

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



***COMPREHENSIVE***  
***ANNUAL FINANCIAL REPORT***  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**

**TOWN OF SOUTHAMPTON, LONG ISLAND, NEW YORK**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**



**PREPARED BY:**

**TOWN COMPTROLLER'S OFFICE**

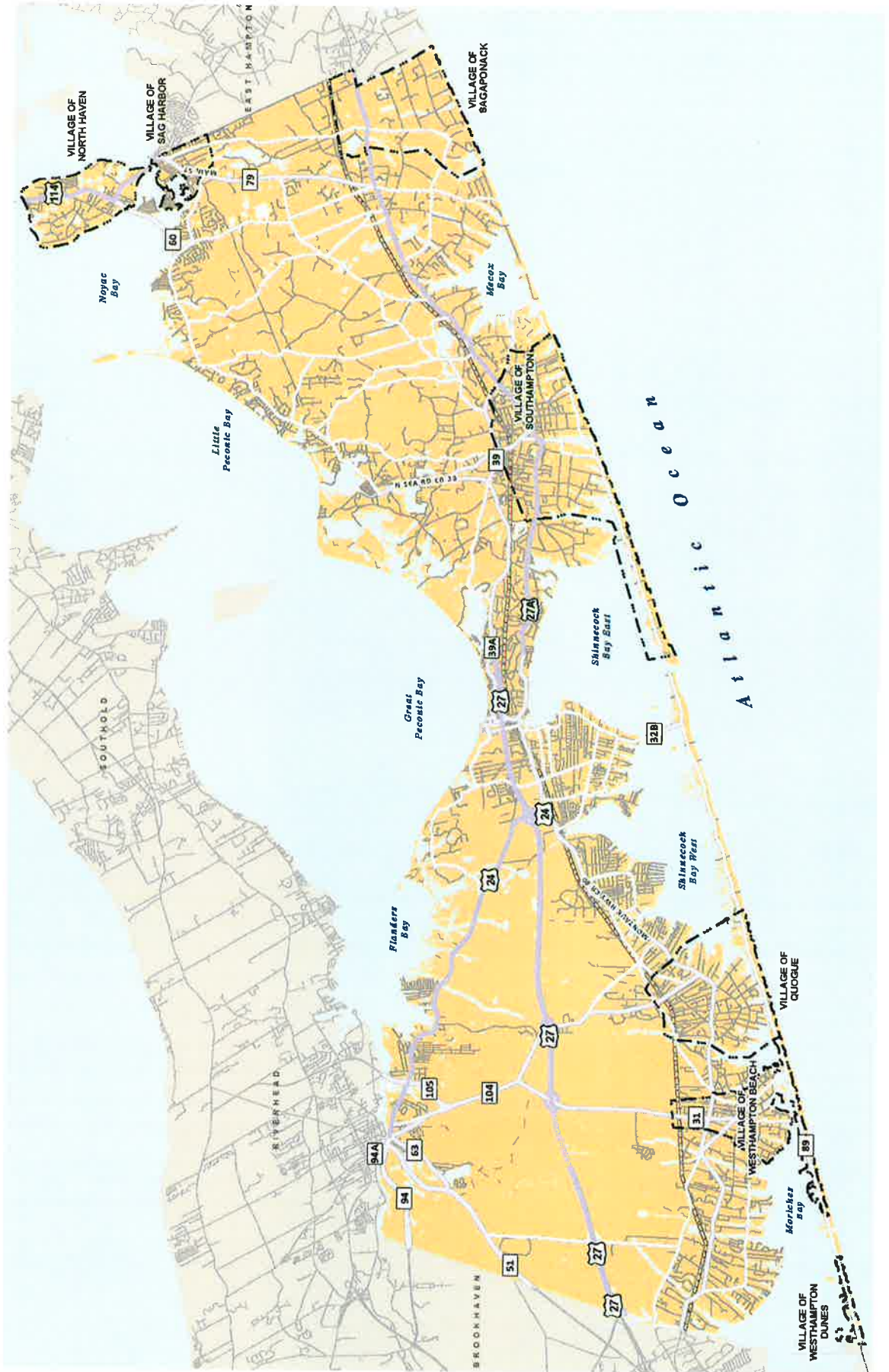
**TOWN OF SOUTHAMPTON**  
**TABLE OF CONTENTS**

	<u>PAGE(S)</u>
<b><i>Introductory Section</i></b>	
Town Map .....	1
Principal Officials.....	2
Organizational Chart.....	3
Supervisor's Letter Of Transmittal.....	4
Comptroller's Letter Of Transmittal.....	5-12
Government Finance Officers Association Certificate Of Achievement .....	13
<b><i>Financial Section</i></b>	
Independent Auditor's Report .....	14-15
Management's Discussion And Analysis ("MD&A").....	16-29
Basic Financial Statements:	
Government-Wide Financial Statements -	
Statement Of Net Position .....	30
Statement Of Activities And Changes In Net Position.....	31
Fund Financial Statements -	
Balance Sheet - Governmental Funds .....	32
Reconciliation Of The Governmental Funds Balance Sheet	
To The Statement Of Net Position .....	33
Fund Financial Statements -	
Statement Of Revenues, Expenditures And	
Changes In Fund Balance - Governmental Funds .....	34
Reconciliation Of The Governmental Funds Statement Of Revenues, Expenditures	
And Changes In Fund Balance To The Statement Of Activities And Changes In Net Position...	35
Fund Financial Statements -	
Statement Of Net Position - Proprietary Funds.....	36
Statement Of Revenues, Expenses And Changes In Net Position -	
Proprietary Funds .....	37
Statement Of Cash Flows - Proprietary Funds .....	38
Fund Financial Statements -	
Statement Of Fiduciary Assets And Liabilities - Fiduciary Funds .....	39
Notes To Financial Statements .....	40-79
Required Supplementary Information Other Than MD&A:	
Schedule Of Revenues, Expenditures And Changes In	
Fund Balance - Budget And Actual	
General Fund .....	80-86
Police District Fund.....	87-89
Town Outside Village Fund .....	90-92
Highway Fund.....	93-95
Public Safety Communications Fund .....	96-97
Schedule Of Employer Contributions - Service Award Program .....	98
Schedule Of Funding Progress - Service Award Program .....	99

Schedule Of Funding Progress For Retiree Health Plan .....	100
Schedule Of Town's Proportionate Share Of The Net Pension Liability - NYSERS.....	101
Schedule Of Town's Proportionate Share Of The Net Pension Liability - NYSPFRS .....	102
Schedule Of Town Pension Contributions - NYSERS .....	103
Schedule Of Town Pension Contributions - NYSPFRS .....	104
Other Supplementary Information:	
Schedule Of Open Projects - Capital Projects Fund.....	105
Non-Major Governmental Funds -	
Combining Balance Sheet.....	106
Combining Schedule Of Revenues, Expenditures And	
Changes In Fund Balance .....	107
Schedule Of Revenues, Expenditures And Changes In	
Fund Balance - Budget And Actual	
Fire Protection Districts .....	108
Lighting Districts .....	109
Public Parking Districts .....	110
Water Districts .....	111-112
Ambulance Districts .....	113
Coastal Erosion Districts .....	114
Parks Districts .....	115
Fiduciary Funds -	
Combining Statement Of Fiduciary Assets And Liabilities .....	116
Combining Statement Of Changes In Fiduciary Assets And Liabilities.....	117
<b>Statistical Section</b>	
Objectives Of Statistical Information .....	118
Financial Trends:	
Net Position By Component - Last Ten Fiscal Years .....	119
Change In Net Position - Last Ten Fiscal Years .....	101-121
Fund Balances Of Governmental Funds - Last Ten Fiscal Years .....	122
Changes In Fund Balances Of Governmental Funds - Last Ten Fiscal Years .....	123
Revenue Capacity:	
Assessed Value, Equalization Rate And Estimated Full Value Of Real Property -	
Last Ten Fiscal Years .....	124
Property Tax Rates, Direct And Overlapping Governments - Last Ten Fiscal Years .....	125
Principal Property Taxpayers - Current Year And Ten Years Ago .....	126
Property Tax Levies And Collections - Last Ten Fiscal Years .....	127
Debt Capacity:	
Ratios Of Outstanding Debt By Type - Last Ten Fiscal Years .....	128

Ratios Of General Bonded Debt Outstanding - Last Ten Fiscal Years .....	129
Direct And Overlapping Governmental Activities .....	130
Debt Limit Margin Information .....	131
Demographic And Economic Information:	
Demographics And Economic Statistics - Last Ten Fiscal Years .....	132
Principal Employers - Current Year And Ten Years Ago.....	133
Operating Information:	
Full-Time Equivalent Town Government Employees By Function - Last Ten Fiscal Years.....	134
Operating Indicators By Function - Last Ten Fiscal Years.....	135
Capital Asset Statistics By Function - Last Ten Fiscal Years.....	136

