,048,056
2024-2028	16,602,206	2,595,099	19,197,305
2029-2030	4,850,000	250,688	5,100,688
	<u>\$ 136,984,548</u>	<u>\$ 29,494,553</u>	<u>\$ 166,479,101</u>

Special assessment bonds -

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended <u>December 31,</u>			
2014	\$ 31,605	\$ 7,017	\$ 38,622
2015	29,199	5,585	34,784
2016	29,107	4,840	33,947
2017	8,700	1,392	10,092
2018	8,700	1,044	9,744
2019-2020	17,400	1,044	18,444
	<u>\$ 124,711</u>	<u>\$ 20,922</u>	<u>\$ 145,633</u>

Business-type activities:

General obligations bonds payable -

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended <u>December 31,</u>			
2014	\$ 705,844	\$ 268,948	\$ 974,792
2015	754,065	237,727	991,792
2016	806,353	207,687	1,014,040
2017	771,030	178,328	949,358
2018	776,722	149,507	926,229
2019-2023	2,649,821	373,017	3,022,838
2024-2028	911,906	88,871	1,000,777
2029-2030	150,000	2,438	152,438
	<u>\$ 7,525,741</u>	<u>\$ 1,506,523</u>	<u>\$ 9,032,264</u>

Interest on governmental activities long-term debt for the year was composed of:

Interest paid	\$ 4,002,295
Less interest accrued in the prior year	(1,124,291)
Plus interest accrued in the current year	1,345,565
Amortization of discounts and premiums on bonds payable	<u>(290,633)</u>
Total expense	<u>\$ 3,932,936</u>

Interest on business-type activities long-term debt for the year was composed of:

Interest paid	\$ 281,595
Less interest accrued in the prior year	(76,303)
Plus interest accrued in the current year	<u>76,303</u>
Total expense	<u>\$ 281,595</u>

Installment purchase obligation - During 2011, the Town entered into a \$19,572,000 installment purchase obligation to finance the cost of acquisition of certain permanent interest in land through the Community Preservation Fund. The outstanding balance of the obligation as of December 31, 2013 is \$6,572,700. Costs associated with the total obligation equaled \$19,572,000.

Terms of the obligation include an initial principal payment of \$6,000,000, with annual principal installments of \$3,500,000 due on October 1, 2012 through 2014, and a final principal payment of \$3,072,700 on October 1, 2015. The installment purchase obligation is non-interest bearing. If in the event, any installment of principal is not paid by the due date, it shall bear interest from such date at a rate of 5% per annum to the date of payment. Management of the Town has determined that any imputed interest charges related to this loan would be immaterial and therefore no such charges have been recorded within the financial statements. Terms of the installment purchase obligation do not allow for prepayment of the obligation.

Other long-term debt - Liabilities for judgments and claims, net pension obligation, other post-employment benefits and landfill closure and post-closure care costs are liquidated through future budgetary appropriations in the General Fund. The liabilities for compensated absences and due to Employees' Retirement System are liquidated through future budgetary appropriation in the funds that gave rise to the liability, with the majority being liquidated through the General Fund and Police District Fund.

Notes payable - In May 2013, the Town of Southampton Housing Authority (the "Authority") issued \$650,000 in notes payable at an interest rate of 2.95%, which is below the prime rate of 3.25%. The proceeds were used to pay off a project developer's existing mortgage obligation, provide additional funding for the development of a future project (to the same project developer) and to reconstruct, furnish and equip a single family low income rental housing project. The notes mature in 2015.

In December 2012, the Authority issued \$3,500,000 of revenue bonds at various interest rates ranging from 1.5% to 3.5%. The proceeds were used to pay off existing mortgage obligations and to issue new monies for future projects related to the Hampton Bays Apartments. The bond is guaranteed by the Town of Southampton, which also acts as the fiscal agent, remitting payment to the registered owners of the bonds on the applicable payment dates. The bond is due to mature in December of 2047. The outstanding balance as of December 31, 2013 is \$3,430,000.

In June 2010, the Authority issued \$110,000 of general obligation bonds at an interest rate of 3.55%. The proceeds were used to reconstruct, furnish and equip a single family low income rental housing project located within the Town of Southampton. The outstanding balance as of December 31, 2013 is \$97,000.

The following is a summary of maturing debt service requirements:

Year ended December 31,	Principal	Interest	Total
2014	\$ 75,000	\$ 105,732	\$ 180,732
2015	75,000	104,402	179,402
2016	75,000	103,072	178,072
2017	80,000	101,660	181,660
2018	80,000	99,990	179,990
2019-2023	402,000	471,491	873,491
2024-2028	410,000	421,019	831,019
2029-2033	490,000	353,341	843,341
2034-2038	555,000	272,356	827,356
2039-2043	665,000	167,913	832,913
2044-2047	620,000	44,275	664,275
	<u>\$ 3,527,000</u>	<u>\$ 2,245,251</u>	<u>\$ 5,772,251</u>

## 10. PENSION PLANS

### General information

The Town participates in the New York State and Local Employees' Retirement System ("NYSERS") and the New York State Local Police and Fire Retirement System ("NYSPFRS") (collectively the "Systems"). These are cost-sharing, multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

### Provisions and administration

The NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law ("NYSRSSL") governs obligations of employers and employees to contribute, and benefits to employees. The NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244.

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

### Funding policies

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% to 3.5% of their salary. With the exception of NYSERS tier V and VI employees, employees in NYSERS more than ten years are no longer required to contribute. In addition, employee contribution rates under NYSERS tier VI vary based on a sliding salary scale. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund.

The Town is required to contribute at a rate determined actuarially by the Systems. The Town contributions made to the Systems also include additional contributions to fund various early retirement incentives made available to the Town employees. The credits and miscellaneous adjustments represent modifications made by the NYSERS and NYSPFRS for prior year's contributions. Required contributions for the current and two preceding years were:

Year Ended	NYSERS			NYSPPRS			Total Payment
	Annual Required Contribution	Incentive/Rate Amortization	Reconciliation and Miscellaneous Adjustments	Annual Required Contribution	Incentive/Rate Amortization	Reconciliation and Miscellaneous Adjustments	
2013	\$ 4,630,145	\$ 1,630,328	\$ (3,125,348)	\$ 3,275,525	\$ 874,143	\$ (1,740,455)	\$ 5,544,338
2012	4,137,521	1,469,784	(2,557,650)	2,841,541	567,195	(1,132,937)	5,325,454
2011	3,496,931	797,438	(1,376,854)	2,431,653	436,216	(763,025)	5,022,359

The State Legislature allows local governments to amortize certain contribution costs. The cost of the amortization is billed and paid over a ten year period and includes an interest rate of 5.00%. During 2013, the Town repaid their entire long-term amortized liability in the amount of \$3,304,814.

#### Deferred compensation plan

The Town has established a deferred compensation plan, administered by New York State Deferred Compensation Plan, in accordance with Internal Revenue Code § 457 for all employees. The date that employees are eligible to participate in the plan is the same as the date they begin their employment with the Town. The Town makes no contributions into this plan. The amount deferred by eligible employees for the year ended December 31, 2013 totaled \$71,460. A report for this plan may be obtained by writing to N.Y.S. Deferred Compensation Plan, 385 Jordon Road, Troy, NY 12180.

### **11. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP OR PROGRAM")**

#### Program Description

The Town sponsors four Volunteer Ambulance Workers Service Award Programs (the "Plans"): Westhampton War Memorial Ambulance Corporation, Flanders Northampton Ambulance Corporation, Hampton Bays Volunteer Ambulance Corporation and Southampton Volunteer Ambulance Corporation. All Plans are single-employer defined benefit plans covering the Town's volunteer ambulance workers.

#### Funding Policy

The Plans are established under New York State Law Section 565-B, A7635-B, 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.

#### Participation, vesting and service credit

Any volunteer ambulance worker who completes five years of service and attains age 65 is eligible for normal retirement benefits. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of ambulatory service or upon attaining the program's entitlement age. In general, an active volunteer ambulance worker is credited with a year of ambulatory service for each calendar year after the establishment of the program in which he or she accumulated fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of service rendered prior to the establishment of the program.

#### Benefits

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

#### Fiduciary investment and control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each ambulance company having members who participate in the program. Each ambulance company must maintain all required records on forms prescribed by the governing board.

The Plans are administered by Penflex, Inc. with all provisions and amendments subject to approval of the Town Board. An annual actuarial valuation report for the Plans can be obtained from the Town of Southampton Comptroller's Office. None of the pension plans issue separate audited reports on the pension plans. The designated programs administrator's functions include Installation Assistance including: Specimen Adoption Agreement; Specimen Master Plan; Insurance Applications; Participant Enrollment Forms; Explanation of Benefits; Benefit Certificates and Administrative Assistance: Reminder Letter to Sponsor with Census for current anniversary date provided annually; Participant's Benefit Calculation at the time of termination or retirement for verification by the Plan Sponsor; Member Census and Premium Analysis Report provided annually; Valuation and Recommended Deposit provided annually; Summary of Required Contribution; Actuarial review; and Recommended Program Enhancement as appropriate. Disbursements of program assets for the payment of benefits or administrative expenses must be approved. The following is an explanation of the process for approving disbursements:

A. Payment of benefits

1. Entitlement benefits

Penflex, Inc. prepares and submits to the Sponsor a Verification of Benefits Statement and an Annuity Enrollment Form for participants active at entitlement age and for vested participants upon termination from the program. Following review for accuracy, the Sponsor signs and returns the paperwork to Penflex, Inc. to disburse entitlement benefits.

2. Death benefits

Upon notification from the Sponsor of a participant death, Penflex, Inc. prepares a Verification of Benefits Statement and a Lump Sum Death Benefit Form. Following review for accuracy, the Sponsor signs and returns the paperwork accompanied by a death certificate to Penflex, Inc. authorizing Penflex, Inc. to disburse a death benefit.

3. Disability benefits

Upon notification from the Sponsor of a participants' total and permanent disability, Penflex, Inc. prepares a Verification of Benefits Statement, a Physician Statement Form and a Lump Sum Disability Benefit Form. Following review for accuracy, the Sponsor signs and returns the paperwork authorizing Penflex, Inc. to disburse a disability benefit.

B. Payment of administrative expenses

Per the executed Service Fee Agreement, the Sponsor agrees to payment as contracted.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with GML Article 11A 217(j).

Authority to invest program assets is vested in the Glen Falls Bank and Trust Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The Sponsor is required to retain an actuary to determine the amount of the Sponsor's contributions to the Plans. The actuary retained by the Sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from reports prepared by the actuary dated July 23, 2012.

## Plan contributions

Pension contributions are determined based on an annual actuarial calculation. The required contribution for the Plans consists of two components. The first component is the annual prior service cost which equals the level annual payment required to fund over the prior service funding period and 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 is 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 Westhampton War Memorial Ambulance Corporation of \$59,797, the Flanders Northampton Volunteer Ambulance Corporation of \$63,640, the Hampton Bays Volunteer Ambulance Corporation of \$63,222 and the Southampton Volunteer Ambulance Corporation of \$42,697 for the year ended December 31, 2012 were sufficient to satisfy current and future service award obligations upon eligibility for retirement.

The percentage of annual cost contributed to the plan for the year ended December 31, 2013 and the two preceding years is as follows:

<u>Year</u>	<u>Annual Cost</u>	<u>Annual Contribution Made</u>	<u>Percentage Contributed</u>
2012	\$ 226,822	\$ 229,356	101.11%
2012	229,356	221,961	96.77%
2011	221,961	229,990	103.62%

### Program financial condition (As of December 31, 2012)

#### Westhampton War Memorial Ambulance Corporation -

Actuarial present value of vested benefits	\$ 600,807
Net assets available for benefit	\$ 474,227

#### Flanders Northampton Volunteer Ambulance Corporation -

Actuarial present value of vested benefits	\$ 536,142
Net assets available for benefit	\$ 495,444

#### Hampton Bays Volunteer Ambulance Corporation -

Actuarial present value of vested benefits	\$ 499,802
Net assets available for benefit	\$ 520,178

#### Southampton Volunteer Ambulance Corporation -

Actuarial present value of vested benefits	\$ 418,773
Net assets available for benefit	\$ 417,354

Receipts and disbursements (For the year ended December 31, 2012)

Westhampton War Memorial Ambulance Corporation -

Program net assets, beginning of year		\$	387,046
Changes during the year:			
Plan contributions	\$	59,797	
Investment income earned		44,883	
Benefits paid		(12,480)	
Trustee fees		(2,095)	
Administrative fees		(2,924)	
			<u>87,181</u>
Program net assets, end of year		\$	<u>474,227</u>
Contributions -			
Recommended contribution for the year ended December 31, 2013		\$	<u>63,616</u>
Amount of sponsor's actual contribution		\$	<u>59,797</u>

Flanders Northampton Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	431,787
Changes during the year:			
Plan contributions	\$	63,640	
Investment income earned		50,007	
Benefits paid		(44,610)	
Trustee fees		(2,300)	
Administrative fees		(3,080)	
			<u>63,657</u>
Program net assets, end of year		\$	<u>495,444</u>
Contributions -			
Recommended contribution for the year ended December 31, 2013		\$	<u>56,932</u>
Amount of sponsor's actual contribution		\$	<u>63,640</u>

Hampton Bays Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	417,227
Changes during the year:			
Plan contributions	\$	63,222	
Investment income earned		48,736	
Benefits paid		(3,770)	
Trustee fees		(2,275)	
Administrative fees		(2,962)	
			<u>102,951</u>
Program net assets, end of year		\$	<u>520,178</u>
Contributions -			
Recommended contribution for the year ended December 31, 2013		\$	<u>63,246</u>
Amount of sponsor's actual contribution		\$	<u>63,222</u>

Southampton Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	339,885
Changes during the year:			
Plan contributions	\$	42,697	
Investment income earned		39,569	
Benefits paid		(240)	
Trustee fees		(1,848)	
Administrative fees		(2,709)	77,469
			<hr/>
Program net assets, end of year		\$	<u>417,354</u>
Contributions -			
Recommended contribution for the year ended December 31, 2013		\$	<u>43,028</u>
Amount of sponsor's actual contribution		\$	<u>42,697</u>

Funding methodology and actuarial assumptions

Westhampton War Memorial Ambulance Corporation -

Valuation Date	December 31, 2012
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability
Amortization Method	Level Dollar, open
Pre-entitlement Age Mortality Table	None assumed
Post-entitlement Age Mortality Table	1994 US Uninsured Pensioner 50/50 M/F Mortality Table
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.5%

Flanders Northampton Volunteer Ambulance Corporation -

Valuation Date	December 31, 2012
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability
Amortization Method	Level Dollar, open
Pre-entitlement Age Mortality Table	None assumed
Post-entitlement Age Mortality Table	1994 US Uninsured Pensioner 50/50 M/F Mortality Table
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.5%

Hampton Bays Volunteer Ambulance Corporation -

Valuation Date	December 31, 2012
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability
Amortization Method	Level Dollar, open
Pre-entitlement Age Mortality Table	None assumed
Post-entitlement Age Mortality Table	1994 US Uninsured Pensioner 50/50 M/F Mortality Table
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.5%

Southampton Volunteer Ambulance Corporation -

Valuation Date	December 31, 2012
Actuarial Cost Method	Attained Age Normal Frozen Initial Liability
Amortization Method	Level Dollar, open
Pre-entitlement Age Mortality Table	None assumed
Post-entitlement Age Mortality Table	1994 US Uninsured Pensioner 50/50 M/F Mortality Table
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.5%

**12. POST-EMPLOYMENT BENEFITS**

Plan description and annual other post-employment benefit ("OPEB") cost

The Town provides post-employment (health insurance, life insurance, etc.) coverage to retired employees and their survivors in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements.

The Town implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions, (which was superseded when GASB codified the standards in 2012) in the year ended December 31, 2008. This required the Town to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

Currently, 226 retired employees receive health benefits from the Town. Retirees contribute 0% to 20% for coverage depending on position held, date of hire, years of service, and fiscal year of retirement.

The Town recognizes the cost of providing health insurance annually as expenditures in the applicable funds of the fund financial statements as payments are made. For the year ended December 31, 2013, the Town recognized \$3,660,202 for its share of insurance premiums for currently enrolled retirees.

The Town has obtained an actuarial valuation report as of January 1, 2012 which indicates that the total liability for other post-employment benefits is \$148,511,000 (\$69,865,000 related to retirees and \$78,646,000 related to employees).

The Town's annual OPEB cost (expense) for its plan is calculated based on the *annual required contribution of the employer ("ARC")*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

	For the Year Ended December 31, 2013
Annual required contribution	\$ 10,800,000
Interest on net OPEB obligation	1,815,326
Annual OPEB cost	12,615,326
Contributions made	3,660,202
Increase in net OPEB obligation	8,955,124
Net OPEB obligation, beginning of year	45,383,143
Net OPEB obligation, end of year	\$ 54,338,267

Funded status and funding progress

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2013 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2013	\$ 12,615,326	29.0%	\$ 54,338,267
12/31/2012	11,053,371	33.2%	45,383,143
12/31/2011	13,518,683	24.1%	38,001,772

The funded status of the plan as of January 1, 2012 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Accrued Liability (AAL)- Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
01/01/12	\$ -	\$ 148,511,000	\$ 148,511,000	0%	\$ 37,953,261	391.30%

As of January 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$148,511,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$148,511,000. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual 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 of 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 volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the projected unit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an inflation rate which coincides with the rate of increase in medical premiums, and is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.9% initially, reduced by decrements to an ultimate rate of 4.4% after 83 years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 30 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 24 years.

### 13. 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, and sick leave, subject to certain limitations.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the Statement of Net Position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2013 the value of the accumulated vacation time and sick leave for governmental activities and business-type activities was \$11,171,613.

### 14. COMMITMENTS AND CONTINGENCIES

#### A. Risk management

The Town has adopted GASB Statement No. 10 Accounting and Financial Reporting for Risk Financing and Related Insurance Issues (which was superseded when GASB codified the standards in 2012). The Statement establishes standards for risk financing and insurance-related activities. Liabilities for unpaid claims are accrued when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

In common with other municipalities, the Town receives numerous notices of claims. The Town carries base general liability insurance coverage of \$1,000,000 per occurrence with a \$2,000,000 annual aggregate. The Town carries an umbrella policy which provides additional insurance coverage of \$10,000,000 per occurrence with a \$20,000,000 annual aggregate. Although the eventual outcome of these claims cannot presently be determined, 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.

The Town is insured for worker's compensation insurance and disability insurance.

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 general liability reserves by consulting with legal counsel and past experience with similar claims. The Town has not purchased any annuity contracts with regard to its general liability claims. The schedule below presents the changes in claims liabilities for the past two years and includes an estimate of claims that have been incurred but not yet reported.

	<u>2013</u>	<u>2012</u>
Unpaid claims and claim adjustment expenditures at the beginning of the year	\$ 3,120,000	\$ 1,700,000
Incurred claims and claim adjustment expenditures:		
Provision for insured events of the current year and increases in provision for insured events of prior years	<u>1,566,067</u>	<u>1,690,458</u>
Total incurred claims and adjustment expenditures	<u>4,686,067</u>	<u>3,390,458</u>
Payments:		
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>226,067</u>	<u>270,458</u>
Total payments	<u>226,067</u>	<u>270,458</u>
Unpaid claims and claim adjustment expenditures at the end of the year	<u>\$ 4,460,000</u>	<u>\$ 3,120,000</u>

B. Litigation

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

In June 2005, the Shinnecock Indian Nation (the "Shinnecoeks") commenced an action in the United States District Court, Eastern District of New York, against the Town, the County of Suffolk, the State of New York and several other parties seeking to recover both real property and monetary damages in the amount of fair market value and/or rental value related to various properties in the Town. The Shinnecock Indian Nation claims that such properties, on which the Shinnecoeks allegedly had a leasehold interest, were illegally conveyed and that the Shinnecoeks should be granted "possessory rights" to such properties including restoration to the Shinnecoeks of possession of such land. It is estimated that the property represented by the claim is equal to approximately 3.85% of the total taxable real property in the Town.

