

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



***COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2014***

**TOWN OF SOUTHAMPTON LONG ISLAND, NEW YORK
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PREPARED BY:

TOWN COMPTROLLER'S OFFICE

TOWN OF SOUTHAMPTON
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INTRODUCTORY SECTION



TOWN OF SOUTHAMPTON

PRINCIPAL OFFICIALS

SUPERVISOR

ANNA THRONE-HOLST

TOWN COUNCIL

BRADLEY BENDER

BRIDGET FLEMING

STAN GLINKA

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

EDWARD J. WARNER JR., PRESIDENT

SCOTT HOROWITZ, SECRETARY/TREASURER

RAYMOND OVERTON

WILLIAM PELL IV

ERIC SHULTZ

TOWN ATTORNEY

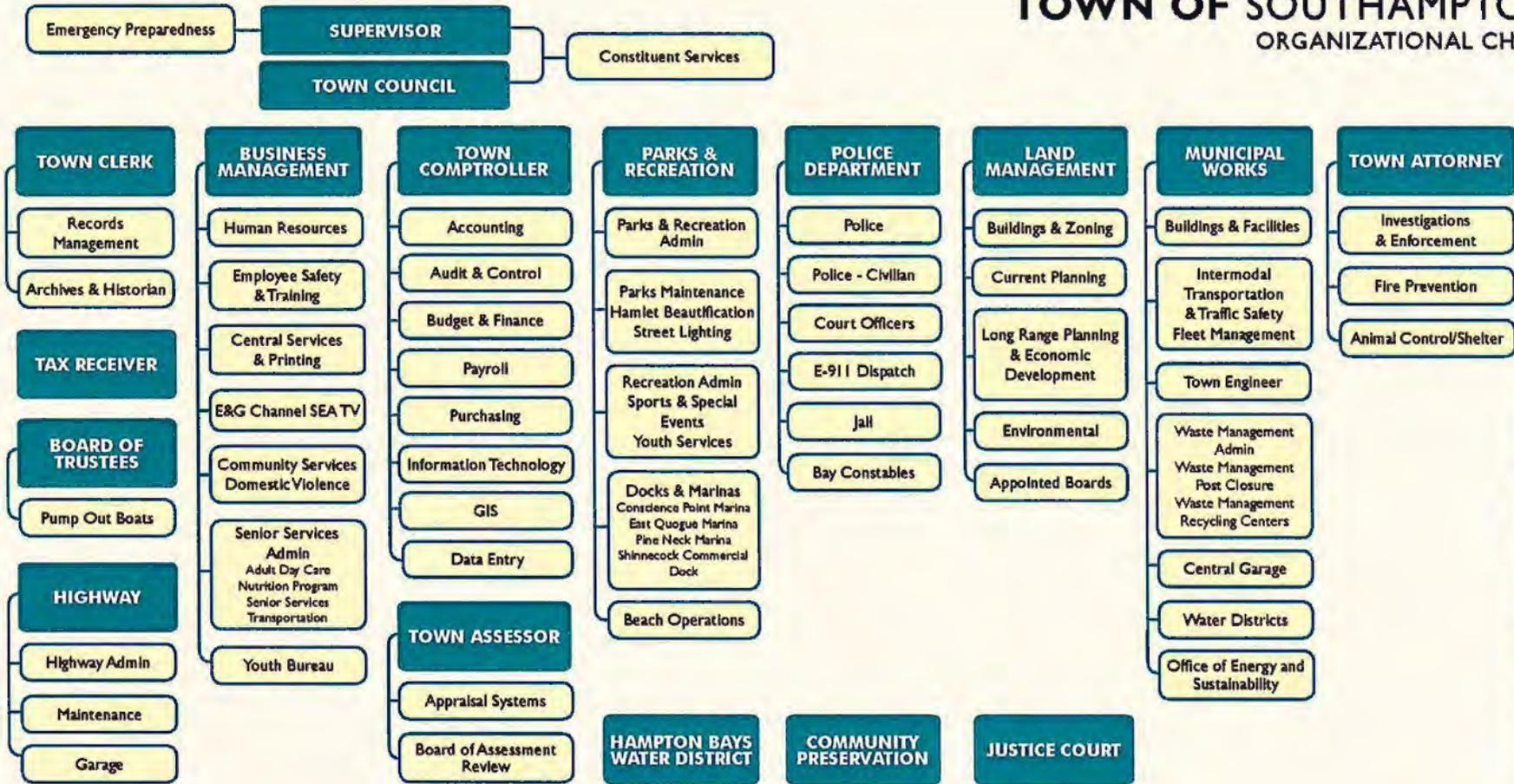
TIFFANY SCARLATO

TOWN COMPTROLLER

LEONARD J. MARCHESI, MBA, CPA

TOWN OF SOUTHAMPTON

ORGANIZATIONAL CHART



TOWN OF SOUTHAMPTON



ANNA THRONE-HOLST
Supervisor

TOWN OF
SOUTHAMPTON
116 Hampton Road, Southampton, NY 11968

Telephone: (631) 283-6055
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April 27, 2015

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, 2014.

Over the past four years, the Town's budgets have been based on the notion that sound financial footing is the bedrock upon which all Town services rests. The degree and quality for which the Town can provide for public safety, safe and well maintained roadways, clean and accessible beaches, parks and public spaces, and a host of other services that support and improve the quality of life for the Town's citizens depends on our ability to provide that sound financial footing.

The Town has been able to strengthen the very foundation and attain a level of financial soundness that recently rewarded our efforts and earned the Town a AAA (Triple A) credit rating, a rating now unique among Long Island municipalities. Achieving this status has required hard work, diligence, and frankly, some sacrifice on the part of many. I would like to remind everyone that achieving this goal is only half the challenge. Maintaining this coveted status and soundness continues to present challenges of an almost equal magnitude.

The 2014 Adopted Budget built on the previous three years' budgets by being structurally balanced, controlling costs, providing for new efficiencies, reducing borrowing and related debt service, and continued to maintain zero increases to the tax levy to support the Town's constituents and taxpayers. With our sound fiscal plan and unique budget practice, I am confident we will keep the Town on a steady course of having a strong financial condition. The Town has adopted the budget practice of presenting its budget for the upcoming fiscal year, but also proposing a tentative budget for the following year, which is essentially a two year budget projection.

I would like to offer my thanks to the staff in the Comptroller's Office for their efforts in the preparation of this report, as well as all Town personnel and staff for their great work and dedication.

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
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April 27, 2015

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, 2014, 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, 2014, 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, provide 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 27, 2015.

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's 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 is 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 140 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, Sagaponack, Southampton, Westhampton Beach, and West Hampton Dunes, 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 contribute 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 Villages, and seven golf courses including the famous Shinnecock Hills (the oldest golf course in the Country) and home of the U.S. Men's Open in 1896, 1986, 1995, 2004 and the upcoming 2018 U.S. Open, as well as Sebonack Golf Club, home of the 2013 U.S. Women's Open. Police protection is provided by the Town and Villages, 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 East Quogue, Flanders, Hampton Bays, Northampton, Quogue, Remsenburg, Riverside, Speonk, Westhampton, and part of Eastport lie on the west side of the Shinnecock Canal. The communities of Bridgehampton, North Sea, Noyac, Sag Harbor, Shinnecock Hills, Tuckahoe, Water Mill, 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 New York 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 2015 fiscal year of the Town was adopted by the Town Board on November 20, 2014.

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 20th of the preceding year, which coincides with the Annual Operating Budget process. The 2015-2019 Capital Program was adopted by the Town Board on November 20, 2014.

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 10th and May 31st, respectively. Penalties are imposed thereafter at the rate of 1% per month from the date such taxes are due (January 10th) and payable and 10% after May 31st. 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.

Town of Southampton Standard and Poor's Credit Rating

The Town's Bond rating according to Standard & Poor's, as of January 28, 2015, was AAA. Their rating was upgraded in June of 2014 from AA+ to AAA as a result of the Town's fiscal discipline. This commanding economic condition will allow the Town to continue to borrow at low interest rates for present and future projects.

The Town's strong Standard and Poor's bond rating of AAA (the highest rating on the Standard and Poor's scale) allowed the Town to refinance existing debt and reduce the debt service on loans by over \$500,000. The Town's rating has allowed the Town to establish an aggressive pay down strategy for all remaining debt. 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 5 years, and will continue into 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.

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 \$728 million in government-wide net position.

The Town's 2011 through 2014 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 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.

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. This practice was continued during 2014, and therefore the Town, again, did not have a liability for amortizable NYSERS and NYSPFRS costs.

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 order to meet all of the Town's responsibilities to the public, especially as it relates to public safety, in the 2015 budget, there are modest increases in both the operating and capital budgets. The increases are principally within the Highway Fund and Public Safety Fund, which will be offset by expense reductions or revenues increases in other areas of the budget. Some of the proposed increases are needed to address the need to maintain a comprehensive repaving program in the Highway Department Fund, and five new Town staff additions.

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 New York 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) 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. During 2014, 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

The Town has been able to increase the capital program as a consequence of its ability to reduce overall debt service, as well as take advantage of the low cost of borrowing. The 2015 Adopted Capital Budget includes the following major projects:

- Business Management various improvements \$49,009 - various projects including: completion of implementation of time and attendance software, board room technology upgrades, and SEA-TV Media Center.
- Budget and Finance \$50,000 - acquisition of emergency response equipment.
- Information Technology \$275,267 - various technology and improvements and upgrades.
- Land Management \$1,848,314 - various projects including: waterfront revitalization program, good ground park projects, and Brownfield Opportunity Area (Riverside) projects.
- Parks and recreation \$2,030,506 - various projects including: dredging, dock repairs, boardwalk repairs, beach facility upgrades and for miscellaneous vehicles and equipment.
- Highway various improvements \$4,681,018 - various highway and road improvements.
- Municipal Works various projects \$3,835,041 - various municipal works improvements.
- Police upgrades \$1,372,507 - Intergraph Command and Dispatch ("ICAD"), communication and dispatch updates, and bay constable patrol boat.
- Community Preservation Fund \$6,936,600 - Rogers House Restoration, African American Museum, Blue Barn Restoration, Lyzon Hat Shop Restoration, Canoe Place Chapel and Tiana Lifesaving Station.
- Hampton Bays Water District \$100,000 - Well Plant Number 2.

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, was updated and adopted on February 11, 2014, and is consistent with the guidelines promulgated by the New York State 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 and adopted on February 11, 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. The policy was updated and adopted on February 24, 2009.
- 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 10% 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 maintains unallocated fund balance of 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 2015-195 on February 10, 2015 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, 2013. 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
for Excellence
in Financial
Reporting**

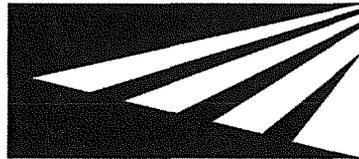
Presented to

**Town of Southampton
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



NawrockiSmith

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 aggregate discretely presented component units, 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, 2014, 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Southampton, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance 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 16-30 and 76-96, 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 basic 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 27, 2015, 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 27, 2015



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

TOWN OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

The following is a discussion and analysis of the Town of Southampton's (the "Town") financial performance for the year ended December 31, 2014. 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 2014 Total Governmental Operating Funds deficiency of approximately \$2.7 million (before other financing sources/uses), compared to a Total Governmental Operating Funds deficiency of \$17.8 million (as restated; see restatement discussion below) in 2013. Comparatively, operating funds had an increase in revenue of approximately \$3.2 million offset by a decrease in total expenditures of approximately \$11.9 million. The decrease in expenditures year over year is due mostly to a decrease in expenditures in the Coastal Erosion Fund of approximately \$10.6 million. Other financing sources (uses) amounted to approximately \$306,000 and resulted in a decrease in Operating Funds fund balance of \$2.4 million.
- Total Fund Balance for the Operating Funds at the end of 2014 was \$33.8 million, a decrease of 6.7% over the prior year fund balance (as restated). Total Unassigned Fund Balance at the end of 2014 was \$7.5 million, or 22.2% 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 2014, and total Governmental Funds revenue increased by approximately \$10.0 million, or 6.5% mostly due to increases in Real Property Taxes (largely based on assessment) and non-property tax items (largely based on the Community Preservation Fund).
- The Community Preservation Fund had a positive change in fund balance of \$13.4 million, leading to total fund balance at the end of 2014 of \$75.6 million. The Town's Capital Fund had a positive change in fund balance of \$1.8 million, which was driven by current year serial bond issuances of \$4.2 million.
- Total 2014 Debt Service for the Town's Operating Funds was \$12.5 million, or 12.7% of Total Operating Revenues. The Community Preservation Fund Debt Service was \$6.0 million in 2014, and in comparison it ended the year with a Restricted Debt Service Reserve of \$8.9 million.
- Total 2014 Revenues for the Town's Operating Funds were \$99.0 million, of which \$65.5 million or 66.2% was from Property Taxes. Comparatively, in 2013, Total Operating Revenues were \$95.8 million, of which 65.6% was from Property Taxes. Year over year, Total Operating Revenues increased 3.3%. In 2014, New York State and Federal Aid comprised 51.4% of total Non-Property Tax Operating Revenues.
- Total 2014 Expenditures for the Town's Operating Funds were \$101.8 million, a decrease of \$11.9 million compared to 2013. Excluding Debt Service and Special Grant Funds (Housing and Urban Development "HUD" and Community Development Block Grant "CDBG"), Total Town Expenditures were \$134.0 million, of which \$23.8 million, or 17.7%, were employee related Compensation and Benefits. Total Employee Benefit Costs decreased 11.7% between 2013 and 2014 due to the full payment of the Town's long-term pension liabilities in 2013, offset by general increases in employee related expenses (i.e. health insurance, pension expense, etc.).
- The General Fund's total fund balance, as reflected in the fund financial statements, is \$14,324,177, which is an increase of \$354,226, or 2.5%, compared to the prior year (see pages 33 and 35). General fund excess of revenues over expenditures was \$75,605 compared to a deficiency of \$7,718 in 2013. The variance is the result of decreases in both total revenues and total expenditures however, the decreases in expenditures were greater than the decreases in revenues year over year.
- The General Fund's total revenues, excluding net financing sources, were favorable to the 2014 Revised Budget by \$69,658, or 0.2%, mainly driven by higher than expected revenue in most categories with the exception of fines and forfeitures and intergovernmental charges. Total expenditures were favorable to the 2014 Revised Budget by \$2,355,203, or 6.2%, due to lower than anticipated expenditures in all categories (see pages 76 through 82).

- The Police District Fund's fund balance, as reflected in the financial statements, was \$2,710,528, which is an increase of \$438,300 or 19.3%, over the prior year's fund balance. The Town originally budgeted for an approximate loss of approximately \$355,000, however current year performance exceeded expectations and the total variance to the revised budget was favorable by approximately \$1.8 million. The positive result was driven by a combination of higher than anticipated State aid received (allocation of mortgage tax revenue) and less than anticipated spending in all expenditure categories (see pages 83 through 85).
- The Town Outside Village Fund's total fund balance, as reflected in the financial statements, was \$2,964,176, which is an increase of approximately \$1.5 million, or 110.6% over the prior year's fund balance. The improvement is reflected in the year over year increase of departmental income. The Town experienced a greater than expected volume of applications for building and zoning permits as well as related inspections fees as a result of a general increase in the real estate and related economies. Revenues were favorable, excluding net financing sources, to the 2014 Revised Budget by \$1,500,609. Operating expenditures were favorable to the 2014 Revised Budget by \$395,146 or 6.6%, due to lower than anticipated expenditures in all categories (see pages 86 through 88).
- The Highway Fund's total fund balance, as reflected in the financial statements, was \$2,169,431, which is a decrease of \$543,978 over the prior year's fund balance. Federal aid decreased from 2013 by \$906,178, due to the Town receiving funding from the Federal Emergency Management Agency ("FEMA") in 2013 that was not received in 2014. Expenditures increased year over year by approximately \$620,000 as the Town had increases in expenditures relating to equipment and salaries. The Town's original budget originally planned for a loss of \$536,766 and was generally consistent with the actual loss (only a variance of \$7,212, see pages 89 through 91).
- The Town's total net position, as reflected in the *government-wide* (the "Town-wide") financial statements, increased by \$50,526,307 or 7.2% (up from 2013's increase of \$41,752,046 or 6.4%, as restated). This increase is primarily due to an increase in the Community Preservation Fund Transfer Tax revenue (as identified in the preceding paragraphs). The total unrestricted net position will generally continue to decline each year due to the annual recognition of post-employment benefits in accordance with GASB. As of December 31, 2014 the Town's liability for post-employment benefits was \$62.2 million.
- The Town's expenses for the year, as reflected in the *government-wide* (the "Town-wide") financial statements, totaled \$118,888,927. Of this amount, \$89,810,974 (which includes \$65,110,117 of Community Preservation revenues) was offset by program charges for services, operating grants and capital grants. General revenues of \$79,604,260 amounted to 47.0% of total revenues (see page 32).
- During 2014, the Town re-evaluated the reporting of the Trustees of The Freeholders and Commonalty. The Town determined that the Trustees should be reported as a discretely presented component unit under GASB. As described in Note 2 of the Notes to the Financial Statements, the Trustees are a legally separate entity, their Board is elected, and they provide goods and services to the citizens of the Town of Southampton. As a result, the Town's financial statements have been restated as of January 1, 2014 to give effect to this presentation (see Note 16 for further details).

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 31 and 32).
- 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 33 through 36).
 - 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 37 through 39).
 - 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 40).

Reporting the Town as a Whole

The analysis of the Town as a whole begins on page 31. 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 residual balance of assets plus deferred outflows of resources minus liabilities and deferred inflows of resources - 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 units* - The component units are legally separate organizations 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 two discretely presented component units (Town of Southampton Housing Authority and the Trustees of the Freeholders) as separate columns 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 33. Some funds are required to be established by New York 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 33 and 35) in a reconciliation following each of the governmental fund financial statements (pages 34 and 36).
- *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 37-39).

- *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 40).

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Financial Highlights:

Net position

The Town's total assets and deferred outflows on December 31, 2014 were \$977.3 million, an increase of \$29.5 million over the prior year. Total liabilities and deferred inflows of resources were \$229.5 million, a decrease of \$21.0 million from the prior year. The result is a net position of \$747.8 million, an increase of \$50.5 million over the prior year. Of the Town's net position, \$708.6 million was invested in capital assets, net of related debt. Restricted net position was \$95.2 million and unrestricted net position was a deficit of \$56.0 million on December 31, 2014.

- Working capital of \$107.7 million on December 31, 2014 compared with the December 31, 2013 working capital of \$99.5 million (as restated) increased primarily due to a \$8.1 million decrease in current liabilities. The change in current liabilities is the result of a decrease in accounts payable and accrued liabilities, as well as a decrease in the amount outstanding related to installment purchase debt.
- Net investment in capital assets of \$708.6 million (compared to \$671.0 million in 2013) 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 \$133.4 million which is included in liabilities, of which \$47.3 million is related to purchases of land by the Community Preservation Fund. The Town also has an outstanding installment purchase debt of \$3.1 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, 2014 were \$89.8 million, an increase of \$6.0 million (as restated) from 2013, which is primarily related to increases in operating and capital grants. General revenues of \$79.6 million were slightly higher (\$3.0 million increase) than last year. Total combined revenues for 2014 were \$169.4 million, an increase of \$9.0 million from 2013. Expenses for the year ended December 31, 2014 were \$118.9 million reflecting a decrease of \$1.8 million compared to 2013 (as restated) which is primarily related to decreases in most governmental and business-type activities with the exception of general governmental support and home and community services. This resulted in a change in net position for the year ended December 31, 2014 of approximately \$50.5 million.

The Town's combined net position increased from a year ago from \$697.3 million (as restated) to \$747.8 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.

	Governmental Activities		Business-type Activities		Totals	
	(As Restated)				(As Restated)	
	2014	2013	2014	2013	2014	2013
Assets:						
Current assets	\$ 128,503,372	\$ 128,242,125	\$ 2,860,163	\$ 2,561,495	\$ 131,363,535	\$ 130,803,620
Non-current assets	822,156,735	792,816,263	23,477,032	24,136,552	845,633,767	816,952,815
Total assets	950,660,107	921,058,388	26,337,195	26,698,047	976,997,302	947,756,435
Deferred outflows	271,951	-	-	-	271,951	-
Total assets and deferred outflows	\$ 950,932,058	\$ 921,058,388	\$ 26,337,195	\$ 26,698,047	\$ 977,269,253	\$ 947,756,435
Liabilities:						
Current liabilities	\$ 22,702,351	\$ 30,067,200	\$ 1,005,464	\$ 1,247,267	\$ 23,707,815	\$ 31,314,467
Noncurrent liabilities	194,434,650	202,107,543	6,228,330	7,063,816	200,662,980	209,171,359
Total liabilities	217,137,001	232,174,743	7,233,794	8,311,083	224,370,795	240,485,826
Deferred inflows	5,099,543	9,998,001	-	-	5,099,543	9,998,001
Total liabilities and deferred inflows	\$ 222,236,544	\$ 242,172,744	\$ 7,233,794	\$ 8,311,083	\$ 229,470,338	\$ 250,483,827

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	\$ 692,048,977	\$ 654,433,516	\$ 16,506,575	\$ 16,569,181	\$ 708,555,552	\$ 671,002,697
Restricted	95,112,199	87,166,036	104,394	121,358	95,216,593	87,287,394
Unrestricted	(58,465,662)	(62,713,908)	2,492,432	1,696,425	(55,973,230)	(61,017,483)
Total net position	\$ 728,695,514	\$ 678,885,644	\$ 19,103,401	\$ 18,386,964	\$ 747,798,915	\$ 697,272,608

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	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services, fees, fines and forfeitures	\$ 12,497,649	\$ 11,507,261	\$ 3,863,814	\$ 4,208,937	\$ 16,361,463	\$ 15,716,198
Operating grants and contributions	70,847,232	64,285,558	782,905	207,864	71,630,137	64,493,422
Capital grants and contributions	1,819,374	3,568,519	-	-	1,819,374	3,568,519
Total program revenues	85,164,255	79,361,338	4,646,719	4,416,801	89,810,974	83,778,139
General revenues:						
Real property taxes	65,501,711	62,863,930	523,037	475,640	66,024,748	63,339,570
Other real property tax items	599,919	577,961	-	-	599,919	577,961
Non-property tax items	1,643,124	1,530,975	-	-	1,643,124	1,530,975
Interest earnings	685,415	580,245	9,457	4,080	694,872	584,325
State aid - unrestricted	10,477,475	10,418,900	-	-	10,477,475	10,418,900
Sale of property and compensation for loss	73,160	137,893	-	-	73,160	137,893
Miscellaneous	90,962	15,044	-	-	90,962	15,044
Total general revenues	79,071,766	76,124,948	532,494	479,720	79,604,260	76,604,668
Total revenues	164,236,021	155,486,286	5,179,213	4,896,521	169,415,234	160,382,807
Program expenses:						
General governmental support	25,558,647	23,891,061	-	-	25,558,647	23,891,061
Public safety	34,065,430	35,628,311	-	-	34,065,430	35,628,311
Health	2,943,708	2,895,640	-	-	2,943,708	2,895,640
Transportation	24,480,863	24,374,926	-	-	24,480,863	24,374,926
Economic assistance and opportunity	4,160,715	4,667,705	-	-	4,160,715	4,667,705
Culture and recreation	605,479	5,638,303	-	-	605,479	5,638,303
Home and community services	19,207,945	14,790,555	-	-	19,207,945	14,790,555
Interest on debt	3,903,364	3,963,461	229,882	281,595	4,133,246	4,245,056
Beaches and marinas	-	-	1,610,212	1,602,784	1,610,212	1,602,784
Waste management	-	-	2,080,815	2,302,072	2,080,815	2,302,072
Golf course	-	-	41,867	636,375	41,867	636,375
Total expenses	114,926,151	115,849,962	3,962,776	4,822,826	118,888,927	120,672,788
Excess before transfers	49,309,870	39,636,324	1,216,437	73,695	50,526,307	39,710,019
Transfer of capital assets	-	-	-	2,042,027	-	2,042,027
Interfund transfers	500,000	(250,728)	(500,000)	250,728	-	-
Total transfers	500,000	(250,728)	(500,000)	2,292,755	-	2,042,027
Change in net position	\$ 49,809,870	\$ 39,385,596	\$ 716,437	\$ 2,366,450	\$ 50,526,307	\$ 41,752,046

Governmental Activities

Revenues for the Town's governmental activities increased by 5.6% (\$8.7 million) while total expenses decreased by 0.8% (\$923,811). 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 \$156.4 million (page 35). However, as shown in the Statement of Activities (page 32), the amount that taxpayers ultimately financed for these activities through Town taxes was only \$65.5 million, because some of the cost was paid by those who directly benefited from the programs (\$12.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$72.7 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 32).