## **INTRODUCTORY SECTION**



**TOWN OF SOUTHAMPTON**

**PRINCIPAL OFFICIALS**

***SUPERVISOR***

JAY SCHNEIDERMAN

***TOWN COUNCIL***

JOHN BOUVIER

STAN GLINKA

JULIE LOFSTAD

CHRISTINE PRESTON SCALERA

***RECEIVER OF TAXES***

THERESA A. KIERNAN

***SUPERINTENDENT OF HIGHWAYS***

ALEX D. GREGOR

***TOWN CLERK***

SUNDY SCHERMEYER

***TOWN JUSTICES***

DEBORAH KOOPERSTEIN

ANDREA SCHIAVONI

GARY J. WEBER

BARBARA WILSON

***TOWN TRUSTEES***

EDWARD J. WARNER JR., PRESIDENT

SCOTT HOROWITZ, SECRETARY/TREASURER

WILLIAM PELL IV

ERIC SHULTZ

BRUCE STAFFORD

***TOWN ATTORNEY***

JAMES M. BURKE

***TOWN COMPTROLLER***

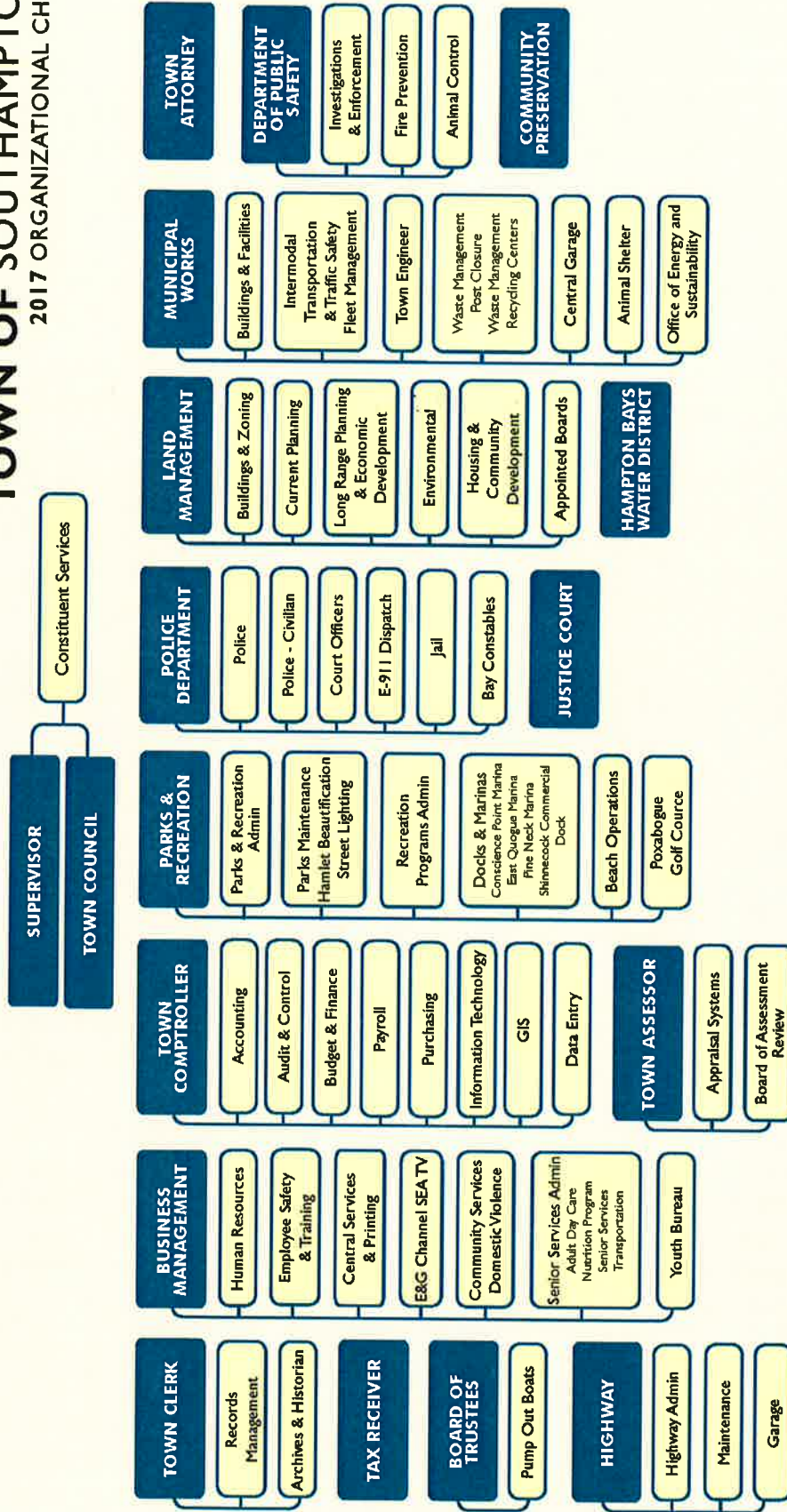
LEONARD J. MARCHESE, MBA, CPA



# TOWN OF SOUTHAMPTON

## 2017 ORGANIZATIONAL CHART

# TOWN OF SOUTHAMPTON





**JAY SCHNEIDERMAN**  
*Supervisor*

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

Telephone: (631) 283-6055  
Fax: (631) 287-5708  
[jschneiderman@southamptontownny.gov](mailto:jschneiderman@southamptontownny.gov)

April 20, 2017

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, for the fiscal year ended December 31, 2016. This detailed town-wide report is a yearly requirement under federal law.

The report continues to demonstrate that the Town of Southampton maintains a strong financial footing. Our conservative budgeting practices and fiscal controls have earned the town the highest available bond rating, AAA. I am confident we will continue our path of balanced budgets, debt reduction and fiscal oversight that has led to our enviable financial standing. Confidence in the current management team was reflected in the recent reaffirmation of our Aaa bond rating by Moody's Investors Service. We are blessed with a large inventory of parkland holdings and a strong real estate market that has produced a steady growth in real property valuations. Growth in our tax base has helped Town government meet the needs of the community without increasing general fund tax rates. We continue to maintain excellent public services, promote economic development, improve our infrastructure and enhance public safety. The CAFR details our strict financial policies for investment, asset management, debt reduction, fund balance maintenance and capital project planning.

I would like to thank Comptroller Leonard Marchese and his staff for their efforts in the preparation of this report.

Sincerely,

Jay Schneiderman  
Supervisor, Town of Southampton



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

**TOWN COMPTROLLER**

**LEONARD MARCHESE**  
TOWN COMPTROLLER

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

---

April 20, 2017

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, 2016, 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, 2016, 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's Uniform Guidance. 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 20, 2017.

## ***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 of the Notes to 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 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 population is estimated at 56,790 (according to the 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, 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 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 2016 fiscal year of the Town was adopted by the Town Board on November 20, 2015.

Although a Tentative Capital Program is presented by the Supervisor with the Tentative Annual Operating Budget on or before September 30th of each year, the Town adopts the Capital Program on or before November 20<sup>th</sup> of the preceding year, which coincides with the Annual Operating Budget process. The 2016-2020 Capital Program was adopted by the Town Board on November 20, 2015.

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

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

### ***Town of Southampton Credit Rating***

The Town's Bond rating according to Standard & Poor's, was AAA. The Town's Bond rating according to Moody's Investors Service was Aaa. 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 bond rating (the highest rating on the Standard and Poor's and Moody's scale) allowed the Town to refinance existing debt and reduce future debt service interest on bonds. The 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 2017. 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.

The Town's 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 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 budgets, and will continue to positively impact future budgets.

Due to the increasing demand for Town services, the Town's objective in 2017 is for the workforce to be commensurate with demand, particularly in the area of public safety and maintenance of park facilities. The 2017 budget includes the addition of one full-time police officer, one public safety dispatcher, and a part-time code enforcement officer. The 2017 budget also creates two new positions, Director Public Safety and Director of the Office of Housing and Community Development.

The Director of Public Safety will be charged with managing and optimizing the resources within four existing divisions - code enforcement, fire marshal, animal control and emergency preparedness. The Director will have the overall responsibility of coordinating and managing emergency operations service, which are vital to public safety, especially during weather related emergencies.

The Director of the Office of Housing and Community Development will be housed within the Department of Land Management. The Director will be responsible for the administration of several existing programs, including the buyer benefit program, and the Community Development Block Grant program (funded by the U.S. Department of Housing and Urban Development). Housing congestion in various parts of the Town is a quality of life issue which cannot be addressed by enforcement alone. The installment of this Director position will help foster and develop affordable housing opportunities within the Town of Southampton.

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. This combined discipline has significantly reduced the cost of borrowing to the Town through both lower overall interest rates and reduction of the actual amount of outstanding debt.

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

In 1998, the voters of the five East End towns (East Hampton, Riverhead, Shelter Island, Southampton, and Southold) approved a referendum creating a Community Preservation Fund (the "Fund") for each Town, which is a conservation program to preserve open space and farmland in the five towns. The fund is financed by a 2% tax on most real estate sales. This is a one-time tax that the buyer of real estate is required to pay when purchasing a new or used home or vacant property. On November 10, 2015, Town Law 64-e was amended pursuant to Chapter 551 of the Laws of 2015, extending the effective date of the Community Preservation Fund Real Estate Transfer Tax until December 31, 2050. Since the Fund's inception, over 3,000 acres of land have been acquired and preserved in Southampton alone. As of December 31, 2016 the Fund's fund balance totaled \$75,295,290.

Residents of the Town voted on November 8, 2016 at the general election, to approve the use of Community Presentation Fund proceeds for water quality improvement projects. The approval allows no more than 20% of the annual revenues generated from the transfer tax to be used for water quality improvement projects. The Town is required to list each projects cost and how the project would improve existing water quality.