By Memorandum and Order dated November 28, 2006, U.S. District Judge Thomas Platt granted the motion of defendants seeking to dismiss the Shinnecoeks' complaint in its entirety, pursuant to Fed. R. Civ. P. 12 (b) (6), for equitable considerations, including plaintiffs' delay in commencing the action.

The Shinnecoeks filed a motion for reconsideration of Judge Platt's Memorandum and Order, and also moved for leave to amend their complaint. They also filed a notice of appeal to the U.S. Court of Appeals (Second Circuit).

The Shinnecoeks' appeal, as well as their motions for reconsideration and leave to amend, have been held in abeyance pending a decision from the Second Circuit Court of Appeals, in the case of *Oneida Nation of New York v. State of New York*, as the Shinnecoeks asserted that a decision in that case could bear heavily on their litigation with the Town.

The Shinnecoeks have withdrawn their motion for reconsideration, but have requested that Judge Platt continue the indefinite adjournment of their motion for leave to amend, to accommodate the possibility that the United States might agree to intervene in the action on behalf of the Shinnecoeks. Judge Platt has granted multiple extensions, and the current extension is set to expire on June 1, 2014.

C. Landfill closure and post-closure care costs

State and federal laws and regulations require the Town to place a final cover on landfill sites and to perform certain maintenance and monitoring activities at landfill sites for at least thirty years after closure. The North Sea Landfill site stopped receiving waste in 1995. Accordingly, as of December 31, 2013, the Town has recorded a liability of \$3,091,737 in the government-wide financial statements 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, changes in technology or changes in regulations. These amounts are based on what it would cost to perform all closure and post-closure care as of December 31, 2013.

D. Government grants

The Town has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the Town's administration believes disallowances, if any, would be immaterial.

E. Property tax cap

In June 2011, subsequent to the adoption of the 2011 Town budget but prior to the adoption of the 2012 Town budget, New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years beginning in 2012 through at least June 15, 2016, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent or the rate of inflation (but not less than 1 percent), whichever is less, with some exceptions. Local governments can exceed the tax levy limit by a 60% vote of the governing body, or by local law.

F. Lease commitments and leased assets

Operating leases

The Town is committed under a non-cancellable operating lease for the Hampton Bays Town Center. Total rental expenditures on the lease for the year ended December 31, 2013 totaled approximately \$336,000.

The Town is also committed under various other operating leases that expire on various dates through December 31, 2015. Total rental expenditures on these leases for the year ended December 31, 2013 were approximately \$38,000.

Future minimum operating lease commitments are as follows:

<u>Year ended</u> <u>December 31,</u>	
2014	\$ 387,934
2015	382,297
2016	349,313
2017	349,313
2018	378,422
2019-2023	<u>1,702,899</u>
	<u>\$ 3,550,178</u>

G. Service concession arrangements

Poxabogue Golf Course

In accordance with GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements (which was superseded when GASB codified the standards in 2012), the Town is required to recognize a liability for certain obligations to sacrifice financial resources (i.e. capital improvements) under the terms of a service concession arrangement or, a deferred inflow for up-front or installment payments received from the operator in advance of the revenue being earned. The Town had one such arrangement, with Steven Lee PGA Golf for the operations of the Poxabogue Golf Center. The agreement took effect June 5, 2013 and is effective through December 31, 2017, with options to extend the agreement at the sole discretion of the Town through December 31, 2021. The Town will receive a monthly licensing fee paid by Steven Lee PGA Golf of approximately \$4,100 over the duration of the agreement. The Town is responsible for any capital repairs or improvements to the existing infrastructure which exceed \$10,000 in any year. Since the amount of capital repairs or improvements cannot be readily measured, the Town did not recognize a corresponding liability on the government-wide financial statements.

**15. TWO PERCENT (2%) TRANSFER TAX**

In November 1998, the voters of the Town of Southampton approved a referendum for a 2% Transfer Tax, which became effective on April 1, 1999. The transfer tax receipts are recorded in the Community Preservation Fund, and are used for the purchase and/or preservation of agricultural land, open space, parks or historic preservation sites. The tax generally applies to sales of vacant land worth \$100,000 or more or sales of improved land worth \$250,000 or more. Conveyance of real property for open space, parks or historic preservation purposes are exempt from this tax.

For the year ended December 31, 2013, and for the four previous years, the Town has the following 2% transfer tax revenue and expenses associated with environmental or historic preservation purposes:

Year ended December 31,	Revenues	Expenditures
2013	\$ 58,058,512	\$ 39,776,047
2012	38,064,858	48,794,391
2011	39,218,452	35,766,085
2010	34,225,797	20,334,329
2009	24,805,488	31,066,640

**16. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNIT**

The following represents condensed financial statements for the Town of Southampton Housing Authority, a discretely presented component unit, as of and for the year ended December 31, 2013:

*Condensed Statement of Net Position:*

	Assets and Deferred Outflows			Liabilities, Deferred Inflows and Net Position			
	Current Assets	Non-Current Assets	Deferred Outflows	Current Liabilities	Bonds and Other Long-Term Liabilities	Deferred Inflows	Net Position
Town of Southampton Housing Authority	\$ 620,298	\$ 4,293,494	\$ 48,043	\$ 202,117	\$ 4,102,000	\$ 16,975	\$ 640,743

*Condensed Statement of Activities:*

	Program			Other	Change	Net Position
	Expenses	Revenue	Net Revenues			
Town of Southampton Housing Authority	\$ 822,316	\$ 720,119	\$ (102,197)	\$ 122,138	\$ 19,941	\$ 640,743

The Town of Southampton Housing Authority's financial statements were restated to reflect the implementation of GASB statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended December 31, 2013, and, as such, the Statement of Activities on page 31, reflects the adjusted beginning net position amount.

**17. NEW ACCOUNTING STANDARDS NOT YET IMPLEMENTED**

GASB has issued Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, which is to improve financial reporting by state and local governmental pension plans. The Town is currently studying the Statement and plans on adoption when required, which will be for the 2014 financial statements.

GASB has issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, which is to improve accounting and financial reporting by state and local governments for pensions. The Town is currently studying the Statement and plans on adoption when required, which will be for the 2015 financial statements.

GASB has issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68, which is to address an issue regarding application of the transition provisions of Statement No. 68, where amounts contributed, if any, by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's net pension liability. The Town is currently studying the Statement and plans on adoption when required, which will be for the 2015 financial statements.

#### **18. SUBSEQUENT EVENTS**

The Town has evaluated subsequent events occurring after the Statement of Net Position through the date of April 25, 2014, which is the date the financial statements were available to be issued. Based on this evaluation, the Town has determined the following subsequent events have occurred, which require disclosure in the financial statements:

In January 2014, the State Supreme Court declared that the Trustees of the Freeholders and Commonalty of the Town of Southampton are a division of the Town, not a separate entity, and therefore cannot conduct business outside the Town Comptroller's office. On February 12, 2014, the Trustees were served with a court injunction, ordering members to turn over control of their financial accounts to the Town. The legal representation for the Trustees has filed an appeal on the ruling, and as of the report date, no decision has been reached.

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget And Actual - General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget And Actual - Police Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget And Actual - Town Outside Village Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget And Actual - Highway Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget And Actual - Public Safety Communications Fund

Schedule of Funding Progress for Other Post-Employment Benefits (OPEB)

Schedule of Employer Contributions - Service Award Program

Schedule of Funding Progress - Service Award Program

Schedule of Funding Progress For Retiree Health Plan

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The capital projects are budgeted on a project or grant basis.

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 21,449,688	\$ 21,449,688	\$ 21,449,689		\$ 1
<b>Other real property tax items:</b>					
Federal payments in lieu of taxes	15,000	15,000	18,296		3,296
Other payments in lieu of taxes	80,000	80,000	66,372		(13,628)
Interest and penalties - real property taxes	105,000	105,000	123,548		18,548
Total other real property tax items	200,000	200,000	208,216		8,216
<b>Non-property tax items:</b>					
Franchise fees	1,410,000	1,410,000	1,530,975		120,975
Total non-property tax items	1,410,000	1,410,000	1,530,975		120,975
<b>Special assessments</b>	-	-	47,335		47,335
<b>Departmental income:</b>					
Town Clerk fees	91,000	91,000	137,113		46,113
Alarm billing	35,000	35,000	50,010		15,010
Departmental income	50,240	50,240	53,148		2,908
Inspection contracts	2,200	2,200	2,006		(194)
Engineering fees	200,000	200,000	125,977		(74,023)
Program fees	390,000	390,000	350,269		(39,731)
Shinnecock commercial dock rental	37,000	37,000	35,906		(1,094)
Program fees	50,000	50,000	40,291		(9,709)
Total departmental income	855,440	855,440	794,720		(60,720)
<b>Intergovernmental charges:</b>					
Intergovernmental revenue	231,574	261,245	266,984		5,739
Revenue from other governments	39,488	39,488	40,879		1,391
Total intergovernmental charges	271,062	300,733	307,863		7,130
<b>Use of money and property:</b>					
Interest and earnings	50,000	50,000	45,405		(4,595)
Total use of money and property	50,000	50,000	45,405		(4,595)
<b>Licenses and permits:</b>					
Dog licenses	10,000	10,000	10,345		345
Public safety permits	180,000	180,000	231,866		51,866
Taxi permits	90,000	90,000	92,325		2,325
Animal control permit fees	1,500	1,500	900		(600)
Special event permits	15,000	15,000	8,603		(6,397)
LT parking permits	13,000	13,000	13,526		526
Total licenses and permits	309,500	309,500	357,565		48,065
<b>Fines and forfeitures:</b>					
Justice court fines and fees	1,980,040	1,980,040	1,813,642		(166,398)
Total fines and forfeitures	1,980,040	1,980,040	1,813,642		(166,398)

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Sale of property and compensation for loss:</b>					
Insurance recoveries	\$ -	\$ -	\$ 132,624		\$ 132,624
Total sale of property and compensation for loss	-	-	132,624		132,624
<b>Miscellaneous local sources:</b>					
Rentals	60,000	60,000	74,859		14,859
Miscellaneous tax receipts	100,000	100,000	140,016		40,016
Contract revenue	30,000	30,000	26,604		(3,396)
Donations - adult transportation	28,000	28,000	24,614		(3,386)
Donations - nutrition program	155,000	155,000	111,053		(43,947)
Donations - residential repair	2,500	2,500	1,925		(575)
Donations - senior day care	120,000	120,000	120,065		65
Miscellaneous	39,240	52,903	128,798		75,895
Professional fees	90,000	90,000	97,781		7,781
Total miscellaneous local sources	624,740	638,403	725,715		87,312
<b>State aid:</b>					
State aid - revenue sharing	180,000	180,000	184,491		4,491
State aid - mortgage tax 2013	6,000,000	6,000,000	6,822,840		822,840
State aid nutrition program	399,976	399,976	409,814		9,838
EISEP grant	15,500	19,200	15,417		(3,783)
State aid - residential repair	19,380	19,380	18,869		(511)
County aid	76,900	76,900	82,270		5,370
State aid - court facilities	-	8,780	8,780		-
State aid - adult day care	15,000	15,000	13,320		(1,680)
State aid - youth programs	6,000	6,056	6,644		588
State aid - human services youth	12,000	15,665	17,198		1,533
State aid - emergency disaster	-	-	33,653		33,653
Total state aid	6,724,756	6,740,957	7,613,296		872,339
<b>Federal aid:</b>					
Federal aid nutrition program	459,024	459,024	470,314		11,290
State aid - public safety	-	-	16,728		16,728
Pump-out boats - clean vessel grant	30,000	30,000	35,000		5,000
Federal grants - other	-	4,152	4,152		-
Federal grants - other public safety	-	23,221	11,556		(11,665)
Federal grants - FEMA	-	-	1,654,044		1,654,044
Total federal aid	489,024	516,397	2,191,794		1,675,397
<b>Total revenues</b>	<b>34,364,250</b>	<b>34,451,158</b>	<b>37,218,839</b>		<b>2,767,681</b>
<b>EXPENDITURES</b>					
<b>General governmental support:</b>					
Salaries	7,796,227	7,693,490	7,559,126	\$ -	134,364
Overtime	11,000	19,889	15,881	-	4,008
Severance pay	-	56,833	53,436	-	3,397
Accumulated sick/personal days	13,392	12,836	9,753	-	3,083
Part time salaries	218,794	262,732	225,061	-	37,671
Longevity	141,720	141,409	138,318	-	3,091
Other pay	20,923	22,173	19,365	-	2,808
Cash in lieu of health benefits	21,250	21,250	20,013	-	1,237
Human resources - wellness reimbursement	800	800	180	-	620
Vehicles	350,000	344,340	162,751	120,687	60,902

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>General governmental support, contd:</b>					
Equipment	\$ 54,350	\$ 163,130	\$ 108,713	\$ -	\$ 54,417
Contracts	192,300	188,300	171,800	12,950	3,550
Contracts - other	1,134,460	1,233,527	1,063,360	-	170,167
Gasoline	35,680	39,016	30,934	-	8,082
Electric	324,250	318,882	313,487	-	5,395
Fuel oil	121,600	109,524	102,428	-	7,096
Repair equipment	25,706	36,867	31,141	-	5,726
Repair building	35,680	29,817	21,908	-	7,909
Repair vehicle	75,001	91,001	82,199	-	8,802
Copier supplies	15,000	15,000	12,522	-	2,478
Postage	95,720	94,800	90,497	-	4,303
Printing and stationery	36,575	39,752	33,900	-	5,852
Publications	58,092	67,318	59,604	-	7,714
Rentals	407,940	407,940	376,888	-	31,052
Telephone	61,704	60,704	46,091	-	14,613
Travel, dues and related	14,587	16,258	11,435	-	4,823
Uniforms	5,720	5,720	4,527	-	1,193
Microfilming	2,500	2,500	2,000	-	500
Other	10,591	12,413	11,708	-	705
Legal notices	16,037	15,915	15,102	-	813
Small equipment (non-capital)	32,100	32,348	31,887	-	461
Taxes - town property	12,100	38,224	38,224	-	-
Office supplies	24,086	22,433	20,111	-	2,322
Supplies - other	35,576	34,922	28,340	-	6,582
Drug court expense	20,000	18,470	13,257	-	5,213
Legal fees	695,000	673,877	572,929	-	100,948
Interpreters	80,000	83,460	78,800	-	4,660
Stenographer	100,000	95,000	90,058	-	4,942
Youth services - programs	50,000	55,059	53,527	-	1,532
Mileage reimbursement	1,090	2,590	138	-	2,452
Schools and training	29,470	35,156	23,860	-	11,296
Document restoration	2,500	2,425	2,421	-	4
Background investigations	750	750	157	-	593
Municipal dues	2,950	2,150	2,150	-	-
Telephone - wireless	8,150	15,382	14,490	-	892
Advertising	3,500	3,250	573	-	2,677
Other - landfill charges	2,000	3,255	2,806	-	449
Copier leases	48,372	50,092	41,746	-	8,346
Marine charges	5,000	2,600	2,332	-	268
Consultants	227,000	181,150	133,150	-	48,000
Tires	40,000	39,670	30,239	-	9,431
Lube oil	15,000	15,000	9,147	-	5,853
Insurance - unallocated	300,000	242,706	178,789	-	63,917
<b>Total general governmental support</b>	<b>13,032,243</b>	<b>13,174,105</b>	<b>12,163,259</b>	<b>133,637</b>	<b>877,209</b>
<b>Public safety:</b>					
Salaries	1,505,705	1,505,705	1,505,002	-	703
Overtime	100,000	155,905	148,475	-	7,430
Accumulated sick/personal days	13,523	12,155	9,653	-	2,502
Part time salaries	125,654	125,214	88,870	-	36,344
Longevity	64,595	64,595	64,567	-	28
Cash in lieu of health benefits	6,500	6,500	6,500	-	-
Clothing cleaning	5,100	5,100	4,800	-	300
Equipment	21,420	21,420	20,102	-	1,318
Contracts	191,675	241,052	228,192	-	12,860

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Public safety, cont'd.:</b>					
Gasoline	\$ 67,100	\$ 64,904	\$ 45,796	\$ -	\$ 19,108
Electric	139,000	127,335	116,276	-	11,059
Fuel oil	60,000	40,012	40,012	-	-
Repair equipment	8,957	9,608	8,088	-	1,520
Repair building	14,000	14,294	9,543	-	4,751
Postage	147	147	34	-	113
Printing and stationery	7,914	6,785	438	-	6,347
Publications	1,330	1,253	1,253	-	-
Travel, dues and related	1,813	1,458	1,032	-	426
Photography	343	60	39	-	21
Uniforms	9,250	10,172	8,933	-	1,239
Other	11,790	8,604	4,835	-	3,769
Bay constables - small equipment	-	4,889	4,889	-	-
Office supplies	2,226	1,637	849	-	788
Supplies - other	1,176	1,153	1,153	-	-
Safety equipment	10,000	12,832	12,832	-	-
Food	5,735	5,235	3,391	-	1,844
Schools and training	3,597	980	220	-	760
Telephone - wireless	7,976	7,777	4,789	-	2,988
Copier leases	2,900	2,900	2,226	-	674
Marine charges	10,000	3,830	3,250	-	580
Veterinarian fees	3,000	3,000	293	-	2,707
Consultants	3,000	3,000	550	-	2,450
<b>Total public safety</b>	<b>2,405,426</b>	<b>2,469,511</b>	<b>2,346,882</b>	<b>-</b>	<b>122,629</b>
<b>Transportation:</b>					
Salaries	618,588	590,111	555,854	-	34,257
Accumulated sick/personal days	2,193	2,193	1,755	-	438
Part time salaries	63,150	70,421	66,666	-	3,755
Longevity	21,791	21,791	19,046	-	2,745
Cash in lieu of health benefits	5,000	5,000	5,000	-	-
Contracts	3,570	3,570	-	-	3,570
Gasoline	50,000	53,554	53,554	-	-
Electric	1,500	1,187	45	-	1,142
Repair vehicle	30,000	50,000	46,330	-	3,670
Postage	1,245	1,278	1,278	-	-
Telephone	5,661	5,661	4,410	-	1,251
Uniforms	700	700	80	-	620
Other	-	313	313	-	-
Legal notices	750	750	-	-	750
Office supplies	500	467	-	-	467
Diesel fuel	25,000	21,446	8,811	-	12,635
Schools and training	980	980	910	-	70
Copier leases	3,086	4,486	3,737	-	749
Lube oil	3,000	889	-	-	889
<b>Total transportation</b>	<b>836,714</b>	<b>834,797</b>	<b>767,789</b>	<b>-</b>	<b>67,008</b>
<b>Economic assistance and opportunity:</b>					
Salaries	1,511,177	1,482,904	1,433,210	-	49,694
Overtime	-	7,768	7,767	-	1
Accumulated sick/personal days	2,483	4,407	4,375	-	32
Part time salaries	227,753	264,495	247,408	-	17,087
Longevity	50,969	50,969	43,663	-	7,306