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

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2014	2013	2014	2013	2014	2013
General governmental support	\$ 25,558,647	\$ 23,891,061	\$ 66,635,893	\$ 60,794,431	\$ 41,077,246	\$ 36,903,370
Public safety	34,065,430	35,628,311	2,931,164	3,137,235	(31,134,266)	(32,491,076)
Health	2,943,708	2,895,840	-	-	(2,943,708)	(2,895,640)
Transportation	24,480,863	24,374,926	2,240,292	2,922,500	(22,240,571)	(21,452,426)
Economic assistance and opportunity	4,160,715	4,667,705	1,560,349	2,151,282	(2,600,366)	(2,516,423)
Culture and recreation	605,479	5,638,303	730,256	781,653	124,777	(4,856,650)
Home and community services	19,207,945	14,790,555	11,066,301	9,574,237	(8,141,644)	(5,216,318)
Interest on debt	3,903,364	3,963,461	-	-	(3,903,364)	(3,963,461)
	<u>\$ 114,926,151</u>	<u>\$ 115,849,962</u>	<u>\$ 85,164,255</u>	<u>\$ 79,361,338</u>	<u>\$ (29,761,896)</u>	<u>\$ (36,488,624)</u>

The overall net cost of services decreased over 2013 by \$6.7 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 2014 - Governmental Activities

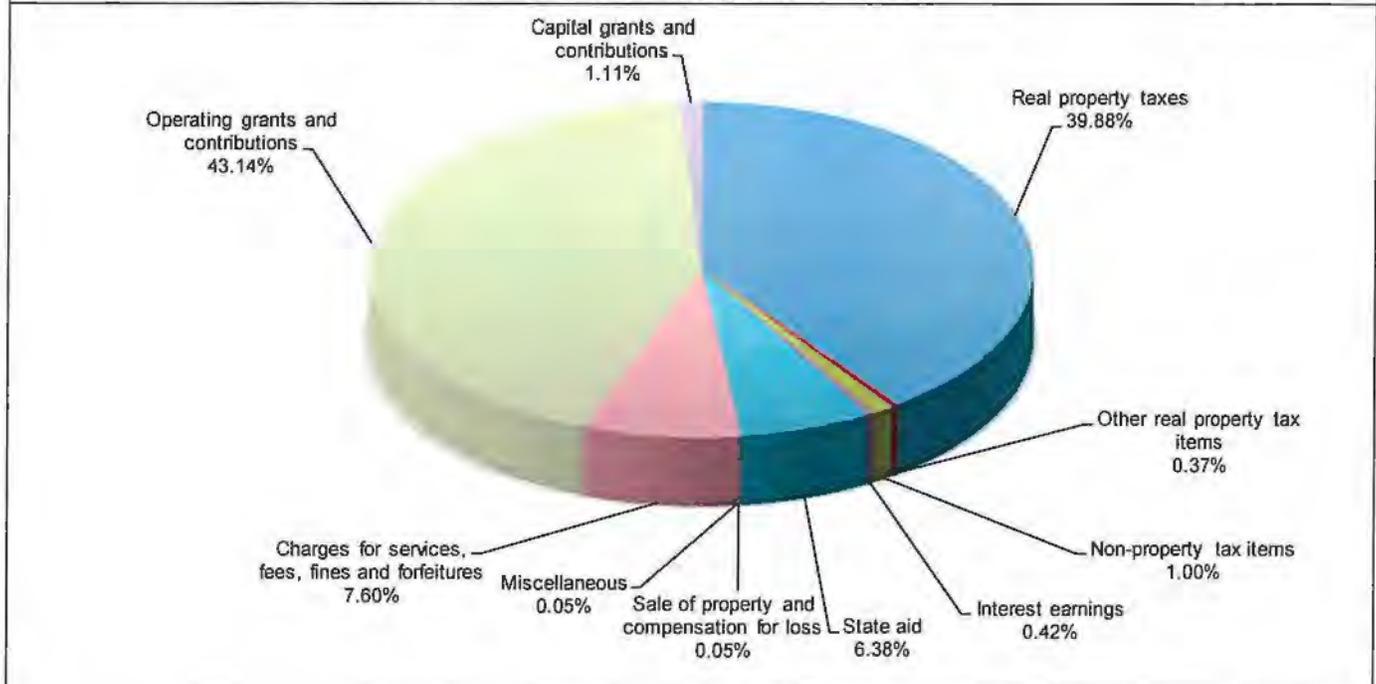
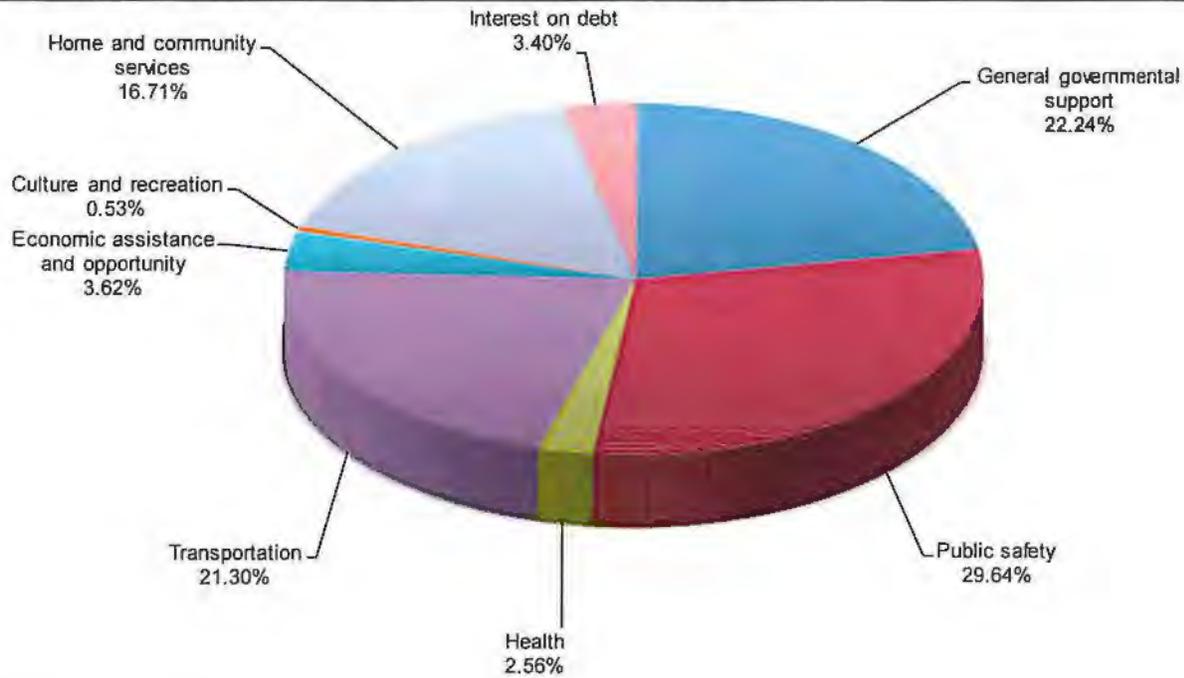


Table 5: Expenses for Fiscal Year 2014 - Governmental Activities



Business-Type Activities

The Town's total program revenues from business-type activities increased by 5.2% (\$229,918) over 2013. Some significant year-end financial data relating to these entities are highlighted as follows:

- Operating revenues in the Beaches and Marinas Fund totaled \$1.8 million in 2014. Operating revenue was slightly more than 2013, due to an increase in charges for services. The fund had an increase in net position of approximately \$234,800, as compared to an increase of approximately \$146,000 in 2013. The increase in surplus was driven by the increase in sales of beach permits during 2014. Operating expenses were slightly higher than 2013, by \$7,428, due to increases in general operating expenses and depreciation offset by a decrease in employee benefits expense (see page 38).
- Operating revenue in the Waste Management Fund totaled \$1.9 million in 2014. Operating revenue decreased by approximately \$139,000, and can be primarily attributable to decreases in other revenue, offset by an increase in charges for services. The fund had an increase in net position of approximately \$388,000 in 2014. The increase in the change in net position can also be attributed to the receipt of \$776,000 in operating grants (from New York State). The increase in revenues was offset by a transfer to the Town's General Fund of \$500,000. The Fund's ending net position was approximately \$2.6 million (see page 38).
- The Golf Course experienced a decrease in operating revenues (of approximately \$521,000) and a decrease in operating expenses (of approximately \$595,000). The fund realized an operating gain of approximately \$93,000. In the previous year, the fund recorded an operating gain of approximately \$20,000. During 2013, the Town turned over the management of the golf course to Steven Lee PGA Golf as outlined in Note 13 of the financial statements. Under this agreement, the Town is responsible for less of the operating expenses and shares in less of the revenues from the operation. Total change in net position for 2013 was approximately \$94,000 (see page 38).

Table 6: Sources of Revenues for Fiscal Year 2014 - Business-Type Activities

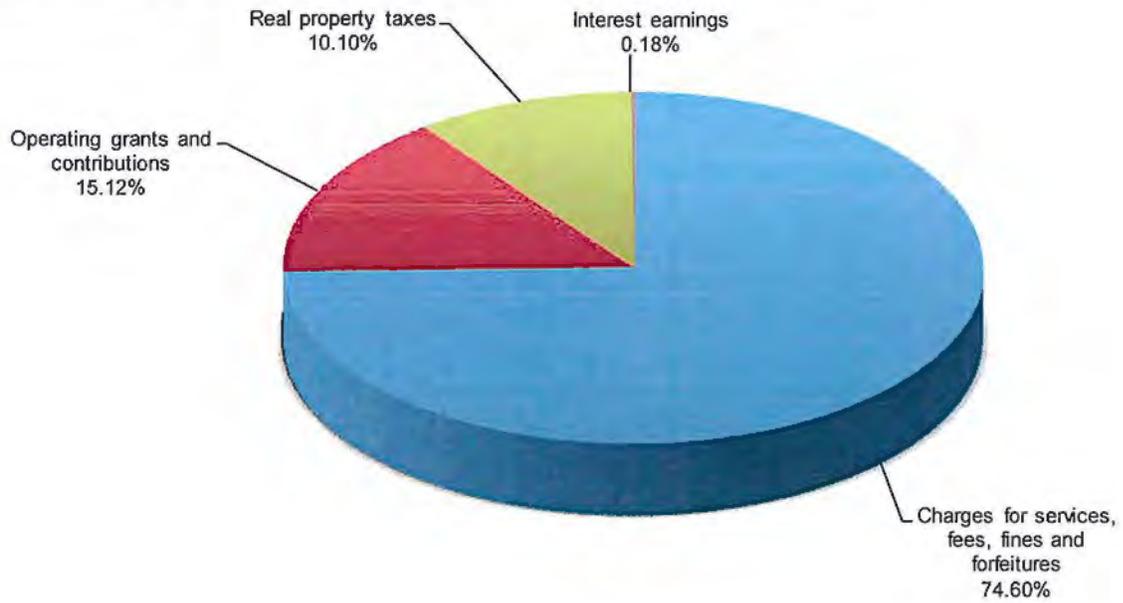
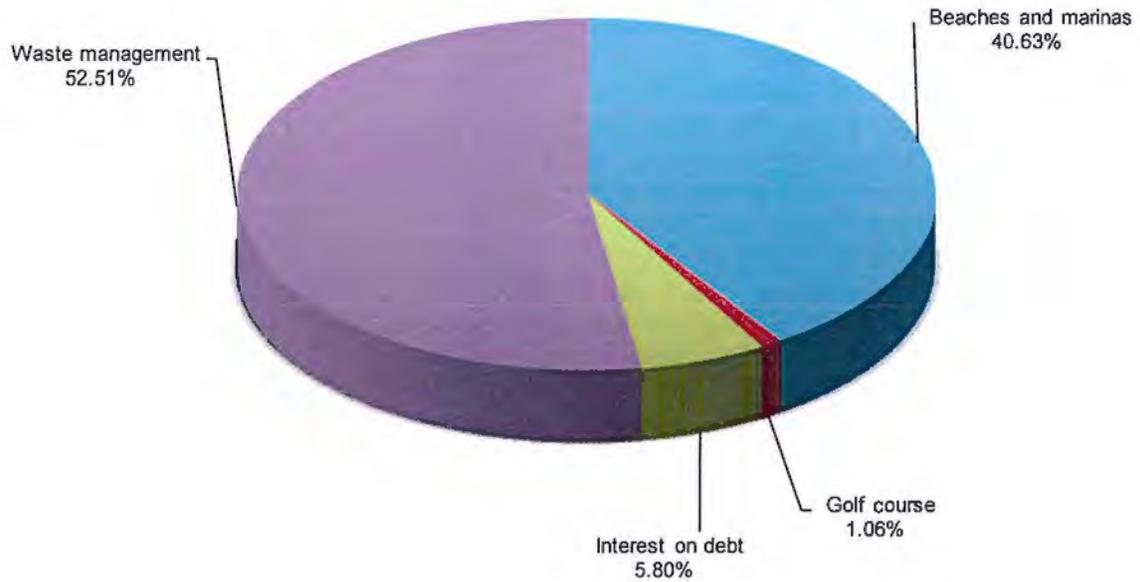


Table 7: Expenses for Fiscal Year 2014 - Business-Type Activities



FINANCIAL ANALYSIS OF CERTAIN TOWN GOVERNMENTAL FUNDS

Governmental Funds

General Fund assets decreased by 14.0%, primarily related to a decrease in cash and cash equivalents and restricted cash offset by increases in prepaid expenses, due from fiduciary funds, due from other governments, and accounts receivable. Liabilities decreased by 65.9%, primarily related to a decrease in accrued liabilities as a result of the Town's full satisfaction of the amortized portion of the New York State Employee Retirement System pension costs in 2013. Deferred inflows of resources decreased by 50.1%, as a result of the Town only receiving one remittance of property tax receipts applicable to the ensuing fiscal year, as compared to 2013, where the Town received two remittances prior to year-end. Fund balance increased by approximately \$354,000, or 2.5%, as a result of decreased expenditures relating to the aforementioned liabilities.

Revenues and expenditures in the General Fund decreased proportionally in 2014. Revenues and expenditures were down 4.1% over the prior year. Decreases in revenues are as a result of less fines and forfeitures receipts, and a decrease in New York State and Federal aid. The decrease in expenditures is driven by the reduction of employee benefits related payments.

The General Fund has an unassigned fund balance of \$7.5 million, and a tax stabilization reserve of \$3.7 million, which combined, represents 31.4% of annual operating general fund expenditures.

Assets in the Police District Fund decreased by \$2,359,504, which was driven mainly by a decrease in cash and cash equivalents and restricted cash. Liabilities decreased by \$1,359,600 as a result of payments made to satisfy accrued amortized pension charges in 2013 to the New York State Police and Fire Retirement Systems.

The Police District Fund balance increased by approximately \$438,000 as a result of an increase in revenue of \$1,407,246 accompanied by only a slight increase in expenditures over the prior year of approximately \$303,000. The increase in revenues is driven by an increase in State aid (\$800,000 in mortgage tax) receipts in the current year.

The Town Outside Village Fund assets increased by \$999,220 as a result of an increase in cash and cash equivalents and prepaid expenses, offset by a decrease in restricted cash. Liabilities decreased by \$317,279 as a result of payments made for accrued amortized pension charges in 2013 to the New York State Employees Retirement System.

The Town Outside Village Fund increase in cash and cash equivalents coincides with the better than expected change in fund balance of \$1,556,829 (after other financing sources). Revenues increased by approximately \$1.3 million as a result of an increase in departmental income. The increase in revenues was offset by a decrease in expenditures of approximately \$238,000. Fund balance at year-end was \$2,964,176.

The Capital Projects Fund had an increase in fund balance of \$1.8 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 2014, the Town issued \$4.3 million in public improvement serial bonds, of which, \$4.2 million was for the Capital Fund related projects.

In the Community Preservation Fund, fund balance increased by \$13.4 million as a result of increased revenues of approximately \$7.1 million, or 12.2%, due to higher than anticipated transfer tax revenue. The fund also experienced an increase in expenditures of \$10.3 million, or 26.5%, which is directly related to land purchases.

At December 31, 2014, the Town's governmental funds had a combined fund balance of \$117,558,980, which is an increase of \$12.7 million from the previous year (as restated). Fund balances for the Town's governmental funds for the past two years were distributed as follows:

Table 8:
Fund Balances
As of December 31,

<u>Governmental Activities:</u>	2014	(As restated) 2013
General Fund		
Nonspendable:		
Prepaid expenses	\$ 1,934,210	\$ 1,420,951
Restricted:		
Debt reserve	802,812	957,806
Tax stabilization	3,702,943	6,173,626
Assigned:		
Appropriated for subsequent year's expenditures	373,722	572,181
Encumbrances	7,475	194,637
Unassigned:	7,503,015	4,650,750
Total General Fund	14,324,177	13,969,951
Police District Fund		
Nonspendable:		
Prepaid expenses	1,187,293	894,507
Restricted:		
Debt reserve	46,353	52,147
Tax stabilization	-	1,634,445
Assigned:		
Appropriated for subsequent year's expenditures	400,000	-
Encumbrances	22,130	-
Appropriated for special purpose	1,054,752	-
Unassigned:	-	(308,871)
Total Police District Fund	2,710,528	2,272,228
Town Outside Village Fund		
Nonspendable:		
Prepaid expenses	221,456	166,989
Restricted:		
Debt reserve	86,648	97,597
Tax stabilization	-	405,750
Assigned:		
Appropriated for subsequent year's expenditures	442,526	216,159
Appropriated for special purpose	2,213,546	520,852
Total Town Outside Village Fund	2,964,176	1,407,347
Highway Fund		
Nonspendable:		
Prepaid expenses	272,728	220,614
Restricted:		
Debt reserve	180,101	205,214
Tax stabilization	-	928,922
Assigned:		
Appropriated for subsequent year's expenditures	560,742	536,766
Encumbrances	4,256	-
Appropriated for special purpose	1,151,604	821,893
Total Highway Fund	2,169,431	2,713,409

Table 8:
Fund Balances
As of December 31,
(CONTINUED)

	2014	(As restated) 2013
Public Safety Communications		
Nonspendable:		
Prepaid expenses	\$ 95,117	\$ 95,550
Restricted:		
Debt reserve	4,219	4,821
Tax stabilization	-	166,244
Assigned:		
Appropriated for subsequent year's expenditures	149,588	130,602
Appropriated for special purpose	331,006	206,958
Total Pubic Safety Communications	<u>579,930</u>	<u>604,175</u>
Capital Projects Fund		
Restricted:		
Capital Projects Fund	<u>8,124,539</u>	<u>6,343,616</u>
Total Capital Projects Fund	<u>8,124,539</u>	<u>6,343,616</u>
Community Preservation Fund		
Nonspendable:		
Prepaid expenses	3,963	3,752
Restricted:		
Debt reserve	8,930,384	9,501,651
Community preservation operations	<u>66,699,057</u>	<u>52,748,172</u>
Total Community Preservation Fund	<u>75,633,404</u>	<u>62,253,575</u>
Non-Major Funds		
Nonspendable:		
Prepaid expenses	69,965	55,841
Restricted:		
Debt reserve	103,831	1,087,129
Tax stabilization	-	625,818
Restricted for specific project	6,375,195	5,016,199
Restricted for specific grant	56,117	59,576
Assigned:		
Appropriated for subsequent year's expenditures	512,273	-
Encumbrances	8,852	5,066,241
Appropriated for special purpose	<u>3,926,562</u>	<u>3,358,857</u>
Total Non-Major Funds	<u>11,052,795</u>	<u>15,269,661</u>
Total fund balances	<u>\$ 117,558,980</u>	<u>\$ 104,833,962</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the Town had \$845.6 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 Southampton has acquired preserved land valued at approximately \$504.2 million of the Town's total \$620.6 million of land. The details of capital assets are shown in Note 7 to the financial statements.

The Town's fiscal year 2014 capital budget included the continuation of funding for infrastructure improvements. Of the \$14.5 million capital spending plan in 2014, \$3.9 million was dedicated to the reconstruction of roads, bridges, and drainage improvement projects, \$2.1 million was dedicated to municipal works projects and the remainder of the budget was allocated to various information technology upgrades and other general business improvements.

Table 9: Net Investment in Capital Assets for Fiscal Year 2014

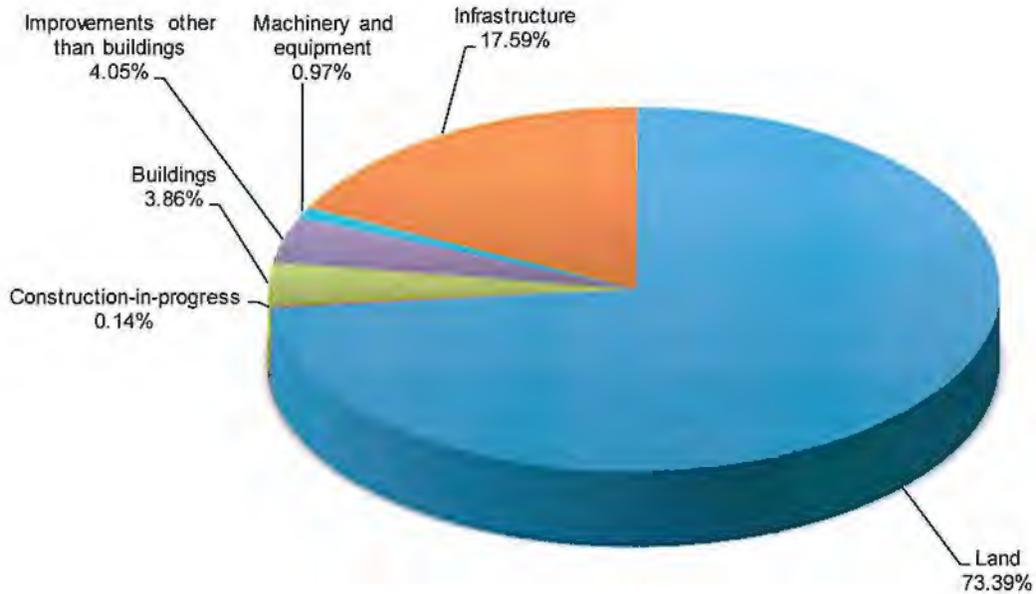


Table 10:

Capital Assets
As of December 31,

<u>Governmental Activities:</u>	<u>2014</u>	<u>2013</u>
Land	\$ 607,321,323	\$ 571,582,888
Construction-in-progress	1,075,208	-
Buildings	40,829,111	40,445,936
Improvements other than buildings	38,560,768	33,614,771
Machinery and equipment	30,576,177	28,988,626
Infrastructure -		
Bridges	1,299,880	1,299,880
Landfill	9,412,515	9,412,515
Roads, curbs and sidewalks	357,672,324	355,004,161
Lighting system	1,349,791	1,349,791
Bulkheads, piers and boardwalks	10,231,215	10,231,215
Water and sewer mains	14,197,275	13,831,881
Total capital assets	<u>1,112,525,587</u>	<u>1,065,761,664</u>
Less: accumulated depreciation	<u>290,368,852</u>	<u>272,945,401</u>
Total net capital assets	<u>\$ 822,156,735</u>	<u>\$ 792,816,263</u>
<u>Business-type Activities:</u>		
Land	\$ 13,329,090	\$ 13,329,090
Construction-in-progress	85,065	-
Buildings	4,604,755	4,596,906
Improvements other than buildings	9,084,337	9,084,337
Machinery and equipment	3,223,724	3,200,042
Total capital assets	<u>30,326,971</u>	<u>30,210,375</u>
Less: accumulated depreciation	<u>6,849,939</u>	<u>6,073,823</u>
Total net capital assets	<u>\$ 23,477,032</u>	<u>\$ 24,136,552</u>

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 2014, the Town's governmental funds total debt service was approximately \$18.5 million, of which \$6.0 million was paid by the Community Preservation Fund, resulting in taxpayer supported debt service of approximately \$12.5 million. Governmental funds debt service in 2014, excluding CPF, was 12.3% of operating expenditures.

The Town of Southampton's current outstanding bonded indebtedness was \$133.4 million at year-end 2014, of which \$47.3 million was related to the Community Preservation Fund land purchases, \$19.8 million to the Erosion Control District, \$27.8 million related to highway improvements, \$6.1 million for the Hampton Bays Water District and the remaining \$32.4 million related to various other improvements and equipment acquisitions.

During 2014, the Town issued a refunding serial bond in the amount of \$9,265,000 which was used to advanced refund the 2004 and 2006 public improvements serial bonds. The Town also refunded \$3,950,000 in New York State Environmental Facilities Corporation ("EFC") of the 2004 EFS bond issuance, to take advantage of lower interest rates. As a result of both refunding transactions the Town recognized a deferred charge of \$271,951. In accordance with GASB, the Town will amortize the charge over the life of the refunding bonds.

The Town has accrued a \$62.2 million obligation for other post-employment benefits in accordance with GASB Pronouncements on the Town-wide financial statements. Note 11 to the financial statements shows the details of the Town's long-term liabilities in this area.

Union Contracts

The Town provides services through approximately 17 elected officials, 481 full-time employees and approximately 133 part-time employees. The Town employs approximately 300 part-time seasonal employees. The Town also has 44 appointed Board members. The Civil Service Employees Association ("CSEA") represents approximately 291 employees under a contract which expires on December 31, 2017. The Police Benevolent Association ("PBA") represents approximately 73 employees under a contract which expires on December 31, 2016. The Superior Officers Association (the "SOA") represents approximately 18 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 (when material) 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 2014 budget, tax rates and fees to be charged for the business-type activities. The 2014 Adopted Operating Budget was primarily structurally balanced and the only funds with appropriated fund balance were the General Fund (\$572,181), Town Outside Village Fund (\$216,159), Highway Fund (\$536,786) and Public Safety Communications (\$130,602). 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.

Although the economy recovered from one of the worst economic recessions in decades affecting taxpayers, a more cost efficient budget was adopted for 2015, which sought to minimize property tax increases. The Town Board appropriated approximately \$2.4 million to balance the 2015 Adopted Operating Budget. The 2015 Operating Budget was projected to meet the 2% Tax Levy cap proposed by the New York State Governor, and appropriated approximately \$2.4 million was appropriated to balance the 2015 Adopted Operating Budget.

See pages 16-17 for discussion regarding significant fiscal 2014 budget variances and see pages 76 through 93, as well as pages 99 through 106 for budget versus actual comparisons.

Tax Collection

Property taxes for the Town, together with the County, fire districts 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.

As of May 31,	Total Tax Levy	To Town Supervisor	To County Treasurer	Uncollected Returned
2014	\$ 340,835,983	\$ 322,100,896	\$ 18,735,087	\$ 14,384,949
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

The Town Receiver distributes the collected money to the Town, fire districts and school districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receiver and any deficiency in tax collection is the County's 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 2015 results will continue to improve based on these rate decisions:

- For 2014, the Beaches and Marinas Fund performed better than anticipated, recording a net profit of approximately \$235,000 thereby increasing their net position.
- The Waste Management Enterprise Fund continued to increase their net position during 2014. For 2015 the Town anticipates similar performance as projected revenues are similar to 2014 actual performance and projected expenses are expected to be lower than 2014 actuals.

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 Law has made 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 this report date, no decision has been reached.
- In July 2014, the New York State Department of Taxation and Finance introduced the "Property Tax Freeze Credit" program. This program is a two-year tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences. As a result, more pressure is placed on the Town to stay within the current tax levy limitation, making budgetary decisions more difficult.
- The Town is currently exploring the feasibility of establishing a special taxing district that would allow Northampton, Riverside and Flanders residents to pay a monthly fee in exchange for receiving curbside garbage pickup. The garbage pickup would be performed by an outside vendor who would be selected through the competitive bid process.
- The Governmental Accounting Standards Board ("GASB") is currently reviewing current standards relating to the recognition of Other Post-Employment Benefits ("OPEB"). Currently, the Town is only required to recognize the net obligation liability however, the possibility exists that the Town (and other municipalities) will be required to recognize the full liability on their balance sheet. This and other changes in accounting standards could affect the Town's financial reporting in the future.