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 Town-wide 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](http://www.southamptontownny.gov)) that is reflective of the offerings and activities of the Town. This website offers information about the Town government and a comprehensive listing of the numerous services provided by the various Town of Southampton departments. As well as basic contact information for all Town Departments, the site provides answers to frequently asked questions and a narrative about each individual area. The site provides information on current events and news articles, up-coming purchasing bids, scheduled meetings and many other public interest activities. In addition, there is a community calendar of Town-wide events and public meetings, information regarding the elected officials with direct e-mail links to both the officials and individual departments.

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

With the Town's operation house in good order, we can now more aggressively address our Town infrastructure including:

- Roads
- Drainage and storm water management
- Town Hall facilities
- Multiple Town structures located at the Jackson Avenue complex
- Trustee-owned bulkheads and piers
- New well for the Hampton Bays Water District

In addition to the infrastructure projects mentioned above, the Town will also be performing improvements to:

- Beach pavilions
- Town recreational facilities
- The Hampton Bays Community Center
- Information technology and security
- Dredging projects at Town marinas

Addressing these needs now is critical. Left unaddressed, these important infrastructure components represent a significant economic risk as repair and replacement costs due to normal wear and tear can hamper productivity, limit community access to recreational facilities, and burden our budget in ways inconsistent with the sound financial management practices we have put in place.

In addition, a number of these infrastructure projects address the need for Town facilities to be more resilient. Storms, during both winter and summer, take a huge toll on facilities, roads and buildings, and it bears noting that we have suffered no less than five named storms both winter and tropical in the last six years. Embedding more resiliency into our infrastructure, equates to fiscal responsibility.



## ***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 amended on April 14, 2015, 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 17% of the total respective ensuing year's operating budget. Such fund balance will be inclusive of the reserve for tax stabilization purposes pursuant to Chapter 8 of the Town Code. For special districts and the part-town operating funds, the Town Board 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.

On March 28, 2017, the Town adopted an amendment to the fund balance policy that would allow the Town to further strengthen its financial position and stability. The resolution requires at least 75% of the difference between the prior years adopted budget projections and the actual fund balance reported to offset capital project borrowing in the current fiscal year. The allocation will be made by Town Board resolution, only within the fund from which the surplus fund balance originated. The status must be reported to the Town Board no later than March 31<sup>st</sup>. The adoption of this amendment will help the Town utilize their surplus and help lower future costs to taxpayers.

## ***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 past four years (2012 through 2015). 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,

A handwritten signature in black ink, appearing to read 'L. Marchese', with a long horizontal flourish extending to the right.

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, 2015**

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, 2016, and the related notes to 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, 2016, 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 16-29 and 80-104, 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 section 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 20, 2017, 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 20, 2017



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

**TOWN OF SOUTHAMPTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

The following is a discussion and analysis of the Town of Southampton's (the "Town") financial performance for the year ended December 31, 2016. 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 HIGHLIGHTS**

- The Town's primary government total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$990,598,674 (net position). This consists of \$953,237,998 invested in capital assets (net of related debt), \$93,884,715 restricted for specific purposes, offset by a deficit unrestricted portion of \$56,524,039.
- The Town's primary government net position increased \$38,054,328 compared to \$52,390,152 in 2015.
- The Town's total bonded indebtedness decreased \$6,060,907 and governmental expenditures related to debt service (principal and interest) decreased \$209,353 from fiscal year ended December 31, 2015. The Town expects future debt service to continue to decrease as the Town was able to take advantage of lower interest rates by refunding eligible debt.
- The Town's total governmental operating funds fund balance increased \$4,520,008 as compared to \$2,749,197 in 2015. The increase in fund balance is primarily related to the increase in revenues of \$3,627,874 being greater than the increase in expenditures of \$1,744,344, before other financing uses. A detailed analysis of these changes can be found later in this section.
- The Town's total business-type activities (proprietary funds) reported operating income of \$479,028 in 2016. This is an increase of \$61,550, compared to 2015.
- The General Fund fund balance increased \$3,651,564 of which \$1,924,365 was nonspendable, \$4,486,637 was restricted, \$551,490 was assigned, and \$13,306,619 was unassigned.

**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 financial statements that present different views of the Town:

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

## Reporting the Town as a Whole

The analysis of the Town as a whole begins on page 30. One of the most important questions asked about the Town's finances should be, "Is the Town as a whole better off or worse off as a result of the current year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These financial 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 financial 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 and Commonalty of the Town of Southampton) as separate columns on the Town-wide financial statements. Complete financial statements of the component units can be obtained from their administrative office (see Note 2).

## Reporting the Town's Most Significant Funds

Fund financial statements present financial information in the traditional governmental accounting format, with an emphasis on the most significant funds. Our analysis of the Town's major funds begins on page 32. Some funds are required to be established by 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 32 and 34) in a reconciliation following each of the governmental fund financial statements (pages 33 and 35).



- *Proprietary Funds* - When the Town charges customers for the services it provides - whether to outside customers or to other units of the Town - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the Town-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds (pages 36-38).
- *Fiduciary Funds* - Fiduciary funds are used to account for resources that are earmarked for the benefit of other parties, and are not reflected on the Town-wide financial statements because those funds are not available to support the Town's activities (page 39).

### FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

#### Financial Highlights:

#### Net position

The Town's total assets and deferred outflows on December 31, 2016 were approximately \$1.3 billion. Total liabilities and deferred inflows of resources were \$271.7 million. The result is a net position of \$990.6 million, an increase of \$38.1 million over the prior year.

- Working capital of \$128.4 million on December 31, 2016 compared with the December 31, 2015 working capital of \$133.9 million, decreased primarily due to a \$9.2 million decrease in cash (unrestricted and restricted). The change in current liabilities is the result of a decrease in most categories.
- Net investment in capital assets of \$953.2 million (compared to \$890.8 million in 2015) increased primarily due to a reduction of bonds payable as a result of scheduled debt service payments, offset by capital outlay exceeding current year depreciation charges.
- The Town's restricted net position decreased \$19.8 million. This classification represents assets subject to external restrictions. The decrease is mainly due to a decrease in restricted net position for Community Preservation operations as a result of the purchase of land and development rights.
- The Town reported increases in deferred outflows and inflows of resources. The increase is the result of a decrease in the estimated discount rate used by the New York State and Local Employees' Retirement System to measure the net pension liability and the related costs. The discount rate was lowered to 7.0% from 7.5%, to reflect a more accurate rate of return. These rates are determined by the retirement systems actuary's (see note 10 to financial statements for more information).

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Current assets	\$ 148,719,385	\$ 156,919,979	\$ 2,691,893	\$ 2,603,130	\$ 151,411,278	\$ 159,523,109
Capital assets, net	1,054,105,737	997,950,368	22,903,386	23,172,592	1,077,009,123	1,021,122,960
<b>Total assets</b>	<b>\$1,202,825,122</b>	<b>\$1,154,870,347</b>	<b>\$ 25,595,279</b>	<b>\$ 25,775,722</b>	<b>\$1,228,420,401</b>	<b>\$1,180,646,069</b>
Deferred outflows of resources	\$ 33,150,134	\$ 8,994,933	\$ 794,864	\$ 313,390	\$ 33,944,998	\$ 9,308,323
<b>Liabilities:</b>						
Current liabilities	\$ 22,083,522	\$ 24,540,331	\$ 951,125	\$ 1,008,087	\$ 23,034,647	\$ 25,548,418
Long-term liabilities	223,501,682	196,617,633	5,835,325	5,788,327	229,337,007	202,405,960
<b>Total liabilities</b>	<b>\$ 245,585,204</b>	<b>\$ 221,157,964</b>	<b>\$ 6,786,450</b>	<b>\$ 6,796,414</b>	<b>\$ 252,371,654</b>	<b>\$ 227,954,378</b>
Deferred inflows of resources	\$ 19,297,465	\$ 9,452,687	\$ 97,606	\$ 2,981	\$ 19,395,071	\$ 9,455,668
<b>Net position:</b>						
Net investment in capital assets	\$ 936,186,313	\$ 873,900,018	\$ 17,051,685	\$ 16,884,481	\$ 953,237,998	\$ 890,784,499
Restricted	93,815,382	113,569,969	69,333	86,713	93,884,715	113,656,682
Unrestricted	(58,909,108)	(54,215,358)	2,385,069	2,318,523	(56,524,039)	(51,896,835)
<b>Total net position</b>	<b>\$ 971,092,587</b>	<b>\$ 933,254,629</b>	<b>\$ 19,506,087</b>	<b>\$ 19,289,717</b>	<b>\$ 990,598,674</b>	<b>\$ 952,544,346</b>

## Change in Net Position

The Town's program revenues for the year ended December 31, 2016 were \$82.6 million, a decrease of \$3.2 million from 2015, primarily related to a decrease in operating grants. General revenues of \$85.1 million were slightly higher (\$3.3 million increase) than last year. Total combined revenues for 2016 were \$167.7 million consistent with 2015. Expenses for the year ended December 31, 2016 were \$129.7 million reflecting an increase of \$14.4 million compared to 2015, which is primarily related to an increase in most categories, with the exception of Transportation, Economic Assistance and Opportunity, and Interest on Debt. This resulted in an increase in net position for the year ended December 31, 2016 of approximately \$38.1 million. The table below outlines a comparison of revenues and expenses for the Primary Government for the years ended December 31, 2016 and 2015:

**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	
	2016	2015	2016	2015	2016	2015
<b>Program revenues:</b>						
Charges for services, fees, fines and forfeitures	\$ 13,230,908	\$ 12,683,102	\$ 4,505,134	\$ 4,294,656	\$ 17,736,042	\$ 16,977,758
Operating grants and contributions	62,112,570	66,401,212	31,546	31,109	62,144,116	66,432,321
Capital grants and contributions	2,767,546	2,453,459	-	-	2,767,546	2,453,459
<b>Total program revenues</b>	<b>78,111,024</b>	<b>81,537,773</b>	<b>4,536,680</b>	<b>4,325,765</b>	<b>82,647,704</b>	<b>85,863,538</b>
<b>General revenues:</b>						
Real property taxes	68,141,179	66,242,804	296,415	142,807	68,437,594	66,385,611
Other real property tax items	606,740	617,813	-	-	606,740	617,813
Non-property tax items	1,846,425	1,700,658	-	-	1,846,425	1,700,658
Interest earnings	1,111,137	1,034,392	10,451	9,784	1,121,588	1,044,176
State aid - unrestricted	12,173,071	11,908,460	-	-	12,173,071	11,908,460
Sale of property and compensation for loss	881,314	107,062	-	-	881,314	107,062
Miscellaneous	45,380	38,132	-	-	45,380	38,132
<b>Total general revenues</b>	<b>84,805,246</b>	<b>81,649,321</b>	<b>306,866</b>	<b>152,591</b>	<b>85,112,112</b>	<b>81,801,912</b>
<b>Total revenues</b>	<b>162,916,270</b>	<b>163,187,094</b>	<b>4,843,546</b>	<b>4,478,356</b>	<b>167,759,816</b>	<b>167,665,450</b>
<b>Program expenses:</b>						
General governmental support	33,700,867	24,266,171	-	-	33,700,867	24,266,171
Public safety	46,553,861	42,493,599	-	-	46,553,861	42,493,599
Health	3,067,786	2,989,335	-	-	3,067,786	2,989,335
Transportation	12,428,053	12,740,333	-	-	12,428,053	12,740,333
Economic assistance and opportunity	5,824,936	5,877,403	-	-	5,824,936	5,877,403
Culture and recreation	4,831,447	4,536,438	-	-	4,831,447	4,536,438
Home and community services	15,894,394	14,686,485	-	-	15,894,394	14,686,485
Interest on debt	3,191,968	3,597,585	186,070	206,253	3,378,038	3,803,838
Beaches and marinas	-	-	1,685,249	1,669,719	1,685,249	1,669,719
Waste management	-	-	2,292,725	2,132,958	2,292,725	2,132,958
Golf course	-	-	48,132	79,019	48,132	79,019
<b>Total expenses</b>	<b>125,493,312</b>	<b>111,187,349</b>	<b>4,212,176</b>	<b>4,087,949</b>	<b>129,705,488</b>	<b>115,275,298</b>
<b>Excess before transfers</b>	<b>37,422,958</b>	<b>51,999,745</b>	<b>631,370</b>	<b>390,407</b>	<b>38,054,328</b>	<b>52,390,152</b>
Interfund transfers	415,000	343,861	(415,000)	(343,861)	-	-
<b>Change in net position</b>	<b>\$ 37,837,958</b>	<b>\$ 52,343,606</b>	<b>\$ 216,370</b>	<b>\$ 46,546</b>	<b>\$ 38,054,328</b>	<b>\$ 52,390,152</b>

## Governmental Activities

Revenues for the Town's governmental activities decreased \$270,824, or 0.2%. Program revenues totaling \$78,111,024 accounted for 47.9% of total governmental activities revenue, and decreased \$3.4 million, primarily due to a decrease in operating grants and contributions offset by an increase in charges for service and capital grants and contributions. General revenues, which includes revenue from property taxes and other tax items, totaled \$84,805,246, or 52.1% of total revenues, and increased by \$3.2 million mainly as a result of a budgeted increase in property tax revenue and increases in most categories.

- Charges for services, fees, fines and forfeitures increased \$547,806, as a result of increased revenue from various Town issued licenses and permits, as well as general increases in departmental income. During 2016, the Town required all taxi cabs to register with the Town for a license, accounting for much of the increase in licenses and permits. Departmental income is mainly derived from services provided to Town residents such as inspections, rentals of Town property, and fees for review of site plans and other improvement projects.
- Operating grants and contributions decreased \$4.3 million mainly as a result of decreased revenue from the Community Preservation Fund transfer tax. This revenue fluctuates from year to year in proportion with the amount of real estate sold in the Town.
- Capital grants and contributions increased \$314,087 primarily as a result of increased grant revenues for ongoing capital projects related to various capital projects such as, Tiana Beach Levee, Riverside revitalization, and the Nathaniel Rogers House. The Town also received federal aid for the purchase of a new bay constable patrol boat.

Expenses for the Town's governmental activities on the full accrual basis of accounting increased \$14.3 million, or 12.9%. Expenses relating to general governmental support, public safety, transportation and home and community services totaled \$108,577,175 and accounted for 86.5% of total expenses.

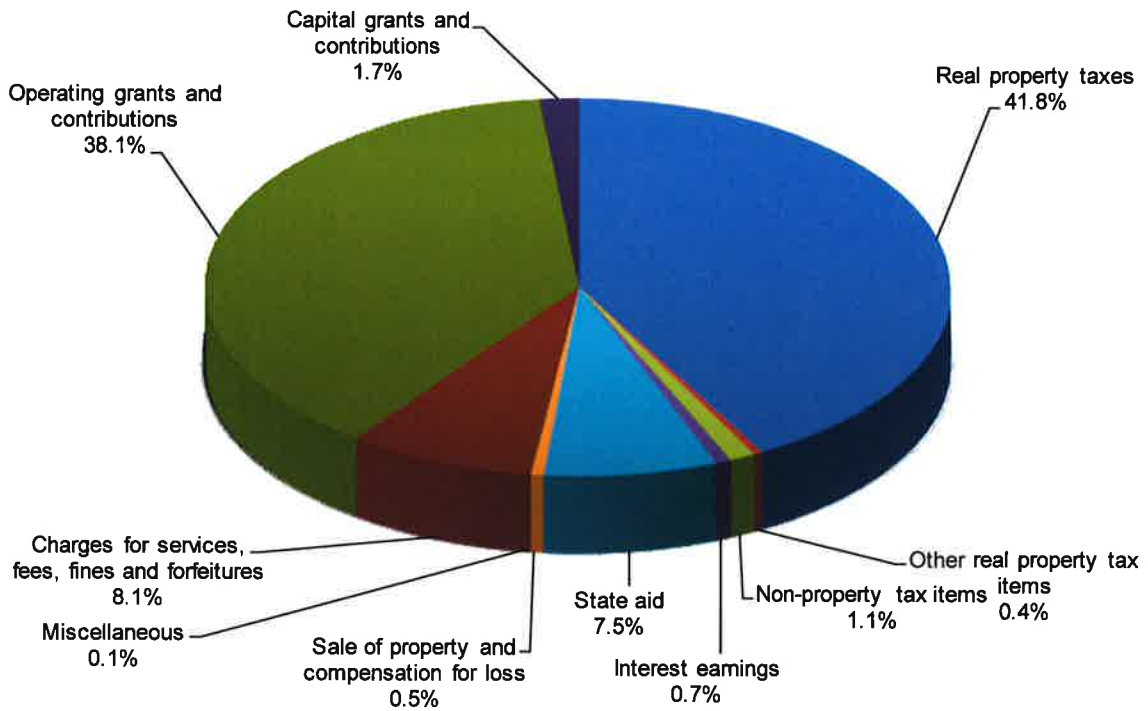
- General governmental support and public safety reported the majority of the increase, totaling \$13.5 million. This increase is mainly due to the change in the Town's proportionate share of the net pension liability and the related inflows and outflows as well as, the increase in the Town's liability for other post-employment benefits expense. On the full accrual basis of accounting, expenses related to employee benefits are reported in the functional category that gives rise to the expense. General governmental support and public safety account for approximately 70% of the Town's payroll expense, therefore increases in employee benefit related items affect these categories more.

The cost of all governmental activities this year was \$125.5 million (page 31). However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities through Town taxes was only \$68.1 million, because some of the cost was paid by those who directly benefited from the programs (\$13.2 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$64.9 million).