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Economic assistance and opportunity cont'd.:</b>					
Cash in lieu of health benefits	\$ 10,001	\$ 10,001	\$ 7,917	\$ -	\$ 2,084
Equipment	500	500	199	-	301
Contracts	336,160	338,737	332,660	-	6,077
Electric	3,500	3,500	2,855	-	645
Fuel oil	1,600	1,600	1,097	-	503
Repair equipment	17,160	16,860	12,689	-	4,171
Repairs	490	490	370	-	120
Postage	5,650	5,650	5,089	-	561
Printing and stationery	4,000	4,000	125	-	3,875
Publications	150	240	240	-	-
Travel, dues and related	1,300	1,663	1,360	-	303
Uniforms	1,000	590	-	-	590
Other	170,750	438,808	413,788	-	25,020
Office supplies	3,480	3,840	3,420	-	420
Supplies - other	40,000	40,710	39,547	-	1,163
Youth services - programs	21,500	25,165	24,631	-	534
Mileage reimbursement	10,620	11,590	9,515	-	2,075
Food	310,000	325,000	320,585	-	4,415
Schools and training	500	500	390	-	110
Telephone - wireless	1,100	1,750	1,728	-	22
Advertising	1,000	460	32	-	428
Copier leases	8,100	8,223	8,218	-	5
Program expenses	54,800	56,694	44,192	-	12,502
<b>Total economic assistance and opportunity</b>	<b>2,795,743</b>	<b>3,107,114</b>	<b>2,967,070</b>	<b>-</b>	<b>140,044</b>
<b>Culture and recreation:</b>					
Salaries	1,057,844	1,056,555	1,056,552	-	3
Overtime	23,000	23,000	23,000	-	-
Accumulated sick/personal days	4,178	4,198	4,198	-	-
Part time salaries	308,289	303,907	228,254	-	75,653
Longevity	42,434	42,434	41,465	-	969
Equipment	14,260	43,780	3,608	-	40,172
Park improvements	-	790,000	698,503	61,000	30,497
Contracts	54,626	55,681	49,660	-	6,021
Gasoline	54,750	45,583	44,216	-	1,367
Electric	108,000	132,788	131,935	-	853
Fuel oil	39,500	27,943	25,702	-	2,241
Repair equipment	18,385	18,399	16,773	-	1,626
Repair building	39,690	38,506	38,445	-	61
Repair vehicle	14,700	21,600	21,436	-	164
Copier supplies	196	196	-	-	196
Postage	4,952	7,152	6,138	-	1,014
Publications	248	248	-	-	248
Rentals	15,000	15,000	14,618	-	382
Telephone	3,000	3,000	2,735	-	265
Travel, dues and related	4,600	3,875	2,062	-	1,813
Uniforms	5,370	4,932	3,447	-	1,485
Other	5,500	6,550	5,926	-	624
Legal notices	7,450	7,450	5,603	-	1,847
Small equipment (non-capital)	1,470	490	-	-	490
Office supplies	3,440	3,726	3,205	-	521
Supplies - other	29,890	25,559	25,559	-	-
Diesel fuel	11,100	25,758	25,758	-	-
Mileage reimbursement	490	490	-	-	490
Telephone - wireless	2,940	2,940	1,411	-	1,529

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Culture and recreation, cont'd:</b>					
Program expenses	\$ 211,680	\$ 209,536	\$ 182,469	\$ -	\$ 27,067
Other - landfill charges	18,500	33,826	33,826	-	-
P and R chargeback - watering	4,500	5,058	5,057	-	1
Copier leases	2,200	1,195	413	-	782
Consultants	3,430	7,582	4,152	-	3,430
<b>Total culture and recreation</b>	<b>2,115,612</b>	<b>2,968,937</b>	<b>2,706,126</b>	<b>61,000</b>	<b>201,811</b>
<b>Home and community services:</b>					
Salaries	150,505	150,505	150,493	-	12
Overtime	19,950	16,950	13,915	-	3,035
Accumulated sick/personal days	1,835	1,835	137	-	1,698
Part time salaries	89,695	89,695	84,198	-	5,497
Longevity	9,405	9,717	9,717	-	-
Cash in lieu of health benefits	2,500	2,500	2,500	-	-
Equipment	5,000	4,975	285	-	4,690
Contracts - other	5,000	5,000	-	-	5,000
Contracts	166,182	146,185	115,186	-	30,999
Gasoline	15,300	15,113	12,572	-	2,541
Electric	5,000	4,650	1,803	-	2,847
Fuel oil	2,000	2,000	1,420	-	580
Repair equipment	24,500	34,975	33,289	-	1,686
Repair building	1,750	3,750	2,797	-	953
Rentals	1,960	1,960	-	-	1,960
Uniforms	2,241	2,241	1,901	-	340
Other	5,000	8,000	7,495	-	505
Office supplies	500	500	500	-	-
Supplies - other	3,000	3,187	3,187	-	-
Diesel fuel	57,000	57,000	57,000	-	-
Municipal dues	-	29,096	29,096	-	-
Telephone - wireless	2,800	3,153	3,153	-	-
Copier leases	1,900	1,900	1,746	-	154
Marine charges	5,200	5,200	5,173	-	27
Consultants	50,000	38,553	38,552	-	1
Tires	5,750	5,750	5,750	-	-
<b>Total home and community services</b>	<b>633,973</b>	<b>644,390</b>	<b>581,865</b>	<b>-</b>	<b>62,525</b>
<b>Employee benefits:</b>					
Insurance - unallocated	923,356	873,356	870,619	-	2,737
Employee retirement - active	1,802,636	4,046,142	4,046,441	-	(299)
FICA tax expenditure	1,088,057	1,102,197	1,043,711	-	58,486
MTA tax	48,530	49,344	46,506	-	2,838
Worker's compensation	405,496	406,271	405,644	-	627
Medical insurance - active employees	3,112,982	3,072,237	2,872,514	-	199,723
Health insurance - retirees	976,770	960,770	891,317	-	69,453
Medicare part B - retirees	140,730	140,730	121,520	-	19,210
Dental and optical	284,387	284,387	232,652	-	51,735
N.Y.S unemployment insurance	60,000	76,000	55,142	-	20,858
Disability	11,459	11,534	7,757	-	3,777
<b>Total employee benefits</b>	<b>8,854,403</b>	<b>11,022,968</b>	<b>10,593,823</b>	<b>-</b>	<b>429,145</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Debt service:</b>					
Principal	\$ 3,850,143	\$ 4,177,343	\$ 4,225,839	\$ -	\$ (48,496)
Interest	871,243	871,243	873,904	-	(2,661)
Total debt service	4,721,386	5,048,586	5,099,743	-	(51,157)
Total expenditures	35,395,500	39,270,408	37,226,557	194,637	1,849,214
Excess (deficiency) of revenues over (under) expenditures	(1,031,250)	(4,819,250)	(7,718)	\$ 194,637	4,616,895
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on debt issuance	-	-	11,048		11,048
Interfund transfer in	50,000	118,313	296,611		178,298
Interfund transfer out	-	(887,535)	(903,955)		(16,420)
Appropriated fund balance	981,250	5,588,472	-		(5,588,472)
Total other financing sources (uses)	1,031,250	4,819,250	(596,296)		(5,415,546)
Change in fund balance	-	-	(604,014)		\$ (798,651)
Fund balance, beginning of the year	14,573,965	14,573,965	14,573,965		
Fund balance, end of year	\$ 14,573,965	\$ 14,573,965	\$ 13,969,951		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - POLICE DISTRICT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

REVENUES	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Real property taxes</b>	\$ 19,738,896	\$ 19,738,896	\$ 19,738,896		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	70,000	70,000	76,844		6,844
Interest and penalties - real property taxes	50,000	50,000	58,716		8,716
Total other real property tax items	120,000	120,000	135,560		15,560
<b>Departmental income:</b>					
Departmental income	3,000	3,000	1,749		(1,251)
Towing fees	140,000	140,000	135,905		(4,095)
Alarm billing	325,000	325,000	445,775		120,775
Total departmental income	468,000	468,000	583,429		115,429
<b>Use of money and property:</b>					
Interest and earnings	12,000	12,000	23,781		11,781
Total use of money and property	12,000	12,000	23,781		11,781
<b>Licenses and permits:</b>					
Special event permits	60,000	160,000	190,699		30,699
Total licenses and permits	60,000	160,000	190,699		30,699
<b>Sale of property and compensation for loss:</b>					
Insurance recoveries	-	-	19,884		19,884
Total sale of property and compensation for loss	-	-	19,884		19,884
<b>Miscellaneous local sources:</b>					
Miscellaneous tax receipts	-	-	2,200		2,200
Miscellaneous	-	-	69,512		69,512
Total miscellaneous local sources	-	-	71,712		71,712
<b>State aid:</b>					
State aid - sales tax	1,943,561	1,943,561	1,943,561		-
State aid - public safety	-	-	1,350		1,350
Total state aid	1,943,561	1,943,561	1,944,911		1,350
<b>Federal aid:</b>					
Stop DWI	34,500	34,500	36,782		2,282
NYS speed enforcement	15,015	15,015	9,067		(5,948)
Bullet proof vest program	12,000	12,000	7,164		(4,836)
Federal aid, other public safety	-	5,460	59,466		54,006
Federal grants - FEMA	-	-	6,487		6,487
Total federal aid	61,515	66,975	118,966		51,991
<b>Total revenues</b>	<b>22,403,972</b>	<b>22,509,432</b>	<b>22,827,838</b>		<b>318,406</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - POLICE DISTRICT FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			Better (Worse) To Revised Budget
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Salaries	\$ 10,246,710	\$ 10,340,542	\$ 10,335,972	\$ -	\$ 4,570
Overtime	690,000	928,244	922,429	-	5,815
Accumulated sick/personal days	77,198	85,541	85,540	-	1
Holiday	559,069	504,407	504,407	-	-
Part time salaries	346,877	386,877	378,462	-	8,415
Pay differential special units	756	47,250	47,250	-	-
Longevity	292,665	357,383	355,338	-	2,045
Training	98,208	93,626	82,639	-	10,987
Instructor - shift differential	5,544	7,500	7,500	-	-
Cash in lieu of health benefits	7,750	8,375	7,750	-	625
Clothing cleaning	1,200	1,200	1,200	-	-
Clothing allowance	100,897	86,251	86,250	-	1
Equipment	57,800	27,600	10,201	9,152	8,247
Vehicles	245,000	37,268	-	-	37,268
Emergency services team gear	20,000	20,000	12,160	-	7,840
Contracts	85,764	65,764	53,543	-	12,221
Gasoline	337,512	332,234	303,433	-	28,801
Electric	70,000	80,643	80,642	-	1
Fuel oil	32,632	30,796	28,938	-	1,858
Repair equipment	10,225	21,836	13,572	-	8,264
Repair building	50,000	30,000	16,716	-	13,284
Repair vehicle	35,000	15,000	5,444	-	9,556
Postage	7,245	7,245	3,181	-	4,064
Printing and stationery	11,000	11,000	9,195	-	1,805
Publications	6,090	6,090	2,071	-	4,019
Telephone	10,000	10,000	7,687	-	2,313
Travel, dues and related	2,058	2,058	1,940	-	118
Photography	1,500	1,500	953	-	547
Uniforms	29,400	51,046	45,711	-	5,335
Other	20,000	20,000	17,702	-	2,298
Office supplies	12,500	12,599	12,599	-	-
Supplies - other	8,500	8,500	7,193	-	1,307
Towing	75,000	115,000	100,090	-	14,910
Ammunition	20,000	23,232	6,501	16,518	213
Legal fees	75,000	75,000	58,131	-	16,869
Flares and medical supplies	12,000	12,000	7,568	-	4,432
Safety equipment	45,000	38,000	21,241	-	16,759
Youth services - programs	12,500	12,500	9,801	-	2,699
Diesel fuel	1,500	1,717	1,717	-	-
Food	980	1,089	1,089	-	-
Schools and training	9,800	9,800	5,974	-	3,826
Telephone - wireless	9,800	4,156	1,953	-	2,203
Advertising	9,800	-	-	-	-
Landfill charges	-	628	628	-	-
Copier leases	5,300	5,300	4,580	-	720
Uniform cleaning	19,600	19,600	15,322	-	4,278
<b>Total public safety</b>	<b>14,152,987</b>	<b>14,332,007</b>	<b>14,044,870</b>	<b>25,670</b>	<b>261,467</b>
<b>Employee benefits:</b>					
Employee retirement - active	2,453,282	4,161,628	4,161,628	-	-
FICA tax expenditure	896,356	865,308	863,261	-	2,047
MTA tax	45,206	45,905	44,027	-	1,878

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - POLICE DISTRICT FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Employee benefits, cont'd.:</b>					
Worker's compensation	\$ 509,581	\$ 509,581	\$ 307,614	\$ -	\$ 201,967
Life insurance	10,962	11,162	11,162	-	-
Medical insurance - active employees	1,727,076	1,673,207	1,643,960	-	29,247
Health insurance - retirees	1,709,530	1,686,233	1,557,101	-	129,132
Medicare part B - retirees	93,625	105,922	105,922	-	-
Dental and optical	150,289	150,289	121,849	-	28,440
Dental and optical retirees	151,336	151,336	143,703	-	7,633
NYS unemployment insurance	6,000	17,000	10,498	-	6,502
Disability	4,450	6,032	5,829	-	203
<b>Total employee benefits</b>	<b>7,757,693</b>	<b>9,383,603</b>	<b>8,976,554</b>	<b>-</b>	<b>407,049</b>
<b>Debt service:</b>					
Principal	421,675	436,100	436,100	-	-
Interest	71,617	57,192	40,556	-	16,636
<b>Total debt service</b>	<b>493,292</b>	<b>493,292</b>	<b>476,656</b>	<b>-</b>	<b>16,636</b>
<b>Total expenditures</b>	<b>22,403,972</b>	<b>24,208,902</b>	<b>23,498,080</b>	<b>25,670</b>	<b>685,152</b>
Excess (deficiency) of revenues over (under) expenditures	-	(1,699,470)	(670,242)	\$ 25,670	1,003,558
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on obligations	-	-	6,842	-	6,842
Interfund transfer in	-	43,717	45,017	-	1,300
Interfund transfer out	-	(200,000)	(200,000)	-	-
Appropriated fund balance	-	1,855,753	-	-	(1,855,753)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,699,470</b>	<b>(148,141)</b>	<b>-</b>	<b>(1,847,611)</b>
Change in fund balance	-	-	(818,383)	-	\$ (844,053)
Fund balance, beginning of the year	3,090,611	3,090,611	3,090,611	-	-
Fund balance, end of year	\$ 3,090,611	\$ 3,090,611	\$ 2,272,228	-	-

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TOWN OUTSIDE VILLAGE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 2,169,884	\$ 2,169,884	\$ 2,169,884		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	3,000	3,000	9,147		6,147
Interest and penalties - real property taxes	5,000	5,000	5,872		872
Total other real property tax items	8,000	8,000	15,019		7,019
<b>Departmental income:</b>					
Electrical inspections	380,000	380,000	551,002		171,002
Zoning fees	75,000	75,000	77,100		2,100
Wetland fees	225,000	225,000	236,190		11,190
Old filed maps	7,000	7,000	6,500		(500)
Planning zoning amendments	12,000	12,000	3,500		(8,500)
Other PB scheduling fees	35,000	35,000	61,300		26,300
Land Management planning division - site plan - fees	115,000	115,000	145,420		30,420
Special exceptions planning fee	12,000	12,000	7,000		(5,000)
Photocopy fees	9,000	9,000	14,137		5,137
Sub division planning fees	115,000	115,000	90,350		(24,650)
Licensing	151,500	151,500	201,454		49,954
Building permit fee	2,285,821	2,317,280	2,218,731		(98,549)
Total departmental income	3,422,321	3,453,780	3,612,684		158,904
<b>Use of money and property:</b>					
Interest and earnings	7,000	7,000	4,963		(2,037)
Total use of money and property	7,000	7,000	4,963		(2,037)
<b>Total revenues</b>	<b>5,607,205</b>	<b>5,638,664</b>	<b>5,802,550</b>		<b>163,886</b>
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Salaries	432,588	440,585	440,585	\$ -	-
Overtime	20,500	20,500	5,202	-	15,298
Severance pay	-	18,221	17,109	-	1,112
Part time salaries	26,000	26,000	21,252	-	4,748
Longevity	3,905	3,905	2,173	-	1,732
Cash in lieu of health benefits	4,000	4,000	4,000	-	-
Clothing cleaning	1,800	1,800	1,500	-	300
Equipment	12,500	12,500	-	-	12,500
Contracts	2,244	7,244	1,762	-	5,482
Gasoline	19,000	19,000	16,717	-	2,283
Repair equipment	1,500	1,500	273	-	1,227
Printing and stationery	1,699	1,699	1,342	-	357
Uniforms	1,800	1,800	957	-	843
Small equipment (non-capital)	2,000	2,000	1,014	-	986
Office supplies	1,000	1,000	896	-	104
Schools and training	1,300	1,300	400	-	900
Telephone - wireless	5,036	5,036	3,792	-	1,244
Total public safety	536,872	568,090	518,974	-	49,116

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TOWN OUTSIDE VILLAGE FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Home and community services:</b>					
Salaries	\$ 2,637,555	\$ 2,596,400	\$ 2,557,946	\$ -	\$ 38,454
Overtime	-	3,394	1,506	-	1,888
Accumulated sick/personal days	6,153	7,184	6,444	-	740
Part time salaries	18,160	47,821	38,481	-	9,340
Longevity	59,786	59,786	54,270	-	5,516
Cash in lieu of health benefits	19,502	19,982	18,000	-	1,982
Equipment	-	25,000	3,517	-	21,483
Vehicles	25,000	77,825	46,854	-	30,971
Contracts	30,814	29,944	4,581	-	25,363
Gasoline	27,000	28,240	23,659	-	4,581
Repair equipment	395	395	75	-	320
Repair vehicle	3,430	2,297	890	-	1,407
Printing and stationery	10,235	14,496	14,203	-	293
Publications	2,780	3,913	3,568	-	345
Telephone	9,252	421	-	-	421
Travel, dues and related	3,176	4,162	2,673	-	1,489
Uniforms	-	60	-	-	60
Other	196	196	60	-	136
Legal notices	10,780	12,280	12,278	-	2
Small equipment (non-capital)	-	1,600	1,500	-	100
Office supplies	4,900	5,550	5,463	-	87
Supplies - other	392	992	802	-	190
Safety equipment	1,500	1,500	674	-	826
Schools and training	886	1,201	1,180	-	21
Tipping fees	360,400	-	-	-	-
Telephone - wireless	9,081	7,170	6,550	-	620
Landfill charges	-	360,400	244,758	-	115,642
Copier leases	12,900	13,000	10,457	-	2,543
<b>Total home and community services</b>	<b>3,254,273</b>	<b>3,325,209</b>	<b>3,060,389</b>	<b>-</b>	<b>264,820</b>
<b>Employee benefits:</b>					
Employee retirement - active	399,236	842,694	841,687	-	1,007
FICA tax expenditure	245,346	247,072	234,307	-	12,765
MTA tax	10,976	11,076	10,456	-	620
Worker's compensation	54,957	55,092	55,023	-	69
Medical insurance - active employees	626,113	626,104	561,486	-	64,618
Health insurance - retirees	245,500	252,381	252,381	-	-
Medicare part B - retirees	22,690	25,910	25,910	-	-
Dental and optical	65,293	64,852	47,597	-	17,255
NYS unemployment insurance	10,000	10,000	-	-	10,000
Disability	2,570	3,087	2,305	-	782
<b>Total employee benefits</b>	<b>1,682,681</b>	<b>2,138,268</b>	<b>2,031,152</b>	<b>-</b>	<b>107,116</b>
<b>Debt service:</b>					
Principal	105,208	222,383	222,380	-	3
Interest	18,171	18,171	13,493	-	4,678
<b>Total debt service</b>	<b>123,379</b>	<b>240,554</b>	<b>235,873</b>	<b>-</b>	<b>4,681</b>
<b>Total expenditures</b>	<b>5,597,205</b>	<b>6,272,121</b>	<b>5,846,388</b>	<b>-</b>	<b>425,733</b>