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, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Town of Southampton Housing Authority	Trustees of the Freeholders and Commonalty
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 19,286,980	\$ 2,383,452	\$ 21,670,432	\$ 55,323	\$ 809,599
Restricted cash	88,147,803	104,394	88,252,197	285,072	-
Accounts receivable, net	4,383,401	27,521	4,410,922	7,474	-
Due from Southampton Community Development Corporation	-	-	-	89,722	-
State and federal aid receivables	2,770,904	-	2,770,904	-	-
Due from fiduciary funds	1,059,862	263,817	1,323,679	-	-
Due from other governments	9,069,690	-	9,069,690	40,463	-
Prepaid expenses	3,784,732	60,922	3,845,654	17,615	-
Inventory of materials and supplies	-	20,057	20,057	-	-
Other assets	-	-	-	7,658	-
Total current assets	<u>128,503,372</u>	<u>2,860,163</u>	<u>131,363,535</u>	<u>503,327</u>	<u>809,599</u>
Non-current assets:					
Loan receivable	-	-	-	500,000	-
Due from Southampton Community Development Corporation	-	-	-	150,000	-
Tenant security deposits	-	-	-	15,447	-
Bond proceeds held by fiscal agent	-	-	-	101,313	-
Non-depreciable capital assets	608,396,531	13,414,155	621,810,686	683,700	-
Depreciable capital assets, net	213,760,204	10,062,877	223,823,081	2,762,368	-
Total non-current assets	<u>822,156,735</u>	<u>23,477,032</u>	<u>845,633,767</u>	<u>4,212,828</u>	<u>-</u>
Total assets	<u>950,660,107</u>	<u>26,337,195</u>	<u>976,997,302</u>	<u>4,716,155</u>	<u>809,599</u>
DEFERRED OUTFLOWS					
Deferred charge from refunding bonds	271,951	-	271,951	-	-
Total deferred outflows	<u>271,951</u>	<u>-</u>	<u>271,951</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 950,932,058</u>	<u>\$ 26,337,195</u>	<u>\$ 977,269,253</u>	<u>\$ 4,716,155</u>	<u>\$ 809,599</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,425,256	\$ 116,884	\$ 1,542,140	\$ 25,235	\$ -
Accrued liabilities	537,391	-	537,391	32,346	-
Accrued interest payable	1,236,266	67,253	1,303,519	-	-
Bond anticipation notes payable	-	-	-	-	-
Due to employees' retirement system	-	-	-	-	-
Due to fiduciary funds	1,377,842	-	1,377,842	-	-
Due to other governments	233,979	-	233,979	-	-
Unearned revenue	-	8,856	8,856	1,918	-
Non-current liabilities due within one year:					
General obligation bonds payable	14,374,816	802,471	15,177,287	74,030	-
Special assessment bonds with governmental commitment	33,211	-	33,211	-	-
Installment purchase debt payable	3,072,700	-	3,072,700	-	-
Compensated absences	30,750	10,000	40,750	-	-
Judgments and claims payable	214,500	-	214,500	-	-
Estimated liability for landfill closure and post-closure care costs	165,640	-	165,640	-	-
Total current liabilities	<u>22,702,351</u>	<u>1,005,464</u>	<u>23,707,815</u>	<u>133,529</u>	<u>-</u>
Non-current liabilities:					
General obligation bonds payable, net	115,871,604	6,167,985	122,039,589	3,345,953	-
Special assessment bonds with governmental commitment	100,078	-	100,078	-	-
Installment purchase debt payable	-	-	-	-	-
Due to employees' retirement system	-	-	-	-	-
Note payable	-	-	-	650,000	-
Compensated absences	9,954,205	60,345	10,014,550	-	-
Judgments and claims payable	3,360,500	-	3,360,500	-	-
Other post-employment benefits	62,198,303	-	62,198,303	-	-
Tenant security deposits	-	-	-	15,447	-
Estimated liability for landfill closure and post-closure care costs	2,949,960	-	2,949,960	-	-
Total non-current liabilities	<u>194,434,650</u>	<u>6,228,330</u>	<u>200,662,980</u>	<u>4,011,400</u>	<u>-</u>
Total liabilities	<u>217,137,001</u>	<u>7,233,794</u>	<u>224,370,795</u>	<u>4,144,929</u>	<u>-</u>
DEFERRED INFLOWS					
Property taxes	4,952,189	-	4,952,189	-	-
Unavailable grant revenues	147,354	-	147,354	-	-
Total deferred inflows	<u>5,099,543</u>	<u>-</u>	<u>5,099,543</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	692,048,977	16,506,575	708,555,552	311,158	-
Restricted:					
Debt service	10,154,348	104,394	10,258,742	-	-
Tax stabilization	3,702,943	-	3,702,943	-	-
Capital projects	8,124,539	-	8,124,539	-	-
Community preservation operations	66,699,057	-	66,699,057	-	-
Restricted for specific project	6,375,195	-	6,375,195	273,257	-
Restricted for specific grant	56,117	-	56,117	-	-
Unrestricted	(58,465,662)	2,492,432	(55,973,230)	(13,189)	809,599
Total net position	<u>728,695,514</u>	<u>19,103,401</u>	<u>747,798,915</u>	<u>571,226</u>	<u>809,599</u>
Total liabilities, deferred inflows and net position	<u>\$ 950,932,058</u>	<u>\$ 26,337,195</u>	<u>\$ 977,269,253</u>	<u>\$ 4,716,155</u>	<u>\$ 809,599</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, 2014

	Program Revenues				Net Revenues (Expenses) and Changes In Net Position			Component Units	
	Expenses	Charges for	Operating	Capital	Governmental	Business-type	Total	Town of	Trustees of the
		Services, Fees	Grants and	Grants and				Southampton	Freeholders
	Fines and Forfeitures	Contributions	Contributions	Activities	Activities		Housing Authority	and Commonalty	
Functions and programs:									
Primary Government -									
Governmental activities:									
General governmental support	\$ 25,558,647	\$ 826,664	\$ 65,145,791	\$ 863,438	\$ 41,077,246	\$ -	\$ 41,077,246		
Public safety	34,065,430	2,576,095	355,069	-	(31,134,266)	-	(31,134,266)		
Health	2,943,708	-	-	-	(2,943,708)	-	(2,943,708)		
Transportation	24,480,863	1,043,920	40,436	1,155,936	(22,240,571)	-	(22,240,571)		
Economic assistance and opportunity	4,160,715	847,723	712,626	-	(2,600,366)	-	(2,600,366)		
Culture and recreation	605,479	40,061	690,195	-	124,777	-	124,777		
Home and community services	19,207,945	7,163,188	3,903,115	-	(8,141,644)	-	(8,141,644)		
Interest on debt	3,903,364	-	-	-	(3,903,364)	-	(3,903,364)		
Total governmental activities	114,928,151	12,497,649	70,847,232	1,819,374	(29,761,896)	-	(29,761,896)		
Business-type activities:									
Beaches and marinas	1,610,212	1,809,694	4,237	-	-	203,719	203,719		
Waste management	2,090,815	1,919,588	778,563	-	-	617,336	617,336		
Golf course	41,867	134,532	105	-	-	92,770	92,770		
Interest on debt	229,882	-	-	-	-	(229,882)	(229,882)		
Total business-type activities	3,962,776	3,863,814	782,905	-	-	683,943	683,943		
Total primary government	\$ 118,888,927	\$ 16,361,463	\$ 71,630,137	\$ 1,819,374	(29,761,896)	683,943	(29,077,953)		
Component Units -									
Town of Southampton									
Housing Authority:									
Economic assistance and opportunity	\$ 895,705	\$ 560,647	\$ 265,421	\$ -				\$ (69,637)	
Trustees of the freeholders and Commonalty:									
Home and community	\$ 789,523	\$ 420,834	\$ -	\$ -					\$ (368,689)
General revenues:									
Real property taxes					65,501,711	523,037	66,024,748	-	-
Other real property tax items					599,919	-	599,919	-	-
Non-property tax items					1,643,124	-	1,643,124	-	-
Interest earnings					685,415	9,457	694,872	120	835
State aid - unrestricted					10,477,475	-	10,477,475	-	-
Sale of property and compensation for loss					73,160	-	73,160	-	-
Miscellaneous					90,962	-	90,962	-	20,150
Total general revenues					79,071,766	532,494	79,604,260	120	20,985
Excess revenues over expenditures before transfers					49,309,870	1,216,437	50,526,307	(69,517)	(347,704)
Interfund transfers					500,000	(500,000)	-	-	-
Total transfers					500,000	(500,000)	-	-	-
Change in net position					49,809,870	716,437	50,526,307	(69,517)	(347,704)
Total net position, beginning of year (as restated, see note 16)					678,865,644	18,386,904	697,272,608	640,743	1,157,303
Total net position, end of year					\$ 728,695,514	\$ 19,103,401	\$ 747,798,915	\$ 571,226	\$ 809,599

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

TOWN OF SOUTHAMPTON
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	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
ASSETS										
Cash and cash equivalents	\$ 8,047,960	\$ 915,732	\$ 2,819,795	\$ 2,444,855	\$ 600,026	\$ 4,458,612	\$ 19,286,980	\$ -	\$ -	\$ 19,286,980
Restricted cash	4,505,755	46,353	86,648	180,101	4,219	6,862,106	11,685,182	9,872,276	66,590,345	88,147,803
Accounts receivable, net	838,041	309,407	8,349	2,350	8,127	897,446	2,063,720	-	49,300	2,113,020
State and federal aid receivables	245,192	2,003,983	-	484,722	37,007	-	2,770,904	-	-	2,770,904
Due from fiduciary funds	1,058,808	-	-	155	-	899	1,059,862	-	-	1,059,862
Due from other governments	16,246	-	-	2,698	-	-	18,944	-	9,050,746	9,069,690
Prepaid expenses	1,934,210	1,187,293	221,456	272,728	95,117	69,965	3,780,769	-	3,963	3,784,732
Total assets	\$ 16,646,212	\$ 4,462,768	\$ 3,136,248	\$ 3,387,609	\$ 744,496	\$ 12,289,028	\$ 40,666,361	\$ 9,872,276	\$ 75,694,354	\$ 126,232,991
LIABILITIES										
Accounts payable	\$ 445,708	\$ 98,037	\$ 9,739	\$ 229,371	\$ 4,157	\$ 218,460	\$ 1,005,472	\$ 396,155	\$ 23,629	\$ 1,425,256
Accrued liabilities	98,997	92,618	1,284	87,275	2,522	217,758	500,454	-	36,937	537,391
Due to fiduciary funds	-	19,746	4,883	-	437	810	25,876	1,351,582	384	1,377,842
Due to other governments	233,979	-	-	-	-	-	233,979	-	-	233,979
Total liabilities	778,684	210,401	15,906	316,646	7,116	437,028	1,765,781	1,747,737	60,950	3,574,468
DEFERRED INFLOWS										
Property taxes	1,543,351	1,541,839	156,166	901,532	157,450	651,851	4,952,189	-	-	4,952,189
Unavailable grant revenues	-	-	-	-	-	147,354	147,354	-	-	147,354
Total deferred inflows	1,543,351	1,541,839	156,166	901,532	157,450	799,205	5,099,543	-	-	5,099,543
FUND BALANCE										
Fund balance:										
Nonspendable	1,934,210	1,187,293	221,456	272,728	95,117	69,965	3,780,769	-	3,963	3,784,732
Restricted	4,505,755	46,353	86,648	180,101	4,219	6,535,143	11,358,219	8,124,539	75,629,441	95,112,199
Assigned	381,197	1,476,882	2,656,072	1,716,602	480,594	4,447,687	11,159,034	-	-	11,159,034
Unassigned	7,503,015	-	-	-	-	-	7,503,015	-	-	7,503,015
Total fund balance	14,324,177	2,710,528	2,964,176	2,169,431	579,930	11,052,795	33,801,037	8,124,539	75,633,404	117,558,980
Total liabilities, deferred inflows and fund balance	\$ 16,646,212	\$ 4,462,768	\$ 3,136,248	\$ 3,387,609	\$ 744,496	\$ 12,289,028	\$ 40,666,361	\$ 9,872,276	\$ 75,694,354	\$ 126,232,991

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, 2014

Total Fund Balance - Governmental Funds \$ 117,558,980

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

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

Capital assets:		
Non-depreciable	608,396,531	
Depreciable	504,129,056	
Accumulated depreciation	<u>(290,368,852)</u>	822,156,735

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:

General obligation bonds payable, net	(130,246,420)	
Special assessment bonds with governmental commitment	(133,289)	
Installment purchase debt payable	(3,072,700)	
Compensated absences	(9,984,955)	
Judgments and claims payable	(3,575,000)	
Other post-employment benefits	(62,198,303)	
Estimated liability for landfill closure and post-closure care costs	<u>(3,115,600)</u>	(212,326,267)

Deferred charge on refunding bonds 271,951

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. 2,270,381

Interest payable applicable to the Town's governmental activities is not due and payable in the current period and accordingly, is not reported in the governmental funds financial statements. However, this liability is included in the Statement of Net Position. (1,236,266)

Net Position - Governmental Activities \$ 728,695,514

TOWN OF SOUTHAMPTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	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
REVENUES										
Real property taxes	\$ 20,893,485	\$ 20,238,896	\$ 2,130,885	\$ 11,059,879	\$ 2,059,311	\$ 9,119,255	\$ 65,501,711	\$ -	\$ -	\$ 65,501,711
Other real property tax items	226,320	139,003	14,532	74,824	12,776	132,464	599,919	-	-	599,919
Non-property tax items	1,643,124	-	-	-	-	-	1,643,124	-	65,110,117	66,753,241
Special assessments	40,061	-	-	-	-	-	40,061	-	-	40,061
Departmental income	730,907	524,678	4,910,500	12,400	130,675	2,252,686	8,561,846	-	-	8,561,846
Intergovernmental charges	317,449	-	-	714,071	-	-	1,031,520	-	-	1,031,520
Use of money and property	116,182	34,170	10,893	22,406	5,140	349,451	538,242	17,138	130,035	685,415
Licenses and permits	346,110	82,007	-	-	-	-	428,117	-	-	428,117
Fines and forfeitures	1,588,383	-	-	-	-	-	1,588,383	-	-	1,588,383
Sale of property and compensation for loss	43,260	11,750	-	18,150	-	-	73,160	-	-	73,160
Miscellaneous local sources	690,195	254,453	26,025	40,436	212	777,351	1,788,672	6,130	29,544	1,824,346
State aid	8,040,976	2,849,511	-	1,102,422	147,768	2,148	12,142,825	53,514	-	12,196,339
Federal aid	1,093,627	100,616	-	-	-	3,903,115	5,097,358	-	-	5,097,358
Total revenues	35,770,079	24,235,084	7,092,835	13,044,588	2,355,882	16,536,470	99,034,938	76,782	65,269,696	164,381,416
EXPENDITURES										
General governmental support	13,681,005	-	-	-	-	92,059	13,773,064	-	43,090,233	56,863,297
Public safety	2,347,153	14,750,872	496,200	-	1,631,273	816,389	20,041,887	-	-	20,041,887
Health	-	-	-	-	-	2,943,708	2,943,708	-	-	2,943,708
Transportation	797,135	-	-	6,717,890	-	520,836	8,035,861	-	-	8,035,861
Economic assistance and opportunity	2,699,222	-	-	-	-	22,209	2,721,431	-	-	2,721,431
Culture and recreation	2,417,846	-	-	-	-	469,113	2,886,959	-	-	2,886,959
Home and community services	594,210	-	3,165,884	-	-	11,415,330	15,175,424	-	-	15,175,424
Employee benefits	8,619,623	8,520,895	1,821,247	3,051,196	743,504	903,888	23,660,353	-	152,983	23,813,336
Capital outlay	-	-	-	-	-	-	-	5,436,843	-	5,436,843
Debt service -										
Principal	3,771,546	486,239	112,380	2,985,274	5,000	2,642,478	10,002,917	-	4,097,156	14,100,073
Interest	766,734	42,918	12,214	867,250	1,350	844,803	2,535,269	-	1,865,537	4,400,806
Total expenditures	35,694,474	23,800,924	5,607,925	13,621,610	2,381,127	20,670,813	101,776,873	5,436,843	49,205,909	156,419,625
Excess (deficiency) of revenues over (under) expenditures	75,605	434,160	1,484,910	(577,022)	(25,245)	(4,134,343)	(2,741,935)	(5,360,061)	16,063,787	7,961,791
OTHER FINANCING SOURCES (USES)										
Payment to refunded bond escrow agent	(3,039,287)	(185)	-	(2,919,870)	-	(858,157)	(6,817,499)	-	(6,240,652)	(13,058,151)
Refunding bond issuance	2,720,186	166	-	2,613,307	-	768,057	6,101,716	-	5,977,570	12,079,286
Serial bond issuance	-	-	-	-	-	-	-	4,200,000	-	4,200,000
Premium on obligations	328,585	4,159	-	339,607	-	106,659	779,010	-	263,082	1,042,092
Interfund transfers in	538,318	-	81,919	-	1,000	52,979	674,216	3,375,391	37,459	4,087,066
Interfund transfers out	(269,181)	-	(10,000)	-	-	(152,061)	(431,242)	(434,407)	(2,721,417)	(3,587,066)
Total other financing sources (uses)	278,621	4,140	71,919	33,044	1,000	(82,523)	306,201	7,140,984	(2,683,958)	4,763,227
Net change in fund balance	354,226	438,300	1,556,829	(543,978)	(24,245)	(4,216,866)	(2,435,734)	1,780,923	13,379,829	12,725,018
Fund balance, beginning of year as restated, (see note 16)	13,969,951	2,272,228	1,407,347	2,713,409	604,175	15,269,661	36,236,771	6,343,616	62,253,575	104,833,962
Fund balance, end of year	\$ 14,324,177	\$ 2,710,528	\$ 2,964,176	\$ 2,169,431	\$ 579,930	\$ 11,052,795	\$ 33,801,037	\$ 8,124,539	\$ 75,633,404	\$ 117,558,980

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 AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balance - Governmental Funds \$ 12,725,018

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 and retirements	\$ 47,530,065	
Depreciation expense	<u>(18,189,593)</u>	29,340,472

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (145,395)

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.

Proceeds from issuance of refunding bond	(12,079,286)	
Premiums on obligations	(1,042,092)	
Payment to refunded bond escrow agent	13,058,151	
Serial bond issuance	(4,200,000)	
Repayment of bond principal	14,020,905	
Repayment of special assessment bonds	79,168	
Repayment of installment purchase debt payable	<u>3,500,000</u>	13,336,846

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	(7,860,036)	
Compensated absences	1,054,386	
Judgments and claims payable	885,000	
Estimated liability for landfill closure and post-closure care costs	(23,863)	
Amortization of bond premiums and discounts	388,143	
Accrued interest costs	<u>109,299</u>	<u>(5,447,071)</u>

Net Change in Net Position - Governmental Activities \$ 49,809,870

TOWN OF SOUTHAMPTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES	Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 289,798	\$ 1,801,832	\$ 291,822	\$ 2,383,452
Restricted cash	53,751	50,643	-	104,394
Accounts receivable, net	55	17,505	9,961	27,521
Due from fiduciary funds	54,440	209,377	-	263,817
Prepaid expenses	20,285	40,637	-	60,922
Inventory of materials and supplies	-	20,057	-	20,057
Total current assets	418,329	2,140,051	301,783	2,860,163
Non-current assets:				
Non-depreciable capital assets	8,109,854	169,100	5,135,201	13,414,155
Depreciable capital assets, net of depreciation	4,896,254	4,606,897	559,726	10,062,877
Total non-current assets	13,006,108	4,775,997	5,694,927	23,477,032
Total assets	\$ 13,424,437	\$ 6,916,048	\$ 5,996,710	\$ 26,337,195
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 27,446	\$ 77,447	\$ 11,991	\$ 116,884
Accrued interest payable	25,735	41,518	-	67,253
Unearned fees for services	8,856	-	-	8,856
Non-current liabilities due within one year - General obligation bonds payable	454,803	347,668	-	802,471
Compensated absences	2,000	8,000	-	10,000
Total current liabilities	518,840	474,633	11,991	1,005,464
Non-current liabilities:				
General obligation bonds payable	2,421,086	3,746,899	-	6,167,985
Compensated absences	1,126	59,219	-	60,345
Total non-current liabilities	2,422,212	3,806,118	-	6,228,330
Total liabilities	2,941,052	4,280,751	11,991	7,233,794
NET POSITION				
Net investment in capital assets	10,130,219	681,429	5,694,927	16,506,575
Restricted for debt service	53,751	50,643	-	104,394
Unrestricted	299,415	1,903,225	289,792	2,492,432
Total net position	10,483,385	2,635,297	5,984,719	19,103,401
Total liabilities and net position	\$ 13,424,437	\$ 6,916,048	\$ 5,996,710	\$ 26,337,195

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, 2014

	<u>MAJOR BUSINESS-TYPE ACTIVITIES</u>		<u>NON-MAJOR BUSINESS-TYPE ACTIVITIES</u>	<u>Total Proprietary Funds</u>
	<u>Beaches and Marinas</u>	<u>Waste Management</u>	<u>Golf Course</u>	
OPERATING REVENUES:				
Charges for services	\$ 1,809,694	\$ 1,919,588	\$ 134,532	\$ 3,863,814
Other	4,237	2,071	105	6,413
Total operating revenues	<u>1,813,931</u>	<u>1,921,659</u>	<u>134,637</u>	<u>3,870,227</u>
OPERATING EXPENSES:				
Beaches and marinas	1,124,004	-	-	1,124,004
Waste management	-	1,287,307	-	1,287,307
Golf course	-	-	17,179	17,179
Depreciation	304,645	446,783	24,688	776,116
Employee benefits	181,563	346,725	-	528,288
Total operating expenses	<u>1,610,212</u>	<u>2,080,815</u>	<u>41,867</u>	<u>3,732,894</u>
Operating income (loss)	<u>203,719</u>	<u>(159,156)</u>	<u>92,770</u>	<u>137,333</u>
NON-OPERATING REVENUES (EXPENSES):				
Real property taxes	123,304	399,733	-	523,037
Operating grants	-	776,492	-	776,492
Interfund transfers out	-	(500,000)	-	(500,000)
Interest income	1,745	6,779	933	9,457
Interest on debt	(93,966)	(135,916)	-	(229,882)
Total non-operating revenues (expenses)	<u>31,083</u>	<u>547,088</u>	<u>933</u>	<u>579,104</u>
Change in net position	234,802	387,932	93,703	716,437
Total net position, beginning of year	<u>10,248,583</u>	<u>2,247,365</u>	<u>5,891,016</u>	<u>18,386,964</u>
Total net position, end of year	<u>\$ 10,483,385</u>	<u>\$ 2,635,297</u>	<u>\$ 5,984,719</u>	<u>\$ 19,103,401</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, 2014

	<u>MAJOR BUSINESS-TYPE ACTIVITIES</u>		<u>NON-MAJOR BUSINESS-TYPE ACTIVITIES</u>	<u>Total Proprietary Funds</u>
	<u>Beaches and Marinas</u>	<u>Waste Management</u>	<u>Golf Course</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Revenue collected:				
Cash receipts from customers	\$ 1,800,339	\$ 1,866,934	\$ 133,032	\$ 3,800,305
Other operating cash receipts	4,237	2,071	105	6,413
Payments for expenses:				
Cash payments to other suppliers of goods or services	(1,179,611)	(1,359,768)	(12,146)	(2,551,525)
Cash payments to employees for services and related expenses	(184,052)	(406,164)	-	(590,216)
Other operating cash payments	(55,925)	18,689	(249,860)	(287,096)
Net cash provided (used) by operating activities	<u>384,988</u>	<u>121,762</u>	<u>(128,869)</u>	<u>377,881</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Purchase of capital assets	(95,452)	(13,295)	(7,850)	(116,597)
Principal paid on capital debt	(422,507)	(317,420)	-	(739,927)
Payments made to refunded bond escrow agent	(1,061,800)	(152,000)	-	(1,213,800)
Serial bond proceeds	1,143,338	142,376	-	1,285,714
Premium on bonds payable	62,491	8,608	-	71,099
Decrease in restricted cash	10,634	6,330	-	16,964
Interest paid on debt	(93,966)	(135,916)	-	(229,882)
Interfund transfer	-	(500,000)	-	(500,000)
Net cash used by capital financing activities	<u>(457,262)</u>	<u>(961,317)</u>	<u>(7,850)</u>	<u>(1,426,429)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Real property taxes	123,304	399,733	-	523,037
Operating grants	-	920,992	-	920,992
Net cash provided by non-capital financing activities	<u>123,304</u>	<u>1,320,725</u>	<u>-</u>	<u>1,444,029</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and earnings received	1,745	6,779	933	9,457
Net cash provided by investing activities	<u>1,745</u>	<u>6,779</u>	<u>933</u>	<u>9,457</u>
Net increase (decrease) in cash and cash equivalents	52,775	487,949	(135,786)	404,938
Cash and cash equivalents, beginning of year	237,023	1,313,883	427,608	1,978,514
Cash and cash equivalents, end of year	<u>\$ 289,798</u>	<u>\$ 1,801,832</u>	<u>\$ 291,822</u>	<u>\$ 2,383,452</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income	\$ 203,719	\$ (159,156)	\$ 92,770	\$ 137,333
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	304,645	446,783	24,688	776,116
Increase in accounts receivable	(55)	(793)	(1,500)	(2,348)
(Increase) decrease in due from fiduciary funds	(55,925)	18,689	-	(37,236)
Increase in prepaid expenses	(6,315)	(10,779)	-	(17,094)
Increase (decrease) in accounts payable and accrued liabilities	(49,292)	(61,682)	5,033	(105,941)
Decrease in due to other governments	-	-	(249,860)	(249,860)
Decrease in unearned fees for services	(9,300)	(51,861)	-	(61,161)
Decrease in compensated absences	(2,489)	(59,439)	-	(61,928)
Net cash provided (used) by operating activities	<u>\$ 384,988</u>	<u>\$ 121,762</u>	<u>\$ (128,869)</u>	<u>\$ 377,881</u>

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, 2014

ASSETS	Agency Funds
Cash	\$ 84,073,257
Due from governmental funds	1,377,842
Service award program assets	<u>2,413,371</u>
Total assets	<u><u>\$ 87,864,470</u></u>
LIABILITIES	
Due to proprietary funds	\$ 263,817
Due to governmental funds	1,059,862
Due to school districts	40,454,254
Due to Law Enforcement Services	21,770
Town Justice liability	270,497
Bail liability	366,730
Service award program liabilities	2,413,371
Other agency liabilities	<u>43,014,169</u>
Total liabilities	<u><u>\$ 87,864,470</u></u>

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, 2014

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, and the Assessor, 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's financial 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 discretely presented component unit of the Town. 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. During 2014, the State Supreme Court declared the Trustees to be a division of the Town. An appeal was filed during 2014, and as of the date of these financial statements, a decision regarding the appeal has not been made.

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 and other fiscal matters, which result in a fiscal interdependency, are backed by the full faith and credit of 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 oversight over them and cannot influence their operations.

C. 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 discretely presented component units 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 allocated depreciation) by related program revenues to produce the net cost of each program. Program revenues include (a) charges for services (including fees, fines and forfeitures) 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

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 Districts:	
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.

D. 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 generally 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.

E. 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 1st, and are due in two equal installments, payable without penalty on January 10th and May 31st respectively; after which taxes are payable to the County Treasurer. Penalties are imposed thereafter at the rate of 1% per month from January 10th until May 31st. 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.

F. 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. Operating transfers

Operating transfers represent payments to other funds for their appropriate share of capital projects.

G. 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 (deferred inflows/outflows of resources) 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.

H. 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.

I. 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.

J. Inventory - materials and supplies

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

K. 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.

L. Restricted assets

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

M. 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.

N. Deferred outflows of resources

In addition to assets, the balance sheet or Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until that time.

O. Deferred inflows of resources/unearned revenues

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. 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. Unearned revenues also arise when the Town receives resources before it has legal claim to them, as when charges for services are received prior to performing or satisfying the service. 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.