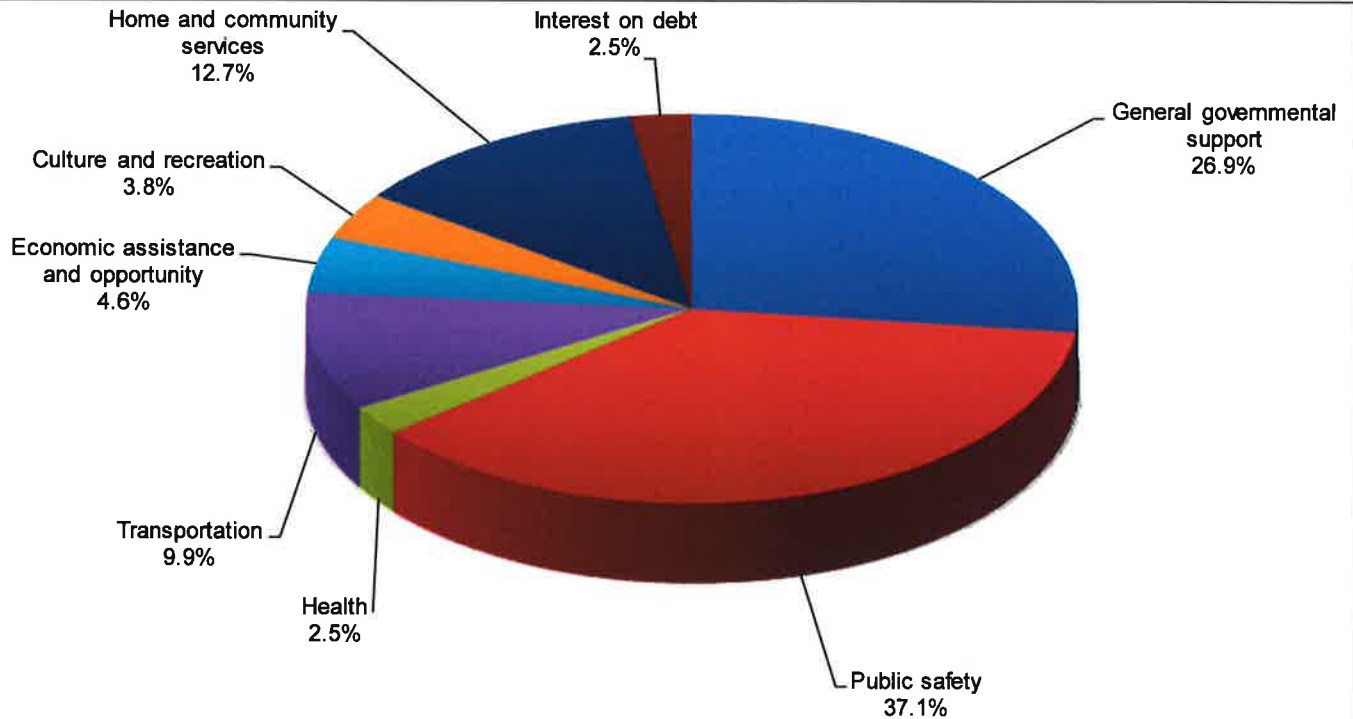
Table 3 presents the cost of the Town's governmental activities as well as the net cost of services (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions (see page 31).

	Total Cost of Services		Program Revenues		Net (Cost) of Services	
	2016	2015	2016	2015	2016	2015
General governmental support	\$ 33,700,867	\$ 24,266,171	\$ 56,653,243	\$ 62,467,638	\$ 22,952,376	\$ 38,201,467
Public safety	46,553,861	42,493,599	3,202,802	3,010,808	(43,351,059)	(39,482,791)
Health	3,067,786	2,989,335	220,322	-	(2,847,464)	(2,989,335)
Transportation	12,428,053	12,740,333	2,551,113	2,564,619	(9,876,940)	(10,175,714)
Economic assistance and opportunity	5,824,936	5,877,403	1,637,136	1,680,800	(4,187,800)	(4,196,603)
Culture and recreation	4,831,447	4,536,438	1,952,998	685,070	(2,878,449)	(3,851,368)
Home and community services	15,894,394	14,686,485	11,893,410	11,128,838	(4,000,984)	(3,557,647)
Interest on debt	3,191,968	3,597,585	-	-	(3,191,968)	(3,597,585)
	<u>\$ 125,493,312</u>	<u>\$ 111,187,349</u>	<u>\$ 78,111,024</u>	<u>\$ 81,537,773</u>	<u>\$ (47,382,288)</u>	<u>\$ (29,649,576)</u>

**Table 4: Sources of Revenues for Fiscal Year 2016 - Governmental Activities**



**Table 5: Expenses for Fiscal Year 2016 - Governmental Activities**

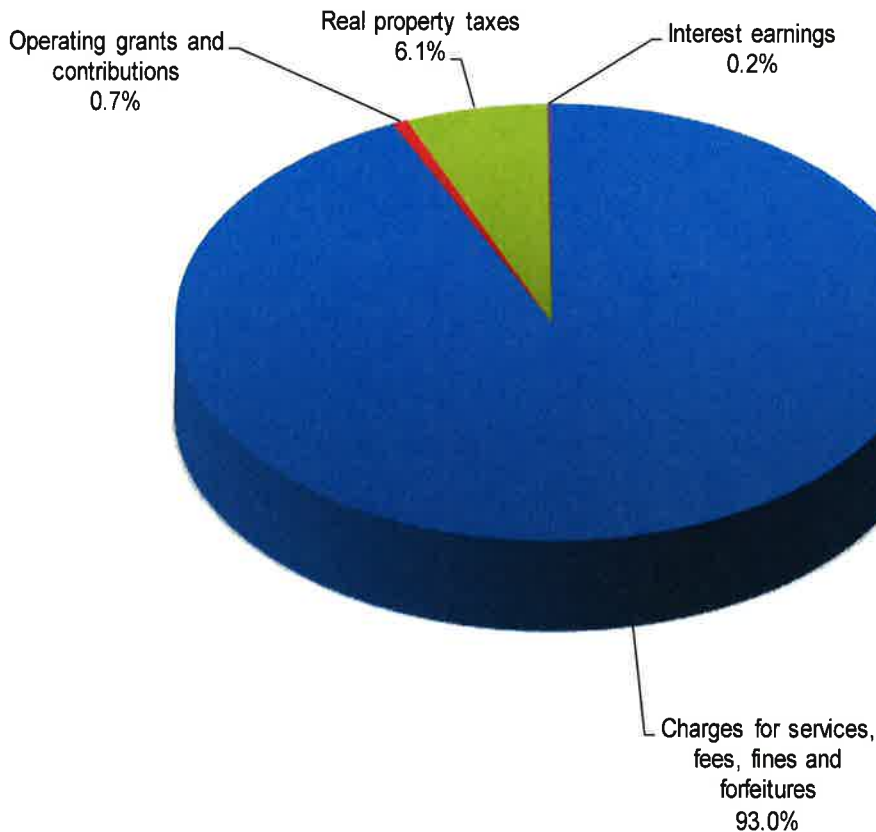


Business-Type Activities

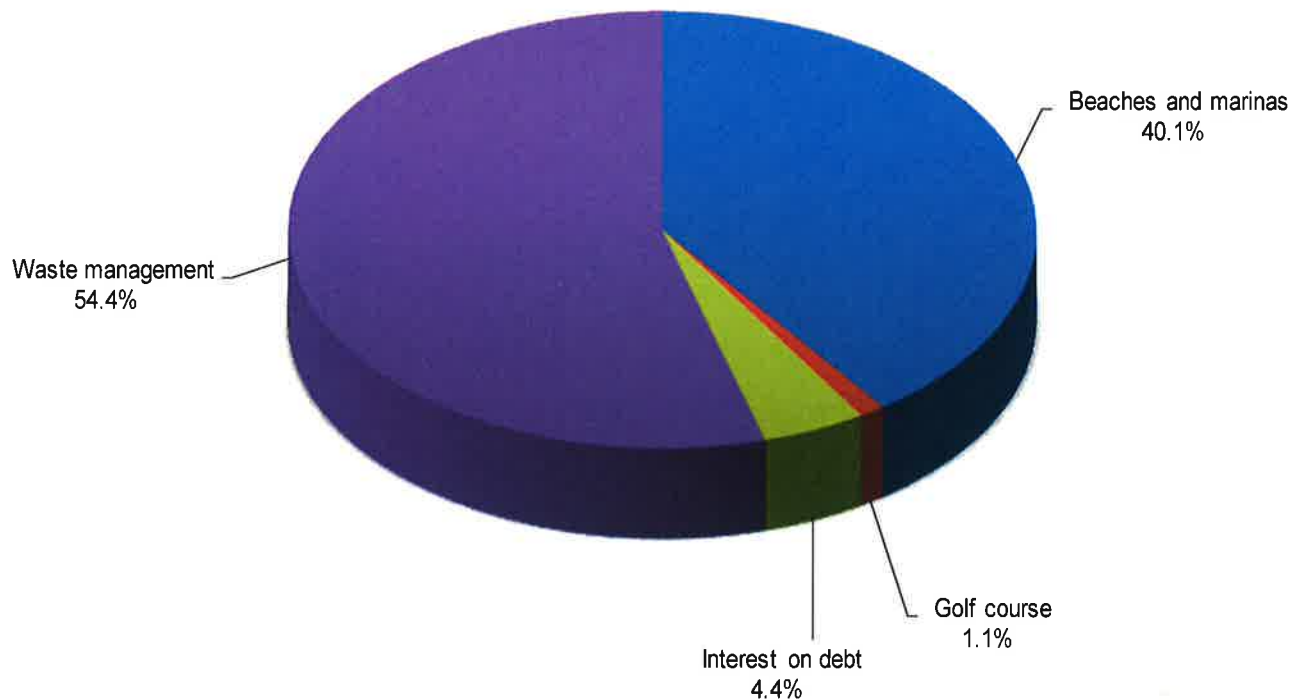
The Town's total program revenues from business-type activities increased by \$210,915, or 4.9% over 2015. Some significant year-end financial data relating to these entities are highlighted as follows:

- Operating revenues in the Beaches and Marinas Fund totaled \$2.1 million in 2016. Operating revenue was consistent with 2015. The fund increased net position \$140,989, as compared to an increase of \$423,120 in 2015. Non-operating activity increased \$189,785, as a result of an increase in interfund transfers out of \$190,000. The Fund's ending net position was approximately \$11.0 million (see page 37).
- Operating revenue in the Waste Management Fund totaled \$2.2 million in 2016 which is an increase of \$238,526 from 2015. The increase is the result of increased landfill usage. Net position increased \$31,701 in 2016. Non-operating activity resulted in an increase of \$115,794, compared to a decrease of \$182,206 in 2015. The variance is the result of more property tax revenue being allocated to subsidize operations in 2016. The Fund's ending net position was approximately \$2.5 million (see page 37).
- The Poxabogue Golf Course Fund increased net position by \$43,680 in 2016. Operating revenues were higher by \$44,250, as a result of an increase in green fees and related items. The Town's expenses decreased \$30,887. Non-operating revenue and expenses were consistent with 2015. The Town has a contract with a third-party to operate the Golf Course, and receives a portion of the revenue received as stated in the concession agreement. Total net position for 2016 was approximately \$6.0 million (see page 37).