TOWN OF SOUTHAMPTON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - TOWN OUTSIDE VILLAGE FUND (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Year-end Encumbrances</u>	<u>Variance Better (Worse) To Revised Budget</u>
	<u>Original Budget</u>	<u>Revised Budget</u>			
Excess (deficiency) of revenues over (under) expenditures	\$ 10,000	\$ (633,457)	\$ (43,838)	\$ -	\$ 589,619
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on debt issuance	-	-	1,283		1,283
Interfund transfer revenue	-	105,000	111,681		6,681
Interfund transfer expense	(10,000)	(10,000)	(10,000)		-
Appropriated fund balance	-	538,457	-		(538,457)
Total other financing sources (uses)	(10,000)	633,457	102,964		(530,493)
Change in fund balance	-	-	59,126		\$ 59,126
Fund balance, beginning of the year	1,348,221	1,348,221	1,348,221		
Fund balance, end of year	\$ 1,348,221	\$ 1,348,221	\$ 1,407,347		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 11,060,035	\$ 11,060,035	\$ 11,060,035		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	40,000	40,000	47,001		7,001
Interest and penalties - real property taxes	25,000	25,000	29,358		4,358
Total other real property tax items	65,000	65,000	76,359		11,359
<b>Intergovernmental charges:</b>					
Intergovernmental revenue	699,008	699,008	699,008		-
Total intergovernmental charges	699,008	699,008	699,008		-
<b>Use of money and property:</b>					
Interest and earnings	10,000	10,000	16,589		6,589
Total use of money and property	10,000	10,000	16,589		6,589
<b>Miscellaneous local sources:</b>					
Engineering fees	-	-	14,800		14,800
Miscellaneous	20,000	20,000	30,017		10,017
Total miscellaneous local sources	20,000	20,000	44,817		24,817
<b>State aid:</b>					
Consolidated highway aid	659,563	842,159	842,159		-
Total state aid	659,563	842,159	842,159		-
<b>Federal aid:</b>					
Federal grants - FEMA	-	-	906,178		906,178
Total federal aid	-	-	906,178		906,178
<b>Total revenues</b>	<b>12,513,606</b>	<b>12,696,202</b>	<b>13,645,145</b>		<b>948,943</b>
<b>EXPENDITURES</b>					
<b>Transportation:</b>					
Salaries	3,206,993	3,180,831	3,009,878	\$ -	170,953
Overtime	176,500	201,248	199,828	-	1,420
Severance pay	-	6,362	6,169	-	193
Accumulated sick/personal days	12,885	12,885	4,336	-	8,549
Part time salaries	-	22,900	22,113	-	787
Longevity	217,042	217,042	190,984	-	26,058
Cash in lieu of health benefits	17,500	17,500	15,625	-	1,875
Equipment	-	300,000	60,561	-	239,439
Chips seal	7,350	-	-	-	-
Road reconstruction	659,563	842,159	842,159	-	-
Culverts	7,500	7,500	-	-	7,500
Contracts - other	170,000	164,342	105,428	-	58,914
Gasoline	60,000	60,000	35,427	-	24,573
Electric	40,000	46,375	46,374	-	1
Fuel oil	70,000	60,000	56,054	-	3,946
Repair equipment	201,000	227,942	189,341	-	38,601
Repair building	10,000	10,000	8,231	-	1,769
Publications	-	1,000	606	-	394

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Transportation, cont'd.:</b>					
Rentals	\$ 31,500	\$ 31,500	\$ 30,398	\$ -	\$ 1,102
Uniforms	6,750	6,000	2,725	-	3,275
Other	95,000	42,079	37,728	-	4,351
Legal notices	3,500	4,892	4,892	-	-
Small equipment (non-capital)	4,500	22,900	19,404	-	3,496
Office supplies	2,600	3,000	2,853	-	147
Supplies - other	45,000	42,129	39,775	-	2,354
Tree and stump removal	50,000	52,300	50,570	-	1,730
Safety equipment	20,000	20,000	19,649	-	351
Hardware	45,000	30,000	23,595	-	6,405
Diesel fuel	232,000	312,041	312,040	-	1
Mileage reimbursement	-	1,000	331	-	669
Sand	75,000	75,000	72,311	-	2,689
Chemicals	10,000	-	-	-	-
Road repairs	125,000	55,850	55,250	-	600
Telephone - wireless	4,600	4,600	4,284	-	316
Other - landfill charges	-	-	-	-	-
Townwide line striping	135,000	135,000	134,125	-	875
Copier leases	4,200	4,200	3,294	-	906
Tires	-	35,850	35,653	-	197
Lube oil	15,000	15,000	12,270	-	2,730
<b>Total transportation</b>	<b>5,963,483</b>	<b>6,473,927</b>	<b>5,821,241</b>	<b>-</b>	<b>652,686</b>
<b>Employee benefits:</b>					
Employee retirement - active	497,475	1,011,718	1,011,716	-	2
FICA tax expenditure	281,599	281,599	260,920	-	20,679
MTA tax	12,515	12,515	11,638	-	877
Worker's compensation	703,530	703,530	703,530	-	-
Medical insurance - active employees	884,559	856,711	792,284	-	64,427
Health insurance - retirees	557,780	554,890	506,897	-	47,993
Medicare part B - retirees	65,601	66,491	66,491	-	-
Dental and optical	77,962	77,962	60,275	-	17,687
NYS unemployment insurance	8,000	10,000	6,175	-	3,825
Disability	1,699	1,699	114	-	1,585
<b>Total employee benefits</b>	<b>3,090,720</b>	<b>3,577,115</b>	<b>3,420,040</b>	<b>-</b>	<b>157,075</b>
<b>Debt service:</b>					
Principal	2,688,200	2,890,652	2,880,652	-	10,000
Interest	881,496	879,044	876,214	-	2,830
<b>Total debt service</b>	<b>3,569,696</b>	<b>3,769,696</b>	<b>3,756,866</b>	<b>-</b>	<b>12,830</b>
<b>Total expenditures</b>	<b>12,623,899</b>	<b>13,820,738</b>	<b>12,998,147</b>	<b>-</b>	<b>822,591</b>
Excess (deficiency) of revenues over (under) expenditures	(110,293)	(1,124,536)	646,998	\$ -	1,771,534

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on obligations	\$ -	\$ -	\$ 70,992		\$ 70,992
Interfund transfer in	-	-	5,944		5,944
Interfund transfer out	-	(400,000)	(400,000)		-
Appropriated fund balance	110,293	1,524,536	-		(1,524,536)
Total other financing sources (uses)	110,293	1,124,536	(323,064)		(1,447,600)
Change in fund balance	-	-	323,934		\$ 323,934
Fund balance, beginning of the year	2,389,475	2,389,475	2,389,475		
Fund balance, end of year	\$ 2,389,475	\$ 2,389,475	\$ 2,713,409		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PUBLIC SAFETY COMMUNICATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 2,058,182	\$ 2,058,182	\$ 2,058,182		\$ -
Other real property tax items:					
Other payments in lieu of taxes	8,500	8,500	7,268		(1,232)
Interest and penalties - real property taxes	5,000	5,000	5,872		872
Total other real property tax items	13,500	13,500	13,140		(360)
Departmental income:					
Rentals	90,000	90,000	126,022		36,022
Total departmental income	90,000	90,000	126,022		36,022
Use of money and property:					
Interest and earnings	3,000	3,000	3,551		551
Total use of money and property	3,000	3,000	3,551		551
Sale of property and compensation for loss:					
Insurance recoveries	-	-	7,677		7,677
Total sale of property and compensation for loss	-	-	7,677		7,677
State aid:					
State aid, other public safety	-	-	70,000		70,000
Total state aid	-	-	70,000		70,000
<b>Total revenues</b>	<b>2,164,682</b>	<b>2,164,682</b>	<b>2,278,572</b>		<b>113,890</b>
<b>EXPENDITURES</b>					
Public safety:					
Salaries	1,177,362	1,137,210	1,122,301	\$ -	14,909
Overtime	50,000	105,000	85,822	-	19,178
Holiday	8,900	15,167	15,166	-	1
Pay differential - shift	55,500	49,234	47,812	-	1,422
Longevity	50,365	50,365	50,026	-	339
Cash in lieu of health benefits	6,500	8,792	8,792	-	-
Uniform cleaning allowance	6,600	6,600	5,600	-	1,000
Contracts	137,076	160,124	131,689	-	28,435
Electric	7,203	7,883	7,883	-	-
Rentals	104,577	99,977	89,437	-	10,540
Telephone	5,825	4,698	673	-	4,025
Uniforms	9,800	9,800	6,614	-	3,186
Small equipment (non-capital)	1,029	1,029	-	-	1,029
Office supplies	515	469	372	-	97
Schools and training	7,350	7,350	4,949	-	2,401
Contracts - copier lease	5,600	5,645	5,645	-	-
Unallocated - severance	-	10,153	9,468	-	685
Total public safety	1,634,202	1,679,496	1,592,249	-	87,247

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PUBLIC SAFETY COMMUNICATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Employee benefits:</b>					
Employee retirement - active	\$ 180,282	\$ 319,482	\$ 319,488	\$ -	\$ (6)
FICA tax expenditure	103,170	104,360	104,263	-	97
MTA tax	4,585	4,637	4,456	-	181
Worker's compensation	3,155	3,155	3,155	-	-
Medical insurance - active employees	293,058	290,766	260,652	-	30,114
Dental and optical	27,287	27,287	21,746	-	5,541
Unallocated - retirement	-	79,263	79,263	-	-
Disability	605	610	-	-	610
Unallocated - FICA tax expenditure	-	725	724	-	1
Unallocated - MTA tax	-	33	32	-	1
Health insurance - retirees	62,100	62,100	50,430	-	11,670
Medicare part B - retirees	9,750	9,750	6,519	-	3,231
<b>Total employee benefits</b>	<b>683,992</b>	<b>902,168</b>	<b>850,728</b>	<b>-</b>	<b>51,440</b>
<b>Debt service:</b>					
Principal	5,000	5,000	5,000	-	-
Interest	1,488	1,488	1,488	-	-
<b>Total debt service</b>	<b>6,488</b>	<b>6,488</b>	<b>6,488</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>2,324,682</b>	<b>2,588,152</b>	<b>2,449,465</b>	<b>-</b>	<b>138,687</b>
Excess (deficiency) of revenues over (under) expenditures	(160,000)	(423,470)	(170,893)	\$ -	252,577
<b>OTHER FINANCING SOURCES</b>					
Interfund transfer in	-	18,000	18,000	-	-
Appropriated fund balance	160,000	405,470	-	-	(405,470)
<b>Total other financing sources</b>	<b>160,000</b>	<b>423,470</b>	<b>18,000</b>	<b>-</b>	<b>(405,470)</b>
Change in fund balance	-	-	(152,893)	-	\$ (152,893)
Fund balance, beginning of the year	757,068	757,068	757,068	-	-
Fund balance, end of year	\$ 757,068	\$ 757,068	\$ 604,175	-	-

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOUTHAMPTON  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - SERVICE AWARD PROGRAM  
DECEMBER 31, 2013**

**Westhampton War Memorial Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$ 63,616	\$ 59,797	94.00%
2011	59,797	58,535	97.89%
2010	58,535	57,192	97.71%

**Flanders Northampton Volunteer Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$ 56,932	\$ 63,640	111.78%
2011	63,640	63,238	99.37%
2010	63,238	71,750	113.46%

**Hampton Bays Volunteer Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$ 63,246	\$ 63,222	99.96%
2011	63,222	59,169	93.59%
2010	59,169	58,325	98.57%

**Southampton Volunteer Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$ 43,028	\$ 42,697	99.23%
2011	42,696	41,019	96.07%
2010	41,019	42,723	104.15%

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF FUNDING PROGRESS - SERVICE AWARD PROGRAM**  
**DECEMBER 31, 2013**

**Westhampton War Memorial Ambulance Corporation:**

Actuarial Valuation Date Dec. 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
2012	\$ 474,227	\$ 600,807	\$ 126,580	78.93%	N/A*	N/A*
2011	387,046	542,927	155,881	71.29%	N/A*	N/A*
2010	333,233	481,804	148,571	69.16%	N/A*	N/A*

**Flanders Northampton Volunteer Ambulance Corporation:**

Actuarial Valuation Date Dec. 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
2012	\$ 495,444	\$ 536,142	\$ 40,698	92.41%	N/A*	N/A*
2011	431,787	523,730	91,943	82.44%	N/A*	N/A*
2010	372,924	468,900	95,976	79.53%	N/A*	N/A*

**Hampton Bays Volunteer Ambulance Corporation:**

Actuarial Valuation Date Dec. 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
2012	\$ 520,178	\$ 499,802	\$ (20,376)	104.08%	N/A*	N/A*
2011	417,227	446,966	29,739	93.35%	N/A*	N/A*
2010	361,607	391,923	30,316	92.26%	N/A*	N/A*

**Southampton Volunteer Ambulance Corporation:**

Actuarial Valuation Date Dec. 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
2012	\$ 417,354	\$ 418,773	\$ 1,419	99.66%	N/A*	N/A*
2011	339,885	347,346	7,461	97.85%	N/A*	N/A*
2010	301,044	333,679	32,635	90.22%	N/A*	N/A*

\* There is no covered payroll due to the fact that this is a volunteer ambulance corporation. Benefits are determined based off service credits earned. 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.

Note: Prior to 2007 all plans were defined contribution plans.

TOWN OF SOUTHAMPTON  
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/12	\$ -	\$ 148,511,000	\$ 148,511,000	0%	\$ 37,953,261	391.30%
01/01/11	-	149,490,000	149,490,000	0%	37,513,001	398.50%
01/01/10	-	149,490,000	149,490,000	0%	38,278,198	390.54%

## **OTHER SUPPLEMENTARY INFORMATION**

**OTHER  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOUTHAMPTON  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
JUSTICE COURT  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Town Justices</u>							
	<u>Justice Burke</u>	<u>Justice Kooperstein</u>	<u>Justice Schiavoni</u>	<u>Justice Wilson</u>	<u>Bail Accounts</u>	<u>Special Accounts</u>	<u>Parking Accounts</u>	<u>Totals</u>
Cash balance, beginning of year	\$ 50,047	\$ 42,277	\$ 42,458	\$ 56,052	\$ 538,556	\$ 20,186	\$ 32,370	\$ 781,946
Collections:								
Traffic, criminal fines, civil and surcharge	665,291	639,973	683,699	640,610	-	-	-	2,629,573
Parking fines	107,876	75,900	100,825	116,230	-	-	402,316	803,147
Bail	-	-	-	-	482,257	-	-	482,257
Miscellaneous	33	28	29	32	-	6,236	-	6,358
Total collections	<u>773,200</u>	<u>715,901</u>	<u>784,553</u>	<u>756,872</u>	<u>482,257</u>	<u>6,236</u>	<u>402,316</u>	<u>3,921,335</u>
Disbursements:								
Town of Southampton	719,275	664,835	778,912	753,482	-	-	-	2,916,504
Return of bail and other	-	-	-	-	568,980	-	-	568,980
Miscellaneous	-	-	-	-	-	2,433	410,606	413,039
Total disbursements	<u>719,275</u>	<u>664,835</u>	<u>778,912</u>	<u>753,482</u>	<u>568,980</u>	<u>2,433</u>	<u>410,606</u>	<u>3,898,523</u>
Cash balance, end of year	<u>\$ 103,972</u>	<u>\$ 93,343</u>	<u>\$ 48,099</u>	<u>\$ 59,442</u>	<u>\$ 451,833</u>	<u>\$ 23,989</u>	<u>\$ 24,080</u>	<u>\$ 804,758</u>