P. 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.

Q. 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. Bond premiums, discounts and any prepaid bond insurance costs are deferred and amortized over the life of the bonds using the straight line method, and bond issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

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.

R. 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 reported in the fund financial statements, only to the extent that they have matured.

S. 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. As of December 31, 2014, the Town did not possess any notes payable within the governmental or proprietary funds.

T. 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 \$3,784,732.
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-I, 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, 2014 is as follows:

Balance - beginning	\$	11,906,365
Board approved transfer of fund balance		22,288
Liquidation of reserve for debt service payments		<u>(1,774,305)</u>
Balance - ending	\$	<u>10,154,348</u>

Tax Stabilization

According to General Municipal Law §6-I 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, 2014.
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 amounts 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 for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriation, is employed in the governmental funds. Appropriations for all governmental funds 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.

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

Fund balances for all the major and nonmajor governmental funds as of December 31, 2014, 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
Nonspendable									
Prepaid expenses	\$ 1,934,210	\$ 1,187,293	\$ 221,456	\$ 272,728	\$ 95,117	\$ -	\$ 3,963	\$ 69,965	\$ 3,784,732
Total nonspendable	1,934,210	1,187,293	221,456	272,728	95,117	-	3,963	69,965	3,784,732
Restricted									
Debt reserve	802,812	46,353	86,648	180,101	4,219	-	8,930,384	103,831	10,154,348
Tax stabilization	3,702,943	-	-	-	-	-	-	-	3,702,943
Capital projects	-	-	-	-	-	8,124,539	-	-	8,124,539
Community preservation	-	-	-	-	-	-	66,699,057	-	66,699,057
Restricted for specific project	-	-	-	-	-	-	-	6,375,195	6,375,195
Restricted for specific grant	-	-	-	-	-	-	-	56,117	56,117
Total restricted	4,505,755	46,353	86,648	180,101	4,219	8,124,539	75,629,441	6,535,143	95,112,199
Assigned									
Appropriated for subsequent year's expenditures	373,722	400,000	442,526	560,742	149,588	-	-	512,273	2,438,851
Encumbrances	7,475	22,130	-	4,256	-	-	-	8,852	42,713
Appropriated for special purpose	-	1,054,752	2,213,546	1,151,604	331,006	-	-	3,926,562	8,677,470
Total assigned	381,197	1,476,882	2,656,072	1,716,602	480,594	-	-	4,447,687	11,159,034
Unassigned	7,503,015	-	-	-	-	-	-	-	7,503,015
Total	\$ 14,324,177	\$ 2,710,528	\$ 2,964,176	\$ 2,169,431	\$ 579,930	\$ 8,124,539	\$ 75,633,404	\$ 11,052,795	\$ 117,558,980

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 76 through 93, as well as pages 100 through 107) reflected in the financial statements:

1. On or before September 20th, 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 30th, the Supervisor files a tentative budget with the Town Clerk and the Comptroller.
3. On or before October 5th, 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 20th, 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 does not have an annually adopted budget.

B. Fund balances

Assignment of fund balance

Portions of the assigned fund balances at December 31, 2014 were appropriated for the subsequent year's operating budgets as follows:

Fund	Total Assigned Fund Balance	Fund Balance Appropriated For Subsequent Year
Major Governmental Funds:		
General Fund	\$ 381,197	\$ 373,722
Police District Fund	1,476,882	400,000
Town Outside Village Fund	2,656,072	442,526
Highway Fund	1,716,602	560,742
Public Safety Communications	480,594	149,588
Non-Major Governmental Funds	4,447,687	512,273
Total	<u>\$ 11,159,034</u>	<u>\$ 2,438,851</u>

Fund deficits

As of December 31, 2014, 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, 2014, the Town's book balances were \$193,995,886. The Town's bank deposit balances were \$194,789,831, of which \$39,544,223 was covered by the Federal Deposit Insurance Corporation, \$13,792,251 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name and \$141,453,357 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 \$350,241 as of December 31, 2014. Bank accounts operated and held by the Trustees of the Freeholders on behalf of the Town of Southampton are held with a separate collateral agreement. Those balances amounted to \$809,599 as of December 31, 2014.

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, 2014, 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 transfer balances for the primary government at December 31, 2014 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	\$ 538,318	\$ 269,181
Town Outside Village Fund	81,919	10,000
Public Safety Communications	1,000	-
Capital Projects Fund	3,375,391	434,407
Community Preservation Fund	37,459	2,721,417
Non-Major Governmental Funds	52,979	152,061
Major Business-Type Funds:		
Waste Management	-	500,000
	<u> </u>	<u> </u>
Total	<u>\$ 4,087,066</u>	<u>\$ 4,087,066</u>

Interfund receivable and payable balances for the primary government at December 31, 2014 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	\$ 1,058,808	\$ -
Police District Fund	-	19,746
Town Outside Village Fund	-	4,883
Highway Fund	155	-
Public Safety Communications	-	437
Capital Projects Fund	-	1,351,582
Community Preservation Fund	-	384
Non-Major Governmental Funds	899	810
Major Business-Type Funds:		
Beaches and Marinas	54,440	-
Waste Management	209,377	-
Agency Funds	1,377,842	1,323,679
	<u> </u>	<u> </u>
Total	<u>\$ 2,701,521</u>	<u>\$ 2,701,521</u>

7. CAPITAL ASSETS

Governmental activities, capital asset balances and activity for the year ended December 31, 2014 were as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 571,582,888	\$ 35,738,435	\$ -	\$ 607,321,323
Construction-in-progress	-	1,075,208	-	1,075,208
Total	\$ 571,582,888	\$ 36,813,643	\$ -	608,396,531
Depreciable capital assets:				
Buildings	\$ 40,445,936	\$ 383,175	\$ -	40,829,111
Improvements other than buildings	33,614,771	4,945,997	-	38,560,768
Machinery and equipment	28,988,626	2,357,820	(770,269)	30,576,177
Infrastructure -				
Bridges	1,299,880	-	-	1,299,880
Landfill	9,412,515	-	-	9,412,515
Roads, curbs and sidewalks	355,004,161	2,668,163	-	357,672,324
Lighting system	1,349,791	-	-	1,349,791
Bulkheads, piers and boardwalks	10,231,215	-	-	10,231,215
Water and sewer mains	13,831,881	365,394	-	14,197,275
Total depreciable capital assets	\$ 494,178,776	\$ 10,720,549	\$ (770,269)	504,129,056
Less accumulated depreciation:				
Buildings	\$ 10,621,106	\$ 809,473	\$ -	11,430,579
Improvements other than buildings	8,805,216	1,622,520	-	10,427,736
Machinery and equipment	21,986,475	1,843,719	(766,142)	23,064,052
Infrastructure -				
Bridges	291,038	36,380	-	327,418
Landfill	5,903,115	313,750	-	6,216,865
Roads, curbs and sidewalks	214,471,453	12,997,584	-	227,469,037
Lighting system	1,340,751	9,040	-	1,349,791
Bulkheads, piers and boardwalks	5,697,846	269,165	-	5,967,011
Water and sewer mains	3,828,401	287,962	-	4,116,363
Total accumulated depreciation	\$ 272,945,401	\$ 18,189,593	\$ (766,142)	290,368,852
Total depreciable capital assets, net				213,760,204
Total capital assets, net				\$ 822,156,735

Depreciation expense was charged to governmental functions as follows:

General governmental support	\$ 1,276,640
Public safety	685,002
Transportation	13,911,767
Economic assistance and opportunity	38,147
Culture and recreation	1,410,037
Home and community services	<u>868,000</u>
Total governmental activities depreciation expense	<u>\$ 18,189,593</u>

Business-type activities, capital asset balances and activity for the year ended December 31, 2014 were as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 13,329,090	\$ -	\$ -	\$ 13,329,090
Construction-in-progress	<u>-</u>	<u>85,065</u>	<u>-</u>	<u>85,065</u>
Total	<u>\$ 13,329,090</u>	<u>\$ 85,065</u>	<u>\$ -</u>	<u>13,414,155</u>
Depreciable capital assets:				
Buildings	\$ 4,596,906	\$ 7,849	\$ -	4,604,755
Improvements other than buildings	9,084,337	-	-	9,084,337
Machinery and equipment	<u>3,200,042</u>	<u>23,682</u>	<u>-</u>	<u>3,223,724</u>
Total depreciable capital assets	<u>\$ 16,881,285</u>	<u>\$ 31,531</u>	<u>\$ -</u>	<u>16,912,816</u>
Less accumulated depreciation:				
Buildings	\$ 1,239,916	\$ 95,493	\$ -	1,335,409
Improvements other than buildings	2,560,280	454,273	-	3,014,553
Machinery and equipment	<u>2,273,627</u>	<u>226,350</u>	<u>-</u>	<u>2,499,977</u>
Total accumulated depreciation	<u>\$ 6,073,823</u>	<u>\$ 776,116</u>	<u>\$ -</u>	<u>6,849,939</u>
Total depreciable capital assets, net				<u>10,062,877</u>
Total capital assets, net				<u>\$ 23,477,032</u>

Depreciation expense was charged to business-type activities functions as follows:

Waste management	\$ 446,783
Beaches and marinas	304,645
Golf course	<u>24,688</u>
Total business-type activities depreciation expense	<u>\$ 776,116</u>

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, 2014, 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, 2014 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	169,979	-	-	169,979
Building improvements	959,574	73,523	-	1,033,097
Total depreciable capital assets	<u>\$ 3,565,349</u>	<u>\$ 73,523</u>	<u>\$ -</u>	<u>3,638,872</u>
Less accumulated depreciation:				
Buildings	\$ 516,561	\$ 61,987	\$ -	578,548
Equipment	112,148	20,144	-	132,292
Building improvements	110,956	54,708	-	165,664
Total accumulated depreciation	<u>\$ 739,665</u>	<u>\$ 136,839</u>	<u>\$ -</u>	<u>876,504</u>
Total depreciable capital assets, net				<u>2,762,368</u>
Total capital assets, net				<u>\$ 3,446,068</u>
Depreciation expense was charged as follows:				
Economic assistance and opportunity				<u>\$ 136,839</u>

8. 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
Governmental activities:						
General obligation bonds payable	\$ 136,937,548	\$ 16,238,540	\$ 26,807,105	\$ 126,368,983	\$ 13,910,941	\$ 112,458,042
Unamortized bond discounts and premiums	3,223,488	1,059,101	405,152	3,877,437	463,875	3,413,562
Total general obligation bonds	140,161,036	17,297,641	27,212,257	130,246,420	14,374,816	115,871,604
Special assessment bonds with governmental commitment						
Installment purchase debt payable	171,711	40,746	79,168	133,289	33,211	100,078
Compensated absences	6,572,700	-	3,500,000	3,072,700	3,072,700	-
Judgments and claims payable	11,039,341	132,501	1,186,887	9,984,955	30,750	9,954,205
Other post-employment benefits	4,460,000	-	885,000	3,575,000	214,500	3,360,500
Estimated liability for landfill closure and post-closure care costs	54,338,267	11,643,664	3,783,628	62,198,303	-	62,198,303
Total special assessment bonds	3,091,737	200,378	176,515	3,115,600	165,640	2,949,960
Total governmental activities	\$ 219,834,792	\$ 29,314,930	\$ 36,823,455	\$ 212,326,267	\$ 17,891,617	\$ 194,434,650
Business-type activities:						
General obligation bonds payable	\$ 7,525,740	\$ 1,285,714	\$ 1,953,727	\$ 6,857,727	\$ 790,848	\$ 6,066,879
Unamortized bond premiums	38,078	80,344	5,693	112,729	11,623	101,106
Compensated absences	132,272	10,807	72,734	70,345	10,000	60,345
Total business-type activities	\$ 7,696,090	\$ 1,376,865	\$ 2,032,154	\$ 7,040,801	\$ 812,471	\$ 6,228,330
Discretely presented component unit:						
General obligation bonds payable	\$ 3,527,000	\$ -	\$ 75,000	\$ 3,452,000	\$ 75,000	\$ 3,377,000
Unamortized bond discounts	(32,987)	-	(970)	(32,017)	(970)	(31,047)
Notes payable	650,000	-	-	650,000	-	650,000
Total discretely presented component unit	\$ 4,144,013	\$ -	\$ 74,030	\$ 4,069,983	\$ 74,030	\$ 3,995,953

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 5.500% and have maturity dates in 2015 through 2030.

In May 2014, the Town issued a \$3,950,000 New York State Environmental Facilities Corporation ("EFC") Refunding Bond with an interest rate of 2.00% increasing to 3.00%. The proceeds of the bond were used to refund \$3,950,000 of the 2017 to 2020 maturities of the 2004 EFC bond. The total purchase price of the bond was \$4,001,400, inclusive of \$25,232 in original issue premium and issue costs of \$26,168. The original issue premium will be amortized over the life of the bond on a straight line basis as a component of interest expense in the Statement of Activities. As a result, the 2004 EFC bond is considered defeased and the liability for the refunded portion of that bond has been removed from the Statement of Net Position.

In July 2014, the Town issued \$4,350,000 in public improvement serial bonds with an interest rate of 2.00% increasing to 3.00%. The proceeds of the bond were used for various capital improvements and to acquire various equipment. The total purchase price of the bonds were \$4,415,486 with an original issue premium of \$65,486, 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.

In August 2014, the Town issued \$9,265,000 in public improvement refunding serial bonds with an interest rate of 2.00% increasing to 5.00%. The proceeds of the bond were used to refund \$7,200,000 of the 2004 public improvements serial bonds and \$2,850,000 of the 2006 public improvements serial bonds. The total purchase price of the bonds were \$10,465,047 with an original issue premium of \$1,200,047, which will be amortized over the life of the new bonds on a straight-line basis as a component of interest expense in the Statement of Activities. As a result, the 2004 and 2006 public improvement serial bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The reacquisition price of both refunding bonds exceeded the net carrying amount of the refunded debt by \$271,951. This amount is reported on the Statement of Net Position as a deferred outflow of resources and the premiums as identified in the paragraphs above have been added to the new bonds and will be amortized over the remaining life of the refunded debt.

Special assessment bonds - The Town has \$133,289 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 9 years.

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, 2014 is \$3,072,700. Costs associated with the total obligation equaled \$19,572,000.

Terms of the obligation included 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.

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, 2014
NYS EFC bonds	6/1/95	5/15/15	3.700%-5.550%	\$ 40,000
NYS EFC bonds	7/1/97	6/15/17	3.750%-5.350%	105,000
NYS EFC bonds	3/13/03	4/15/20	1.031%-4.551%	315,000
NYS EFC bonds	3/4/04	3/4/16	1.056%-4.235%	1,850,000
Refunding serial bonds	2/24/05	5/1/16	3.000%-5.000%	550,000
Public improvement serial bonds	2/1/06	12/1/15	3.250%-4.000%	450,900
Public improvement serial bonds	9/15/07	9/15/22	3.875%-4.125%	5,759,600
Open space preservation serial bonds	1/15/09	1/15/30	3.000%-4.375%	16,050,000
Open space preservation serial bonds	4/1/09	4/1/30	3.000%-4.500%	16,050,000
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	5,124,386
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	14,898,000
Public improvement serial bonds	4/28/11	4/15/22	2.000%-4.000%	9,690,000
Refunding serial bonds	8/8/12	10/1/23	2.000%-5.000%	10,560,804
Retirement serial bonds	11/27/12	11/15/22	2.000%-2.400%	1,750,000
Public improvement serial bonds	4/17/13	4/15/27	2.000%-2.375%	7,170,000
Erosion control district serial bonds	9/4/13	9/1/23	2.000%-4.000%	19,785,000
Refunding EFC serial bond	5/2/14	11/16/20	4.061%-4.235%	3,950,000
Public improvement serial bonds	7/9/14	4/1/29	2.000%-3.000%	4,200,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	8,070,293
				<u>\$ 126,368,983</u>

Special assessment bonds -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2014
Public improvement serial bonds	2/1/06	12/1/15	3.250%-4.000%	\$ 8,300
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	41,304
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	43,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	40,685
				<u>\$ 133,289</u>

Business-type activities:

General obligation bonds payable -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2014
Public improvement serial bonds	2/1/06	12/1/15	3.250%-4.000%	\$ 215,800
Public improvement serial bonds	9/15/07	9/15/22	3.875%-4.125%	2,265,400
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	174,310
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	1,989,000
Public improvement serial bonds	4/28/11	4/15/22	2.000%-4.000%	235,000
Refunding serial bonds	8/8/12	10/1/23	2.000%-5.000%	264,195
Public improvement serial bonds	4/17/13	4/15/27	2.000%-2.375%	430,000
Public improvement serial bonds	7/9/14	4/1/29	2.000%-3.000%	150,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	1,134,022
				<u>\$ 6,857,727</u>

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

Governmental activities:

General obligations bonds payable -

Year ended December 31,	Principal	Interest	Total
2015	\$ 13,910,941	\$ 4,315,962	\$ 18,226,903
2016	13,515,679	3,911,505	17,427,184
2017	13,147,677	3,514,981	16,662,658
2018	13,014,110	3,070,604	16,084,714
2019	12,711,354	2,606,602	15,317,956
2020-2024	41,860,222	6,972,063	48,832,285
2025-2029	16,009,000	2,104,589	18,113,589
2030	2,200,000	72,875	2,272,875
	<u>\$ 126,368,983</u>	<u>\$ 26,569,181</u>	<u>\$ 152,938,164</u>

Special assessment bonds -

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended <u>December 31,</u>			
2015	\$ 33,211	\$ 6,554	\$ 39,765
2016	32,598	5,729	38,327
2017	13,120	2,293	15,413
2018	13,120	1,868	14,988
2019	13,120	1,362	14,482
2020-2023	<u>28,120</u>	<u>1,444</u>	<u>29,564</u>
	<u>\$ 133,289</u>	<u>\$ 19,250</u>	<u>\$ 152,539</u>

Business-type activities:
General obligations bonds payable -

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended <u>December 31,</u>			
2015	\$ 790,848	\$ 189,410	\$ 980,258
2016	772,847	159,913	932,760
2017	778,080	140,173	918,253
2018	762,768	121,032	883,800
2019	710,527	102,596	813,123
2020-2024	2,141,657	270,883	2,412,540
2025-2029	<u>901,000</u>	<u>62,975</u>	<u>963,975</u>
	<u>\$ 6,857,727</u>	<u>\$ 1,046,982</u>	<u>\$ 7,904,709</u>

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

Interest paid	\$ 4,400,806
Less interest accrued in the prior year	(1,345,565)
Plus interest accrued in the current year	1,236,266
Amortization of discounts and premiums on bonds payable	<u>(388,143)</u>
Total expense	<u>\$ 3,903,364</u>

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

Interest paid	\$ 238,932
Less interest accrued in the prior year	(76,303)
Plus interest accrued in the current year	<u>67,253</u>
Total expense	<u>\$ 229,882</u>

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 originally mature in May 2015 however, the Authority is working with a bank to refinance this obligation and extend the maturity.

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, 2014 is \$3,365,000.

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 \$87,000.

The following is a summary of maturing debt service requirements:

Year ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	88,000	98,189	186,189
2020-2024	389,000	462,171	851,171
2025-2029	430,000	408,606	838,606
2030-2034	500,000	338,294	838,294
2035-2039	575,000	253,734	828,734
2040-2044	685,000	144,288	829,288
2045-2047	475,000	25,113	500,113
	<u>\$ 3,452,000</u>	<u>\$ 2,139,519</u>	<u>\$ 5,591,519</u>

9. 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. Employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, contributed 3% to 3.5% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. 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:

NYSERS				
Year Ended	Annual Required Contribution	Incentive/ Rate Amortization	Reconciliation and Miscellaneous Adjustments	Total Payment
2014	\$ 4,666,795	\$ (42,527)	\$ 58,814	\$ 4,683,082
2013	4,723,390	(42,349)	84,412	4,765,453
2012	4,230,484	(1,314,369)	133,540	3,049,655
NYSPFRS				
Year Ended	Annual Required Contribution	Incentive/ Rate Amortization	Reconciliation and Miscellaneous Adjustments	Total Payment
2014	\$ 3,359,331	\$ (31,779)	\$ 171,916	\$ 3,499,468
2013	3,275,525	(29,458)	37,289	3,283,356
2012	2,852,851	(592,775)	15,723	2,275,799

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, 2014 totaled \$1,539,757. A report for this plan may be obtained by writing to N.Y.S. Deferred Compensation Plan, 385 Jordon Road, Troy, NY 12180.

10. 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 being terminated 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, 2014.

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 annual costs for the Westhampton War Memorial Ambulance Corporation of \$53,011, the Flanders Northampton Volunteer Ambulance Corporation of \$57,761, the Hampton Bays Volunteer Ambulance Corporation of \$43,368 and the Southampton Volunteer Ambulance Corporation of \$32,052 for the year ended December 31, 2013 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, 2014 and the two preceding years is as follows:

<u>Year</u>	<u>Annual Cost</u>	<u>Annual Contribution Made</u>	<u>Percentage Contributed</u>
2014	\$ 186,192	\$ 261,000	140.18%
2013	226,822	226,822	100.00%
2012	229,355	229,355	100.00%

Program financial condition (As of December 31, 2013)

Westhampton War Memorial Ambulance Corporation -

Actuarial present value of vested benefits \$ 646,636

Net assets available for benefit \$ 571,391

Flanders Northampton Volunteer Ambulance Corporation -

Actuarial present value of vested benefits \$ 622,327

Net assets available for benefit \$ 634,500

Hampton Bays Volunteer Ambulance Corporation -

Actuarial present value of vested benefits \$ 574,142

Net assets available for benefit \$ 671,783

Southampton Volunteer Ambulance Corporation -

Actuarial present value of vested benefits \$ 475,081

Net assets available for benefit \$ 535,696

Receipts and disbursements (For the year ended December 31, 2013)

Westhampton War Memorial Ambulance Corporation -

Program net assets, beginning of year \$ 474,227

Changes during the year:

Plan contributions	\$ 63,616	
Investment income earned	86,358	
Benefits paid	(47,338)	
Trustee fees	(2,425)	
Administrative fees	(3,047)	
	97,164	

Program net assets, end of year \$ 571,391

Contributions -

Recommended actuarial contribution \$ 63,616

Amount of sponsor's actual contribution \$ 63,616

Flanders Northampton Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	495,444
Changes during the year:			
Plan contributions	\$	56,932	
Investment income earned		95,378	
Benefits paid		(7,764)	
Trustee fees		(2,671)	
Administrative fees		(2,819)	
			<u>139,056</u>
Program net assets, end of year		\$	<u>634,500</u>

Contributions -

Recommended actuarial contribution		\$	<u>56,932</u>
Amount of sponsor's actual contribution		\$	<u>56,932</u>

Hampton Bays Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	520,178
Changes during the year:			
Plan contributions	\$	63,246	
Investment income earned		100,630	
Benefits paid		(6,310)	
Trustee fees		(2,814)	
Administrative fees		(3,147)	
			<u>151,605</u>
Program net assets, end of year		\$	<u>671,783</u>

Contributions -

Recommended actuarial contribution		\$	<u>63,246</u>
Amount of sponsor's actual contribution		\$	<u>63,246</u>

Southampton Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	417,354
Changes during the year:			
Plan contributions	\$	43,028	
Investment income earned		80,543	
Benefits paid		(240)	
Trustee fees		(2,256)	
Administrative fees		(2,733)	
			<u>118,342</u>
Program net assets, end of year		\$	<u>535,696</u>

Contributions -

Recommended actuarial contribution		\$	<u>43,028</u>
Amount of sponsor's actual contribution		\$	<u>43,028</u>

Funding methodology and actuarial assumptions

Westhampton War Memorial Ambulance Corporation -

Valuation Date	December 31, 2013
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 U.S. Uninsured Pensioner 50/50 M/F Mortality Table projected to 2007
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.25%

Flanders Northampton Volunteer Ambulance Corporation -

Valuation Date	December 31, 2013
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 U.S. Uninsured Pensioner 50/50 M/F Mortality Table projected to 2007
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.25%

Hampton Bays Volunteer Ambulance Corporation -

Valuation Date	December 31, 2013
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 U.S. Uninsured Pensioner 50/50 M/F Mortality Table projected to 2007
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.25%

Southampton Volunteer Ambulance Corporation -

Valuation Date	December 31, 2013
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 U.S. Uninsured Pensioner 50/50 M/F Mortality Table projected to 2007
Remaining Amortization Period	-0- Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.25%

11. 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 Standards for, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions, 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, 276 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, 2014, the Town recognized \$3,783,628 for its share of insurance premiums for currently enrolled retirees.

The Town has obtained an actuarial valuation report as of January 1, 2014 which indicates that the total liability for other post-employment benefits is \$147,335,207 (\$62,444,747 related to retirees and \$84,890,460 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. 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, 2014
Annual required contribution	\$ 10,659,041
Interest on net OPEB obligation	2,173,531
Adjustment to ARC	<u>(1,188,908)</u>
Annual OPEB cost	11,643,664
Contributions made	<u>3,783,628</u>
Increase in net OPEB obligation	7,860,036
Net OPEB obligation, beginning of year	<u>54,338,267</u>
Net OPEB obligation, end of year	<u>\$ 62,198,303</u>

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, 2014 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>
12/31/2014	\$ 11,643,664	32.5%	\$ 62,198,303
12/31/2013	12,615,326	29.0%	54,338,267
12/31/2012	11,053,371	33.2%	45,383,143

The funded status of the plan as of January 1, 2014 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	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)
01/01/14	\$ -	\$ 147,335,207	\$ 147,335,207	0%	\$ 38,943,443	378.33%
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%

As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$147,335,207 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$147,335,207. 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, 2014 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 8.0% initially, reduced by decrements to an ultimate rate of 5.0% after 8 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, 2014 was 23 years.

12. 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, 2014 the value of the accumulated vacation time and sick leave for governmental activities and business-type activities was \$10,055,300.

13. COMMITMENTS AND CONTINGENCIES

A. Risk management

The Town has adopted GASB Standards for Accounting and Financial Reporting for Risk Financing and Related Insurance Issues. The Standards 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 following schedule 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>2014</u>	<u>2013</u>
Unpaid claims and claim adjustment expenditures at the beginning of the year	<u>\$ 4,460,000</u>	<u>\$ 3,120,000</u>
Incurred claims and claim adjustment expenditures:		
Provision (adjustment) for insured events of the current year and increases in provision for insured events of prior years	<u>(725,141)</u>	<u>1,566,067</u>
Total incurred claims and adjustment expenditures	<u>3,734,859</u>	<u>4,686,067</u>
Payments:		
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>159,859</u>	<u>226,067</u>
Total payments	<u>159,859</u>	<u>226,067</u>
Unpaid claims and claim adjustment expenditures at the end of the year	<u><u>\$ 3,575,000</u></u>	<u><u>\$ 4,460,000</u></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 plaintiff has pursued its appeal by filing a brief and appendix with the Second Circuit Court of Appeals. Pursuant to a scheduling order issued by the Second Circuit, the Client's responsive brief must be filed on or before June 3, 2015.