**Table 6: Sources of Revenues for Fiscal Year 2016 - Business-Type Activities**



**Table 7: Expenses for Fiscal Year 2016 - Business-Type Activities**



**FINANCIAL ANALYSIS OF CERTAIN TOWN GOVERNMENTAL FUNDS**

**Governmental Funds**

General Fund assets increased \$5.5 million mainly as a result of increased cash and cash equivalents and due from other funds. The increase in cash and cash equivalents is due partly to the positive operating results and in the timing of payments received near year-end, specifically for subsequent year's property taxes.

The General Fund reported an increase in fund balance of \$3.6 million, compared to an increase in 2015 of \$2.3 million. Revenues increased \$1.3 million driven by a budgeted increase in real property taxes, as well as increases in departmental income and licenses and permits. Expenditures were fairly consistent with 2015. Total other financing sources increased approximately \$300,000 resulting from a decrease in budgeted transfers out, offset by a slight increase in transfers in. Expenditures relating to debt service decreased by over \$200,000.

The General Fund's spendable fund balance consists of \$13.3 million in unassigned funds, restricted reserves of \$4.5 million, and \$551,000 in assigned fund balance, which combined, represents 51.0% of annual General Fund operating expenditures. The Town has recently adopted a resolution to commit the excess fund balance to reduce future borrowing for capital projects.

Assets in the Police District Fund increased \$1.9 million, as a result of an increase in cash and cash equivalents due to an increase in property taxes paid in advance (deferred inflows of resources). Liabilities decreased approximately \$170,000 due to a decrease in accounts payable, however an increase in accrued liabilities was recorded for compensated absence payments for year-end officer retirements.

The Police District Fund fund balance increased \$290,000 as a result of an increase in State aid received, derived from mortgage taxes. Expenditures increased \$758,000 and is mostly related to personnel costs and employee benefit expenditures.

The Town Outside Village Fund assets increased \$138,000 mainly driven by an increase in cash and cash equivalents as a result of an increase in property taxes paid in advance (deferred inflows of resources). Liabilities increased by \$50,000 due to an increase in accounts payable.

The Town Outside Village Fund recorded an increase in fund balance of \$53,000. Revenues decreased \$300,000 due to a decrease in budgeted real property taxes, offset by an increase in current year revenues from licenses and permits. Expenditures increased \$370,000 mostly due to personnel costs and related employee benefits expenditures.

The Highway Fund assets increased \$1.2 million due to an increase in cash and cash equivalents. The increase in cash and cash equivalents is the result of an increase in property taxes paid in advance (deferred inflows of resources). Liabilities in the Highway Fund decreased by \$343,000 as a result of timing of payments made near year-end for road maintenance and construction.

Highway Fund revenues increased \$730,000 mainly due to increases in real property taxes. Expenditures increased \$235,000, and is the result of increased road reconstruction and equipment purchases as well as increases in personnel costs and related employee benefits.

Public Safety Communication Fund assets increased \$238,000. The increase is driven by an increase in cash and cash equivalents from an increase in property taxes paid in advance.

Revenues in the Public Safety Communication Fund were consistent year over year. Expenditures increased \$82,000, mainly as a result of increased personnel costs and related benefit expenditures. Other financing sources decreased \$149,000, as there were no budgeted transfers in 2016.

Capital outlay totaled \$10.8 million in 2016, which is an increase of \$3.0 million from 2015. The Town issued public improvement serial bonds totaling \$8.6 million, of which \$8.3 million will be paid for by governmental funds. Capital fund revenues increased \$1.3 million mainly as a result of State, federal and local grants as discussed earlier in this section. Cash restricted for capital improvements totaled \$14.9 million in 2016. Total liabilities increased \$823,000 as a result of an increase in interfund loans. The Town expects to repay these loans upon receipt of approved grant funding in the subsequent year.

In the Community Preservation Fund, fund balance decreased by \$18.9 million as a result of an increase in land purchases and development rights. In 2015, the Community Preservation Fund purchased \$23.3 million in land and development rights, and in 2016 the fund purchased \$66.0 million in land and development rights. Total fund balance restricted for the Community Preservation Fund operations was \$75,295,290.

Total assets in the non-major governmental funds were \$13.9 million in 2016 which is \$1.3 million higher than 2015. The increase is due to an increase in cash and cash equivalents as a result of an increase in property taxes paid in advance.

At December 31, 2016, the Town's governmental funds had a combined fund balance of \$124,961,570, which is a decrease of \$14.1 million from the previous year. Fund balances for the Town's governmental funds for the past two years were as follows:

<u>Governmental Funds:</u>	<u>2016</u>	<u>2015</u>
General Fund	\$ 20,269,111	\$ 16,617,547
Police District Fund	2,785,821	2,496,209
Town Outside Village Fund	3,497,138	3,444,076
Highway Fund	3,033,447	2,577,847
Public Safety Communications Fund	839,037	812,235
Capital Projects Fund	8,596,038	8,274,151
Community Preservation Fund	75,295,290	94,235,375
Non-Major Governmental Funds	10,645,688	10,602,320
Total fund balances	<u>\$ 124,961,570</u>	<u>\$ 139,059,760</u>

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's General Fund budget generally contains budget amendments during the year. The budget is allowed to be increased for additional current year appropriations that are supported by an increase in budgeted revenues. Below is a summary of the General Fund budgetary results of operations:

<b>Table 9:</b>				
General Fund Budget				
For the Year Ended December 31, 2016				
	Budgeted Amounts		Actual Including Encumbrances	Variance with Final Budget
	Original	Revised		
Revenues	\$ 36,510,118	\$ 36,700,336	\$ 39,133,105	\$ 2,432,769
Expenditures	37,362,552	37,865,614	36,014,837	1,850,777
Other financing sources	852,434	1,165,278	431,791	(733,487)
Change in fund balance	\$ -	\$ -	\$ 3,550,059	\$ 3,550,059

Overall the General Fund performed better than anticipated. The performance was driven by greater than anticipated total revenues of \$2.4 million, and a savings in expenditures of \$1.8 million. The Town originally budgeted for a \$452,434 loss (appropriated fund balance), but performed better by \$4.0 million. Some highlights include:

- Franchise fees were more than revised budget by \$172,425 due to higher than anticipated reimbursements from cable providers. These fees are generally based on subscribers which can vary from year to year.
- Departmental income was more than anticipated by \$273,638 mainly due to an increase in engineering fee revenue.
- Use of money and property was higher than expected by \$47,393 as a result of increases in interest and earnings. The Town has taken advantage of the highest interest rates by moving money to different banks when possible.
- Revenues from State aid were \$1.4 million greater than expected as a result of higher than anticipated mortgage tax aid and residual reimbursements from Superstorm Sandy from the New York State Department of Homeland Security.
- After encumbrances, general governmental support expenditures recorded a savings of \$928,347, as spending in almost all categories was less than anticipated.
- Public safety expenditures were less than anticipated by \$239,614.
- Employee benefit expenditures were less than anticipated by \$292,525

A budgetary comparison schedule within the required supplementary information section of this report has been provided for further analysis in regards to the General Fund budget on pages 80-86.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2016, the Town had \$1.1 billion invested in a broad range of capital assets, including beaches, land, police equipment, buildings, park facilities, roads, bridges and water infrastructure (See Table 10).