TOWN OF SOUTHAMPTON  
SCHEDULE OF OPEN PROJECTS - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

Project Number	Project Title	Expenditures					Methods of Financing					Fund Balance December 31, 2013		
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Prior Years	Current Year				Total	
									Proceeds of Obligations	Federal Aid	State Aid			Local Sources
9947	Unassigned	\$ 6,130	\$ 6,130	\$ -	\$ -	\$ -	\$ 6,130	\$ 6,130	\$ -	\$ -	\$ -	\$ -	\$ 6,130	\$ 6,130
	Unallocated	15	15	-	-	-	15	15	-	-	-	-	15	15
C105	Sidewalks Bridgehampton/Southampton	100,000	100,000	-	100,000	100,000	-	100,000	-	-	-	-	100,000	-
C110	Nathaniel Rodgers House	850,000	2,979,032	1,935,217	125,570	2,060,787	918,245	2,229,532	-	-	7,328	742,172	2,979,032	918,245
C111	Prosper King House	300,000	330,000	274,356	56,644	330,000	-	330,000	-	-	-	-	330,000	-
C115	Town Hall Facilities	40,000	40,000	21,367	1,910	23,277	-	16,723	-	-	-	-	40,000	16,723
C118	Beach Nourishment	100,000	100,000	54,446	-	54,446	-	45,554	-	-	-	-	100,000	45,554
C120	Public Safety Phase II	420,729	305,281	120,015	48,133	168,148	-	137,133	-	-	-	-	305,281	137,133
C123	Solid Waste Management	100,000	100,000	78,440	44	78,484	-	21,516	-	-	-	-	100,000	21,516
C125	Beach Parking/Pavement Improvements	58,003	58,003	-	58,003	58,003	-	58,003	-	-	-	-	58,003	-
C134	NS Landfill Post Closure	350,000	350,000	6,203	-	6,203	343,798	350,000	-	-	-	-	350,000	343,798
C136	Pine Barrens SMX	16,800	16,800	-	16,800	16,800	-	16,800	-	-	-	-	16,800	-
C137	BH Community Park	100,000	100,000	78,812	21,188	100,000	-	100,000	-	-	-	-	100,000	-
C144	Local Waterfront Revenue	209,652	325,477	162,646	-	162,646	162,831	291,364	-	-	34,093	-	325,477	162,831
C152	Records Management Microfilming	221,433	161,280	161,280	43,480	21,551	96,249	161,280	-	-	-	-	161,280	96,249
C201	Reeves Bay	200,000	200,000	-	-	-	200,000	-	-	-	-	-	200,000	200,000
C202	Animal Shelter	30,000	30,000	15,957	14,043	30,000	-	-	200,000	30,000	-	-	30,000	-
C205	Bridge Maintenance	97,050	97,050	55,350	2,384	57,734	39,316	97,050	-	-	-	-	97,050	39,316
C206	Code Enforcement Mobile Equipment	8,945	8,945	8,943	-	8,943	2	8,945	-	-	-	-	8,945	-
C207	Code Enforcement IT	6,300	6,300	6,300	-	6,300	-	6,300	-	-	-	-	6,300	-
C209	Police Mobile Data	77,000	77,000	-	77,000	77,000	-	77,000	-	-	-	-	77,000	-
C212	Parks Equipment	4,315	33,315	30,640	2,675	33,315	-	33,315	-	-	-	-	33,315	-
C215	Town Facilities Renovation	206,844	427,094	146,286	41,259	187,545	239,549	255,094	-	-	-	172,000	427,094	239,549
C216	Financial Systems	56,217	56,923	24,067	32,856	56,923	-	56,923	-	-	-	-	56,923	-
C218	Sebonac Bulkhead	136,000	136,900	81,550	2,635	84,185	52,715	136,900	-	-	-	-	136,900	52,715
C220	Roadway Improvements	174,546	3,690,639	3,142,574	142,412	3,284,986	395,653	3,608,639	72,000	-	-	-	3,680,639	395,653
C221	Water Infrastructure	5,380	3,980	275,310	71,318	346,628	26,762	273,862	-	-	-	32,508	373,380	26,762
C222	Technology Improvements and Maintenance	35,268	198,853	150,853	48,000	198,853	-	132,853	50,883	-	-	-	151,736	198,853
C223	Arc GIS Image Service	8,886	68,264	45,939	7,004	52,943	-	62,264	-	-	-	6,000	68,264	15,321
C225	Park Improvements	234,200	217,896	156,934	26,358	183,292	34,604	217,896	-	-	-	-	217,896	34,604
C230	Tiana Beach Nourishment	11,000	92,054	61,505	30,549	92,054	-	11,000	-	69,475	11,579	-	92,054	-
C231	Bus Shelter	217,024	217,024	107,024	-	107,024	110,000	217,024	-	-	-	-	217,024	110,000
C232	Information Technology Security	200,000	150,888	90,888	49,500	140,388	10,500	135,888	15,000	-	-	-	150,888	10,500
C233	Credging Park Facilities	46,499	46,499	46,499	45,000	91,499	29,299	121,499	-	-	-	-	121,499	29,299
C237	Squid Pond	20,000	22,641	10,380	9,620	20,000	2,641	20,000	-	-	-	2,641	22,641	-
C240	Water Main Extension	1,365,000	1,365,000	1,252,698	1,082,800	2,335,298	-	(970,298)	-	1,325,000	-	40,000	1,365,000	(970,298)
C241	Cold Spring Pond Park	100,000	100,000	100,000	2,641	102,641	-	(2,641)	100,000	-	-	-	100,000	(2,641)
C242	Time and Attendance	38,000	121,000	69,214	22,679	91,893	29,107	38,000	65,000	-	-	18,000	121,000	29,107
C302	Financial Systems Review	50,019	50,019	-	50,019	50,019	-	-	50,000	-	-	-	50,019	-
C303	Bay Constable Vehicle	70,270	70,270	70,270	-	70,270	-	70,270	-	-	-	19	70,270	-
C304	Server Room Updates	14,780	14,780	14,780	-	14,780	-	14,780	-	-	-	-	14,780	-
C305	Animal Shelter HVAC	60,000	60,000	-	6,840	6,840	53,160	60,000	-	-	-	-	60,000	53,160
C307	Town Hall Heating	112,000	112,000	-	-	-	112,000	112,000	-	-	-	-	112,000	-
C311	Parks Vehicles	873	87,820	87,209	611	87,820	-	2,820	85,000	-	-	-	87,820	-
C313	NS Park Restrooms	50,123	75,781	2,535	-	73,246	50,123	73,246	-	-	-	25,658	75,781	73,246
C315	Trustee Bulkheads	34,093	34,093	-	34,093	34,093	-	34,093	-	-	-	-	34,093	-
C316	ICAD	200,000	200,000	-	-	-	200,000	-	-	-	-	200,000	200,000	-
C317	Narrowband Compliance	96,000	396,000	35,520	300,480	336,000	-	86,000	250,000	-	-	-	336,000	-
C319	Police Dispatch	10,000	10,000	-	10,000	10,000	-	10,000	-	-	-	-	10,000	-
C319	Police Vehicles	26,817	312,191	41,642	270,549	312,191	-	32,461	-	-	-	-	312,191	-
C320	Riverside Road Improvements	200,000	200,000	-	200,000	200,000	-	200,000	-	-	-	-	200,000	-
C321	Elevation of Dune Road	100,000	1,050,000	50,000	25,000	75,000	975,000	100,000	950,000	-	-	-	1,050,000	975,000
C322	HW Building Compliance	280,027	600,027	290,310	308,717	600,027	-	600,027	-	-	-	-	600,027	-
C323	Highway Sidewalks	24,533	124,533	117,339	7,194	124,533	-	24,533	-	-	-	-	124,533	-
C324	Highway Equipment	4,308	214,308	203,864	10,444	214,308	-	4,308	210,000	-	-	-	214,308	-
C325	Road Improvements	60,202	75,202	2,224,761	2,224,761	2,224,761	(2,149,559)	75,202	2,149,559	-	-	-	2,224,761	-
C326	Townwide Drainage	447,557	556,441	427,740	98,701	526,441	-	456,610	69,831	-	-	-	526,441	-
C327	AA Museum	341,000	341,000	-	-	-	341,000	341,000	-	-	-	-	341,000	341,000
C328	Blue Barn	170,000	170,000	-	-	-	170,000	170,000	-	-	-	-	170,000	170,000
C329	Iron PT Playground	6,941	17,713	-	17,713	17,713	-	6,941	-	-	-	10,772	17,713	-
C400	Meals on Wheels	100,000	100,000	-	100,000	100,000	-	-	-	-	-	100,000	100,000	-
C401	Shuttle Busses	101,596	101,596	-	-	-	101,596	-	100,000	-	-	-	101,596	-
C402	Lyzon Hat Shop	62,650	62,650	-	-	-	62,650	-	-	-	-	-	62,650	-
C403	Road Improvements	1,521,464	1,521,464	-	1,521,464	1,521,464	-	-	1,121,464	-	-	400,000	1,521,464	-
C404	Improvement of Unimproved Roads	150,000	150,000	-	-	-	150,000	-	50,000	-	-	100,000	150,000	150,000
C405	Virtual Desk Top	85,000	85,000	69,000	-	69,000	-	85,000	-	-	-	-	85,000	16,000
C406	Town Hall Phone Controller	2,553	35,000	-	35,000	35,000	-	2,553	32,447	-	-	-	35,000	-
C407	Fuel Monitoring System	105,000	105,000	-	105,000	105,000	-	105,000	-	-	-	-	105,000	-
C410	Pump Out Boats	4,000	174,069	-	174,069	174,069	-	4,000	-	-	-	170,069	174,069	-
C411	Victorian Barn at Big Duck	217,000	217,000	-	7,125	7,125	209,875	-	-	-	-	-	217,000	209,875
C412	Code Services Software	77,500	77,500	-	44,728	44,728	-	32,772	-	-	-	77,500	32,772	-
C413	Town Facilities Improvements	300,000	300,000	-	36,651	36,651	263,349	-	300,000	-	-	-	300,000	263,349
C504	Technology Improvements	13,770	13,770	-	-	-	13,770	-	-	-	-	-	13,770	-
C508	Parks Heavy Equipment	2,674	2,674	-	-	-	-	2,674	-	-	-	-	2,674	-
C510	Highway Equipment	1,364	1,364	-	-	-	-	1,364	-	-	-	-	1,364	-
C511	Highway Salt Barn Improvements	17,107	17,107	-	-	-	-	17,107	-	-	-	-	17,107	-
C512	Town-wide Bulkhead Improvements	34,093	34,093	-	-	-	-	34,093	-	-	-	34,093	34,093	-
C513	Town-wide Drainage Improvements	30,169	30,169	-	-	-	-	30,169	-	-	-	30,169	30,169	-
C514	Town-wide Road Improvements	356,977	356,977	-	-	-	356,977	-	356,977	-	-	-	356,977	-
C515	Town-side Sidewalks	1,021	1,021	-	-	-	-	1,021	-	-	-	1,020	1,020	-
C														

TOWN OF SOUTHAMPTON  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	Special Revenue Funds			Special Districts Funds						Total Non-Major Governmental Funds	
	Special Grant Fund	Special Fund	Trustees of the Freeholders and Commonalty	Fire Protection Districts	Lighting Districts	Public Parking Districts	Water Districts	Ambulance Districts	Coastal Erosion		Parks Districts
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	\$ 348,816	\$ -	\$ 254,302	\$ 591,108	\$ 160,157	\$ -	\$ 543,833	\$ 10,337,210	\$ 513,721	\$ 12,749,147
Restricted cash	158,230	5,101,305	1,157,303	-	-	62,370	842,922	225,797	-	-	7,547,927
Accounts receivable, net	156,655	18,428	-	-	-	6,719	661,207	-	-	-	843,009
Due from fiduciary funds	-	-	-	-	-	-	1,027,537	-	-	-	1,027,537
Prepaid expenses	-	-	-	-	8,041	-	47,800	-	-	-	55,841
<b>Total assets</b>	<b>\$ 314,885</b>	<b>\$ 5,468,549</b>	<b>\$ 1,157,303</b>	<b>\$ 254,302</b>	<b>\$ 599,149</b>	<b>\$ 229,246</b>	<b>\$ 2,579,466</b>	<b>\$ 769,630</b>	<b>\$ 10,337,210</b>	<b>\$ 513,721</b>	<b>\$ 22,223,461</b>
<b>LIABILITIES</b>											
Accounts payable	\$ 78,037	\$ 125,050	\$ -	\$ 21,534	\$ 22,173	\$ 104	\$ 70,158	\$ -	\$ 3,611,641	\$ 10,002	\$ 3,938,699
Accrued liabilities	37,017	181,063	-	-	15,780	-	82,528	-	-	-	316,388
Due to fiduciary funds	-	49,312	-	-	50	-	169	-	-	-	49,531
<b>Total liabilities</b>	<b>115,054</b>	<b>355,425</b>	<b>-</b>	<b>21,534</b>	<b>38,003</b>	<b>104</b>	<b>152,855</b>	<b>-</b>	<b>3,611,641</b>	<b>10,002</b>	<b>4,304,618</b>
<b>DEFERRED INFLOWS</b>											
Property taxes	140,255	11,819	-	122,098	88,696	17,191	173,949	461,278	397,103	79,490	1,491,879
<b>Total deferred inflows</b>	<b>140,255</b>	<b>11,819</b>	<b>-</b>	<b>122,098</b>	<b>88,696</b>	<b>17,191</b>	<b>173,949</b>	<b>461,278</b>	<b>397,103</b>	<b>79,490</b>	<b>1,491,879</b>
<b>FUND BALANCE</b>											
Fund balance:											
Nonspendable	-	-	-	-	8,041	-	47,800	-	-	-	55,841
Restricted	59,576	5,101,305	1,157,303	-	-	62,370	1,339,674	225,797	-	-	7,946,025
Assigned	-	-	-	110,670	464,409	149,581	865,188	82,555	6,328,466	424,229	8,425,098
<b>Total fund balance</b>	<b>59,576</b>	<b>5,101,305</b>	<b>1,157,303</b>	<b>110,670</b>	<b>472,450</b>	<b>211,951</b>	<b>2,252,662</b>	<b>308,352</b>	<b>6,328,466</b>	<b>424,229</b>	<b>16,426,964</b>
<b>Total liabilities, deferred inflows and fund balance</b>	<b>\$ 314,885</b>	<b>\$ 5,468,549</b>	<b>\$ 1,157,303</b>	<b>\$ 254,302</b>	<b>\$ 599,149</b>	<b>\$ 229,246</b>	<b>\$ 2,579,466</b>	<b>\$ 769,630</b>	<b>\$ 10,337,210</b>	<b>\$ 513,721</b>	<b>\$ 22,223,461</b>

TOWN OF SOUTHAMPTON  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds			Special Districts Funds							Total Non-Major Governmental Funds
	Special Grant Fund	Special Fund	Trustees of the Freeholders and Commonalty	Fire Protection Districts	Lighting Districts	Public Parking Districts	Water Districts	Ambulance Districts	Coastal Erosion	Parks Districts	
<b>REVENUES</b>											
Real property taxes	\$ -	\$ 20,000	\$ -	\$ 872,083	\$ 575,404	\$ 121,956	\$ 1,122,415	\$ 3,092,655	\$ -	\$ 582,731	\$ 6,387,244
Other real property tax items	-	-	-	5,575	1,987	168	31,040	89,695	-	1,202	129,667
Departmental income	-	-	1,310,319	-	-	-	2,094,167	-	-	-	3,404,486
Use of money and property	264	13,555	1,483	624	1,637	551	305,016	2,176	17,322	1,342	343,970
Sale of property and compensation for loss	-	-	-	-	2,105	-	2,465	-	-	-	4,570
Miscellaneous local sources	4,609	1,244,293	26,862	-	-	10,058	377	-	-	-	1,286,199
State aid	-	9,393	-	-	-	-	-	-	3,197	-	12,590
Federal aid	3,839,431	-	-	-	-	-	8,775	-	19,180	-	3,867,386
Total revenues	3,844,304	1,287,241	1,338,664	878,282	581,133	132,733	3,564,255	3,184,526	39,699	585,275	15,436,112
<b>EXPENDITURES</b>											
General governmental support	-	254,109	-	-	-	-	-	-	-	-	254,109
Public safety	-	-	-	812,513	-	-	-	-	-	-	812,513
Health	-	-	-	-	-	-	-	2,895,640	-	-	2,895,640
Transportation	-	-	-	-	420,457	91,108	-	-	-	-	511,565
Economic assistance and opportunity	-	490	-	-	-	-	-	-	-	-	490
Culture and recreation	-	74,022	-	-	-	-	-	-	-	375,440	449,462
Home and community services	4,171,618	257,098	1,089,364	-	-	-	2,250,580	-	18,238,535	-	26,007,195
Employee benefits	-	10,601	-	-	96,239	-	584,922	226,822	-	-	918,584
Debt service -											
Principal	-	-	-	10,000	47,252	20,200	529,053	17,800	-	65,300	689,605
Interest	-	-	-	1,475	13,152	2,969	172,393	4,103	-	25,155	219,247
Total expenditures	4,171,618	596,320	1,089,364	823,988	577,100	114,277	3,536,948	3,144,365	18,238,535	465,895	32,758,410
Excess (deficiency) of revenues over (under) expenditures	(327,314)	690,921	249,300	54,294	4,033	18,456	27,307	40,161	(18,198,836)	119,380	(17,322,298)
<b>OTHER FINANCING SOURCES (USES)</b>											
Serial bond issuance	-	-	-	-	-	-	-	-	21,750,000	-	21,750,000
Premium on debt issuance	-	-	-	-	-	-	18,176	-	900,327	-	918,503
Interfund transfers in	-	461,033	-	-	-	27,509	-	-	1,500,000	-	1,988,542
Interfund transfers out	-	(1,839,127)	-	-	-	-	(40,000)	-	-	-	(1,879,127)
Total other financing sources (uses)	-	(1,378,094)	-	-	-	27,509	(21,824)	-	24,150,327	-	22,777,918
Change in fund balance	(327,314)	(687,173)	249,300	54,294	4,033	45,965	5,483	40,161	5,951,491	119,380	5,455,620
Fund balance, beginning of year	386,890	5,788,478	908,003	56,376	468,417	165,986	2,247,179	268,191	376,975	304,849	10,971,344
Fund balance, end of year	\$ 59,576	\$ 5,101,305	\$ 1,157,303	\$ 110,670	\$ 472,450	\$ 211,951	\$ 2,252,662	\$ 308,352	\$ 6,328,466	\$ 424,229	\$ 16,426,964

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FIRE PROTECTION DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 872,681	\$ 872,681	\$ 872,083		\$ (598)
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	6,000	6,000	5,575		(425)
Total other real property tax items	6,000	6,000	5,575		(425)
<b>Use of money and property:</b>					
Interest and earnings	200	200	624		424
Total use of money and property	200	200	624		424
<b>Total revenues</b>	<b>878,881</b>	<b>878,881</b>	<b>878,282</b>		<b>(599)</b>
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Contracts - other	769,640	769,640	769,636	\$ -	4
Electric	47,766	47,766	42,877	-	4,889
Total public safety	817,406	817,406	812,513	-	4,893
<b>Debt service:</b>					
Principal	10,000	10,000	10,000	-	-
Interest	1,475	1,475	1,475	-	-
Total debt service	11,475	11,475	11,475	-	-
<b>Total expenditures</b>	<b>828,881</b>	<b>828,881</b>	<b>823,988</b>	<b>-</b>	<b>4,893</b>
Excess (deficiency) of revenues over (under) expenditures	50,000	50,000	54,294	\$ -	4,294
<b>OTHER FINANCING USES</b>					
Deficit reduction	(50,000)	(50,000)	-		50,000
Total other financing uses	(50,000)	(50,000)	-		50,000
Change in fund balance	-	-	54,294		\$ 54,294
Fund balance, beginning of the year	56,376	56,376	56,376		
Fund balance, end of year	\$ 56,376	\$ 56,376	\$ 110,670		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LIGHTING DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 575,404	\$ 575,404	\$ 575,404		\$ -
Other real property tax items:					
Other payments in lieu of taxes	1,997	1,997	1,987		(10)
Total other real property tax items	1,997	1,997	1,987		(10)
Use of money and property:					
Interest and earnings	1,198	1,198	1,637		439
Total use of money and property	1,198	1,198	1,637		439
Sale of property and compensation for loss	-	-	2,105		2,105
Total revenues	578,599	578,599	581,133		2,534
<b>EXPENDITURES</b>					
Transportation:					
Salaries	136,284	136,284	136,284	\$ -	-
Longevity	10,929	11,046	11,040	-	6
Other	27,550	50,165	46,237	-	3,928
Electric	265,476	265,424	226,896	-	38,528
Total transportation	440,239	462,919	420,457	-	42,462
Employee benefits:					
Employee retirement	19,874	40,119	40,113	-	6
FICA tax expense	11,262	11,262	11,102	-	160
MTA tax expense	499	499	493	-	6
Workers' compensation	3,997	3,997	3,997	-	-
Medical insurance	39,658	39,541	38,273	-	1,268
Dental and optical	2,599	2,599	2,261	-	338
Disability	58	58	-	-	58
Total employee benefits	77,947	98,075	96,239	-	1,836
Debt service:					
Principal	47,256	47,256	47,252	-	4
Interest	13,157	13,157	13,152	-	5
Total debt service	60,413	60,413	60,404	-	9
Total expenditures	578,599	621,407	577,100	-	44,307
Excess (deficiency) of revenues over (under) expenditures	-	(42,808)	4,033	\$ -	46,841
<b>OTHER FINANCING SOURCES</b>					
Appropriated fund balance	-	42,808	-		(42,808)
Total other financing sources	-	42,808	-		(42,808)
Change in fund balance	-	-	4,033		\$ 4,033
Fund balance, beginning of the year	468,417	468,417	468,417		
Fund balance, end of year	\$ 468,417	\$ 468,417	\$ 472,450		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PUBLIC PARKING DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 121,956	\$ 121,956	\$ 121,956		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	-	-	168		168
Total other real property tax items	-	-	168		168
<b>Use of money and property:</b>					
Interest and earnings	-	-	551		551
Total use of money and property	-	-	551		551
<b>Miscellaneous local sources:</b>					
Sales, other	-	-	10,058		10,058
Total miscellaneous local sources	-	-	10,058		10,058
<b>Total revenues</b>	<b>121,956</b>	<b>121,956</b>	<b>132,733</b>		<b>10,777</b>
<b>EXPENDITURES</b>					
<b>Transportation:</b>					
P & R CB Water	16,450	16,450	14,104	\$ -	2,346
Contracts	81,136	81,336	76,900	-	4,436
Electric	1,200	1,000	104	-	896
Total transportation	98,786	98,786	91,108	-	7,678
<b>Debt service:</b>					
Principal	20,200	20,200	20,200	-	-
Interest	2,970	2,970	2,969	-	1
Total debt service	23,170	23,170	23,169	-	1
<b>Total expenditures</b>	<b>121,956</b>	<b>121,956</b>	<b>114,277</b>	<b>\$ -</b>	<b>7,679</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	18,456		18,456
<b>OTHER FINANCING SOURCES</b>					
Interfund transfer in	-	-	27,509		27,509
Total other financing sources	-	-	27,509		27,509
Change in fund balance	-	-	45,965		\$ 45,965
Fund balance, beginning of the year	165,986	165,986	165,986		
Fund balance, end of year	\$ 165,986	\$ 165,986	\$ 211,951		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - WATER DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 1,122,415	\$ 1,122,415	\$ 1,122,415		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	22,484	22,484	26,343		3,859
Interest and penalties - real property taxes	4,000	4,000	4,697		697
Total other real property tax items	26,484	26,484	31,040		4,556
<b>Departmental income:</b>					
Metered water sales	1,900,000	1,990,000	2,094,167		104,167
Total departmental income	1,900,000	1,990,000	2,094,167		104,167
<b>Use of money and property:</b>					
Interest and earnings	3,000	3,000	2,420		(580)
Rentals	325,000	325,000	302,596		(22,404)
Total use of money and property	328,000	328,000	305,016		(22,984)
<b>Sale of property and compensation for loss:</b>					
Insurance recoveries	-	2,465	2,465		-
Total sale of property and compensation for loss	-	2,465	2,465		-
<b>Miscellaneous local sources:</b>					
Refunds of prior years	-	-	77		77
Miscellaneous	-	-	300		300
Total miscellaneous local sources	-	-	377		377
<b>Federal aid:</b>					
Federal grants - FEMA	-	-	8,775		8,775
Total federal aid	-	-	8,775		8,775
<b>Total revenues</b>	<b>3,376,899</b>	<b>3,469,364</b>	<b>3,564,255</b>		<b>94,891</b>
<b>EXPENDITURES</b>					
<b>Home and community services:</b>					
Salaries	671,542	686,441	682,291	\$ -	4,150
Overtime	10,000	-	-	-	-
Accumulated sick/personal time	-	7,601	7,601	-	-
Part time salaries	29,097	30,297	28,529	-	1,768
Longevity	31,771	26,872	25,990	-	882
Other pay	13,200	-	-	-	-
Insurance	-	42,500	42,500	-	-
Contracts	535,763	451,962	400,758	-	51,204
Postage	15,200	15,109	13,060	-	2,049
Publicity and public notices	294	294	-	-	294
Office supplies	1,090	1,181	1,181	-	-
Severance	-	8,860	8,860	-	-
Equipment	34,300	28,700	26,709	-	1,991
Vehicles	-	58,000	57,671	-	329
Meter settings	39,200	51,200	45,727	-	5,473
Electric	248,000	272,244	272,049	-	195
Fuel oil	52,000	40,000	17,164	-	22,836