C. Landfill closure and post-closure care costs

New York 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, 2014, the Town has recorded a liability of \$3,115,600 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, 2014.

D. Government grants

The Town has received grants, which are subject to audit by agencies of the New York State government and federal government. 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, the 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, 2014 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, 2014 were approximately \$38,000.

Future minimum operating lease commitments are as follows:

<u>Year ended December 31,</u>	
2015	\$ 382,297
2016	349,313
2017	349,313
2018	378,422
2019	392,976
2020-2023	<u>1,309,923</u>
	<u>\$ 3,162,244</u>

G. Service concession arrangements

Poxabogue Golf Course

In accordance with GASB, 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.

14. 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, 2014, and for the four previous years, the Town has the following 2% transfer tax revenue and expenses associated with environmental or historic preservation purposes:

<u>Year ended December 31,</u>	<u>Revenues</u>	<u>Expenditures</u>
2014	\$ 65,110,117	\$ 51,927,326
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

15. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed financial statements for the discretely presented component units, as of and for the year ended December 31, 2014:

Condensed Statement of Net Position:

	<u>Assets and Deferred Outflows</u>			<u>Liabilities, Deferred Inflows and Net Position</u>			
	<u>Current Assets</u>	<u>Non-Current Assets</u>	<u>Deferred Outflows</u>	<u>Current Liabilities</u>	<u>Bonds and Other Long-Term Liabilities</u>	<u>Deferred Inflows</u>	<u>Net Position</u>
Town of Southampton Housing Authority	\$ 503,327	\$ 4,212,828	\$ -	\$ 133,531	\$ 4,011,398	\$ -	\$ 571,226
Trustees of the Freeholders	\$ 809,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809,599

Condensed Statement of Activities:

	<u>Program</u>			<u>Other</u>	<u>Change</u>	<u>Net Position</u>
	<u>Expenses</u>	<u>Revenue</u>	<u>Net Revenues</u>			
Town of Southampton Housing Authority	\$ 895,705	\$ 826,068	\$ (69,637)	\$ 120	\$ (69,517)	\$ 571,226
Trustees of the Freeholders	\$ 789,523	\$ 420,834	\$ (368,689)	\$ 20,985	\$ (347,704)	\$ 809,599

16. PRIOR PERIOD ADJUSTMENT

During 2014, The Town determined that the Trustees of the Freeholders and Commonalty are more appropriately reported as a discretely presented component unit under GASB standards. As described in Note 2, the Trustees are a legally separate entity and provide services to the citizens of the Town of Southampton as opposed to providing services directly to the Town as a municipal entity. As a result, the Town's financial statements have been restated as of January 1, 2014 to give effect to the following:

	Governmental Funds <u>Fund Balance</u>	<u>Net Position</u>
Balance as of January 1, 2014, as reported	\$ 105,991,265	\$ 680,042,947
Less: Reclassification of the Trustees of The Freeholders and Commonalty from a "blended component unit" to a discretely presented component unit based on currently known facts	<u>(1,157,303)</u>	<u>(1,157,303)</u>
Balance as of January 1, 2014, as restated	<u>\$ 104,833,962</u>	<u>\$ 678,885,644</u>

17. NEW ACCOUNTING STANDARDS NOT YET IMPLEMENTED

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, specifically regarding 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.

GASB has issued Statement No. 72, Fair Value Measurement and Application, which is to address accounting and financial reporting issues related to fair value measurements. The Statement will require disclosures regarding the level of fair value hierarchy and valuation techniques. It will also require additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The Town is currently studying the Statement and plans on adoption when required, which will be for the 2016 financial statements.

18. SUBSEQUENT EVENTS

The Town has evaluated subsequent events occurring after the Statement of Net Position through the date of April 24, 2015, 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 February 2015, the Town issued Public Improvement Serial Bonds for \$4,968,500 maturing on February 15, 2030. The proceeds of the bonds will be used for various capital improvements and to acquire capital equipment.

In February 2015, the Town issued Bond Anticipation Notes in the amount of \$2,745,640 maturing on February 24, 2016. The proceeds from the sale of the Notes will be used to provide additional original funds for capital improvements and to acquire capital equipment.

In March 2015, the Town issued Public Improvement Refunding Serial Bonds for \$5,545,000 maturing on March 15, 2022. The proceeds from the bonds will be used to refund \$5,150,000 of the 2007 Public Improvements Serial Bonds which were set to mature on September 15, 2022.

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 20,941,003	\$ 20,893,485	\$ 20,893,485		\$ -
Other real property tax items:					
Federal payments in lieu of taxes	15,000	15,000	21,473		6,473
Other payments in lieu of taxes	80,000	80,000	67,086		(12,914)
Interest and penalties - real property taxes	120,000	120,000	137,761		17,761
Total other real property tax items	215,000	215,000	226,320		11,320
Non-property tax items:					
Franchise fees	1,450,000	1,450,000	1,643,124		193,124
Total non-property tax items	1,450,000	1,450,000	1,643,124		193,124
Special assessments	-	-	40,061		40,061
Departmental income:					
Town Clerk fees	110,000	110,000	115,767		5,767
Alarm billing	65,000	65,000	78,900		13,900
Departmental income	40,240	40,240	25,833		(14,407)
Inspection contracts	2,200	2,200	903		(1,297)
Engineering fees	100,000	100,000	123,421		23,421
Program fees	370,000	370,000	386,083		16,083
Total departmental income	687,440	687,440	730,907		43,467
Intergovernmental charges:					
Intergovernmental revenue	248,117	266,661	265,100		(1,561)
Revenue from other governments	51,988	51,988	52,349		361
Total intergovernmental charges	300,105	318,649	317,449		(1,200)
Use of money and property:					
Shinnecock commercial dock rental	37,000	37,000	45,681		8,681
Interest and earnings	50,000	50,000	70,501		20,501
Total use of money and property	87,000	87,000	116,182		29,182
Licenses and permits:					
Dog licenses	10,000	10,000	12,400		2,400
Public safety permits	200,000	200,000	249,552		49,552
Taxi permits	95,000	95,000	70,600		(24,400)
Animal control permit fees	1,100	1,100	800		(300)
Special event permits	10,000	10,000	-		(10,000)
LT parking permits	13,000	13,000	12,758		(242)
Total licenses and permits	329,100	329,100	346,110		17,010
Fines and forfeitures:					
Justice court fines and fees	1,976,325	1,976,325	1,588,383		(387,942)
Total fines and forfeitures	1,976,325	1,976,325	1,588,383		(387,942)

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
Sale of property and compensation for loss:					
Program fees	\$ 48,000	\$ 48,000	\$ 35,218		\$ (12,782)
Insurance recoveries	-	-	8,042		8,042
Total sale of property and compensation for loss	48,000	48,000	43,260		(4,740)
Miscellaneous local sources:					
Rentals	60,000	60,000	93,208		33,208
Miscellaneous tax receipts	140,000	140,000	44,389		(95,611)
Contract revenue	30,000	30,000	11,717		(18,283)
Donations - adult transportation	25,000	25,000	21,606		(3,394)
Donations - nutrition program	155,000	155,000	102,322		(52,678)
Donations - residential repair	2,500	2,500	2,428		(72)
Donations - senior day care	120,000	120,000	92,541		(27,459)
Miscellaneous	45,500	46,500	219,196		172,696
Professional fees	90,000	90,000	102,788		12,788
Total miscellaneous local sources	668,000	669,000	690,195		21,195
State aid:					
State aid - revenue sharing	180,000	180,000	184,491		4,491
State aid - mortgage tax	7,282,799	7,282,799	7,282,799		-
State aid nutrition program	399,976	399,976	417,534		17,558
EISEP grant	15,500	19,560	14,429		(5,131)
State aid - residential repair	19,380	19,380	26,059		6,679
County aid	84,516	89,516	81,053		(8,463)
State aid - adult day care	15,000	15,000	2,415		(12,585)
State aid - youth programs	6,000	6,000	6,000		-
State aid - human services youth	12,000	17,167	17,167		-
State aid - emergency disaster	-	-	9,029		9,029
Total state aid	8,015,171	8,029,398	8,040,976		11,578
Federal aid:					
Federal aid nutrition program	459,024	459,024	430,189		(28,835)
Federal aid - public safety	8,000	8,000	-		(8,000)
Pump-out boats - clean vessel grant	30,000	30,000	35,000		5,000
Federal grants - other public safety	-	-	122,405		122,405
Federal grants - FEMA	500,000	500,000	506,033		6,033
Total federal aid	997,024	997,024	1,093,627		96,603
Total revenues	35,714,168	35,700,421	35,770,079		69,658

EXPENDITURES

General governmental support:					
Salaries	7,948,654	7,913,401	7,769,330	\$ -	144,071
Overtime	7,000	20,082	15,168	-	4,914
Severance pay	-	273,105	273,105	-	-
Accumulated sick/personal days	13,660	11,089	11,089	-	-
Part time salaries	247,268	313,990	259,339	-	54,651
Longevity	160,080	160,094	150,772	-	9,322
Other pay	8,500	3,000	3,000	-	-
Cash in lieu of health benefits	20,250	21,450	14,700	-	6,750
Human resources - wellness reimbursement	800	800	80	-	720

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			Better (Worse) To Revised Budget
General governmental support, cont'd:					
Vehicles	\$ 239,000	\$ 357,844	\$ 311,689	\$ -	\$ 46,155
Equipment	50,000	63,560	58,143	-	5,417
Contracts	213,000	193,500	166,033	-	27,467
Contracts - other	1,476,522	1,491,228	1,179,747	-	311,481
Gasoline	36,250	37,787	29,775	-	8,012
Electric	295,450	289,782	272,464	-	17,318
Fuel oil	107,100	160,295	157,204	-	3,091
Repair equipment	30,795	27,690	14,435	-	13,255
Repair building	32,750	37,750	23,787	-	13,963
Repair vehicle	90,000	140,000	111,964	-	28,036
Copier supplies	15,000	15,000	13,201	-	1,799
Postage	94,850	105,346	104,290	-	1,056
Printing and stationery	38,550	35,426	29,492	-	5,934
Publications	56,704	77,717	69,598	-	8,119
Rentals	407,940	407,940	398,439	-	9,501
Telephone	61,704	48,384	45,400	-	2,984
Travel, dues and related	17,176	19,684	14,338	-	5,346
Uniforms	5,500	5,500	3,655	-	1,845
Microfilming	2,500	2,300	2,000	-	300
Other	121,970	120,600	13,120	5,000	102,480
Legal notices	14,794	15,707	14,953	-	754
Small equipment (non-capital)	49,600	46,357	36,280	-	10,077
Taxes - town property	29,267	30,389	30,377	-	12
Office supplies	20,091	23,495	20,199	-	3,296
Supplies - other	36,025	33,852	26,128	-	7,724
Drug court expense	25,000	19,800	19,526	-	274
Legal fees	738,000	803,393	726,302	-	77,091
Interpreters	80,000	84,000	79,950	-	4,050
Stenographer	100,000	96,000	92,818	-	3,182
Youth services - programs	40,000	40,000	39,083	-	917
Mileage reimbursement	2,090	1,645	125	-	1,520
Schools and training	28,890	28,067	12,186	-	15,881
Document restoration	2,500	2,487	2,487	-	-
Background investigations	750	750	347	-	403
Municipal dues	2,500	2,500	1,950	-	550
Telephone - wireless	17,450	18,030	13,535	-	4,495
Advertising	2,250	2,250	951	-	1,299
Other - landfill charges	3,500	3,500	2,257	-	1,243
Copier leases	31,800	33,547	21,894	-	11,653
Marine charges	-	154	153	-	1
Consultants	162,002	141,396	80,684	2,475	58,237
Tires	35,000	35,000	25,098	-	9,902
Lube oil	12,500	12,500	5,916	-	6,584
Insurance - unallocated	1,223,356	1,015,356	912,449	-	102,907
Total general governmental support	14,456,338	14,844,519	13,681,005	7,475	1,156,039
Public safety:					
Salaries	1,539,045	1,509,890	1,503,413	-	6,477
Overtime	108,200	140,191	122,900	-	17,291
Accumulated sick/personal days	11,490	14,529	13,320	-	1,209
Part time salaries	124,464	90,171	77,088	-	13,083
Longevity	72,770	72,770	68,884	-	3,886
Cash in lieu of health benefits	6,500	6,500	5,000	-	1,500
Clothing cleaning	4,800	4,800	4,200	-	600
Equipment	15,000	12,000	11,261	-	739

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
Public safety, cont'd.:					
Contracts	\$ 257,115	\$ 289,265	\$ 276,249	\$ -	\$ 13,016
Gasoline	65,500	65,315	49,512	-	15,803
Electric	139,000	135,000	101,287	-	33,713
Fuel oil	60,000	60,000	43,143	-	16,857
Repair equipment	9,200	8,529	4,486	-	4,043
Repair building	18,500	21,125	12,427	-	8,698
Postage	147	141	141	-	-
Printing and stationery	2,934	507	302	-	205
Publications	350	1,725	470	-	1,255
Travel, dues and related	1,525	1,640	1,315	-	325
Photography	100	-	-	-	-
Uniforms	9,094	9,057	7,923	-	1,134
Other	11,300	8,160	3,139	-	5,021
Bay constables - small equipment	4,500	2,900	1,881	-	1,019
Office supplies	1,886	2,131	1,836	-	295
Supplies - other	1,176	726	721	-	5
Safety equipment	11,500	11,500	10,763	-	737
Food	5,650	5,150	3,784	-	1,366
Schools and training	3,650	1,330	80	-	1,250
Telephone - wireless	5,200	6,500	3,822	-	2,678
Copier leases	2,900	2,900	2,226	-	674
Marine charges	15,000	13,000	11,341	-	1,659
Veterinarian fees	3,000	3,000	572	-	2,428
Signs	1,000	1,000	861	-	139
Mileage reimbursement	-	100	81	-	19
Consultants	1,000	2,725	2,725	-	-
Total public safety	2,513,496	2,504,277	2,347,153	-	157,124
Transportation:					
Salaries	600,464	600,465	588,413	-	12,052
Overtime	-	410	410	-	-
Accumulated sick/personal days	1,380	1,755	1,755	-	-
Part time salaries	96,600	88,553	51,260	-	37,293
Longevity	18,921	18,921	18,809	-	112
Cash in lieu of health benefits	5,000	7,292	7,292	-	-
Gasoline	47,000	60,047	60,047	-	-
Electric	800	800	-	-	800
Repair vehicle	37,616	48,566	45,400	-	3,166
Uniforms	800	-	-	-	-
Other	-	-	15,277	-	(15,277)
Diesel fuel	22,000	8,650	7,680	-	970
Schools and training	1,500	-	-	-	-
Copier leases	1,200	900	792	-	108
Total transportation	833,281	836,359	797,135	-	39,224
Economic assistance and opportunity:					
Salaries	1,544,759	1,519,526	1,501,983	-	17,543
Overtime	-	1,661	1,661	-	-
Accumulated sick/personal days	3,930	2,575	2,575	-	-
Part time salaries	230,620	241,267	219,333	-	21,934
Longevity	50,412	50,412	45,926	-	4,486
Cash in lieu of health benefits	7,500	7,500	6,250	-	1,250
Equipment	-	1,500	959	-	541
Contracts	310,160	313,150	307,935	-	5,215

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
Economic assistance and opportunity cont'd.:					
Electric	\$ 3,500	\$ 5,150	\$ 5,150	\$ -	\$ -
Fuel oil	1,600	1,810	1,501	-	309
Repair equipment	12,460	4,551	3,747	-	804
Repairs	490	490	406	-	84
Postage	5,400	5,663	5,624	-	39
Printing and stationery	500	500	161	-	339
Publications	400	400	151	-	249
Travel, dues and related	1,400	2,122	1,497	-	625
Uniforms	1,000	6,732	6,420	-	312
Other	178,750	200,324	178,626	-	21,698
Office supplies	3,180	2,817	2,569	-	248
Supplies - other	40,000	43,270	43,268	-	2
Youth services - programs	21,500	22,634	20,636	-	1,998
Mileage reimbursement	9,380	11,442	9,984	-	1,458
Food	310,000	310,000	289,410	-	20,590
Schools and training	700	700	-	-	700
Telephone - wireless	1,750	2,050	1,879	-	171
Advertising	600	600	79	-	521
Copier leases	6,900	6,900	5,764	-	1,136
Contingency	15,829	15,829	-	-	15,829
Program expenses	50,100	49,266	35,728	-	13,538
Total economic assistance and opportunity	2,812,820	2,830,841	2,699,222	-	131,619
Culture and recreation:					
Salaries	1,178,763	1,127,243	1,097,702	-	29,541
Overtime	14,000	16,000	15,229	-	771
Accumulated sick/personal days	1,900	6,418	6,418	-	-
Part time salaries	276,183	278,655	205,459	-	73,196
Longevity	45,818	45,818	42,721	-	3,097
Cash in lieu of health benefits	-	1,250	1,250	-	-
Equipment	10,000	40,000	33,321	-	6,679
Park improvements	-	406,865	379,120	-	27,745
Contracts	54,626	61,946	59,844	-	2,102
Gasoline	48,800	40,341	39,842	-	499
Electric	107,800	116,738	116,582	-	156
Fuel oil	32,400	26,225	23,364	-	2,861
Repair equipment	17,160	18,260	16,848	-	1,412
Repair building	39,690	52,452	52,299	-	153
Repair vehicle	16,900	26,276	25,891	-	385
Postage	14,312	16,245	15,130	-	1,115
Publications	199	198	45	-	153
Rentals	15,450	15,450	14,864	-	586
Telephone	3,000	3,000	2,749	-	251
Travel, dues and related	900	931	431	-	500
Uniforms	4,970	4,970	4,192	-	778
Other	5,500	5,500	5,273	-	227
Legal notices	100	200	190	-	10
Small equipment (non-capital)	980	1,540	1,243	-	297
Office supplies	3,250	2,873	2,715	-	158
Supplies - other	26,330	21,907	21,727	-	180
Diesel fuel	20,000	25,947	25,947	-	-
Salt	8,000	3,829	3,829	-	-
Mileage reimbursement	100	100	-	-	100
Telephone - wireless	1,700	1,754	1,754	-	-

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
Culture and recreation, cont'd:					
Program expenses	\$ 185,000	\$ 167,566	\$ 166,427	\$ -	\$ 1,139
Other - landfill charges	18,500	25,415	25,415	-	-
P and R chargeback - watering	4,500	5,000	4,763	-	237
Copier leases	1,300	820	277	-	543
Consultants	1,000	5,574	4,985	-	589
Total culture and recreation	2,159,131	2,573,306	2,417,846	-	155,460
Home and community services:					
Salaries	260,196	198,715	197,540	-	1,175
Overtime	10,000	10,201	10,201	-	-
Accumulated sick/personal days	980	980	-	-	980
Part time salaries	81,404	81,404	69,509	-	11,895
Longevity	11,565	11,565	7,550	-	4,015
Cash in lieu of health benefits	2,500	2,500	-	-	2,500
Contracts - other	3,000	4,515	3,011	-	1,504
Contracts	183,182	174,428	120,546	-	53,882
Gasoline	13,000	13,000	10,507	-	2,493
Electric	3,000	2,700	2,034	-	666
Fuel oil	2,000	2,000	2,000	-	-
Repair equipment	35,000	35,000	35,000	-	-
Repair building	2,500	2,500	2,045	-	455
Rentals	2,000	2,000	1,950	-	50
Uniforms	1,900	1,900	784	-	1,116
Other	5,000	7,160	7,160	-	-
Legal notices	-	2,465	2,465	-	-
Small equipment (non-capital)	2,500	2,500	-	-	2,500
Office supplies	500	500	500	-	-
Supplies - other	3,000	3,000	326	-	2,674
Diesel fuel	57,000	57,000	57,000	-	-
Municipal dues	20,000	12,139	12,139	-	-
Telephone - wireless	3,000	3,735	3,729	-	6
Copier leases	500	1,900	1,641	-	259
Marine charges	8,000	8,000	2,562	-	5,438
Consultants	50,000	50,000	38,261	-	11,739
Tires	5,750	5,750	5,750	-	-
Total home and community services	767,477	697,557	594,210	-	103,347
Employee benefits:					
Employee retirement - active	1,775,324	2,642,392	2,642,374	-	18
FICA tax expenditure	1,121,015	1,133,062	1,075,608	-	57,454
MTA tax	50,220	51,093	48,118	-	2,975
Worker's compensation	420,200	419,850	333,563	-	86,287
Medical insurance - active employees	3,369,960	3,447,203	3,160,721	-	286,482
Health insurance - retirees	1,006,770	1,006,770	919,215	-	87,555
Medicare part B - retirees	155,730	155,730	134,380	-	21,350
Dental and optical	290,090	289,342	250,386	-	38,956
N.Y.S unemployment insurance	75,000	75,000	51,414	-	23,586
Disability	11,596	11,571	3,844	-	7,727
Total employee benefits	8,275,905	9,232,013	8,619,623	-	612,390

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
Debt service:					
Principal	\$ 3,724,371	\$ 3,771,546	\$ 3,771,546	\$ -	\$ -
Interest	772,630	766,734	766,734	-	-
Total debt service	4,497,001	4,538,280	4,538,280	-	-
Total expenditures	36,315,449	38,057,152	35,694,474	7,475	2,355,203
Excess (deficiency) of revenues over (under) expenditures	(601,281)	(2,356,731)	75,605	\$ 7,475	2,424,861
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	(2,993,761)	(3,039,287)		(45,526)
Proceeds from issuance of refunding bond	-	2,719,843	2,720,186		343
Premium on obligations	-	314,321	328,585		14,264
Interfund transfer in	29,100	(175,571)	538,318		713,889
Interfund transfer out	-	438,380	(269,181)		(707,561)
Appropriated fund balance	572,181	2,053,519	-		(2,053,519)
Total other financing sources (uses)	601,281	2,356,731	278,621		(2,032,584)
Change in fund balance	-	-	354,226		\$ 392,277
Fund balance, beginning of year	13,969,951	13,969,951	13,969,951		
Fund balance, end of year	\$ 13,969,951	\$ 13,969,951	\$ 14,324,177		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 20,238,896	\$ 20,238,896	\$ 20,238,896		\$ -
Other real property tax items:					
Other payments in lieu of taxes	75,000	75,000	80,978		5,978
Interest and penalties - real property taxes	55,000	55,000	58,025		3,025
Total other real property tax items	130,000	130,000	139,003		9,003
Departmental income:					
Departmental income	3,000	3,000	2,223		(777)
Towing fees	150,000	150,000	126,945		(23,055)
Alarm billing	375,000	375,000	395,510		20,510
Total departmental income	528,000	528,000	524,678		(3,322)
Use of money and property:					
Interest and earnings	15,000	15,000	34,170		19,170
Total use of money and property	15,000	15,000	34,170		19,170
Licenses and permits:					
Special event permits	60,000	60,000	82,007		22,007
Total licenses and permits	60,000	60,000	82,007		22,007
Sale of property and compensation for loss:					
Insurance recoveries	-	-	11,750		11,750
Total sale of property and compensation for loss	-	-	11,750		11,750
Miscellaneous local sources:					
Miscellaneous tax receipts	-	119,385	168,509		49,124
Miscellaneous	20,000	54,070	85,944		31,874
Total miscellaneous local sources	20,000	173,455	254,453		80,998
State aid:					
State aid - mortgage tax	-	-	816,231		816,231
State aid - sales tax	1,943,561	1,943,561	1,943,561		-
State aid - public safety	5,460	81,460	89,719		8,259
Total state aid	1,949,021	2,025,021	2,849,511		824,490
Federal aid:					
Stop DWI	34,500	34,500	93,145		58,645
NYS speed enforcement	7,000	7,000	-		(7,000)
Bullet proof vest program	12,000	12,000	7,471		(4,529)
Total federal aid	53,500	53,500	100,616		47,116
Total revenues	22,994,417	23,223,872	24,235,084		1,011,212

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			Better (Worse) To Revised Budget
EXPENDITURES					
Public safety:					
Salaries	\$ 10,867,335	\$ 10,752,141	\$ 10,741,820	\$ -	\$ 10,321
Overtime	758,997	844,351	830,146	-	14,205
Severance pay	77,504	175,618	175,618	-	-
Accumulated sick/personal days	83,005	83,005	72,271	-	10,734
Holiday	595,391	538,803	526,659	-	12,144
Part time salaries	335,021	409,271	398,708	-	10,563
Pay differential special units	29,375	29,375	22,762	-	6,613
Shift differential	321,038	356,160	356,160	-	-
Longevity	355,641	412,229	411,126	-	1,103
Training	91,908	86,908	55,429	-	31,479
Instructor - shift differential	9,000	9,000	8,000	-	1,000
Cash in lieu of health benefits	24,500	24,500	22,458	-	2,042
Payment differential - sergeants supervisor	17,000	17,000	12,038	-	4,962
Clothing cleaning	1,200	1,200	900	-	300
Clothing allowance	99,584	99,584	87,400	-	12,184
Equipment	10,000	17,803	14,821	2,400	582
Vehicles	200,000	293,749	269,485	-	24,264
Emergency services team gear	5,000	8,000	5,494	-	2,506
Contracts	116,576	111,650	52,358	-	59,292
Gasoline	360,000	358,143	244,531	-	113,612
Electric	60,000	65,423	65,423	-	-
Fuel oil	33,000	33,000	26,288	-	6,712
Repair equipment	10,000	10,000	2,861	-	7,139
Repair building	50,000	39,000	33,504	-	5,496
Repair vehicle	20,000	15,000	9,233	-	5,767
Postage	5,000	5,000	3,830	-	1,170
Printing and stationery	11,000	11,000	7,314	-	3,686
Publications	5,000	3,500	2,643	-	857
Rentals	1,000	1,000	516	-	484
Telephone	9,000	9,000	7,610	-	1,390
Travel, dues and related	2,058	2,208	1,996	-	212
Photography	1,500	1,500	1,141	-	359
Uniforms	30,000	35,361	35,361	-	-
Other	20,480	22,880	21,796	-	1,084
Office supplies	8,000	13,000	10,891	-	2,109
Supplies - other	5,000	5,000	4,536	-	464
Towing	75,000	115,000	97,827	-	17,173
Ammunition	20,000	38,518	18,203	19,730	585
Flares and medical supplies	12,000	12,000	9,970	-	2,030
Safety equipment	45,000	32,000	13,314	-	18,686
Youth services - programs	10,000	10,000	9,527	-	473
Diesel fuel	1,500	2,500	1,723	-	777
Food	480	1,780	1,301	-	479
Schools and training	7,000	8,650	8,196	-	454
Telephone - wireless	3,100	3,100	2,202	-	898
Copier leases	6,000	6,000	3,027	-	2,973
Uniform cleaning	19,600	19,600	14,566	-	5,034
Consultants	-	28,750	27,889	-	861
Total public safety	14,828,793	15,178,260	14,750,872	22,130	405,258
Employee benefits:					
Employee retirement - active	2,573,737	3,562,254	3,562,254	-	-
FICA tax expenditure	847,822	921,568	871,559	-	50,009
MTA tax	46,405	46,405	45,160	-	1,245