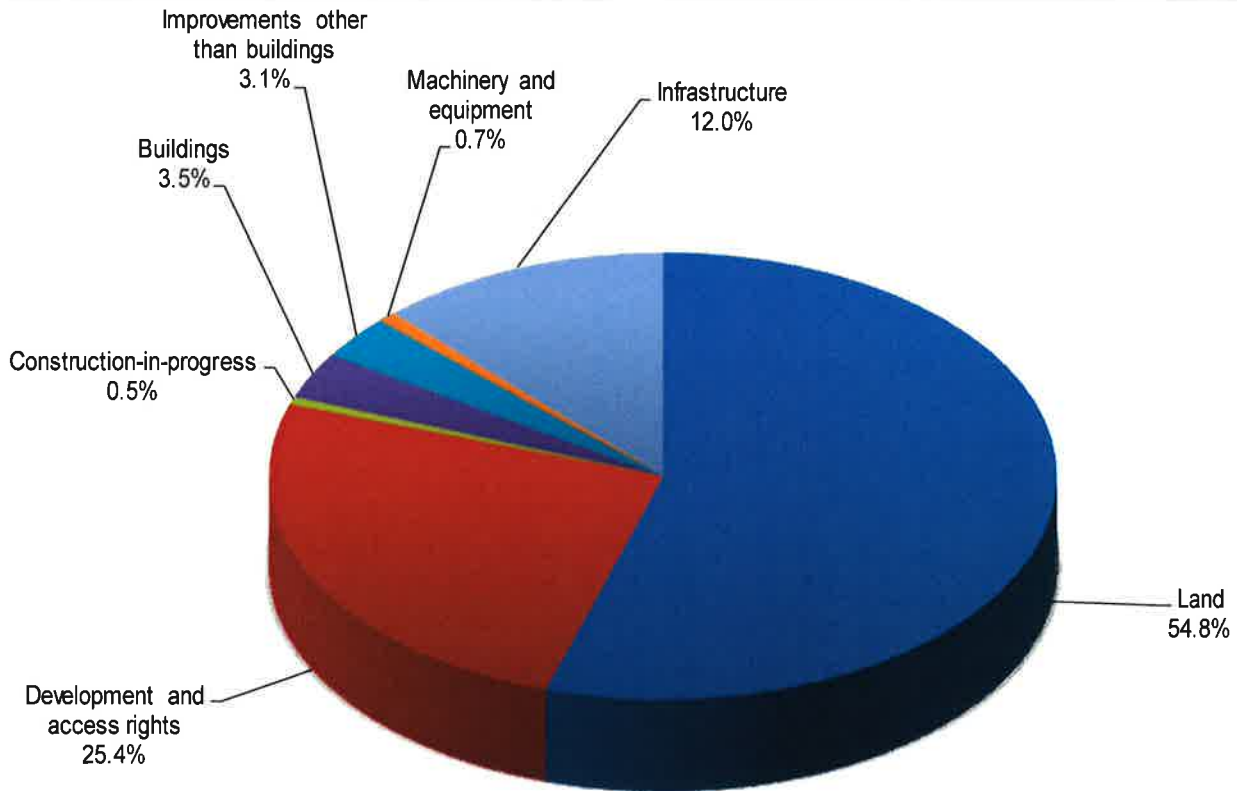
The Town's fiscal year 2016 capital budget included the continuation of funding for infrastructure improvements. Of the \$18.9 million capital spending plan in 2016, \$4.1 million was dedicated to the reconstruction of roads, bridges, and drainage improvement projects, \$7.8 million was dedicated to municipal works projects, \$3.3 million was dedicated to parks and recreation and other revitalization programs, and the remainder of the budget was allocated to various information technology upgrades and other general business improvements. For more information regarding capital assets see Note 7 in the notes to financial statements.



**Table 10:**  
Capital Assets  
As of December 31,

<u>Governmental Activities:</u>	<u>2016</u>	<u>2015</u>
Land	\$ 576,576,882	\$ 545,653,162
Development and access rights	273,919,773	244,344,289
Construction-in-progress	5,786,755	4,273,875
Buildings	33,189,041	32,243,410
Improvements other than buildings	28,282,141	26,522,394
Machinery and equipment	7,009,329	5,514,927
Infrastructure	129,341,816	139,398,311
Total	<u>\$ 1,054,105,737</u>	<u>\$ 997,950,368</u>
 <u>Business-type Activities:</u>		
Land	\$ 13,329,090	\$ 13,329,090
Construction-in-progress	-	4,157
Buildings	3,165,529	3,191,469
Improvements other than buildings	5,366,676	5,773,004
Machinery and equipment	1,042,091	874,875
Total	<u>\$ 22,903,386</u>	<u>\$ 23,172,595</u>

**Table 11: Capital Assets, Net for Fiscal Year 2016**



### Long-Term Debt

The Town's bond rating is AAA according to Standard and Poor's Ratings Services and Aaa according to Moody's Investment Services.

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 2016, the Town's governmental funds total debt service was approximately \$17.8 million, of which \$5.9 million was paid by the Community Preservation Fund, resulting in taxpayer supported debt service of approximately \$11.9 million. Governmental funds debt service expenditures including interest in 2016, excluding CPF, was 11.9% of operating expenditures.

The Town of Southampton's current outstanding bonded indebtedness was \$117.5 million at year-end, of which \$38.9 million was related to the Community Preservation Fund land purchases, \$15.7 million to the Coastal Erosion District Fund, \$27.1 million related to highway improvements, \$5.6 million for the Hampton Bays Water District and the remaining \$30.2 million related to various other improvements and equipment acquisitions.

Pursuant to New York State Local Finance Law §104, the Town's outstanding long-term debt must be no more than 7% of the five-year average full valuation of real property. This is also known as the "constitutional debt limit". At December 31, 2016, the Town had exhausted 2.85% of its limit.

The Town has accrued an \$80.6 million obligation for other post-employment benefits in accordance with GASB Pronouncements on the Town-wide financial statements. Note 12 to the financial statements shows the details of the Town's long-term liabilities in this area.

### Union Contracts

The Town provides services through 17 elected officials, 519 full-time employees and 400 part-time seasonal employees. The Town also has 44 appointed advisory 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 75 employees under a contract which expired on December 31, 2016. The Superior Officers Association ("SOA") represents 19 employees under a contract which expired on December 31, 2016 and is currently under negotiations. 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**

The Town's elected officials considered many factors when setting the fiscal-year 2017 budget, tax rates and fees to be charged for the business-type activities. The 2017 Adopted Operating Budget was primarily structurally balanced and the only funds with appropriated fund balance were the General Fund (\$452,350), Police District Fund (\$250,000), Town Outside Village Fund (\$750,000), Highway Fund (\$175,000), Public Safety Communications Fund (\$150,000) and various Nonmajor Funds (\$356,360). 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. The 2017 Operating Budget was projected to meet the 2% Tax Levy cap enacted by the New York State Governor.

### 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. The table on the following page shows information regarding property taxes for the previous five years.

**Table 12:**  
Property Taxes, Five-Year Trend

As of May 31,	Total Tax Levy	To Town Supervisor	To County Treasurer	Uncollected Returned
2016	\$ 350,518,343	\$ 332,138,791	\$ -	\$ 18,379,552
2015	345,976,680	325,906,413	818,103	19,252,164
2014	340,541,980	322,100,896	2,406,968	16,034,116
2013	331,578,024	312,524,774	2,487,427	16,565,823
2012	323,070,255	307,308,969	229,308	15,531,978

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.

The Town has adopted a budget for the 2017 fiscal year, which takes into account inflation, prior period performance, and other economic factors. The 2017 budget includes a decrease in the tax rate by nearly 2.0%, due to the increase in the overall valuation of the tax base of the Town. The taxable value of all properties in the Town is \$60.6 billion in 2017, compared to \$57.7 billion in 2016.

Business-Type Activities

The Town has adopted the following budgets for the business-type activities based on prior year's performance and factors and circumstance known for the upcoming year:

- The 2017 adopted budget for the Beaches and Marina Fund projects revenue of \$2.0 million and an expense budget of \$2.2 million, calling for a use of net position of \$189,874. Revenue includes real property taxes of \$101,000 to help subsidize the cost of operations. The budget also includes expenditures for debt service principal and interest of \$232,000. Although the principal is not a fund level expense, this helps the Town predict cash flow for the year.
- The 2017 adopted budget for the Waste Management Fund 1050 anticipates similar performance as projected revenues are \$2.2 million and projected expenses are expected to be \$2.5 million. The deficiency will be funded by the use of net position of \$300,000. Similar to the Beaches and Marina Fund, the budget includes expenditures for debt service principal and interest of \$483,000.

**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 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. The Law was extended in July of 2015, and is now set to expire on June 15, 2020.
- Changes in accounting principles which are set to be implemented in subsequent years will force the Town to recognize the full obligation due under other post-employment benefit arrangements. This could adversely affect the Town's Statement of Net Position by increasing the amount reported for total liabilities.
- The Town's ability to sustain positive budgetary performance and meet the needs of its residents will become more challenging as the Town's economic growth continues into the future. The Town will need to continue to monitor spending and plan carefully on future use of spendable fund balance. In March 2017, the Town amended its fund balance policy to ensure the Town's surplus is used to reduce the amount of future indebtedness, by committing a portion of the surplus to future capital needs.

- Residents of the Town approved the use of Community Preservation Fund proceeds for water quality improvement projects. The approval was pursuant to Chapter 551 of the New York State Laws of 2015, and amends Town Law section 64-e. The approval allows no more than 20% of the annual revenues generated from the transfer tax to be used for water quality improvement projects. The Town is required to list each projects costs and how the project would improve existing water quality.