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - WATER DISTRICTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>Home and community services, cont'd.:</b>					
Repair equipment	\$ 49,000	\$ 124,060	\$ 97,464	\$ -	\$ 26,596
Vehicle repair	-	2,465	2,299	-	166
Telephone	6,000	6,000	5,075	-	925
Travel, dues and related	1,200	1,200	888	-	312
Uniforms	2,940	2,940	2,898	-	42
Small equipment (non capital)	-	10,710	10,159	-	551
Safety equipment	1,800	1,800	1,612	-	188
Diesel fuel	-	10,000	7,997	-	2,003
Chemicals	218,925	173,554	129,846	-	43,708
Water analysis	49,000	49,000	32,520	-	16,480
Engineering fees	39,200	39,200	37,954	-	1,246
Wireless telephone	2,000	2,000	1,526	-	474
Landfill charges	1,000	3,200	2,367	-	833
Cost of water	200,000	290,000	287,885	-	2,115
<b>Total home and community services</b>	<b>2,252,522</b>	<b>2,437,390</b>	<b>2,250,580</b>	<b>-</b>	<b>186,810</b>
<b>Employee benefits:</b>					
Employee retirement	97,879	204,773	204,773	-	-
FICA tax expense	57,804	57,896	56,617	-	1,279
MTA tax expense	2,569	2,574	2,482	-	92
Worker's compensation	56,680	56,680	56,680	-	-
Medical insurance	191,124	191,018	175,409	-	15,609
Medical insurance - retiree	69,500	69,131	63,997	-	5,134
Medicare reimbursement - part B	11,350	11,719	11,719	-	-
Dental and optical	15,592	15,592	12,990	-	2,602
Disability	432	538	255	-	283
<b>Total employee benefits</b>	<b>502,930</b>	<b>609,921</b>	<b>584,922</b>	<b>-</b>	<b>24,999</b>
<b>Debt service:</b>					
Principal	529,053	529,053	529,053	-	-
Interest	172,394	172,394	172,393	-	1
<b>Total debt service</b>	<b>701,447</b>	<b>701,447</b>	<b>701,446</b>	<b>-</b>	<b>1</b>
<b>Total expenditures</b>	<b>3,456,899</b>	<b>3,748,758</b>	<b>3,536,948</b>	<b>-</b>	<b>211,810</b>
Excess (deficiency) of revenues over (under) expenditures	(80,000)	(279,394)	27,307	\$ -	306,701
<b>OTHER FINANCING SOURCES</b>					
Premium on obligations	-	-	18,176	-	18,176
Interfund transfer expense	-	(40,000)	(40,000)	-	-
Appropriated fund balance	80,000	319,394	-	-	(319,394)
<b>Total other financing sources (uses)</b>	<b>80,000</b>	<b>279,394</b>	<b>(21,824)</b>	<b>-</b>	<b>(301,218)</b>
Change in fund balance	-	-	5,483	-	\$ 5,483
Fund balance, beginning of the year	2,247,179	2,247,179	2,247,179	-	-
Fund balance, end of year	\$ 2,247,179	\$ 2,247,179	\$ 2,252,662	-	-

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - AMBULANCE DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 3,173,244	\$ 3,173,244	\$ 3,092,655		\$ (80,589)
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	6,500	6,500	89,695		83,195
Total other real property tax items	6,500	6,500	89,695		83,195
<b>Use of money and property:</b>					
Interest and earnings	1,800	1,800	2,176		376
Total use of money and property	1,800	1,800	2,176		376
<b>Total revenues</b>	<b>3,181,544</b>	<b>3,181,544</b>	<b>3,184,526</b>		<b>2,982</b>
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Contracts	2,895,640	2,895,640	2,895,640	\$ -	-
LOSAP	264,000	264,000	226,822	-	37,178
Total public safety	3,159,640	3,159,640	3,122,462	-	37,178
<b>Debt service:</b>					
Principal	17,800	17,800	17,800	-	-
Interest	4,104	4,104	4,103	-	1
Total debt service	21,904	21,904	21,903	-	1
<b>Total expenditures</b>	<b>3,181,544</b>	<b>3,181,544</b>	<b>3,144,365</b>	<b>\$ -</b>	<b>37,179</b>
Change in fund balance	-	-	40,161		\$ 40,161
Fund balance, beginning of the year	268,191	268,191	268,191		
Fund balance, end of year	\$ 268,191	\$ 268,191	\$ 308,352		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COASTAL EROSION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
<b>Use of money and property:</b>					
Interest and earnings	\$ -	\$ -	\$ 17,322		\$ 17,322
Total use of money and property	-	-	17,322		17,322
<b>State aid:</b>					
State aid - emergency disaster	-	-	3,197		3,197
Total state aid	-	-	3,197		3,197
<b>Federal aid:</b>					
Federal grants - FEMA	-	-	19,180		19,180
Total federal aid	-	-	19,180		19,180
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>39,699</b>		<b>39,699</b>
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Other	-	21,950	21,147	\$ -	803
Consultants	-	1,702,545	680,166	660,430	361,949
Beach nourishments	-	22,255,374	17,537,222	4,405,811	312,341
Total public safety	-	23,979,869	18,238,535	5,066,241	675,093
<b>Total expenditures</b>	<b>-</b>	<b>23,979,869</b>	<b>18,238,535</b>	<b>5,066,241</b>	<b>675,093</b>
Excess (deficiency) of revenues over (under) expenditures	-	(23,979,869)	(18,198,836)	\$ 5,066,241	714,792
<b>OTHER FINANCING SOURCES</b>					
Serial bond issuance	-	21,750,000	21,750,000		-
Premium on debt issuance	-	442,919	900,327		457,408
Interfund transfer in	-	1,500,000	1,500,000		-
Appropriated fund balance	-	286,950	-		(286,950)
Total other financing sources	-	23,979,869	24,150,327		170,458
Change in fund balance	-	-	5,951,491		\$ 885,250
Fund balance, beginning of the year	376,975	376,975	376,975		
Fund balance, end of year	\$ 376,975	\$ 376,975	\$ 6,328,466		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PARKS DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 582,731	\$ 582,731	\$ 582,731		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	1,500	1,500	1,202		(298)
Total other real property tax items	1,500	1,500	1,202		(298)
<b>Use of money and property:</b>					
Interest and earnings	500	500	1,342		842
Total use of money and property	500	500	1,342		842
<b>Total revenues</b>	<b>584,731</b>	<b>584,731</b>	<b>585,275</b>		<b>544</b>
<b>EXPENDITURES</b>					
<b>Culture and recreation:</b>					
Contracts	494,276	494,276	375,440	\$ -	118,836
Total culture and recreation	494,276	494,276	375,440	-	118,836
<b>Debt service:</b>					
Principal	65,300	65,300	65,300	-	-
Interest	25,155	25,155	25,155	-	-
Total debt service	90,455	90,455	90,455	-	-
<b>Total expenditures</b>	<b>584,731</b>	<b>584,731</b>	<b>465,895</b>	<b>-</b>	<b>118,836</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	119,380	\$ -	119,380
Change in fund balance	-	-	119,380		\$ 119,380
Fund balance, beginning of the year	304,849	304,849	304,849		
Fund balance, end of year	\$ 304,849	\$ 304,849	\$ 424,229		

OTHER  
SUPPLEMENTARY  
INFORMATION

**TOWN OF SOUTHAMPTON**  
**FIDUCIARY FUNDS**  
**COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES**  
**DECEMBER 31, 2013**

	Town Agency Fund	Town Receiver of Taxes Agency Fund	Justice Court Agency Fund	Total Agency Funds
<b>ASSETS</b>				
Cash	\$ 3,114,835	\$ 71,887,924	\$ 804,758	\$ 75,807,517
Accounts receivable	5,419	-	-	5,419
Due from proprietary funds	1,485	-	-	1,485
Due from governmental funds	1,315,884	-	-	1,315,884
Service award program assets	1,907,204	-	-	1,907,204
	<u>6,344,827</u>	<u>71,887,924</u>	<u>804,758</u>	<u>79,037,509</u>
Total assets	<u>\$ 6,344,827</u>	<u>\$ 71,887,924</u>	<u>\$ 804,758</u>	<u>\$ 79,037,509</u>
<b>LIABILITIES</b>				
Due to proprietary funds	\$ 228,066	\$ -	\$ -	\$ 228,066
Due to governmental funds	1,030,022	-	-	1,030,022
Due to school districts	-	35,943,962	-	35,943,962
Due to Law Enforcement Services	-	-	24,080	24,080
Town Justice liability	-	-	304,856	304,856
Bail liability	-	-	451,833	451,833
Service award program liabilities	1,907,204	-	-	1,907,204
Other agency liabilities	3,179,535	35,943,962	23,989	39,147,486
	<u>6,344,827</u>	<u>71,887,924</u>	<u>804,758</u>	<u>79,037,509</u>
Total liabilities	<u>\$ 6,344,827</u>	<u>\$ 71,887,924</u>	<u>\$ 804,758</u>	<u>\$ 79,037,509</u>

**OTHER  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOUTHAMPTON  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2013**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash	\$ 80,380,110	\$ 132,422,469	\$ 136,995,062	\$ 75,807,517
Accounts receivable	3,528	5,449	3,558	5,419
Due from proprietary funds	-	154,354	152,869	1,485
Due from governmental funds	803,141	1,315,884	803,141	1,315,884
Service award program assets	1,575,946	331,258	-	1,907,204
	<u>82,762,725</u>	<u>134,229,414</u>	<u>137,954,630</u>	<u>79,037,509</u>
Total assets	<u>\$ 82,762,725</u>	<u>\$ 134,229,414</u>	<u>\$ 137,954,630</u>	<u>\$ 79,037,509</u>
<b>LIABILITIES</b>				
Due to proprietary funds	\$ 110,346	\$ 228,066	\$ 110,346	\$ 228,066
Due to governmental funds	1,028,354	1,030,022	1,028,354	1,030,022
Due to school districts	39,045,098	35,943,962	39,045,098	35,943,962
Due to Law Enforcement Services	32,370	402,316	410,606	24,080
Town Justice liability	190,834	3,030,526	2,916,504	304,856
Bail liability	538,556	482,257	568,980	451,833
Service award program liabilities	1,575,946	331,258	-	1,907,204
Other agency liabilities	40,241,221	111,363,663	112,457,398	39,147,486
	<u>82,762,725</u>	<u>152,812,070</u>	<u>156,537,286</u>	<u>79,037,509</u>
Total liabilities	<u>\$ 82,762,725</u>	<u>\$ 152,812,070</u>	<u>\$ 156,537,286</u>	<u>\$ 79,037,509</u>

# STATISTICAL SECTION

**TOWN OF SOUTHAMPTON**  
**OBJECTIVES OF STATISTICAL INFORMATION**

This 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 supplementary 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 Southampton'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.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

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.

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.

**TOWN OF SOUTHAMPTON**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>GOVERNMENTAL ACTIVITIES:</b>										
Net position -										
Net investment in capital assets	\$ 654,433,516	\$ 634,405,267	\$ 603,043,978	\$ 581,511,256	\$ 576,456,907	\$ 598,483,191	\$ 548,126,307	\$ 490,458,661	\$ 460,410,585	\$ 406,450,015
Restricted	87,166,036	62,529,907	74,783,204	55,806,221	42,827,892	2,000,000	42,881,535	55,381,291	38,862,009	21,155,815
Unrestricted	(61,556,605)	(56,527,123)	(58,103,583)	(16,226,201)	(11,486,346)	10,120,175	4,204,695	10,633,964	9,086,181	36,157,397
Total net position	<u>680,042,947</u>	<u>640,408,051</u>	<u>\$ 619,723,599</u>	<u>\$ 621,091,276</u>	<u>\$ 607,798,453</u>	<u>\$ 610,603,366</u>	<u>\$ 595,212,537</u>	<u>\$ 556,473,916</u>	<u>\$ 508,358,775</u>	<u>\$ 463,763,227</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Net position -										
Net investment in capital assets	\$ 16,569,181	\$ 14,584,547	\$ 14,506,695	\$ 14,385,599	\$ 16,345,063	\$ 14,054,090	\$ 14,908,073	\$ 14,506,091	\$ 19,103,706	\$ 18,040,105
Restricted	-	-	-	-	-	1,217,763	-	-	-	-
Unrestricted	1,817,783	1,435,967	1,062,184	(3,403,998)	(6,153,916)	(680,933)	3,065,043	3,510,089	1,879,794	2,358,847
Total net position	<u>18,386,964</u>	<u>16,020,514</u>	<u>\$ 15,568,879</u>	<u>\$ 10,981,601</u>	<u>\$ 10,191,147</u>	<u>\$ 14,590,920</u>	<u>\$ 17,973,116</u>	<u>\$ 18,016,180</u>	<u>\$ 20,983,500</u>	<u>\$ 20,398,952</u>
<b>PRIMARY GOVERNMENT:</b>										
Net position -										
Net investment in capital assets	\$ 671,002,697	\$ 648,989,814	\$ 617,550,673	\$ 595,896,855	\$ 592,801,970	\$ 612,537,281	\$ 563,034,380	\$ 504,964,752	\$ 479,514,291	\$ 424,490,120
Restricted	87,166,036	62,529,907	74,783,204	55,806,221	42,827,892	3,217,763	42,881,535	55,381,291	38,862,009	21,155,815
Unrestricted	(59,738,822)	(55,091,156)	(57,041,399)	(19,630,199)	(17,640,262)	9,439,242	7,269,738	14,144,053	10,965,975	38,516,244
Total net position	<u>\$ 698,429,911</u>	<u>\$ 656,428,565</u>	<u>\$ 635,292,478</u>	<u>\$ 632,072,877</u>	<u>\$ 617,989,600</u>	<u>\$ 625,194,286</u>	<u>\$ 613,185,653</u>	<u>\$ 574,490,096</u>	<u>\$ 529,342,275</u>	<u>\$ 484,162,179</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>EXPENSES:</b>										
Governmental activities:										
General governmental support	\$ 23,891,061	\$ 23,735,945	\$ 26,940,594	\$ 25,074,740	\$ 23,697,473	\$ 22,212,560	\$ 21,613,601	\$ 21,073,386	\$ 13,749,510	\$ 11,807,826
Public safety	35,628,311	32,672,478	39,135,250	31,543,786	29,768,091	27,954,384	26,068,407	24,505,847	23,985,814	22,723,700
Health	2,895,640	2,742,820	2,606,820	2,471,220	2,507,258	2,112,910	1,884,709	1,931,639	1,863,163	1,684,902
Transportation	24,374,926	23,067,768	25,946,066	23,815,305	24,024,518	22,949,170	20,775,342	20,505,468	20,786,907	21,654,671
Economic assistance and opportunity	4,667,705	4,194,245	4,493,983	3,126,172	3,660,663	2,699,959	2,138,101	1,965,077	1,652,804	2,146,850
Culture and recreation	5,638,303	6,375,416	8,779,126	7,438,142	7,471,413	7,850,068	6,704,058	7,733,883	7,039,429	5,377,096
Home and community services	15,879,919	13,857,100	16,478,801	15,196,972	17,378,146	12,843,426	13,468,932	11,283,722	14,702,455	11,997,058
Interest on debt	3,963,461	3,984,822	4,331,456	5,265,610	4,370,036	3,641,720	3,555,930	3,806,224	3,732,362	3,201,246
Total governmental activities	116,939,326	110,630,594	128,712,096	113,931,947	112,877,598	102,264,197	96,209,080	92,805,246	87,512,444	80,593,349
Business-type activities:										
Beaches and marinas	1,602,784	1,565,118	1,628,477	1,591,250	1,515,979	1,515,342	1,546,966	1,219,006	1,022,301	968,888
Waste management	2,302,072	2,252,794	2,334,084	2,354,890	2,197,650	2,093,351	2,342,016	2,484,078	2,252,638	1,978,748
Building and zoning	-	-	-	-	-	3,587,303	3,328,637	4,008,239	3,292,541	2,832,910
Golf course	636,375	712,872	629,314	650,647	633,436	702,164	647,353	603,471	613,757	526,887
Interest on debt	281,595	303,733	308,632	280,637	318,940	293,167	-	-	-	-
Total business-type activities	4,822,826	4,834,517	4,900,507	4,877,424	4,666,005	8,191,327	7,864,972	8,314,794	7,181,237	6,307,433
Total expenses	121,762,152	115,465,111	133,612,603	118,809,371	117,543,603	110,455,524	104,074,052	101,120,040	94,693,681	86,900,782
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services -										
General governmental support	910,917	2,390,682	1,410,236	1,255,590	1,163,085	1,047,045	1,295,227	1,148,280	1,392,928	1,305,664
Public safety	2,946,557	2,679,889	395,909	182,601	206,739	327,202	383,220	326,611	236,171	427,912
Transportation	1,006,871	864,140	874,274	684,058	622,237	-	12,500	28,750	23,600	49,010
Economic assistance and opportunity	880,127	-	-	-	-	-	-	-	-	-
Culture and recreation	55,938	57,502	51,209	62,559	81,834	98,160	98,859	264,194	225,494	-
Home and community services	7,017,170	6,206,789	5,738,767	5,721,557	5,451,000	1,799,608	2,224,198	2,207,920	2,395,959	2,017,685
Operating grants and contributions	64,285,558	44,489,319	46,193,967	42,090,351	31,720,088	42,334,202	59,483,982	57,699,159	57,171,559	49,091,891
Capital grants and contributions	3,568,519	831,877	1,045,638	235,547	495,052	61,851	150,164	292,004	289,634	1,228,882
Total governmental activities	80,671,657	57,520,198	55,710,000	50,232,263	39,740,035	45,668,068	63,648,150	61,966,918	61,735,345	54,121,044
Business-type activities:										
Charges for services -										
Beaches and marinas	1,693,806	1,833,090	1,702,160	1,633,128	1,569,862	1,363,697	1,359,631	1,286,899	1,172,782	934,195
Waste management	1,859,264	2,018,483	2,131,435	2,210,232	1,791,992	1,965,197	1,698,440	1,611,109	1,471,354	1,359,829
Building and zoning	-	-	-	-	-	3,348,958	4,487,872	4,224,260	4,172,109	3,775,742
Golf course	655,867	670,047	618,645	547,325	729,464	807,998	748,612	708,097	835,012	723,630
Operating grants and contributions	207,864	265,849	53,642	54,563	30,655	117,642	54,020	-	-	-
Total business-type activities	4,416,801	4,787,469	4,505,882	4,445,248	4,121,973	7,603,492	8,348,575	7,830,365	7,651,257	6,793,396
Total program revenues	85,088,458	62,307,667	60,215,882	54,677,511	43,862,008	53,271,560	71,996,725	69,797,283	69,386,602	60,914,440
Net (expense)/revenue	\$ (36,673,694)	\$ (53,157,444)	\$ (73,396,721)	\$ (64,131,860)	\$ (73,681,595)	\$ (57,183,964)	\$ (32,077,327)	\$ (31,322,757)	\$ (25,307,079)	\$ (25,986,342)