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			To Revised Budget
Employee benefits, cont'd.:					
Worker's compensation	\$ 391,603	\$ 350,908	\$ 287,050	\$ -	\$ 63,858
Life insurance	11,340	11,644	11,644	-	-
Medical insurance - active employees	1,829,653	1,730,353	1,707,981	-	22,372
Health insurance - retirees	1,819,530	1,819,530	1,623,082	-	196,448
Medicare part B - retirees	136,625	136,625	110,187	-	26,438
Dental and optical	156,882	156,882	140,524	-	16,358
Dental and optical retirees	165,336	165,336	150,362	-	14,974
NYS unemployment insurance	8,000	8,215	8,215	-	-
Disability	4,465	4,465	2,877	-	1,588
Total employee benefits	7,991,398	8,914,185	8,520,895	-	393,290
Debt service:					
Principal	486,100	486,239	486,239	-	-
Interest	42,918	42,918	42,918	-	-
Total debt service	529,018	529,157	529,157	-	-
Total expenditures	23,349,209	24,621,602	23,800,924	22,130	798,548
Excess (deficiency) of revenues over (under) expenditures	(354,792)	(1,397,730)	434,160	\$ 22,130	1,809,760
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	(185)	(185)	-	-
Refunding bond issuance	-	166	166	-	-
Premium on obligations	-	19	4,159	-	4,140
Appropriated fund balance	354,792	1,397,730	-	-	(1,397,730)
Total other financing sources (uses)	354,792	1,397,730	4,140		(1,393,590)
Change in fund balance	-	-	438,300		\$ 416,170
Fund balance, beginning of year	2,272,228	2,272,228	2,272,228		
Fund balance, end of year	\$ 2,272,228	\$ 2,272,228	\$ 2,710,528		

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 2,130,885	\$ 2,130,885	\$ 2,130,885		\$ -
Other real property tax items:					
Other payments in lieu of taxes	7,000	7,000	9,257		2,257
Interest and penalties - real property taxes	5,000	5,000	5,275		275
Total other real property tax items	12,000	12,000	14,532		2,532
Departmental income:					
Rent Law	-	-	200		200
Electrical inspections	400,000	400,000	615,839		215,839
Zoning fees	80,000	80,000	79,100		(900)
Wetland fees	225,000	225,000	292,320		67,320
Old filed maps	5,800	5,800	(250)		(6,050)
Planning zoning amendments	11,600	11,600	10,000		(1,600)
Other PB scheduling fees	45,000	45,000	73,900		28,900
Land Management planning division - site plan - fees	128,100	128,100	112,666		(15,434)
Special exceptions planning fee	11,600	11,600	6,000		(5,600)
Photocopy fees	9,000	9,000	14,311		5,311
Sub division planning fees	113,100	113,100	142,000		28,900
Licensing	151,500	151,500	362,350		210,850
Building permit fee	2,248,687	2,265,141	3,202,064		936,923
Total departmental income	3,429,387	3,445,841	4,910,500		1,464,659
Use of money and property:					
Interest and earnings	3,500	3,500	10,893		7,393
Total use of money and property	3,500	3,500	10,893		7,393
Miscellaneous local sources					
Miscellaneous tax receipts	-	-	925		925
Miscellaneous revenue	-	-	25,100		25,100
Total miscellaneous local sources	-	-	26,025		26,025
Total revenues	5,575,772	5,592,226	7,092,835		1,500,609
EXPENDITURES					
Public safety:					
Salaries	452,760	435,936	415,677	\$ -	20,259
Overtime	20,500	22,300	22,300	-	-
Part time salaries	50,000	20,000	8,100	-	11,900
Longevity	6,635	6,635	6,626	-	9
Cash in lieu of health benefits	4,000	4,000	2,500	-	1,500
Clothing cleaning	1,800	1,800	1,800	-	-
Contracts	2,244	3,744	3,063	-	681
Gasoline	19,000	17,500	14,727	-	2,773
Repair equipment	500	4,271	2,802	-	1,469
Printing and stationery	1,500	1,500	972	-	528
Uniforms	1,000	4,032	4,027	-	5
Small equipment (non-capital)	1,000	1,079	1,079	-	-
Office supplies	800	3,868	3,160	-	708
Legal fees	-	25,500	-	-	25,500
Schools and training	5,500	5,050	5,045	-	5
Telephone - wireless	3,500	3,500	2,951	-	549
Copier Lease	-	3,000	1,371	-	1,629
Total public safety	570,739	563,715	496,200	-	67,515

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			Better (Worse) To Revised Budget
Home and community services:					
Salaries	\$ 2,699,404	\$ 2,653,259	\$ 2,621,691	\$ -	\$ 31,568
Overtime	-	14,992	12,384	-	2,608
Severance pay	-	42,233	42,233	-	-
Accumulated sick/personal days	6,820	7,125	6,150	-	975
Part time salaries	21,360	53,610	31,393	-	22,217
Longevity	55,751	55,759	55,244	-	515
Cash in lieu of health benefits	19,500	18,949	15,250	-	3,699
Equipment	5,000	5,000	3,539	-	1,461
Contracts	31,277	28,927	28,015	-	912
Gasoline	28,000	24,714	22,111	-	2,603
Repair equipment	395	395	-	-	395
Repair vehicle	2,450	-	-	-	-
Printing and stationery	10,000	13,634	13,633	-	1
Publications	7,700	2,554	1,918	-	636
Travel, dues and related	2,485	3,992	2,781	-	1,211
Other	150	2,150	2,072	-	78
Legal notices	10,780	11,642	11,641	-	1
Small equipment (non-capital)	820	570	133	-	437
Office supplies	3,900	7,309	7,308	-	1
Supplies - other	392	392	344	-	48
Safety equipment	1,500	1,500	1,485	-	15
Schools and training	915	615	545	-	70
Telephone - wireless	5,150	5,800	5,544	-	256
Landfill charges	360,400	360,400	269,557	-	90,843
Copier leases	13,380	15,100	10,913	-	4,187
Total home and community services	3,287,529	3,330,621	3,165,884	-	164,737
Employee benefits:					
Employee retirement - active	393,475	585,661	585,644	-	17
FICA tax expenditure	253,227	255,158	240,567	-	14,591
MTA tax	11,356	11,423	10,749	-	674
Worker's compensation	60,843	60,586	48,298	-	12,288
Medical insurance - active employees	677,396	664,276	598,969	-	65,307
Health insurance - retirees	275,500	275,500	256,485	-	19,015
Medicare part B - retirees	52,690	52,690	27,757	-	24,933
Dental and optical	66,461	66,227	51,725	-	14,502
NYS unemployment insurance	10,000	10,000	-	-	10,000
Disability	2,621	2,620	1,053	-	1,567
Total employee benefits	1,803,569	1,984,141	1,821,247	-	162,894
Debt service:					
Principal	112,380	112,380	112,380	-	-
Interest	12,214	12,214	12,214	-	-
Total debt service	124,594	124,594	124,594	-	-
Total expenditures	5,786,431	6,003,071	5,607,925	-	395,146
Excess (deficiency) of revenues over (under) expenditures	(210,659)	(410,845)	1,484,910	\$ -	1,895,755

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, 2014

	<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>			
OTHER FINANCING SOURCES (USES)					
Interfund transfer revenue	4,500	12,500	81,919		69,419
Interfund transfer expense	(10,000)	(10,000)	(10,000)		-
Appropriated fund balance	216,159	408,345	-		(408,345)
Total other financing sources (uses)	<u>210,659</u>	<u>410,845</u>	<u>71,919</u>		<u>(338,926)</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>1,556,829</u>		<u>\$ 1,556,829</u>
Fund balance, beginning of year	<u>1,407,347</u>	<u>1,407,347</u>	<u>1,407,347</u>		
Fund balance, end of year	<u>\$ 1,407,347</u>	<u>\$ 1,407,347</u>	<u>\$ 2,964,176</u>		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 11,059,879	\$ 11,059,879	\$ 11,059,879		\$ -
Other real property tax items:					
Other payments in lieu of taxes	46,000	46,000	48,449		2,449
Interest and penalties - real property taxes	25,000	25,000	26,375		1,375
Total other real property tax items	71,000	71,000	74,824		3,824
Departmental income:					
Engineering fees	14,000	14,000	12,400		(1,600)
Total engineering fees	14,000	14,000	12,400		(1,600)
Intergovernmental charges:					
Intergovernmental revenue	708,505	708,505	708,505		-
Revenue from other governments	-	4,108	5,566		1,458
Total intergovernmental charges	708,505	712,613	714,071		1,458
Use of money and property:					
Interest and earnings	15,000	15,000	22,406		7,406
Total use of money and property	15,000	15,000	22,406		7,406
Sale of property and compensation for loss					
Insurance recoveries	-	-	18,150		18,150
Total sale of property and compensation for loss	-	-	18,150		18,150
Miscellaneous local sources:					
Miscellaneous tax receipts	-	-	3,346		3,346
Miscellaneous	23,000	23,000	37,090		14,090
Total miscellaneous local sources	23,000	23,000	40,436		17,436
State aid:					
Consolidated highway aid	842,159	939,207	1,102,422		163,215
Total state aid	842,159	939,207	1,102,422		163,215
Total revenues	12,733,543	12,834,699	13,044,588		209,889
EXPENDITURES					
Transportation:					
Salaries	3,218,068	3,131,733	3,113,808	\$ -	17,925
Overtime	176,000	370,971	354,325	-	16,646
Severance pay	-	103,228	100,227	-	3,001
Accumulated sick/personal days	11,650	11,650	5,676	-	5,974
Part time salaries	-	2,760	2,580	-	180
Longevity	202,072	202,101	194,455	-	7,646
Cash in lieu of health benefits	20,000	20,000	19,583	-	417
Equipment	100,000	174,200	173,529	-	671
Chips seal	7,350	-	-	-	-
Road reconstruction	842,158	939,207	939,207	-	-
Culverts	7,500	-	-	-	-
Contracts - other	150,000	199,300	197,561	-	1,739

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
Transportation, cont'd.:					
Gasoline	\$ 70,000	\$ 45,791	\$ 41,266	\$ -	\$ 4,525
Electric	40,000	42,431	42,431	-	-
Fuel oil	65,000	65,000	57,844	-	7,156
Repair equipment	181,000	306,489	305,275	-	1,214
Repair building	10,000	41,921	39,163	4,256	(1,498)
Postage	1,100	1,278	1,278	-	-
Publications	1,000	4,100	3,660	-	440
Rentals	41,500	31,860	21,744	-	10,116
Telephone	4,700	4,700	4,274	-	426
Uniforms	6,750	3,705	3,571	-	134
Other	40,000	24,841	24,565	-	276
Legal notices	3,500	4,060	4,027	-	33
Small equipment (non-capital)	4,500	23,063	23,060	-	3
Office supplies	1,700	2,252	2,192	-	60
Supplies - other	45,000	68,152	67,206	-	946
Tree and stump removal	50,000	52,540	52,540	-	-
Safety equipment	20,000	21,267	21,059	-	208
Hardware	45,000	36,516	35,713	-	803
Diesel fuel	232,000	264,891	264,891	-	-
Mileage reimbursement	-	2,761	2,761	-	-
Sand	75,000	75,000	73,871	-	1,129
Salt	200,000	250,000	238,430	-	11,570
Chemicals	10,000	-	-	-	-
Road repairs	100,000	76,418	72,147	-	4,271
Schools and training	2,500	2,500	2,414	-	86
Telephone - wireless	4,700	4,700	4,117	-	583
Townwide line striping	150,000	150,000	148,509	-	1,491
Copier leases	4,200	4,200	3,147	-	1,053
Tires	25,000	39,740	39,740	-	-
Lube oil	18,000	16,698	16,044	-	654
Total transportation	6,186,948	6,822,024	6,717,890	4,256	99,878
Employee benefits:					
Employee retirement - active	444,959	662,272	662,272	-	-
FICA tax expenditure	277,970	294,222	285,642	-	8,580
MTA tax	12,448	14,867	12,724	-	2,143
Worker's compensation	775,107	640,712	615,295	-	25,417
Medical insurance - active employees	915,276	861,281	833,501	-	27,780
Health insurance - retirees	567,780	567,780	505,563	-	62,217
Medicare part B - retirees	85,600	85,600	68,380	-	17,220
Dental and optical	76,960	76,960	67,709	-	9,251
NYS unemployment insurance	11,000	11,000	-	-	11,000
Disability	1,699	1,699	110	-	1,589
Total employee benefits	3,168,799	3,216,393	3,051,196	-	165,197
Debt service:					
Principal	2,981,769	2,985,274	2,985,274	-	-
Interest	932,793	929,288	867,250	-	62,038
Total debt service	3,914,562	3,914,562	3,852,524	-	62,038
Total expenditures	13,270,309	13,952,979	13,621,610	4,256	327,113

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ (536,766)	\$ (1,118,280)	\$ (577,022)	\$ (4,256)	\$ 537,002
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	(2,919,870)	(2,919,870)		-
Refunding bond issuance	-	2,613,307	2,613,307		-
Premium on obligations	-	306,563	339,607		33,044
Appropriated fund balance	536,766	1,118,280	-		(1,118,280)
Total other financing sources (uses)	536,766	1,118,280	33,044		(1,085,236)
Change in fund balance	-	-	(543,978)		\$ (548,234)
Fund balance, beginning of year	2,713,409	2,713,409	2,713,409		
Fund balance, end of year	\$ 2,713,409	\$ 2,713,409	\$ 2,169,431		

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 2,059,311	\$ 2,059,311	\$ 2,059,311		\$ -
Other real property tax items:					
Other payments in lieu of taxes	7,000	7,000	7,501		501
Interest and penalties - real property taxes	5,000	5,000	5,275		275
Total other real property tax items	12,000	12,000	12,776		776
Departmental income:					
Rentals	100,000	100,000	130,675		30,675
Total departmental income	100,000	100,000	130,675		30,675
Use of money and property:					
Interest and earnings	3,000	3,000	5,140		2,140
Total use of money and property	3,000	3,000	5,140		2,140
Miscellaneous local sources:					
Insurance recoveries	-	-	212		212
Total miscellaneous local sources	-	-	212		212
State aid:					
State aid - other public safety	70,000	70,000	147,768		77,768
Total state aid	70,000	70,000	147,768		77,768
Total revenues	2,244,311	2,244,311	2,355,882		111,571
EXPENDITURES					
Public safety:					
Salaries	1,199,978	1,194,672	1,194,095	\$ -	577
Overtime	50,049	50,049	42,274	-	7,775
Holiday	11,025	14,864	14,864	-	-
Pay differential - shift	55,503	50,850	48,503	-	2,347
Longevity	57,147	57,961	57,961	-	-
Cash in lieu of health benefits	9,000	9,000	6,500	-	2,500
Uniform cleaning allowance	6,000	6,600	6,600	-	-
Contracts	137,076	137,076	123,766	-	13,310
Electric	7,203	7,203	6,446	-	757
Repair equipment	-	1,000	595	-	405
Rentals	106,137	106,137	100,572	-	5,565
Telephone	1,000	1,013	1,013	-	-
Uniforms	8,000	5,046	4,023	-	1,023
Small equipment (non-capital)	700	3,250	2,696	-	554
Office supplies	250	237	-	-	237
Schools and training	5,000	5,404	5,404	-	-
Contracts - copier lease	5,880	5,880	5,830	-	50
Unallocated - severance	-	10,131	10,131	-	-
Total public safety	1,659,948	1,666,373	1,631,273	-	35,100

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, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			Better (Worse) To Revised Budget
Employee benefits:					
Employee retirement - active	\$ 179,143	\$ 266,635	\$ 266,635	\$ -	\$ -
FICA tax expenditure	106,235	106,235	103,914	-	2,321
MTA tax	4,722	4,722	4,618	-	104
Worker's compensation	6,000	6,000	4,763	-	1,237
Medical insurance - active employees	297,668	292,243	280,756	-	11,487
Dental and optical	27,392	27,392	23,970	-	3,422
Disability	605	605	28	-	577
Health insurance - retirees	69,100	69,100	52,527	-	16,573
Medicare part B - retirees	17,750	17,750	6,293	-	11,457
Total employee benefits	708,615	790,682	743,504	-	47,178
Debt service:					
Principal	5,000	5,000	5,000	-	-
Interest	1,350	1,350	1,350	-	-
Total debt service	6,350	6,350	6,350	-	-
Total expenditures	2,374,913	2,463,405	2,381,127	-	82,278
Excess (deficiency) of revenues over (under) expenditures	(130,602)	(219,094)	(25,245)	\$ -	193,849
OTHER FINANCING SOURCES					
Interfund transfer in	-	1,000	1,000		-
Appropriated fund balance	130,602	218,094	-		(218,094)
Total other financing sources	130,602	219,094	1,000		(218,094)
Change in fund balance	-	-	(24,245)		\$ (24,245)
Fund balance, beginning of year	604,175	604,175	604,175		
Fund balance, end of year	\$ 604,175	\$ 604,175	\$ 579,930		

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWN OF SOUTHAMPTON
SCHEDULE OF EMPLOYER CONTRIBUTIONS - SERVICE AWARD PROGRAM
DECEMBER 31, 2014

Westhampton War Memorial Ambulance Corporation:

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 53,011	\$ 69,000	130.16%
2013	63,616	63,616	100.00%
2012	59,797	59,797	100.00%

Flanders Northampton Volunteer Ambulance Corporation:

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 57,761	\$ 73,000	126.38%
2013	56,932	56,932	100.00%
2012	63,640	63,640	100.00%

Hampton Bays Volunteer Ambulance Corporation:

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 43,368	\$ 70,000	161.41%
2013	63,246	63,246	100.00%
2012	63,222	63,222	100.00%

Southampton Volunteer Ambulance Corporation:

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 32,052	\$ 49,000	152.88%
2013	43,028	43,028	100.00%
2012	42,696	42,696	100.00%

TOWN OF SOUTHAMPTON
SCHEDULE OF FUNDING PROGRESS - SERVICE AWARD PROGRAM
DECEMBER 31, 2014

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]
2013	\$ 571,391	\$ 646,636	\$ 75,245	88.36%	N/A*	N/A*
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*

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]
2013	\$ 634,500	\$ 622,327	\$ (12,173)	101.96%	N/A*	N/A*
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*

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]
2013	\$ 671,783	\$ 574,142	\$ (97,641)	117.01%	N/A*	N/A*
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*

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]
2013	\$ 535,696	\$ 475,081	\$ (60,615)	112.76%	N/A*	N/A*
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*

* 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, 2014

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)
01/01/14	\$ -	\$ 147,335,207	\$ 147,335,207	0%	\$ 38,943,443	378.33%
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%

OTHER SUPPLEMENTARY INFORMATION

TOWN OF SOUTHAMPTON
SCHEDULE OF OPEN PROJECTS - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

Project Number	Project Title	Expenditures						Methods of Financing						Fund Balance December 31, 2014
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Current Year				Total		
								Prior Years	Proceeds of Obligations	Federal Aid	State Aid		Local Sources	
9947	Unallocated	\$ 6,145	\$ 6,145	\$ -	\$ 6,130	\$ 6,130	\$ 15	\$ 6,145	\$ -	\$ -	\$ -	\$ 21,215	\$ 27,360	21,230
C110	Nathaniel Rodgers House	850,000	4,829,032	2,060,787	306,007	2,366,794	2,462,238	2,979,032	-	-	-	1,850,000	4,829,032	2,462,238
C115	Town Hall Facilities	40,000	40,000	23,277	16,723	40,000	-	40,000	-	-	-	-	40,000	-
C118	Beach Nourishment	100,000	100,000	54,446	8,500	62,946	37,054	100,000	-	-	-	-	100,000	37,054
C120	Public Safety Phase II	420,729	310,581	168,148	96,540	264,688	45,893	305,281	-	-	5,300	-	310,581	45,893
C123	Solid Waste Management	100,000	100,000	78,484	1,200	79,684	20,316	100,000	-	-	-	-	100,000	20,316
C134	NS Landfill Post Closure	350,000	350,000	6,203	94,103	100,306	249,694	350,000	-	-	-	-	350,000	249,694
C144	Local Waterfront Revenue	209,652	325,477	162,646	67,058	229,704	95,773	325,477	-	-	-	-	325,477	95,773
C152	Records Management Microfilming	221,433	161,280	65,031	96,249	161,280	-	161,280	-	-	-	-	161,280	-
C201	Reeves Bay	200,000	200,000	-	-	-	200,000	200,000	-	-	-	-	200,000	200,000
C205	Bridge Maintenance	97,050	97,050	57,734	6,591	64,325	32,725	97,050	-	-	-	-	97,050	32,725
C206	Code Enforcement Mobile Equipment	8,945	8,945	8,943	2	8,945	-	8,945	-	-	-	-	8,945	-
C215	Town Facilities Renovation	206,844	427,094	197,545	203,634	391,179	35,915	427,094	-	-	-	-	427,094	35,915
C218	Sebonac Bulkhead	136,000	136,900	84,185	32,850	117,035	19,865	136,900	-	-	-	-	136,900	19,865
C220	Roadway Improvements	174,546	3,680,639	3,284,986	395,653	3,680,639	-	3,680,639	-	-	-	-	3,680,639	-
C221	Network Infrastructure	5,980	373,390	346,628	26,762	373,390	-	373,390	-	-	-	-	373,390	-
C223	Arc GIS Image Service	8,686	68,264	52,943	15,321	68,264	-	68,264	-	-	-	-	68,264	-
C225	Park Improvements	234,200	348,127	183,292	164,835	348,127	-	217,896	-	-	130,231	-	348,127	-
C231	Bus Shelter	217,024	217,024	107,023	90,270	197,293	19,731	217,024	-	-	-	-	217,024	19,731
C232	Information Technology Security	200,000	155,704	140,188	15,516	155,704	-	150,688	-	-	5,016	-	155,704	-
C233	Dredging Park Facilities	46,499	121,499	93,200	-	93,200	28,299	121,499	-	-	-	-	121,499	28,299
C240	Water Main Extension	1,365,000	2,465,000	2,335,298	129,702	2,465,000	-	1,365,000	1,100,000	-	-	-	2,465,000	-
C242	Time and Attendance	38,000	121,000	91,893	7,072	98,965	22,035	121,000	-	-	-	-	121,000	22,035
C305	Animal Shelter HVAC	60,000	63,140	6,840	32,625	39,465	23,675	60,000	-	-	3,140	-	63,140	23,675
C307	Town Hall Heating	112,000	112,000	-	112,000	112,000	-	112,000	-	-	-	-	112,000	-
C313	NS Park Restrooms	50,123	75,781	2,535	25,658	28,193	47,588	75,781	-	-	-	-	75,781	47,588
C316	ICAD	200,000	400,000	-	55,619	55,619	344,381	200,000	200,000	-	-	-	400,000	344,381
C321	Elevation of Dune Road	100,000	1,050,000	75,000	-	75,000	-	975,000	1,050,000	-	-	-	1,050,000	975,000
C327	AA Museum	341,000	463,725	-	-	-	463,725	341,000	-	-	-	122,725	463,725	463,725
C328	Blue Barn	170,000	170,000	-	-	-	170,000	170,000	-	-	-	-	170,000	-
C401	Shuttle Buses	101,596	101,596	-	101,596	101,596	-	101,596	-	-	-	-	101,596	-
C402	Lyzon Hat Shop	62,650	487,528	-	12,018	12,018	475,510	62,650	-	-	424,878	-	487,528	475,510
C404	Improvement of Unimproved Roads	150,000	150,000	-	-	-	150,000	150,000	-	-	-	-	150,000	150,000
C405	Virtual Desk Top	85,000	85,000	69,000	16,000	85,000	-	85,000	-	-	-	-	85,000	-
C411	Victorian Barn at Big Duck	217,000	224,125	7,125	217,000	224,125	-	217,000	-	-	7,125	-	224,125	-
C412	Code Services Software	77,500	82,500	44,728	37,772	82,500	-	77,500	-	-	5,000	-	82,500	-
C413	Town Facilities Improvements	300,000	300,000	36,651	73,958	110,609	189,391	300,000	-	-	-	-	300,000	189,391
C500	Board Room Technology	33,000	33,000	6,027	6,027	6,027	26,973	33,000	-	-	-	-	33,000	26,973
C501	Email Solution	70,000	70,000	-	70,000	70,000	-	70,000	-	-	33,000	-	70,000	-
C502	Jackson Avenue Security System	118,271	118,271	-	82,216	82,216	36,055	100,000	-	-	18,271	-	118,271	36,055
C503	Licensing	10,000	10,000	-	3,281	3,281	6,719	10,000	-	-	-	-	10,000	6,719
C504	Technology Improvements	13,770	42,051	-	27,309	27,309	14,742	13,770	20,000	-	-	8,281	42,051	14,742
C505	Virtual Env. Update	60,000	60,000	-	30,176	30,176	29,824	60,000	-	-	-	-	60,000	29,824
C506	Riverside Rev. Action Plan	68,969	68,969	-	68,560	68,560	409	-	-	-	68,560	-	68,560	-
C507	Beach Facility Upgrade	155,564	155,564	-	-	-	155,564	-	-	-	5,564	-	155,564	5,564
C508	Parks Heavy Equipment	2,674	162,457	-	162,457	162,457	-	2,674	155,000	-	-	4,783	162,457	-
C509	Shinnecock Dock Repair	75,000	75,000	-	-	-	75,000	-	-	-	75,000	-	75,000	-
C510	Highway Equipment	1,364	771,364	-	770,817	770,817	547	1,364	769,453	-	-	-	770,817	-
C511	Highway Salt Barn Improvements	17,107	217,107	-	4,965	4,965	212,142	17,107	200,000	-	-	-	217,107	212,142
C512	Town-wide Bulkhead Improvements	34,093	84,093	-	34,093	34,093	50,000	34,093	-	-	-	-	34,093	-
C513	Town-wide Drainage Improvements	30,169	205,169	-	155,027	155,027	50,142	30,169	124,858	-	-	-	155,027	-
C514	Town-wide Road Improvements	356,977	1,256,977	-	1,232,554	1,232,554	24,423	356,977	875,577	-	-	-	1,232,554	-
C515	Town-side Sidewalks	1,021	101,021	-	100,758	100,758	263	1,020	99,738	-	-	-	100,758	-
C516	Fleet Management Software	40,000	40,000	-	-	-	40,000	-	40,000	-	-	-	40,000	-
C517	Waste Management Equipment	224,454	224,454	-	-	-	224,454	-	-	-	-	-	-	-
C518	PD Heavy Trucks	16,111	91,111	-	91,111	91,111	-	16,111	75,000	-	-	-	91,111	-
C519	Bay Constable Patrol Boat	175,000	175,000	-	174,209	174,209	791	175,000	-	-	-	-	175,000	791
C520	Canoe Place Chapel Rest	296,689	296,689	-	2,800	2,800	293,889	-	-	-	296,689	-	296,689	293,889
C522	Good Ground Park	258,000	258,000	-	141,845	141,845	116,155	-	-	-	53,514	-	182,514	40,669
C523	Riverside Pedestrian Bridge	85,875	85,875	-	82,721	82,721	3,154	-	-	-	-	-	82,721	-
C524	Tiana Lifesaving Station	20,000	20,000	-	10,800	10,800	9,200	-	-	-	20,000	-	20,000	9,200
C610	Highway Equipment	547	547	-	-	-	547	-	547	-	-	-	547	-
C611	Town-wide Bulkhead Improvements	84,093	84,093	-	-	-	84,093	-	50,000	-	-	-	50,000	-
C612	Town-wide Drainage Improvements	50,142	50,142	-	-	-	50,142	-	50,142	-	-	-	50,142	-
C613	Town-wide Road Improvements	24,433	24,433	-	-	-	24,433	-	24,433	-	10	-	24,433	-
C614	Town-wide Sidewalks	262	262	-	-	-	262	-	262	-	-	-	262	-
C619	Town Hall Assessment	128,723	128,723	-	-	-	128,723	-	-	-	128,723	-	128,723	-
C804	Stormwater Management Plan	1,288,427	1,288,427	679,734	122,028	801,762	486,665	1,288,427	-	-	-	-	1,288,427	486,665
C829	Bridge Lane Bridge	582,750	582,750	162,583	-	162,583	420,167	582,750	-	-	-	-	582,750	420,167
C900	Capital Project Management	275,444	298,177	259,442	18,113	277,555	20,622	296,122	-	-	2,055	-	298,177	20,622
C909	Comp Plan Implementation	250,000	375,000	290,581	84,419	375,000	-	375,000	-	-	-	-	375,000	-
Totals		\$ 11,049,104	\$ 25,863,272	\$ 11,227,099	\$ 5,871,250	\$ 17,098,349	\$ 8,764,923	\$ 17,570,715	\$ 4,200,000	\$ -	\$ 53,514	\$ 3,398,659	\$ 25,222,888	\$ 8,124,539