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**CHANGE IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>NET (EXPENSE)/REVENUE:</b>										
Governmental activities	\$ (36,267,669)	\$ (53,110,396)	\$ (73,002,096)	\$ (63,699,684)	\$ (73,137,563)	\$ (56,596,129)	\$ (32,560,930)	\$ (30,838,328)	\$ (25,777,099)	\$ (26,472,305)
Business-type activities	(406,025)	(47,048)	(394,625)	(432,176)	(544,032)	(587,835)	483,603	(484,429)	470,020	485,963
Net (expense)/revenue	<u>\$ (36,673,694)</u>	<u>\$ (53,157,444)</u>	<u>\$ (73,396,721)</u>	<u>\$ (64,131,860)</u>	<u>\$ (73,681,595)</u>	<u>\$ (57,183,964)</u>	<u>\$ (32,077,327)</u>	<u>\$ (31,322,757)</u>	<u>\$ (25,307,079)</u>	<u>\$ (25,986,342)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
Governmental activities:										
Real property taxes	\$ 62,863,930	\$ 63,259,796	\$ 61,685,290	\$ 62,263,733	\$ 59,192,549	\$ 53,161,189	\$ 50,764,207	\$ 53,544,496	\$ 50,303,869	\$ 44,323,448
Other real property tax items	577,961	536,486	569,203	536,037	65,223	446,647	440,318	505,080	461,227	468,583
Non-property tax items	1,530,975	1,431,473	1,424,315	1,350,747	1,013,649	1,010,521	894,303	825,080	630,384	508,821
Interest earnings	581,728	617,034	687,758	720,489	568,086	2,116,151	4,036,759	3,938,725	2,208,410	1,061,710
Local government assistance - County	-	-	-	-	-	-	1,501,061	-	-	-
State aid-unrestricted	10,418,900	7,893,931	8,193,369	8,053,994	7,301,340	11,108,990	12,276,742	14,217,209	13,931,716	14,032,079
Sale of property and compensation of loss	164,755	-	-	-	-	-	-	-	-	-
Other	15,044	76,214	2,720,844	4,295,472	4,420,251	1,807,480	2,117,575	3,276,254	2,837,041	1,308,629
Transfers	(250,728)	(20,086)	(3,646,360)	(427,733)	-	1,213,366	701,446	2,646,625	-	692,000
Total governmental activities	<u>75,902,565</u>	<u>73,794,848</u>	<u>71,634,419</u>	<u>76,792,739</u>	<u>72,561,098</u>	<u>70,864,344</u>	<u>72,732,411</u>	<u>78,953,469</u>	<u>70,372,647</u>	<u>62,395,270</u>
Business-type activities:										
Real property taxes	475,640	476,900	1,333,287	492,017	-	-	-	-	-	-
Investment earnings	4,080	1,697	2,256	3,200	5,664	88,371	174,779	163,734	114,528	40,335
Transfer of capital	2,042,027	-	-	-	-	-	-	-	-	-
Transfers	250,728	20,086	3,646,360	427,733	-	(1,213,366)	(701,446)	(2,646,625)	-	(692,000)
Total business-type activities	<u>2,772,475</u>	<u>498,683</u>	<u>4,981,903</u>	<u>922,950</u>	<u>5,664</u>	<u>(1,124,995)</u>	<u>(526,667)</u>	<u>(2,482,891)</u>	<u>114,528</u>	<u>(651,665)</u>
Total general revenues and other changes in net position	<u>\$ 78,675,040</u>	<u>\$ 74,293,531</u>	<u>\$ 76,616,322</u>	<u>\$ 77,715,689</u>	<u>\$ 72,566,762</u>	<u>\$ 69,739,349</u>	<u>\$ 72,205,744</u>	<u>\$ 76,470,578</u>	<u>\$ 70,487,175</u>	<u>\$ 61,743,605</u>
<b>CHANGE IN NET POSITION:</b>										
Governmental activities	\$ 39,634,896	\$ 20,684,452	\$ (1,367,677)	\$ 13,093,055	\$ (576,465)	\$ 14,268,215	\$ 40,171,481	\$ 48,115,141	\$ 44,595,548	\$ 35,922,965
Business-type activities	2,366,450	451,635	4,587,278	490,774	(538,368)	(1,712,830)	(43,064)	(2,967,320)	584,548	(165,702)
Total change in net position	<u>\$ 42,001,346</u>	<u>\$ 21,136,087</u>	<u>\$ 3,219,601</u>	<u>\$ 13,583,829</u>	<u>\$ (1,114,833)</u>	<u>\$ 12,555,385</u>	<u>\$ 40,128,417</u>	<u>\$ 45,147,821</u>	<u>\$ 45,180,096</u>	<u>\$ 35,757,263</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>GENERAL FUND:</b>										
Reserved				\$ 5,725,525	\$ 7,019,673	\$ 471,089	\$ 3,655,975	\$ 3,430,741	\$ 3,409,561	\$ 3,215,268
Unreserved				8,280,158	4,486,611	6,978,750	13,001,542	16,099,406	12,967,982	15,914,194
Total general fund				<u>\$ 14,005,683</u>	<u>\$ 11,506,284</u>	<u>\$ 7,449,839</u>	<u>\$ 16,657,517</u>	<u>\$ 19,530,147</u>	<u>\$ 16,377,543</u>	<u>\$ 19,129,462</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved				\$ 50,448,390	\$ 35,838,615	\$ (3,516,835)	\$ 43,506,414	\$ 55,930,534	\$ 41,883,796	\$ 3,277,429
Unreserved reported in:										
Other major funds				1,652,707	(302,242)	2,079,748	-	-	-	-
Special revenue funds				10,379,095	8,027,797	2,592,867	2,510,674	3,190,354	1,244,861	24,682,060
Capital projects funds				334,683	(14,404,950)	(1,059,891)	1,404,997	(5,410,068)	(5,994,844)	19,831,679
Total all other governmental funds				<u>\$ 62,814,875</u>	<u>\$ 29,159,220</u>	<u>\$ 95,889</u>	<u>\$ 47,422,085</u>	<u>\$ 53,710,820</u>	<u>\$ 37,133,813</u>	<u>\$ 47,791,168</u>
<b>GENERAL FUND</b>										
Nonspendable	\$ 1,420,951	\$ 1,317,335	\$ 1,318,259							
Restricted	7,131,432	6,405,740	6,529,348							
Assigned	766,818	1,064,819	465,926							
Unassigned	4,650,750	5,786,071	4,635,599							
Total general fund	<u>\$ 13,969,951</u>	<u>\$ 14,573,965</u>	<u>\$ 12,949,132</u>							
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Nonspendable	\$ 1,437,253	\$ 1,383,478	\$ 1,529,744							
Restricted	80,034,604	56,124,167	68,253,856							
Assigned	10,858,328	5,747,317	3,999,525							
Unassigned	(308,871)	-	(81,441)							
Total all other governmental funds	<u>\$ 92,021,314</u>	<u>\$ 63,254,962</u>	<u>\$ 73,701,684</u>							

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Real property taxes	\$ 62,863,930	\$ 63,259,796	\$ 61,685,290	\$ 62,263,733	\$ 59,192,549	\$ 53,161,189	\$ 50,764,207	\$ 53,544,496	\$ 50,303,869	\$ 44,323,448
Other real property tax items	577,961	536,486	569,203	536,037	65,223	446,647	440,318	505,080	461,227	468,583
Non-property tax items	59,589,487	39,496,331	40,642,767	35,576,544	25,819,137	1,010,521	894,303	825,080	630,384	508,821
Special assessments	47,335	47,332	51,209	62,559	81,834	8,039	75,274	87,934	73,286	-
Departmental income	8,521,341	7,693,286	6,692,946	6,702,258	3,368,812	2,616,944	2,509,855	2,307,197	2,351,812	2,435,463
Intergovernmental charges	1,006,871	864,140	987,806	684,058	622,237	647,032	2,135,212	59,205	20,056	24,317
Use of money and property	581,728	617,034	687,758	720,489	568,086	2,116,151	4,290,876	4,178,880	2,426,708	1,273,001
License and permits	548,264	415,965	346,345	288,217	38,250	109,541	95,961	113,199	96,474	117,774
Fines and forfeitures	1,813,642	1,857,009	1,784,553	1,835,927	1,617,193	1,668,459	1,084,514	1,017,563	1,024,257	1,103,014
Sale of property and compensation for loss	164,755	19,186	34,872	262,688	15,399	29,480	38,164	20,808	109,285	426,005
Miscellaneous local sources	2,283,693	2,418,601	1,492,190	3,985,516	2,213,889	37,881,727	55,502,865	3,638,911	3,513,225	1,822,789
State aid	10,535,956	9,238,136	10,769,638	8,955,588	8,753,181	11,407,404	14,193,569	66,969,209	66,105,231	58,336,170
Federal aid	7,153,799	4,843,167	4,726,149	5,143,552	4,328,606	4,215,912	4,462,548	5,271,827	4,782,374	4,661,764
<b>Total revenues</b>	<b>155,688,762</b>	<b>131,306,469</b>	<b>130,470,726</b>	<b>127,017,166</b>	<b>106,684,396</b>	<b>115,319,046</b>	<b>136,487,666</b>	<b>138,539,389</b>	<b>131,898,188</b>	<b>115,501,149</b>
<b>Expenditures</b>										
Current:										
General governmental support	45,197,974	54,379,864	41,188,029	24,779,811	33,896,121	86,296,399	74,639,186	44,055,660	46,386,601	39,361,443
Public safety	19,315,488	19,406,028	18,527,638	19,067,239	18,287,036	18,709,082	18,324,645	17,488,758	17,499,935	15,516,401
Health	2,895,640	2,742,820	2,606,820	2,471,220	2,505,122	2,110,700	1,925,061	1,927,102	1,767,490	1,680,104
Transportation	7,100,595	6,366,143	7,087,272	7,444,043	6,860,470	6,681,248	6,375,348	7,031,824	7,361,579	7,109,323
Economic assistance and opportunity	2,967,560	3,123,002	2,692,752	2,107,374	2,607,405	1,836,619	1,728,207	1,647,758	1,750,367	1,598,221
Culture and recreation	3,155,588	4,141,028	4,241,038	4,375,822	4,110,850	5,231,407	5,290,288	5,155,503	4,934,401	3,715,785
Home and community service	29,649,449	10,393,391	10,390,084	10,236,731	8,688,200	8,845,066	8,606,388	6,954,653	8,359,553	8,225,007
Employee benefits	26,958,754	20,363,214	20,122,235	17,218,161	15,616,014	13,570,763	15,942,268	14,596,798	13,731,018	12,665,816
Capital outlay	4,905,920	6,004,465	9,695,990	6,878,197	9,753,807	16,079,789	12,068,690	13,020,704	30,630,441	21,774,807
Debt service :										
Principal	12,399,576	11,080,636	10,549,825	11,687,500	12,833,040	9,991,940	10,582,811	10,931,007	9,419,814	7,304,000
Interest	4,032,820	4,286,344	4,274,478	4,833,281	4,370,036	3,679,405	3,580,816	3,860,857	3,466,263	3,083,955
Bond issuance costs	-	-	-	-	-	-	-	-	91,483	-
Advance refunding escrow	-	-	-	-	-	-	-	-	309,695	-
<b>Total expenditures</b>	<b>158,579,364</b>	<b>142,286,935</b>	<b>131,376,161</b>	<b>111,099,379</b>	<b>119,528,101</b>	<b>173,032,418</b>	<b>159,063,708</b>	<b>126,670,624</b>	<b>145,708,640</b>	<b>122,034,862</b>
Excess (deficiency) of revenues over (under) expenditures	(2,890,602)	(10,980,466)	(905,435)	15,917,787	(12,843,705)	(57,713,372)	(22,576,042)	11,868,765	(13,810,452)	(6,533,713)
<b>Other financing sources (uses)</b>										
Interfund transfers in	4,851,356	2,393,500	2,422,820	3,615,996	9,991,492	22,991,549	23,778,450	20,524,232	18,217,776	3,721,814
Interfund transfers out	(5,102,084)	(2,413,586)	(6,069,180)	(4,043,729)	(9,991,492)	(21,778,183)	(23,077,004)	(20,960,337)	(18,217,776)	(3,029,814)
Serial bonds issuance	29,350,000	2,150,000	-	-	-	-	-	-	-	-
Proceeds from issuance of refunding bond	-	14,418,530	-	9,430,000	2,720,000	-	-	-	5,930,000	-
Debt proceeds (bonds or installment)	-	-	13,862,000	20,345,000	40,000,000	-	12,675,000	8,177,540	-	51,809,431
Premium on debt issuance (including refunding bonds)	1,008,668	2,149,687	376,128	1,070,569	5,159	-	38,231	119,451	146,178	-
Bond anticipation notes redeemed from appropriations	945,000	-	143,925	70,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(16,539,554)	-	(10,500,569)	-	-	-	-	(5,675,000)	-
<b>Total other financing sources (uses)</b>	<b>31,052,940</b>	<b>2,158,577</b>	<b>10,735,693</b>	<b>19,987,267</b>	<b>42,725,159</b>	<b>1,213,366</b>	<b>13,414,677</b>	<b>7,860,886</b>	<b>401,178</b>	<b>52,501,431</b>
<b>Net change in fund balances</b>	<b>\$ 28,162,338</b>	<b>\$ (8,821,889)</b>	<b>\$ 9,830,258</b>	<b>\$ 35,905,054</b>	<b>\$ 29,881,454</b>	<b>\$ (56,500,006)</b>	<b>\$ (9,161,365)</b>	<b>\$ 19,729,651</b>	<b>\$ (13,409,274)</b>	<b>\$ 45,967,718</b>
Debt service as a percentage of noncapital expenditures	15.32%	15.65%	15.57%	17.39%	18.59%	15.66%	15.61%	17.80%	15.54%	15.12%

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**ASSESSED VALUE, EQUALIZATION RATE AND ESTIMATED FULL VALUE OF REAL PROPERTY**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Condo and Co-Op Property</u>	<u>Utility and Special Franchise</u>	<u>Commerical Property</u>	<u>Total Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>	<u>Total Direct Tax Rate</u>
2013	\$ 48,136,241,163	\$ 653,305,392	\$ 359,589,779	\$ 2,910,810,381	\$ 55,022,618,428	100.00%	55,022,618,428	2.07
2012	48,483,708,541	658,630,789	336,723,277	2,362,232,070	55,861,991,485	100.00%	55,861,991,485	2.05
2011	48,548,282,347	677,866,346	335,332,412	2,386,324,938	55,860,526,117	100.00%	55,860,526,117	2.01
2010	47,208,430,906	609,171,656	336,538,380	2,424,623,298	54,445,058,850	100.00%	54,445,058,850	2.02
2009	45,695,742,348	568,920,040	332,080,500	2,393,991,338	52,803,053,580	100.00%	52,803,053,580	1.97
2008	43,890,296,013	568,228,045	307,109,345	1,542,253,885	50,324,763,975	89.70%	56,103,415,803	1.91
2007	40,500,000,000	4,499,658,289	489,126,720	3,423,887,045	48,912,672,054	100.00%	48,912,672,054	2.35
2006	29,674,556,695	477,233,252	227,609,767	1,500,768,049	34,751,503,793	100.00%	34,751,503,793	2.87
2005	29,410,723,608	465,023,840	104,363,672	1,494,822,000	34,520,611,624	100.00%	34,520,611,624	2.53
2004	420,829,035	6,878,517	3,982,246	29,566,846	495,512,831	1.63%	30,399,560,184	13.98

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

Note: Years 2007-2013 reflect reassessment to full valuation expressed as per \$1,000 of Assessed Valuation.

**TOWN OF SOUTHAMPTON**  
**PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(Rate per \$1,000 of Assessed Value)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Town	0.39	0.39	0.43	0.43	0.43	0.38	0.38	0.59	0.57	3.41
Police	0.54	0.52	0.51	0.52	0.56	0.54	0.54	0.72	0.62	3.71
Zoning	0.07	0.05	0.03	0.05	0.01	0.01	0.01	0.02	0.06	0.38
Highway	0.36	0.26	0.26	0.24	0.29	0.26	0.26	0.42	0.43	2.58
County	0.20	0.21	0.21	0.18	0.18	0.24	0.30	0.32	0.33	2.20
School and Library Districts	0.02 - 21.34	0.02 - 20.45	0.02 - 18.34	0.03 - 15.62	0.02 - 14.24	0.04 - 14.04	0.04 - 14.04	0.03 - 16.94	0.03 - 16.85	3.86 - 114.43
Special Districts:										
Fire and Fire Protection	0.11 - 1.04	0.10 - 1.07	0.10 - 1.04	0.10 - 0.82	0.01 - 0.84	0.09 - 1.67	0.09 - 1.67	0.12 - 0.96	0.11 - 0.77	0.84 - 4.60
Lighting	0.01 - 0.17	0.01 - 0.17	0.01 - 0.15	0.01 - 0.15	0.01 - 0.16	0.01 - 0.13	0.01 - 0.13	0.01 - 0.18	0.01 - 0.15	0.07 - 0.56
Water	0.23 - 0.42	0.22 - 0.44	0.21 - 0.39	0.19 - 0.36	0.26 - 0.37	0.17 - 0.38	0.17 - 0.38	0.25 - 0.58	0.28 - 0.64	1.68 - 2.54
Miscellaneous	0.01 - 0.70	0.01 - 0.62	0.01 - 0.56	0.01 - 0.53	0.01 - 0.43	0.01 - 0.42	0.01 - 0.42	0.01 - 0.91	0.01 - 0.55	0.01 - 2.69
Total Town Direct Rate	2.07	2.05	2.01	2.02	1.97	1.91	2.35	2.87	2.53	13.98
Total Overlapping Rates	4.61	4.52	4.29	4.23	4.13	3.98	7.30	8.78	8.74	57.49

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

**2013**

Name	Type	Assessed Valuation	Percentage of Total Taxable Assessed Valuation
Blue Turtles Inc.	Estate	\$ 248,024,100	0.45%
LIPA	Utility	210,943,222	0.38%
Leon D. Black	Estate	65,926,800	0.12%
KeySpan Energy Corp.	Utility	58,233,140	0.10%
Payton Lane Nursing Home Inc.	Nursing Home	55,465,000	0.10%
Stephen Perl binder	Estate	51,047,400	0.09%
Yumi & The Kids, LLC	Estate	50,225,100	0.09%
Cheryl G. Krongard	Estate	48,377,500	0.09%
Debra R. Black	Estate	45,918,700	0.08%
Kimco Realty	Commercial	45,688,700	0.08%