TOWN OF SOUTHAMPTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

SPECIAL REVENUE FUNDS

SPECIAL DISTRICTS FUNDS

	Special Grant Fund	Special Fund	Fire Protection Districts	Lighting Districts	Public Parking Districts	Water Districts	Ambulance Districts	Coastal Erosion	Parks Districts	Total Non-Major Governmental Funds
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 198,173	\$ 579,348	\$ 164,524	\$ 827,010	\$ 541,392	\$ 1,596,770	\$ 551,395	\$ 4,458,612
Restricted cash	92,358	5,603,433	-	-	62,484	1,103,831	-	-	-	6,862,106
Accounts receivable, net	151,787	5,000	-	-	5,878	734,781	-	-	-	897,446
Due from fiduciary funds	-	-	-	899	-	-	-	-	-	899
Prepaid expenses	-	-	-	9,424	-	60,541	-	-	-	69,965
Total assets	\$ 244,145	\$ 5,608,433	\$ 198,173	\$ 589,671	\$ 232,886	\$ 2,726,163	\$ 541,392	\$ 1,596,770	\$ 551,395	\$ 12,289,028
LIABILITIES										
Accounts payable	\$ 555	\$ 55,152	\$ 22,078	\$ 22,920	\$ 1,250	\$ 54,433	\$ -	\$ 55,618	\$ 6,454	\$ 218,460
Accrued liabilities	40,119	176,064	-	-	-	1,575	-	-	-	217,758
Due to fiduciary funds	-	-	-	-	-	810	-	-	-	810
Total liabilities	40,674	231,216	22,078	22,920	1,250	56,818	-	55,618	6,454	437,028
DEFERRED INFLOWS										
Property taxes	-	2,022	62,459	42,030	8,877	82,817	231,093	183,025	39,528	651,851
Unavailable grant revenues	147,354	-	-	-	-	-	-	-	-	147,354
Total deferred inflows	147,354	2,022	62,459	42,030	8,877	82,817	231,093	183,025	39,528	799,205
FUND BALANCE										
Fund balance:										
Nonspendable	-	-	-	9,424	-	60,541	-	-	-	69,965
Restricted	56,117	5,375,195	-	-	-	1,103,831	-	-	-	6,535,143
Assigned	-	-	113,636	515,297	222,759	1,422,156	310,299	1,358,127	505,413	4,447,667
Total fund balance	56,117	5,375,195	113,636	524,721	222,759	2,586,528	310,299	1,358,127	505,413	11,052,795
Total liabilities, deferred inflows and fund balance	\$ 244,145	\$ 5,608,433	\$ 198,173	\$ 589,671	\$ 232,886	\$ 2,726,163	\$ 541,392	\$ 1,596,770	\$ 551,395	\$ 12,289,028

TOWN OF SOUTHAMPTON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SPECIAL REVENUE FUNDS

	SPECIAL DISTRICTS FUNDS								Total Non-Major Governmental Funds	
	Special Grant Fund	Special Fund	Fire Protection Districts	Lighting Districts	Public Parking Districts	Water Districts	Ambulance Districts	Coastal Erosion		Parks Districts
REVENUES										
Real property taxes	\$ -	\$ 20,000	\$ 829,229	\$ 602,374	\$ 116,752	\$ 1,181,369	\$ 3,132,761	\$ 2,696,918	\$ 539,852	\$ 9,119,255
Other real property tax items	-	-	5,576	2,182	178	29,870	93,503	-	1,155	132,464
Departmental income	-	-	-	-	-	2,252,686	-	-	-	2,252,686
Use of money and property	70	22,192	675	2,171	826	306,653	3,086	11,681	2,097	349,451
Miscellaneous local sources	6,575	712,626	-	-	12,758	45,392	-	-	-	777,351
State aid	-	2,148	-	-	-	-	-	-	-	2,148
Federal aid	3,903,115	-	-	-	-	-	-	-	-	3,903,115
Total revenues	3,909,760	756,966	835,480	606,727	130,514	3,815,970	3,229,350	2,708,599	543,104	16,536,470
EXPENDITURES										
General governmental support	-	92,059	-	-	-	-	-	-	-	92,059
Public safety	-	-	816,389	-	-	-	-	-	-	816,389
Health	-	-	-	-	-	-	2,943,708	-	-	2,943,708
Transportation	-	-	-	424,132	96,704	-	-	-	-	520,836
Economic assistance and opportunity	-	22,209	-	-	-	-	-	-	-	22,209
Culture and recreation	-	94,454	-	-	-	-	-	-	374,659	469,113
Home and community services	3,913,219	151,542	-	-	-	2,253,497	-	5,097,072	-	11,415,330
Employee benefits	-	1,442	-	73,105	-	568,341	261,000	-	-	903,888
Debt service -										
Principal	-	-	15,000	45,858	20,199	508,465	17,475	1,965,000	70,481	2,642,478
Interest	-	-	1,125	11,361	2,803	190,648	5,220	616,866	16,780	844,803
Total expenditures	3,913,219	361,706	832,514	554,456	119,706	3,520,951	3,227,403	7,678,938	461,920	20,670,813
Excess (deficiency) of revenues over (under) expenditures	(3,459)	395,260	2,966	52,271	10,808	295,019	1,947	(4,970,339)	81,184	(4,134,343)
OTHER FINANCING SOURCES (USES)										
Payment to refunded bond escrow agent	-	-	-	-	(142)	(429,620)	-	-	(428,395)	(858,157)
Refunding bond issuance	-	-	-	-	127	384,513	-	-	383,417	768,057
Premium on obligations	-	-	-	-	15	61,666	-	-	44,978	106,659
Interfund transfers in	-	30,691	-	-	-	22,288	-	-	-	52,979
Interfund transfers out	-	(152,061)	-	-	-	-	-	-	-	(152,061)
Total other financing sources (uses)	-	(121,370)	-	-	-	38,847	-	-	-	(82,523)
Change in fund balance	(3,459)	273,890	2,966	52,271	10,808	333,866	1,947	(4,970,339)	81,184	(4,216,866)
Fund balance, beginning of year as restated, (see note 16)	59,576	5,101,305	110,670	472,450	211,951	2,252,662	308,352	6,328,466	424,229	15,269,661
Fund balance, end of year	\$ 56,117	\$ 5,375,195	\$ 113,636	\$ 524,721	\$ 222,759	\$ 2,586,528	\$ 310,299	\$ 1,358,127	\$ 505,413	\$ 11,052,795

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE PROTECTION DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 829,850	\$ 829,850	\$ 829,229		\$ (621)
Other real property tax items:					
Other payments in lieu of taxes	6,000	6,000	5,576		(424)
Total other real property tax items	6,000	6,000	5,576		(424)
Use of money and property:					
Interest and earnings	600	600	675		75
Total use of money and property	600	600	675		75
Total revenues	836,450	836,450	835,480		(970)
EXPENDITURES					
Public safety:					
Contracts - other	772,559	772,628	772,622	\$ -	6
Electric	47,766	47,762	43,767	-	3,995
Total public safety	820,325	820,390	816,389	-	4,001
Debt service:					
Principal	15,000	15,000	15,000	-	-
Interest	1,125	1,125	1,125	-	-
Total debt service	16,125	16,125	16,125	-	-
Total expenditures	836,450	836,515	832,514	-	4,001
Excess (deficiency) of revenues over (under) expenditures	-	(65)	2,966	\$ -	3,031
OTHER FINANCING SOURCES					
Appropriated fund balance	-	65	-		65
Total other financing sources	-	65	-		65
Change in fund balance	-	-	2,966		\$ 3,096
Fund balance, beginning of year	110,670	110,670	110,670		
Fund balance, end of year	\$ 110,670	\$ 110,670	\$ 113,636		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIGHTING DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 602,374	\$ 602,374	\$ 602,374		\$ -
Other real property tax items:					
Other payments in lieu of taxes	1,997	1,997	2,182		185
Total other real property tax items	1,997	1,997	2,182		185
Use of money and property:					
Interest and earnings	1,198	1,198	2,171		973
Total use of money and property	1,198	1,198	2,171		973
Total revenues	605,569	605,569	606,727		1,158
EXPENDITURES					
Transportation:					
Salaries	139,009	139,009	109,276	\$ -	29,733
Overtime	-	569	452	-	117
Severance pay	-	45,931	45,931	-	-
Longevity	11,265	13,055	5,749	-	7,306
Electric	263,626	262,705	233,563	-	29,142
Other	27,550	33,419	29,161	-	4,258
Small equipment (non-capital)	27,000	20,566	-	-	20,566
Total transportation	468,450	515,254	424,132	-	91,122
Employee benefits:					
Employee retirement	19,385	28,929	28,854	-	75
FICA tax expense	11,497	15,149	12,127	-	3,022
MTA tax expense	509	737	545	-	192
Worker's compensation	4,077	4,077	3,237	-	840
Medical insurance	41,641	41,641	26,425	-	15,216
Dental and optical	2,610	2,610	1,917	-	693
Disability	58	58	-	-	58
Total employee benefits	79,777	93,201	73,105	-	20,096
Debt service:					
Principal	45,863	45,863	45,858	-	5
Interest	11,479	12,400	11,361	-	1,039
Total debt service	57,342	58,263	57,219	-	1,044
Total expenditures	605,569	666,718	554,456	-	112,262
Excess (deficiency) of revenues over (under) expenditures	-	(61,149)	52,271	\$ -	113,420
OTHER FINANCING SOURCES					
Appropriated fund balance	-	61,149	-		(61,149)
Total other financing sources	-	61,149	-		(61,149)
Change in fund balance	-	-	52,271		\$ 52,271
Fund balance, beginning of year	472,450	472,450	472,450		
Fund balance, end of year	\$ 472,450	\$ 472,450	\$ 524,721		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PUBLIC PARKING DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 116,752	\$ 116,752	\$ 116,752		\$ -
Other real property tax items:					
Other payments in lieu of taxes	-	-	178		178
Total other real property tax items	-	-	178		178
Use of money and property:					
Interest and earnings	525	525	826		301
Total use of money and property	525	525	826		301
Miscellaneous local sources:					
Sales, other	5,000	5,000	12,758		7,758
Total miscellaneous local sources	5,000	5,000	12,758		7,758
Total revenues	122,277	122,277	130,514		8,237
EXPENDITURES					
Transportation:					
P & R CB Water	16,450	14,441	12,040	\$ -	2,401
Contracts	82,305	83,692	83,673	-	19
Electric	1,200	1,200	991	-	209
Total transportation	99,955	99,333	96,704	-	2,629
Debt service:					
Principal	20,093	20,199	20,199	-	-
Interest	2,229	2,803	2,803	-	-
Total debt service	22,322	23,002	23,002	-	-
Total expenditures	122,277	122,335	119,706	\$ -	2,629
Excess (deficiency) of revenues over (under) expenditures	-	(58)	10,808		10,866
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	(142)	(142)		-
Refunding bond issuance	-	127	127		-
Premium on obligations	-	15	15		-
Appropriated fund balance	-	58	-		58
Total other financing sources (uses)	-	58	-		58
Change in fund balance	-	-	10,808		\$ 10,924
Fund balance, beginning of year	211,951	211,951	211,951		
Fund balance, end of year	\$ 211,951	\$ 211,951	\$ 222,759		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - WATER DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 1,181,369	\$ 1,181,369	\$ 1,181,369		\$ -
Other real property tax items:					
Other payments in lieu of taxes	21,418	21,418	25,650		4,232
Interest and penalties - real property taxes	4,000	4,000	4,220		220
Total other real property tax items	25,418	25,418	29,870		4,452
Departmental income:					
Metered water sales	2,073,000	2,073,000	2,252,686		179,686
Total departmental income	2,073,000	2,073,000	2,252,686		179,686
Use of money and property:					
Interest and earnings	3,000	3,000	4,327		1,327
Rentals	325,000	325,000	302,326		(22,674)
Total use of money and property	328,000	328,000	306,653		(21,347)
Miscellaneous local sources:					
Miscellaneous	-	-	45,392		45,392
Total miscellaneous local sources	-	-	45,392		45,392
Total revenues	3,607,787	3,607,787	3,815,970		208,183
EXPENDITURES					
Home and community services:					
Salaries	760,435	760,435	757,647	\$ -	2,788
Overtime	-	6,841	6,841	-	-
Part time salaries	29,098	22,398	21,619	-	779
Longevity	28,899	28,899	28,826	-	73
Cash in lieu of health benefits	-	2,500	1,667	-	833
Contracts	539,763	534,702	500,206	-	34,496
Postage	15,200	13,823	13,299	-	524
Publicity and public notices	294	-	-	-	-
Office supplies	1,090	1,384	1,238	-	146
Equipment	34,300	34,300	22,174	-	12,126
Meter settings	45,000	45,000	42,385	-	2,615
Electric	248,000	253,031	253,030	-	1
Fuel oil	35,000	35,410	29,819	-	5,591
Repair equipment	49,000	51,079	45,193	-	5,886
Vehicle repair	-	9,504	9,504	-	-
Telephone	6,000	6,000	4,768	-	1,232
Travel, dues and related	1,200	350	350	-	-
Uniforms	3,400	3,400	3,395	-	5
Safety equipment	1,800	1,800	1,050	-	750
Diesel fuel	8,000	8,000	6,321	-	1,679
Chemicals	150,000	139,000	123,256	-	15,744
Water analysis	49,000	49,000	47,894	-	1,106
Engineering fees	35,000	35,000	31,827	-	3,173
Wireless telephone	1,800	1,800	1,585	-	215
Landfill charges	3,000	3,000	2,329	-	671
Cost of water	288,000	298,000	297,274	-	726
Total home and community services	2,333,279	2,344,656	2,253,497	-	91,159

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - WATER DISTRICTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			Better (Worse) To Revised Budget
Employee benefits:					
Employee retirement	\$ 101,824	\$ 151,555	\$ 151,555	\$ -	\$ -
FICA tax expense	62,610	62,610	61,028	-	1,582
MTA tax expense	2,783	2,783	2,711	-	72
Worker's compensation	62,645	62,645	49,729	-	12,916
Medical insurance	229,983	227,342	209,252	-	18,090
Medical insurance - retiree	76,060	76,060	67,169	-	8,891
Medicare reimbursement - part B	23,350	23,350	12,588	-	10,762
Dental and optical	16,942	16,942	14,144	-	2,798
Disability	461	461	165	-	296
Total employee benefits	576,658	623,748	568,341	-	55,407
Debt service:					
Principal	507,886	508,465	508,465	-	-
Interest	189,964	190,648	190,648	-	-
Total debt service	697,850	699,113	699,113	-	-
Total expenditures	3,607,787	3,667,517	3,520,951	-	146,566
Excess (deficiency) of revenues over (under) expenditures	-	(59,730)	295,019	\$ -	354,749
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	(429,620)	(429,620)		-
Refunding bond issuance	-	384,513	384,513		-
Premium on obligations	-	45,106	61,666		(16,560)
Interfund transfer revenue	-	-	22,288		(22,288)
Appropriated fund balance	-	59,731	-		(59,731)
Total other financing sources (uses)	-	59,730	38,847		(98,579)
Change in fund balance	-	-	333,866		\$ 256,170
Fund balance, beginning of year	2,252,662	2,252,662	2,252,662		
Fund balance, end of year	\$ 2,252,662	\$ 2,252,662	\$ 2,586,528		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AMBULANCE DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 3,216,671	\$ 3,216,671	\$ 3,132,761		\$ (83,910)
Other real property tax items:					
Other payments in lieu of taxes	6,900	6,900	93,503		86,603
Total other real property tax items	6,900	6,900	93,503		86,603
Use of money and property:					
Interest and earnings	2,100	2,100	3,086		986
Total use of money and property	2,100	2,100	3,086		986
Total revenues	3,225,671	3,225,671	3,229,350		3,679
EXPENDITURES					
Public safety:					
Contracts	2,943,708	2,943,708	2,943,708	\$ -	-
Total public safety	2,943,708	2,943,708	2,943,708	-	-
Employee benefits:					
LOSAP	261,000	261,000	261,000	-	-
Total employee benefits	261,000	261,000	261,000	-	-
Debt service:					
Principal	17,475	17,475	17,475	-	-
Interest	3,488	5,220	5,220	-	-
Total debt service	20,963	22,695	22,695	-	-
Total expenditures	3,225,671	3,227,403	3,227,403	\$ -	-
Excess (deficiency) of revenues over (under) expenditures	-	(1,732)	1,947		3,679
OTHER FINANCING SOURCES					
Appropriated fund balance	-	1,732	-		1,732
Total other financing sources	-	1,732	-		1,732
Change in fund balance	-	-	1,947		\$ 5,411
Fund balance, beginning of year	308,352	308,352	308,352		
Fund balance, end of year	\$ 308,352	\$ 308,352	\$ 310,299		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COASTAL EROSION
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 2,696,918	\$ 2,696,918	\$ 2,696,918		\$ -
Use of money and property:					
Interest and earnings	-	-	11,681		11,681
Total use of money and property	-	-	11,681		11,681
Miscellaneous local sources					
Miscellaneous	4,950	4,950	-		(4,950)
Total miscellaneous local sources	4,950	4,950	-		(4,950)
Total revenues	2,701,868	2,701,868	2,708,599		6,731
EXPENDITURES					
Home and community services:					
Other	-	20,461	20,461	\$ -	-
Consultants	120,000	780,433	682,578	8,852	89,003
Beach nourishments	-	5,235,789	4,394,033	-	841,756
Total home and community services	120,000	6,036,683	5,097,072	8,852	930,759
Debt service					
Principal	1,965,000	1,965,000	1,965,000	-	-
Interest	616,868	616,866	616,866	-	-
Total debt service	2,581,868	2,581,866	2,581,866	-	-
Total expenditures	2,701,868	8,618,549	7,678,938	8,852	930,759
Excess (deficiency) of revenues over (under) expenditures	-	(5,916,681)	(4,970,339)	\$ 8,852	937,490
OTHER FINANCING SOURCES					
Appropriated fund balance	-	5,916,681	-		(5,916,681)
Total other financing sources	-	5,916,681	-		(5,916,681)
Change in fund balance	-	-	(4,970,339)		\$ (4,979,191)
Fund balance, beginning of year	6,328,466	6,328,466	6,328,466		
Fund balance, end of year	\$ 6,328,466	\$ 6,328,466	\$ 1,358,127		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PARKS DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual	Year-end Encumbrances	Variance Better (Worse) To Revised Budget
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 539,852	\$ 539,852	\$ 539,852		\$ -
Other real property tax items:					
Other payments in lieu of taxes	1,500	1,500	1,155		(345)
Total other real property tax items	1,500	1,500	1,155		(345)
Use of money and property:					
Interest and earnings	1,150	1,150	2,097		947
Total use of money and property	1,150	1,150	2,097		947
Total revenues	542,502	542,502	543,104		602
EXPENDITURES					
Culture and recreation:					
Contracts	439,400	440,063	374,659	\$ -	65,404
Building repair	10,000	10,000			10,000
Total culture and recreation	449,400	450,063	374,659	-	75,404
Debt service:					
Principal	70,227	70,481	70,481	-	-
Interest	22,875	22,621	16,780	-	5,841
Total debt service	93,102	93,102	87,261	-	5,841
Total expenditures	542,502	543,165	461,920	-	81,245
Excess (deficiency) of revenues over (under) expenditures	-	(663)	81,184	\$ -	81,847
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	(428,395)	(428,395)		-
Refunding bond issuance	-	383,417	383,417		-
Premium on obligations	-	44,978	44,978		-
Appropriated fund balance	-	663	-		663
Total other financing sources (uses)	-	663	-		663
Change in fund balance	-	-	81,184		\$ 82,510
Fund balance, beginning of the year	424,229	424,229	424,229		
Fund balance, end of year	\$ 424,229	\$ 424,229	\$ 505,413		

OTHER
SUPPLEMENTARY
INFORMATION

TOWN OF SOUTHAMPTON
FIDUCIARY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2014

	<u>Town Agency Fund</u>	<u>Town Receiver of Taxes Agency Fund</u>	<u>Justice Court Agency Fund</u>	<u>Total Agency Funds</u>
ASSETS				
Cash	\$ 2,505,752	\$ 80,908,508	\$ 658,997	\$ 84,073,257
Due from governmental funds	1,377,842	-	-	1,377,842
Service award program assets	2,413,371	-	-	2,413,371
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 6,296,965</u>	<u>\$ 80,908,508</u>	<u>\$ 658,997</u>	<u>\$ 87,864,470</u>
LIABILITIES				
Due to proprietary funds	\$ 263,817	\$ -	\$ -	\$ 263,817
Due to governmental funds	1,059,862	-	-	1,059,862
Due to school districts	-	40,454,254	-	40,454,254
Due to Law Enforcement Services	-	-	21,770	21,770
Town Justice liability	-	-	270,497	270,497
Bail liability	-	-	366,730	366,730
Service award program liabilities	2,413,371	-	-	2,413,371
Other agency liabilities	2,559,915	40,454,254	-	43,014,169
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 6,296,965</u>	<u>\$ 80,908,508</u>	<u>\$ 658,997</u>	<u>\$ 87,864,470</u>

OTHER
SUPPLEMENTARY
INFORMATION

TOWN OF SOUTHAMPTON
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
ASSETS				
Cash	\$ 75,807,517	\$ 165,649,894	\$ 157,384,154	\$ 84,073,257
Accounts receivable	5,419	-	5,419	-
Due from proprietary funds	1,485	-	1,485	-
Due from governmental funds	1,315,884	1,377,842	1,315,884	1,377,842
Service award program assets	1,907,204	506,167	-	2,413,371
	<u>79,037,509</u>	<u>167,533,903</u>	<u>158,706,942</u>	<u>87,864,470</u>
Total assets	<u>\$ 79,037,509</u>	<u>\$ 167,533,903</u>	<u>\$ 158,706,942</u>	<u>\$ 87,864,470</u>
LIABILITIES				
Due to proprietary funds	\$ 228,066	\$ 263,817	\$ 228,066	\$ 263,817
Due to governmental funds	1,030,022	1,059,862	1,030,022	1,059,862
Due to school districts	35,943,962	40,454,254	35,943,962	40,454,254
Due to Law Enforcement Services	24,080	301,136	303,446	21,770
Town Justice liability	304,856	3,063,698	3,098,057	270,497
Bail liability	451,833	516,229	601,332	366,730
Service award program liabilities	1,907,204	506,167	-	2,413,371
Other agency liabilities	39,147,486	121,368,740	117,502,057	43,014,169
	<u>79,037,509</u>	<u>167,533,903</u>	<u>158,706,942</u>	<u>87,864,470</u>
Total liabilities	<u>\$ 79,037,509</u>	<u>\$ 167,533,903</u>	<u>\$ 158,706,942</u>	<u>\$ 87,864,470</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									
	2014	(As Restated) 2013	2012	2011	2010	2009	2008	2007	2006	2005
GOVERNMENTAL ACTIVITIES:										
Net position -										
Net investment in capital assets	\$ 692,048,977	\$ 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
Restricted	95,112,199	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
Unrestricted	(58,465,662)	(62,713,908)	(56,527,123)	(58,103,583)	(16,226,201)	(11,486,346)	10,120,175	4,204,695	10,633,964	9,086,181
Total net position	\$ 728,695,514	\$ 678,885,644	\$ 640,408,051	\$ 619,723,599	\$ 621,091,276	\$ 607,798,453	\$ 610,603,366	\$ 595,212,537	\$ 556,473,916	\$ 508,358,775
BUSINESS-TYPE ACTIVITIES:										
Net position -										
Net investment in capital assets	\$ 16,506,575	\$ 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
Restricted	104,394	121,358	-	-	-	-	1,217,763	-	-	-
Unrestricted	2,492,432	1,696,425	1,435,967	1,062,184	(3,403,998)	(6,153,916)	(680,933)	3,065,043	3,510,089	1,879,794
Total net position	\$ 19,103,401	\$ 18,386,964	\$ 16,020,514	\$ 15,568,879	\$ 10,981,601	\$ 10,191,147	\$ 14,590,920	\$ 17,973,116	\$ 18,016,180	\$ 20,983,500
PRIMARY GOVERNMENT:										
Net position -										
Net investment in capital assets	\$ 708,555,552	\$ 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
Restricted	95,216,593	87,287,394	62,529,907	74,783,204	55,806,221	42,827,892	3,217,763	42,881,535	55,381,291	38,862,009
Unrestricted	(55,973,230)	(61,017,483)	(55,091,156)	(57,041,399)	(19,630,199)	(17,640,262)	9,439,242	7,269,738	14,144,053	10,965,975
Total net position	\$ 747,798,915	\$ 697,272,608	\$ 656,428,565	\$ 635,292,478	\$ 632,072,877	\$ 617,989,600	\$ 625,194,286	\$ 613,185,653	\$ 574,490,096	\$ 529,342,275