**2004**

Name	Type	Assessed Valuation	Percentage of Total Taxable Assessed Valuation
Verizon New York Inc.	Utility	\$ 69,306,696	0.22%
Leon D. Black	Estate	39,972,549	0.13%
Meadow Club of Southampton	Resort Complex	35,718,500	0.11%
Yumi & The Kids, LLC	Estate	35,000,000	0.11%
LIPA	Utility	34,660,519	0.11%
County of Suffolk	Municipality	29,850,000	0.09%
National Golf Links of America	Golf Course	29,746,900	0.09%
Debra R. Black	Estate	29,399,349	0.09%
Fiona Druckenmiller	Estate	28,633,700	0.09%
Stanley Druckenmiller	Easte	28,633,700	0.09%

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Tax Levy:</b>										
General Town	\$ 21,907,868	\$ 22,048,728	\$ 24,288,157	\$ 23,471,265	\$ 22,557,464	\$ 19,239,157	\$ 18,978,117	\$ 20,663,244	\$ 19,604,255	\$ 16,872,212
Police	19,717,477	19,510,509	18,787,061	19,122,882	19,792,258	18,186,288	17,191,432	16,343,605	14,043,380	12,483,146
Emergency Dispatching - E911	2,056,667	2,154,216	2,163,471	2,163,032	1,628,786	2,588,154	2,436,540	2,295,454	2,121,269	1,534,487
Zoning	2,170,133	1,757,858	907,216	1,591,613	450,560	292,927	248,754	487,392	1,206,542	1,226,877
Highway	11,048,231	11,458,980	10,757,440	10,203,992	8,805,492	7,735,936	7,768,227	9,133,104	9,277,745	8,320,165
Fire and Fire Protection Districts	16,390,922	12,111,213	12,302,370	12,282,939	12,039,733	11,555,033	10,373,416	9,766,082	8,713,767	7,553,637
Lighting District	575,831	556,046	564,747	553,783	543,516	54,733	772,994	383,712	294,329	306,258
Water Districts	1,122,575	1,132,073	1,082,775	1,111,611	1,391,341	1,025,209	914,969	1,016,584	1,100,917	1,080,987
Miscellaneous Special Districts	5,616,172	4,484,099	4,337,653	4,302,159	3,736,414	3,897,952	2,403,311	2,792,482	2,029,226	1,905,126
School and Library Districts	230,856,616	230,672,394	221,311,943	212,480,335	197,196,966	183,430,049	172,669,473	162,235,333	152,678,810	141,172,853
County of Suffolk	19,211,414	15,869,036	16,688,892	14,148,089	15,602,231	14,945,935	13,455,401	11,053,902	11,343,873	10,871,276
Other Items	819,935	991,121	714,871	518,619	566,523	603,218	643,314	427,272	327,907	313,273
<b>Total tax levy</b>	<b>\$331,493,841</b>	<b>\$322,746,273</b>	<b>\$313,906,596</b>	<b>\$301,950,319</b>	<b>\$284,311,284</b>	<b>\$263,554,591</b>	<b>\$247,855,948</b>	<b>\$236,598,166</b>	<b>\$222,742,020</b>	<b>\$203,640,297</b>
<b>Amount Collected</b>	<b>\$315,005,317</b>	<b>\$307,538,277</b>	<b>\$297,658,185</b>	<b>\$286,195,281</b>	<b>\$271,663,915</b>	<b>\$251,805,335</b>	<b>\$237,570,892</b>	<b>\$227,126,954</b>	<b>\$213,974,818</b>	<b>\$193,526,561</b>
Percentage Collected	95.03%	95.29%	94.82%	94.78%	95.55%	95.54%	95.85%	96.00%	96.06%	95.03%
<b>Returned to County:</b>										
Amount Uncollected	\$ 13,671,438	\$ 12,695,891	\$ 14,387,403	\$ 13,738,138	\$ 12,005,252	\$ 11,749,256	\$ 10,285,056	\$ 9,471,212	\$ 8,767,202	\$ 10,113,736
Percent Uncollected	4.12%	3.93%	4.58%	4.55%	4.22%	4.46%	4.15%	4.00%	3.94%	4.97%
<b>Collections in Subsequent Years</b>	<b>\$ 7,664,719</b>	<b>\$ 7,343,785</b>	<b>\$ 10,296,397</b>	<b>\$ 10,864,888</b>	<b>\$ 8,586,176</b>	<b>\$ 5,801,507</b>	<b>\$ 6,783,047</b>	<b>\$ 7,453,237</b>	<b>\$ 8,181,438</b>	<b>\$ 9,856,023</b>
<b>Total Collections to Date:</b>										
Amount	\$322,670,036	\$314,882,062	\$307,954,582	\$297,060,169	\$280,250,091	\$257,606,842	\$244,353,939	\$234,580,191	\$222,156,256	\$203,382,584
Percent	97.34%	97.56%	98.10%	98.38%	98.57%	97.74%	98.59%	99.15%	99.74%	99.87%

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	Installment Purchase Debt	Capital Leases	General Obligation Bonds	Bond Anticipation Notes			
2013	\$ 136,984,548	\$ 124,711	\$ -	\$ 6,572,700	\$ -	\$ 7,525,740	\$ -	\$ 151,207,699	5.58%	\$ 2,655
2012	119,044,624	169,211	6,065,000	10,072,700	-	7,846,164	40,000	143,237,699	5.29%	2,522
2011	129,537,011	202,031	-	13,572,700	-	8,600,958	-	151,912,700	5.61%	2,675
2010	126,399,762	246,638	6,992,200	-	-	8,573,600	80,000	142,292,200	4.92%	2,345
2009	118,249,320	314,900	21,430,589	-	-	6,720,780	2,580,000	149,295,589	4.27%	2,488
2008	88,252,100	397,400	25,865,000	-	-	7,239,540	-	121,754,040	4.27%	2,037
2007	98,220,400	466,600	8,891,000	-	-	7,548,000	-	115,126,000	4.93%	1,925
2006	96,005,971	544,700	11,543,000	-	44,140	4,172,260	-	112,310,071	4.88%	1,908
2005	99,129,131	516,800	12,696,000	-	90,067	848,500	-	113,280,498	5.14%	1,934
2004	108,241,556	521,400	3,868,000	-	137,855	900,000	-	113,668,811	5.44%	1,971

Source: Office of the Comptroller, Official Statements and the audited financial statements of the Town of Southampton.

(1) - See the schedule of Demographic and Economic Statistics for personal income and population

**TOWN OF SOUTHAMPTON**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Taxable Assessed Valuation</u>	<u>Gross Bonded Debt</u>	<u>Net Bonded Debt</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2013	56,960	\$ 55,022,618,428	\$ 144,634,999	\$ 144,634,999	0.26%	\$ 2,539
2012	56,790	55,861,991,485	127,059,999	127,059,999	0.23%	2,237
2011	56,800	55,860,526,117	138,340,000	138,340,000	0.25%	2,436
2010	60,668	54,445,058,850	135,220,000	135,220,000	0.25%	2,229
2009	60,007	52,807,053,580	125,285,000	125,285,000	0.24%	2,088
2008	59,777	50,324,763,975	95,889,040	95,889,040	0.19%	1,604
2007	59,813	48,912,672,054	106,235,000	106,235,000	0.22%	1,776
2006	58,876	34,751,503,793	100,722,931	100,722,931	0.29%	1,711
2005	58,564	34,520,611,624	100,494,431	100,494,431	0.29%	1,716
2004	57,659	495,512,831	109,662,956	109,662,956	22.13%	1,902

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

Note: Population numbers come from the LIPA Population Survey, except 2012 and 2013 figures, which were derived from the Town of Southampton's Assessor's Office.

**TOWN OF SOUTHAMPTON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2013**

Governmental Unit	Date of Report	Gross Indebtedness	Estimated Exclusions	Net Indebtedness	Percentage Applicable	Applicable Net Indebtedness
Town of Southampton	12/31/2013	\$ 151,207,699	\$ -	\$ 151,207,699	100.00%	\$ 151,207,699
Total direct debt						<u>151,207,699</u>
County of Suffolk	3/25/2014	2,097,685,000	790,784,742	1,306,900,258	21.12%	276,017,334
<b>Villages:</b>						
North Haven	5/31/2013	-	-	-	100.00%	-
Quogue	5/31/2012	2,940,000	-	2,940,000	100.00%	2,940,000
Sag Harbor	5/31/2012	2,485,000	-	2,485,000	30.00%	745,500
Southampton	5/31/2012	7,907,000	-	7,907,000	100.00%	7,907,000
Westhampton Beach	5/31/2012	3,276,943	-	3,276,943	100.00%	3,276,943
Westhampton Dunes	5/31/2013	1,185,000	-	1,185,000	100.00%	1,185,000
<b>School Districts:</b>						
Bridgehampton	6/30/2013	1,210,000	121,000	1,089,000	100.00%	1,089,000
East Quogue	6/30/2013	2,815,000	-	2,815,000	100.00%	2,815,000
Eastport-South Manor	6/30/2012	144,639,000	-	144,639,000	14.48%	20,943,727
Hampton Bays	6/30/2012	38,055,000	-	38,055,000	100.00%	38,055,000
Remsenburg-Speonk	6/30/2012	36,508	-	36,508	100.00%	36,508
Riverhead	6/30/2013	20,485,000	6,190,000	14,295,000	15.50%	2,215,725
Sagaponack	6/30/2013	-	-	-	100.00%	-
Sag Harbor	6/30/2013	9,065,000	-	9,065,000	88.51%	8,023,432
Southampton	6/30/2013	45,805,000	-	45,805,000	100.00%	45,805,000
Tuckahoe	6/30/2013	1,085,000	-	1,085,000	100.00%	1,085,000
Wainscott	6/30/2012	1,015,000	-	1,015,000	4.79%	48,619
Westhampton Beach	6/30/2013	34,765,000	-	34,765,000	100.00%	34,765,000
<b>Fire Districts:</b>						
Bridgehampton	12/31/2012	3,900,000	-	3,900,000	100.00%	3,900,000
Eastport	12/31/2012	211,221	-	211,221	100.00%	211,221
East Quogue	12/31/2012	-	-	-	100.00%	-
Flanders	12/31/2012	428,600	-	428,600	100.00%	428,600
Hampton Bays	12/31/2012	1,350,000	-	1,350,000	100.00%	1,350,000
North Sea	12/31/2012	-	-	-	100.00%	-
Riverhead	12/31/2012	11,650,000	-	11,650,000	4.46%	519,590
Westhampton Beach	12/31/2012	1,600,000	-	1,600,000	100.00%	1,600,000
Total overlapping debt						<u>454,963,199</u>
Total direct and overlapping debt		<u>\$ 2,584,801,971</u>	<u>\$ 797,095,742</u>	<u>\$ 1,787,706,229</u>		<u>\$ 606,170,898</u>
Per Capita						<u>\$ 2,655</u>

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON  
DEBT LIMIT MARGIN INFORMATION  
DECEMBER 31, 2013**

	Years Ended December 31,	Assessed Valuation	State Equalization Rate	Full Valuation	
	2013	\$ 55,022,618,428	100.00%	\$ 55,022,618,428	
	2012	55,861,991,485	100.00%	55,861,991,485	
	2011	55,860,526,117	100.00%	55,860,526,117	
	2010	54,445,058,850	100.00%	54,445,058,850	
	2009	52,807,053,580	100.00%	52,807,053,580	
Total Five Year Full Valuation				<u>273,997,248,460</u>	
Average Five Year Full Valuation				<u>54,799,449,692</u>	
Debt Limit - 7% of Average Full Valuation				<u>\$ 3,835,961,478</u>	(a)
Inclusions:					
Outstanding Bonds				<u>\$ 144,634,999</u>	
Total Inclusions				<u>144,634,999</u>	
Exclusions:					
Water Debt				5,764,702	
Bond Appropriations				<u>8,679,053</u>	
Total Exclusions				<u>14,443,755</u>	
Total Net Indebtedness Subject to the Debt Limit				<u>\$ 130,191,244</u>	(b)
Net Debt Contracting Margin				<u>\$ 3,705,770,234</u>	(a) - (b)
Percent of Debt Limit Exhausted				<u>3.39%</u>	(b)/(a)

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Exclusions	Indebtedness Subject to Debt Limit	Net Contracting Margin	Percent of Net Debt Contracting Margin Available
2013	\$ 3,835,961,478	\$ 144,634,999	\$ 14,443,755	\$ 130,191,244	\$ 3,705,770,234	96.61%
2012	3,851,036,642	127,059,999	7,349,903	119,710,096	3,731,326,546	96.89%
2011	3,753,800,763	138,340,000	15,493,460	122,846,540	3,630,954,223	96.73%
2010	3,458,274,451	135,220,000	5,235,245	129,984,755	3,328,289,696	96.24%
2009	3,179,332,190	125,285,000	5,473,500	119,811,500	3,059,520,690	96.23%
2008	2,865,627,282	95,889,040	6,298,800	89,590,240	2,776,037,042	96.87%
2007	2,441,587,176	106,235,000	6,768,200	99,466,800	2,342,120,376	95.93%
2006	2,037,822,222	100,722,931	5,940,000	94,782,931	1,943,039,291	95.35%
2005	1,786,970,756	100,494,431	5,269,400	95,225,031	1,691,745,725	94.67%
2004	1,510,489,449	109,662,956	5,989,700	103,673,256	1,406,816,193	93.14%

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**DEMOGRAPHICS AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Income (millions of dollars)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>	<b>Year-Round Households Estimate</b>	<b>Household Size Estimates</b>	<b>Population Density Per Square Mile (1)</b>
2013	56,960	\$ 2,710	\$ 47,577	6.60%	21,735	2.46	406.28
2012	56,790	2,710	47,720	8.10%	21,735	2.60	405.06
2011	56,800	2,710	47,711	7.60%	21,419	2.59	405.14
2010	60,668	2,895	47,719	7.80%	23,219	2.51	432.72
2009	60,007	3,495	58,243	7.40%	23,035	2.54	428.01
2008	59,777	2,852	47,711	5.10%	23,278	2.52	426.37
2007	59,813	2,336	39,055	3.90%	23,200	2.50	426.63
2006	58,876	2,299	39,048	4.00%	22,921	2.50	419.94
2005	58,564	2,204	37,634	3.50%	22,739	2.49	417.72
2004	57,659	2,090	36,248	3.90%	22,411	2.49	411.26

(1) Calculation based off of 140.2 square miles obtained from the Town Clerk's office.

Sources: Office of the Comptroller and the Official Statements of the Town of Southampton, and the American Community Survey 5-Year Estimate

**TOWN OF SOUTHAMPTON**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR**

2013

<b>Rank</b>	<b>Name</b>	<b>Headquarters</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of Total Town's Employment</b>
1	Southampton Hospital	Southampton	Hospital	775	1.36%
2	Town of Southampton	Southampton	Municipality	512	0.90%
3	Southampton UFSD	Southampton	School District	400	0.70%
4	Corcoran Group	Bridgehampton	Real Estate	400	0.70%
5	Dominican Sister Family Health Services	Hampton Bays	Home Health Agency	350	0.61%
6	Bridgehampton National Bank	Bridgehampton	Commercial Banks	245	0.43%
7	Dunn Engineering	Westhampton Beach	Engineering	100	0.18%
8	Maran Corporate Risk Associates	Southampton/East Hampton	Insurance	95	0.17%
9	Southampton Press	Southampton	Newspaper	50	0.09%
10	Southampton Inn	Southampton	Hotel	50	0.09%
				<b>2,977</b>	<b>5.23%</b>

Source: Town of Southampton and the 2013 Long Island Business News Book of Lists

**TOWN OF SOUTHAMPTON**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function:										
General Government	221	219	219	224	234	267	248	121	131	106
Justice and Law Enforcement	135	132	140	145	142	153	170	186	178	149
Public Works	99	99	104	104	112	114	116	73	72	63
Economic Assistance and Opportunity	-	-	-	-	-	-	7	5	5	5
Environment, Parks and Education	18	16	18	20	19	25	33	30	29	27
Health and Human Services	39	40	42	47	45	36	49	135	135	100
<b>Total</b>	<b>512</b>	<b>506</b>	<b>523</b>	<b>540</b>	<b>552</b>	<b>595</b>	<b>623</b>	<b>550</b>	<b>550</b>	<b>450</b>

Source: Office of the Comptroller and the Official Statements of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Function:</b>										
<b>Public Safety -</b>										
Building										
Residential building permits issued	5,588	4,979	4,526	3,765	3,203	4,364	4,372	4,804	5,902	4,755
Commercial building permits issued	35	40	48	55	38	36	121	84	106	133
Police										
Physical arrests	2,141	2,172	2,512	2,588	2,341	2,213	2,117	2,062	1,945	2,033
Traffic and parking violations	16,390	17,631	19,479	20,383	20,401	18,830	17,806	15,483	20,505	20,554
Fire										
Number of fire protection districts	3	3	3	3	3	3	3	3	3	3
Number of calls answered	5,030	5,207	4,997	5,017	4,863	4,907	6,166	5,506	5,694	5,857
Inspections	1,029	1,144	1,238	1,275	1,736	1,093	1,052	1,552	1,625	1,641
<b>Health -</b>										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
<b>Transportation -</b>										
Highway and streets										
Street resurfacing (miles)	23	24	22	23	22	13	43	33	33	27
<b>Culture and recreation -</b>										
Beach permits issued	41,282	43,609	42,828	42,340	39,892	40,287	43,294	39,927	39,140	35,184
Registration for summer programs	2,335	2,502	3,024	2,989	2,331	2,408	7,260	3,028	2,863	2,537
<b>Home and Community Service -</b>										
Sanitation										
Refuse collected (tons/day)	18.48	18.03	18.54	18.36	18.70	19.24	21.10	18.16	21.78	26.39
Recyclables collected (tons/day)	10.95	11.23	11.83	11.50	11.50	12.16	13.00	12.34	12.75	11.86
Water										
Average daily consumption (thousands of gallons)	2,700	2,500	2,300	2,600	2,100	2,600	2,755	2,603	2,396	2,396

Source: Various departments of the Town of Southampton.

**TOWN OF SOUTHAMPTON**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function:	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public Safety -</b>										
Municipal buildings	30	29	29	29	29	29	2	2	2	2
Preserved acreage	3,643	3,500	3,197	3,006	2,946	2,904	2,817	2,373	2,198	1,945
<b>Public Safety -</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	90	104	104	104	104	104	95	97	96	96
<b>Health -</b>										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
<b>Transportation -</b>										
Highways and streets										
Number of street lighting districts	9	9	9	9	9	9	9	9	9	9
Streets (miles)	456	456	455	453	452	450	429	445	444	442
Streetlights	2,724	2,714	2,714	2,714	2,714	2,714	2,400	3,535	3,500	3,485
Traffic signals (1)	31	31	31	31	29	26	22	22	22	22
<b>Culture and recreation -</b>										
Number of park districts	3	3	3	3	3	3	3	3	3	2
Parks and open space	4,009	4,009	4,009	4,009	4,009	4,009	4,009	3,845	3,500	-
Beaches	8	8	8	8	8	8	8	8	8	8
Marinas	3	3	2	2	2	2	3	3	2	2
Boat basin slips	80	80	66	66	66	66	95	101	90	90
Swimming pools	-	-	-	-	-	-	1	1	1	-
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	10	11	10	10
Community centers	3	3	3	3	3	3	5	5	5	5
<b>Home and Community Services -</b>										
Sanitation										
Transfer stations	4	4	4	4	4	4	4	3	3	3
Vehicles	42	43	47	46	46	46	4	4	4	4
Water										
Water mains (miles)	101	100	98	96	94	94	101	100	99	92
Total yearly pumpage (in millions of gallons)	9,939	9,649	8,491	9,760	7,631	9,500	1,006	950	875	875
Fire hydrants	525	515	505	500	490	487	515	459	456	N/A

Source: Town of Southampton Police Department, Fire Marshall, Highway Department, Parks and Recreation Department, Information Systems Department, Community Preservation Department, General Services Department, Waste Management Department and Hampton Bays Water District.

(1) Per the Long Island Power Authority