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									
	2014	(As Restated) 2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES:										
Governmental activities:										
General governmental support	\$ 25,558,647	\$ 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
Public safety	34,065,430	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
Health	2,943,708	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
Transportation	24,480,863	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
Economic assistance and opportunity	4,160,715	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
Culture and recreation	605,479	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
Home and community services	19,207,945	14,790,555	13,857,100	16,478,801	15,196,972	17,378,146	12,843,426	13,468,932	11,283,722	14,702,455
Interest on debt	3,903,364	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
Total governmental activities	114,926,151	115,849,962	110,630,594	128,712,096	113,931,947	112,877,598	102,264,197	96,209,080	92,805,246	87,512,444
Business-type activities:										
Beaches and marinas	1,610,212	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
Waste management	2,080,815	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
Building and zoning	-	-	-	-	-	-	3,587,303	3,328,637	4,008,239	3,292,541
Golf course	41,867	636,375	712,872	629,314	650,647	633,436	702,164	647,353	603,471	613,757
Interest on debt	229,882	281,595	303,733	308,632	280,637	318,940	293,167	-	-	-
Total business-type activities	3,962,776	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
Total expenses	118,888,927	120,672,788	115,465,111	133,612,603	118,809,371	117,543,603	110,455,524	104,074,052	101,120,040	94,693,681
PROGRAM REVENUES:										
Governmental activities:										
Charges for services -										
General governmental support	826,664	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
Public safety	2,576,095	2,946,557	2,679,889	395,909	182,601	206,739	327,202	383,220	326,611	236,171
Transportation	1,043,920	1,006,871	864,140	874,274	684,058	622,237	-	12,500	28,750	23,600
Economic assistance and opportunity	847,723	880,127	-	-	-	-	-	-	-	-
Culture and recreation	40,061	55,938	57,502	51,209	62,559	81,834	98,160	98,859	264,194	225,494
Home and community services	7,163,186	5,706,851	6,206,789	5,738,767	5,721,557	5,451,000	1,799,608	2,224,198	2,207,920	2,395,959
Operating grants and contributions	70,847,232	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
Capital grants and contributions	1,819,374	3,568,519	831,877	1,045,638	235,547	495,052	61,851	150,164	292,004	289,634
Total governmental activities	85,164,255	79,361,338	57,520,198	55,710,000	50,232,263	39,740,035	45,668,068	63,648,150	61,966,918	61,735,345
Business-type activities:										
Charges for services -										
Beaches and marinas	1,809,694	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
Waste management	1,919,588	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
Building and zoning	-	-	-	-	-	-	3,348,958	4,487,872	4,224,260	4,172,109
Golf course	134,532	655,867	670,047	618,645	547,325	729,464	807,998	748,612	708,097	835,012
Operating grants and contributions	782,905	207,864	265,849	53,642	54,563	30,655	117,642	54,020	-	-
Total business-type activities	4,646,719	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
Total program revenues	89,810,974	83,778,139	62,307,667	60,215,882	54,677,511	43,862,008	53,271,560	71,996,725	69,797,283	69,386,602
Net (expense)/revenue	\$ (29,077,953)	\$ (36,894,649)	\$ (53,157,444)	\$ (73,396,721)	\$ (64,131,860)	\$ (73,681,595)	\$ (57,183,964)	\$ (32,077,327)	\$ (31,322,757)	\$ (25,307,079)

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									
	2014	(As Restated) 2013	2012	2011	2010	2009	2008	2007	2006	2005
NET (EXPENSE)/REVENUE:										
Governmental activities	\$ (29,761,896)	\$ (36,488,624)	\$ (53,110,396)	\$ (73,002,096)	\$ (63,699,684)	\$ (73,137,563)	\$ (56,596,129)	\$ (32,560,930)	\$ (30,838,328)	\$ (25,777,099)
Business-type activities	683,943	(406,025)	(47,048)	(394,625)	(432,176)	(544,032)	(587,835)	483,603	(484,429)	470,020
Net (expense)/revenue	<u>\$ (29,077,953)</u>	<u>\$ (36,894,649)</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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Real property taxes	\$ 65,501,711	\$ 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
Other real property tax items	599,919	577,961	536,486	569,203	536,037	65,223	446,647	440,318	505,080	461,227
Non-property tax items	1,643,124	1,530,975	1,431,473	1,424,315	1,350,747	1,013,649	1,010,521	894,303	825,080	630,384
Interest earnings	685,415	580,245	617,034	687,758	720,489	568,086	2,116,151	4,036,759	3,938,725	2,208,410
Local government assistance - County	-	-	-	-	-	-	-	1,501,061	-	-
State aid-unrestricted	10,477,475	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
Sale of property and compensation of loss	73,160	137,893	-	-	-	-	-	-	-	-
Other	90,962	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
Transfers	500,000	(250,728)	(20,086)	(3,646,360)	(427,733)	-	1,213,366	701,446	2,646,625	-
Total governmental activities	<u>79,571,766</u>	<u>75,874,220</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>
Business-type activities:										
Real property taxes	523,037	475,640	476,900	1,333,287	492,017	-	-	-	-	-
Investment earnings	9,457	4,080	1,697	2,256	3,200	5,664	88,371	174,779	163,734	114,528
Transfer of capital	-	2,042,027	-	-	-	-	-	-	-	-
Transfers	(500,000)	250,728	20,086	3,646,360	427,733	-	(1,213,366)	(701,446)	(2,646,625)	-
Total business-type activities	<u>32,494</u>	<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>
Total general revenues and other changes in net position	<u>\$ 79,604,260</u>	<u>\$ 78,646,695</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>
CHANGE IN NET POSITION:										
Governmental activities	\$ 49,809,870	\$ 39,385,596	\$ 20,684,452	\$ (1,367,677)	\$ 13,093,055	\$ (576,465)	\$ 14,268,215	\$ 40,171,481	\$ 48,115,141	\$ 44,595,548
Business-type activities	716,437	2,366,450	451,635	4,587,278	490,774	(538,368)	(1,712,830)	(43,064)	(2,967,320)	584,548
Total change in net position	<u>\$ 50,526,307</u>	<u>\$ 41,752,046</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>

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									
	2014	(As Restated) 2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL FUND										
Nonspendable	\$ 1,934,210	\$ 1,420,951	\$ 1,317,335	\$ 1,318,259						
Restricted	4,505,755	7,131,432	6,405,740	6,529,348						
Assigned	381,197	766,818	1,064,819	465,926						
Unassigned	7,503,015	4,650,750	5,786,071	4,635,599						
Total general fund	<u>\$ 14,324,177</u>	<u>\$ 13,969,951</u>	<u>\$ 14,573,965</u>	<u>\$ 12,949,132</u>						
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable	\$ 1,850,522	\$ 1,437,253	\$ 1,383,478	\$ 1,529,744						
Restricted	90,606,444	78,877,301	56,124,167	68,253,856						
Assigned	10,777,837	10,858,328	5,747,317	3,999,525						
Unassigned	-	(308,871)	-	(81,441)						
Total all other governmental funds	<u>\$ 103,234,803</u>	<u>\$ 90,864,011</u>	<u>\$ 63,254,962</u>	<u>\$ 73,701,684</u>						
GENERAL FUND:										
Reserved					\$ 5,725,525	\$ 7,019,673	\$ 471,089	\$ 3,655,975	\$ 3,430,741	\$ 3,409,561
Unreserved					8,280,158	4,486,611	6,978,750	13,001,542	16,099,406	12,967,982
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>
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved					\$ 50,448,390	\$ 35,838,615	\$ (3,516,835)	\$ 43,506,414	\$ 55,930,534	\$ 41,883,796
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
Capital projects funds					334,683	(14,404,950)	(1,059,891)	1,404,997	(5,410,068)	(5,994,844)
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>

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									
	2014	(As Restated) 2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Real property taxes	\$ 65,501,711	\$ 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
Other real property tax items	599,919	577,961	536,486	569,203	536,037	65,223	446,647	440,318	505,080	461,227
Non-property tax items	66,753,241	59,589,487	39,496,331	40,642,767	35,576,544	25,819,137	1,010,521	894,303	825,080	630,384
Special assessments	40,061	47,335	47,332	51,209	62,559	81,834	8,039	75,274	87,934	73,286
Departmental income	8,561,846	7,211,022	7,693,286	6,692,946	6,702,258	3,368,812	2,616,944	2,509,855	2,307,197	2,351,812
Intergovernmental charges	1,031,520	1,006,871	864,140	987,806	684,058	622,237	647,032	2,135,212	59,205	20,056
Use of money and property	685,415	580,245	617,034	687,758	720,489	568,086	2,116,151	4,290,876	4,178,880	2,426,708
License and permits	428,117	548,264	415,965	346,345	288,217	38,250	109,541	95,961	113,199	96,474
Fines and forfeitures	1,588,383	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
Sale of property and compensation for loss	73,160	164,755	19,186	34,872	262,688	15,399	29,480	38,164	20,808	109,285
Miscellaneous local sources	1,824,346	2,256,831	2,418,601	1,492,190	3,985,516	2,213,889	37,881,727	55,502,865	3,638,911	3,513,225
State aid	12,196,339	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
Federal aid	5,097,358	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
Total revenues	164,381,416	154,350,098	131,306,469	130,470,726	127,017,166	106,684,396	115,319,046	136,487,666	138,539,389	131,898,188
Expenditures										
Current:										
General governmental support	56,863,297	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
Public safety	20,041,887	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
Health	2,943,708	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
Transportation	8,035,861	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
Economic assistance and opportunity	2,721,431	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
Culture and recreation	2,886,959	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
Home and community service	15,175,424	28,560,085	10,393,391	10,390,084	10,236,731	8,688,200	8,845,066	8,606,388	6,954,653	8,359,553
Employee benefits	23,813,336	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
Capital outlay	5,436,843	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
Debt service:										
Principal	14,100,073	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
Interest	4,400,806	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
Bond issuance costs	-	-	-	-	-	-	-	-	-	91,483
Advance refunding escrow	-	-	-	-	-	-	-	-	-	309,695
Total expenditures	156,419,625	157,490,000	142,286,935	131,376,161	111,099,379	119,528,101	173,032,418	159,063,708	126,670,624	145,708,640
Excess (deficiency) of revenues over (under) expenditures	7,961,791	(3,139,902)	(10,980,466)	(905,435)	15,917,787	(12,843,705)	(57,713,372)	(22,576,042)	11,868,765	(13,810,452)
Other financing sources (uses)										
Payment to refunded bond escrow agent	(13,058,151)	-	(16,539,554)	-	(10,500,569)	-	-	-	-	(5,675,000)
Refunding bond issuance	12,079,286	-	-	-	-	-	-	-	-	-
Serial bonds issuance	4,200,000	29,350,000	2,150,000	-	-	-	-	-	-	-
Premium on debt issuance	1,042,092	1,008,668	2,149,687	376,128	1,070,569	5,159	-	38,231	119,451	146,178
Interfund transfers in	4,087,066	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
Interfund transfers out	(3,587,066)	(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)
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	-
Bond anticipation notes redeemed from appropriations	-	945,000	-	143,925	70,000	-	-	-	-	-
Total other financing sources (uses)	4,763,227	31,052,940	2,158,577	10,735,693	19,987,267	42,725,159	1,213,366	13,414,677	7,860,886	401,178
Net change in fund balances	\$ 12,725,018	\$ 27,913,038	\$ (8,821,889)	\$ 9,830,258	\$ 35,905,054	\$ 29,881,454	\$ (56,500,006)	\$ (9,161,365)	\$ 19,729,651	\$ (13,409,274)
Debt service as a percentage of noncapital expenditures	16.99%	15.32%	15.65%	15.57%	17.39%	18.59%	15.66%	15.61%	17.80%	15.54%

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>Commercial Property</u>	<u>Total Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>	<u>Total Effective Tax Rate*</u>
2014	\$ 51,629,656,232	\$ 674,400,483	\$ 318,771,198	\$ 2,886,676,483	\$ 55,698,279,015	100.00%	55,698,279,015	1.43
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	1.48
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	1.36
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	1.35
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	1.38
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	1.35
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	1.16
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	1.26
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	1.82
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	1.70

* The Town has a complex rate structure that would make the calculation of a direct tax rate extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The Town substituted an effective tax rate instead.

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

Note: Years 2007-2014 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	Total Effective Tax Rate*	Overlapping Rates			
		School Districts and Libraries - Range			Suffolk County
2014	1.43	0.03	-	22.90	0.20
2013	1.48	0.02	-	21.34	0.20
2012	1.36	0.02	-	20.45	0.21
2011	1.35	0.02	-	18.34	0.21
2010	1.38	0.03	-	15.62	0.18
2009	1.35	0.02	-	14.24	0.18
2008	1.16	0.04	-	14.04	0.24
2007	1.26	0.04	-	14.04	0.30
2006	1.82	0.03	-	16.94	0.32
2005	1.70	0.03	-	16.85	0.33

* The Town has a complex rate structure that would make the calculation of a direct tax rate extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The Town substituted an effective tax rate instead.

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

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

2014

Name	Type	Assessed Valuation	Percentage of Total Taxable Assessed Valuation
National Grid	Utility	\$ 282,923,209	0.51%
Blue Turtles, Inc.	Estate	248,684,000	0.45%
Leon D. Black	Estate	65,926,800	0.12%
Payton Lane Nursing Home, Inc.	Nursing Home	54,948,800	0.10%
Stephen Perlbinder	Estate	51,097,400	0.09%
Yumi & The Kids, LLC	Estate	50,225,100	0.09%
Cheryl G. Kongrad	Estate	48,377,500	0.09%
Permelynn of Bridgehampton, Inc.	Estate	47,872,800	0.09%
Stem Partners, LLC	Estate	47,500,000	0.09%
DAMA, LLC	Commercial	45,942,000	0.08%

2005

Name	Type	Assessed Valuation	Percentage of Total Taxable Assessed Valuation
Blue Turtles, Inc.	Estate	\$ 170,167,400	0.49%
Sebonac Neck Property LLC	Commercial	44,181,820	0.13%
M. Michael Kulukundis	Estate	44,035,449	0.13%
Bridgehampton Road Races Corp.	Commercial	39,975,400	0.12%
Leon D. Black	Estate	39,972,549	0.12%
Verizon New York Inc.	Utility	39,694,325	0.11%
Meadow Club of Southampton	Golf Course	35,718,500	0.10%
Calvin Klein (Trustee)	Estate	35,484,200	0.10%
Yumi & The Kids, LLC	Estate	35,000,000	0.10%
Penniman Point Limited Partnership	Estate	32,923,500	0.10%

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tax Levy:										
General Town	\$ 21,416,522	\$ 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
Police	20,238,896	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
Emergency Dispatching - E911	2,059,311	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
Zoning	2,130,885	2,170,133	1,757,858	907,216	1,591,613	450,560	292,927	248,754	487,392	1,206,542
Highway	11,059,879	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
Fire and Fire Protection Districts	12,744,610	12,548,005	12,111,213	12,302,370	12,282,939	12,039,733	11,555,033	10,373,416	9,766,082	8,713,767
Lighting District	602,374	575,831	556,046	564,747	553,783	543,516	54,733	772,994	383,712	294,329
Water Districts	1,181,369	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
Miscellaneous Special Districts	6,506,283	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
School and Library Districts	242,270,737	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
County of Suffolk	18,384,417	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
Other Items	1,890,029	819,935	991,121	714,871	518,619	566,523	603,218	643,314	427,272	327,907
Total tax levy	\$340,485,312	\$327,650,924	\$322,746,273	\$313,906,596	\$301,950,319	\$284,311,284	\$263,554,591	\$247,855,948	\$236,598,166	\$222,742,020
Amount Collected	\$324,507,864	\$315,005,317	\$307,538,277	\$297,658,185	\$286,195,281	\$271,663,915	\$251,805,335	\$237,570,892	\$227,126,954	\$213,974,818
Percentage Collected	95.31%	96.14%	95.29%	94.82%	94.78%	95.55%	95.54%	95.85%	96.00%	96.06%
Returned to County:										
Amount Uncollected	\$ 14,384,949	\$ 13,671,438	\$ 12,695,891	\$ 14,387,403	\$ 13,738,138	\$ 12,005,252	\$ 11,749,256	\$ 10,285,056	\$ 9,471,212	\$ 10,113,736
Percent Uncollected	4.22%	4.17%	3.93%	4.58%	4.55%	4.22%	4.46%	4.15%	4.00%	4.54%
Collections in Subsequent Years	\$ 1,316,071	\$ 7,664,719	\$ 7,343,785	\$ 10,296,397	\$ 10,864,888	\$ 8,586,176	\$ 5,801,507	\$ 6,783,047	\$ 7,453,237	\$ 8,181,438
Total Collections to Date:										
Amount	\$325,823,935	\$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
Percent	95.69%	98.48%	97.56%	98.10%	98.38%	98.57%	97.74%	98.59%	99.15%	99.74%

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			
2014	\$ 126,368,984	\$ 133,289	\$ -	\$ 3,072,700	\$ -	\$ 6,857,725	\$ -	\$ 136,432,698	5.03%	\$ 2,386
2013	136,937,548	171,711	-	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

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>
2014	57,180	\$ 55,698,279,015	\$ 133,359,998	\$ 123,205,650	0.22%	\$ 2,155
2013	56,960	55,022,618,428	144,634,999	132,728,634	0.24%	2,539
2012	56,790	55,861,991,485	127,059,999	115,171,283	0.21%	2,237
2011	56,800	55,860,526,117	138,340,000	126,719,677	0.23%	2,436
2010	60,668	54,445,058,850	135,220,000	129,584,853	0.24%	2,229
2009	60,007	52,807,053,580	125,285,000	118,974,008	0.23%	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	104,398,488	0.21%	1,776
2006	58,876	34,751,503,793	100,722,931	99,343,718	0.29%	1,711
2005	58,564	34,520,611,624	100,494,431	100,494,431	0.29%	1,716

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 - 2014 figures, which were derived from the Town of Southampton's Assessor's Office.

TOWN OF SOUTHAMPTON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Governmental Unit		Gross Indebtedness	Estimated Exclusions	Net Indebtedness	Percentage Applicable	Applicable Net Indebtedness
Town of Southampton	3/30/2015	\$ 136,432,698	\$ 14,715,450	\$ 121,717,248	100.00%	\$ 121,717,248
Total direct debt						<u>121,717,248</u>
County of Suffolk	3/19/2015	2,161,120,066	849,350,222	1,311,769,844	21.12%	277,045,791
Villages:						
Quogue	5/31/2014	2,250,000	-	2,250,000	100.00%	2,250,000
Sagaponack	5/31/2014	780,000	-	780,000	100.00%	780,000
Sag Harbor	5/31/2014	2,160,000	-	2,160,000	30.00%	648,000
Southampton	5/31/2014	7,798,000	-	7,798,000	100.00%	7,798,000
Westhampton Beach	5/31/2014	2,367,649	-	2,367,649	100.00%	2,367,649
Westhampton Dunes	5/31/2014	1,320,000	-	1,320,000	100.00%	1,320,000
School Districts:						
Bridgehampton	6/30/2014	1,070,000	-	1,070,000	100.00%	1,070,000
East Quogue	6/30/2014	2,385,000	-	2,385,000	100.00%	2,385,000
Eastport-South Manor	6/30/2014	147,285,000	-	147,285,000	14.48%	21,326,868
Hampton Bays	6/30/2014	50,790,609	-	50,790,609	100.00%	50,790,609
Remsenburg-Speonk	6/30/2014	-	-	-	100.00%	-
Riverhead	12/1/2014	51,507,000	15,560,000	35,947,000	15.50%	5,571,785
Sagaponack	6/30/2014	-	-	-	100.00%	-
Sag Harbor	6/30/2014	8,005,000	-	8,005,000	88.51%	7,085,226
Southampton	6/30/2014	46,633,309	-	46,633,309	100.00%	46,633,309
Tuckahoe	6/30/2014	1,287,818	-	1,287,818	100.00%	1,287,818
Wainscott	6/30/2014	840,000	-	840,000	4.79%	40,236
Westhampton Beach	12/1/2014	31,336,000	-	31,336,000	100.00%	31,336,000
Fire Districts:						
Bridgehampton	12/31/2013	3,675,000	-	3,675,000	100.00%	3,675,000
Eastport	12/31/2013	478,000	-	478,000	100.00%	478,000
East Quogue	12/31/2013	-	-	-	100.00%	-
Flanders	12/31/2013	358,000	-	358,000	100.00%	358,000
Hampton Bays	12/31/2013	900,000	-	900,000	100.00%	900,000
North Sea	12/31/2013	-	-	-	100.00%	-
Riverhead	12/31/2013	10,950,000	-	10,950,000	4.46%	488,370
Westhampton Beach	2/23/2015	<u>3,960,000</u>	<u>300,000</u>	<u>3,660,000</u>	100.00%	<u>3,660,000</u>
Total overlapping debt						<u>469,295,661</u>
Total direct and overlapping debt		<u>\$ 2,675,689,149</u>	<u>\$ 879,925,672</u>	<u>\$ 1,795,763,477</u>		<u>\$ 591,012,909</u>
Per Capita						<u>\$ 2,386</u>

Source: Office of the Comptroller and the Official Statements of the applicable authorities.

Note: The taxpayers share of overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values.

TOWN OF SOUTHAMPTON
DEBT LIMIT MARGIN INFORMATION
DECEMBER 31, 2014

	Years Ended December 31,	Assessed Valuation	State Equalization Rate	Full Valuation	
	2014	\$ 55,698,279,015	100.00%	\$ 55,698,279,015	
	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%	<u>54,445,058,850</u>	
Total Five Year Full Valuation				<u>276,888,473,895</u>	
Average Five Year Full Valuation				<u>55,377,694,779</u>	
Debt Limit - 7% of Average Full Valuation				<u>\$ 3,876,438,635</u>	(a)
Inclusions:					
Outstanding Bonds				<u>\$ 133,359,998</u>	
Total Inclusions				<u>133,359,998</u>	
Exclusions:					
Water Debt				6,036,397	
Bond Appropriations				<u>8,679,053</u>	
Total Exclusions				<u>14,715,450</u>	
Total Net Indebtedness Subject to the Debt Limit				<u>\$ 118,644,548</u>	(b)
Net Debt Contracting Margin				<u>\$ 3,757,794,087</u>	(a) - (b)
Percent of Debt Limit Exhausted				<u>3.06%</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
2014	\$ 3,876,438,635	\$ 133,359,998	\$ 14,715,450	\$ 118,644,548	\$ 3,757,794,087	96.94%
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%

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Income (millions of dollars)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Year-Round Households Estimate</u>	<u>Household Size Estimates</u>	<u>Population Density Per Square Mile (1)</u>
2014	57,180	\$ 2,710	\$ 47,394	5.60%	21,735	2.46	407.85
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

(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

2014

Rank	Name	Headquarters	Type of Business	Number of Employees	Percentage of Total Town's Employment
1	Southampton Hospital	Southampton	Hospital	775	1.36%
2	Town of Southampton	Southampton	Municipality	494	0.86%
3	Southampton Union Free School District	Southampton	School District	400	0.70%
4	Corcoran Group	Bridgehampton	Real Estate	400	0.70%
5	Dominican Sisters Family Health Services	Hampton Bays	Home Health Agency	350	0.61%
6	Bridgehampton National Bank	Bridgehampton	Commercial Bank	245	0.43%
7	Dunn Engineering	Westhampton Beach	Engineering	100	0.17%
8	Maran Corporate Risk Associates	Southampton/ East Hampton	Insurance	93	0.16%
9	Southampton Press	Southampton	Newspaper	50	0.09%
10	Hampton Coach	Southampton	Hotel	50	0.09%
				<u>2,957</u>	<u>5.17%</u>

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

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function:										
General Government	212	221	219	219	224	234	267	248	121	131
Justice and Law Enforcement	158	135	132	140	145	142	153	170	186	178
Public Works	61	99	99	104	104	112	114	116	73	72
Economic Assistance and Opportunity	-	-	-	-	-	-	-	7	5	5
Environment, Parks and Education	26	18	16	18	20	19	25	33	30	29
Health and Human Services	37	39	40	42	47	45	36	49	135	135
Total	494	512	506	523	540	552	595	623	550	550

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function:										
Public Safety -										
Building										
Residential building permits issued	4,066	5,588	4,979	4,526	3,765	3,203	4,364	4,372	4,804	5,902
Commercial building permits issued	75	35	40	48	55	38	36	121	84	106
Police										
Physical arrests	2,125	2,141	2,172	2,512	2,588	2,341	2,213	2,117	2,062	1,945
Traffic and parking violations	13,530	16,390	17,631	19,479	20,383	20,401	18,830	17,806	15,483	20,505
Fire										
Number of fire protection districts	3	3	3	3	3	3	3	3	3	3
Number of calls answered	5,265	5,030	5,207	4,997	5,017	4,863	4,907	6,166	5,506	5,694
Inspections	1,458	1,029	1,144	1,238	1,275	1,736	1,093	1,052	1,552	1,625
Health -										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
Transportation -										
Highway and streets										
Street resurfacing (miles)	20	23	24	22	23	22	13	43	33	33
Culture and recreation -										
Beach permits issued	43,666	41,282	43,609	42,828	42,340	39,892	40,287	43,294	39,927	39,140
Registration for summer programs	2,126	2,335	2,502	3,024	2,989	2,331	2,408	7,260	3,028	2,863
Home and Community Service -										
Sanitation										
Refuse collected (tons/day)	19.05	18.48	18.03	18.54	18.36	18.70	19.24	21.10	18.16	21.78
Recyclables collected (tons/day)	11.04	10.95	11.23	11.83	11.50	11.50	12.16	13.00	12.34	12.75
Water										
Average daily consumption (thousands of gallons)	2,800	2,700	2,500	2,300	2,600	2,100	2,600	2,755	2,603	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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety -										
Municipal buildings	30	30	29	29	29	29	29	2	2	2
Preserved acreage	3,795	3,643	3,500	3,197	3,006	2,946	2,904	2,817	2,373	2,198
Public Safety -										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	93	90	104	104	104	104	104	95	97	96
Health -										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
Transportation -										
Highways and streets										
Number of street lighting districts	9	9	9	9	9	9	9	9	9	9
Streets (miles)	456	456	456	455	453	452	450	429	445	444
Streetlights	2,727	2,724	2,714	2,714	2,714	2,714	2,714	2,400	3,535	3,500
Traffic signals (1)	32	31	31	31	31	29	26	22	22	22
Culture and recreation -										
Number of park districts	3	3	3	3	3	3	3	3	3	3
Parks and open space	4,009	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	3	2	2	2	2	3	3	2
Boat basin slips	80	80	80	66	66	66	66	95	101	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	12	10	11	10
Community centers	3	3	3	3	3	3	3	5	5	5
Home and Community Services -										
Sanitation										
Transfer stations	4	4	4	4	4	4	4	4	3	3
Vehicles	45	42	43	47	46	46	46	4	4	4
Water										
Water mains (miles)	105	101	100	98	96	94	94	101	100	99
Total yearly pumpage (in millions of gallons)	10,251	9,939	9,649	8,491	9,760	7,631	9,500	1,006	950	875
Fire hydrants	525	525	515	505	500	490	487	515	459	456

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