### **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:

Town Comptroller's Office  
116 Hampton Road  
Southampton, NY 11968  
(631) 283-6000

## **FINANCIAL SECTION**

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Town of Southampton Housing Authority	Trustees of the Freeholders and Commonalty
<b>ASSETS</b>					
Cash and cash equivalents	\$ 36,075,960	\$ 2,392,792	\$ 38,468,752	\$ 100,474	\$ 1,056,139
Restricted cash	94,762,595	69,333	94,831,928	230,970	-
Accounts receivable, net	1,803,796	66,904	1,870,700	1,563	3,752
State and federal aid receivables	6,140,749	-	6,140,749	-	-
Due from governmental funds	-	144,734	144,734	-	-
Due from fiduciary funds	152,535	-	152,535	-	-
Due from other governments	6,079,148	-	6,079,148	6,440	-
Prepaid expenses	3,704,602	18,130	3,722,732	17,702	-
Loan receivable	-	-	-	500,000	-
Due from Southampton Community Development Corporation	-	-	-	74,409	-
Tenant security deposits	-	-	-	15,263	-
Bond proceeds held by fiscal agent	-	-	-	105,664	-
Capital assets:					
Non-depreciable capital assets	856,283,410	13,329,090	869,612,500	683,700	-
Depreciable capital assets, net	197,822,327	9,574,296	207,396,623	2,541,529	-
<b>Total assets</b>	<b>1,202,825,122</b>	<b>25,595,279</b>	<b>1,228,420,401</b>	<b>4,277,714</b>	<b>1,059,891</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge from refunding bonds	456,953	98,425	555,378	-	-
Pension related	32,693,181	696,439	33,389,620	-	-
<b>Total deferred outflows of resources</b>	<b>33,150,134</b>	<b>794,864</b>	<b>33,944,998</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	1,860,025	70,922	1,930,947	6,219	40,492
Accrued liabilities	548,249	-	548,249	25,249	-
Accrued interest payable	933,006	56,059	989,065	-	-
Bond anticipation notes payable	3,191,640	-	3,191,640	-	-
Due to proprietary funds	144,734	-	144,734	-	-
Due to fiduciary funds	126,912	4,515	131,427	-	-
Due to other governments	244,624	-	244,624	-	-
Unearned revenue	-	-	-	-	8,876
Noncurrent liabilities due within one year:					
General obligation bonds payable	14,202,252	809,629	15,011,881	80,000	-
Special assessment bonds with governmental commitment	13,120	-	13,120	-	-
Compensated absences	200,000	10,000	210,000	-	-
Judgments and claims payable	417,424	-	417,424	-	-
Estimated liability for landfill closure and post-closure care costs	201,536	-	201,536	-	-
Noncurrent liabilities due in more than one year:					
General obligation bonds payable, net	100,914,999	5,140,497	106,055,496	3,191,922	-
Special assessment bonds with governmental commitment	54,366	-	54,366	-	-
Note payable	-	-	-	650,000	-
Compensated absences	9,008,636	72,748	9,081,384	-	-
Retainages held	564,658	-	564,658	-	-
Judgments and claims payable	1,870,076	-	1,870,076	-	-
Net pension liability - proportionate share	27,699,910	622,080	28,321,990	-	-
Other post-employment benefits	80,564,563	-	80,564,563	-	-
Tenant security deposits	-	-	-	15,263	-
Estimated liability for landfill closure and post-closure care costs	2,824,474	-	2,824,474	-	-
<b>Total liabilities</b>	<b>245,585,204</b>	<b>6,786,450</b>	<b>252,371,654</b>	<b>3,968,653</b>	<b>49,368</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes received in advance	14,818,190	21,014	14,839,204	-	-
Pension related	4,163,920	76,592	4,240,512	-	-
Deferred revenue	315,355	-	315,355	-	-
<b>Total deferred inflows of resources</b>	<b>19,297,465</b>	<b>97,606</b>	<b>19,395,071</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	936,186,313	17,051,685	953,237,998	108,686	-
Restricted:					
Debt service	7,125,498	69,333	7,194,831	-	-
Tax stabilization	3,928,943	-	3,928,943	-	-
Capital projects	8,596,038	-	8,596,038	-	-
Community preservation operations	69,532,546	-	69,532,546	-	-
Community and park improvements	4,296,039	-	4,296,039	230,970	-
HUD grants	336,318	-	336,318	-	-
Unrestricted	(58,909,108)	2,385,069	(56,524,039)	(30,595)	1,010,523
<b>Total net position</b>	<b>\$ 971,092,587</b>	<b>\$ 19,506,087</b>	<b>\$ 990,598,674</b>	<b>\$ 309,061</b>	<b>\$ 1,010,523</b>

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, 2018**

	Program Revenues				Net Revenues (Expenses) and Changes in Net Position			Component Units	
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Town of Southampton Housing Authority	Trustees of the Freeholders and Commonalty
Functions and programs:									
Primary Government -									
Governmental activities:									
General governmental support	\$ 33,700,867	\$ 1,323,083	\$ 55,330,150	\$ -	\$ 22,952,376	\$ -	\$ 22,952,376		
Health	46,553,851	2,588,626	614,176	-	(43,351,059)	-	(43,351,059)		
Transportation	12,428,053	1,026,561	585,168	220,322	(2,847,464)	-	(2,847,464)		
Economic assistance and opportunity	5,824,535	936,368	698,768	925,394	(9,876,940)	-	(9,876,940)		
Culture and recreation	4,831,447	20,055	750,183	-	(4,187,800)	-	(4,187,800)		
Home and community services	15,894,394	7,334,205	4,124,125	1,182,780	(2,878,449)	-	(2,878,449)		
Interest on debt	3,181,968	-	-	435,080	(4,000,964)	-	(4,000,964)		
Total governmental activities	125,493,312	13,230,908	62,112,570	2,767,546	(47,382,288)	-	(47,382,288)		
Business-type activities:									
Beaches and marinas	1,685,249	2,105,931	1,570	-	-	422,252	422,252		
Waste management	2,292,725	2,208,632	29,976	-	-	(54,117)	(54,117)		
Golf course	48,132	180,571	-	-	-	142,439	142,439		
Interest on debt	185,070	-	-	-	-	(185,070)	(185,070)		
Total business-type activities	4,212,176	4,505,134	31,546	-	-	324,504	324,504		
Total primary government	\$ 129,705,488	\$ 17,736,042	\$ 62,144,116	\$ 2,767,546	(47,382,288)	324,504	(47,057,784)		
Component Units -									
Town of Southampton Housing Authority:									
Economic assistance and opportunity	\$ 778,749	\$ 303,889	\$ 403,932	\$ -				\$ (70,928)	
Interest on debt	118,955	-	-	-				(118,955)	
Total housing authority	\$ 897,704	\$ 303,889	\$ 403,932	\$ -				\$ (189,883)	
Trustees of the Freeholders and Commonalty:									
Home and community	\$ 442,824	\$ 458,248	\$ -	\$ -					\$ 15,424
General revenues:									
Real property taxes					68,141,179	296,415	68,437,594		
Other real property tax items					606,740	-	606,740		
Non-property tax items					1,846,425	-	1,846,425		
Interest earnings					1,111,137	10,451	1,121,588		1,620
State aid - unrestricted					12,173,071	-	12,173,071		
Sale of property and compensation for loss					681,314	-	681,314		
Miscellaneous					45,380	-	45,380		
Total general revenues					84,805,246	306,866	85,112,112	96	1,620
Excess revenues over expenses before transfers					37,422,958	631,370	38,054,328	(189,787)	17,044
Interfund transfers					415,000	(415,000)	-		
Change in net position					37,837,958	216,370	38,054,328	(189,787)	17,044
Total net position, beginning of year					933,254,629	19,289,717	952,544,346	498,848	993,479
Total net position, end of year					\$ 971,092,587	\$ 19,506,087	\$ 990,598,674	\$ 309,051	\$ 1,010,523

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

**TOWN OF SOUTHAMPTON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

	MAJOR FUNDS						MAJOR FUNDS			
	General Fund	Police District Fund	Town Outside Village Fund	Highway Fund	Public Safety Communications Fund	Non-Major Governmental Funds	Total Operating Funds	Capital Projects Fund	Community Preservation Fund	Total Governmental Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 15,556,415	\$ 3,615,643	\$ 3,545,751	\$ 4,289,387	\$ 1,203,229	\$ 7,865,535	\$ 36,075,960	\$ -	\$ -	\$ 36,075,960
Restricted cash	4,486,637	34,765	64,748	617,581	3,013	5,546,209	10,752,953	14,898,148	68,111,494	94,762,595
Accounts receivable, net	931,448	303,686	9,189	1,200	7,217	418,856	1,671,596	-	132,200	1,803,796
State and federal aid receivables	188,222	2,566,235	-	842,159	36,047	-	3,632,663	-	-	3,632,663
Due from other funds	2,777,518	-	-	-	-	-	2,777,518	-	-	2,777,518
Due from fiduciary funds	-	1,324	-	16,664	-	-	17,988	134,547	-	152,535
Due from other governments	-	-	-	-	-	68,635	-	-	6,079,148	6,079,148
Prepaid items	1,924,365	1,171,342	215,880	227,646	92,000	-	3,699,868	-	4,734	3,704,602
Total assets	\$ 25,864,605	\$ 7,692,995	\$ 3,835,568	\$ 5,994,637	\$ 1,341,506	\$ 13,899,235	\$ 58,628,546	\$ 15,032,695	\$ 75,327,576	\$ 148,988,817
<b>LIABILITIES</b>										
Accounts payable	\$ 394,289	\$ 57,387	\$ 57,711	\$ 149,438	\$ 8,343	\$ 178,327	\$ 845,495	\$ 982,765	\$ 31,765	\$ 1,860,025
Accrued liabilities	134,807	212,482	10,995	19,156	1,634	169,175	548,249	3,191,640	-	548,249
Bond anticipation notes payable	-	-	-	-	-	660,000	660,000	2,117,518	-	3,191,640
Due to other funds	-	-	-	-	-	-	-	144,734	-	144,734
Due to proprietary funds	-	-	-	-	-	3,342	126,391	-	521	126,912
Due to fiduciary funds	58,812	47,027	10,213	-	6,997	-	244,624	-	-	244,624
Due to other governments	244,624	-	-	-	-	-	-	-	-	-
Total liabilities	832,532	316,896	78,919	168,594	16,974	1,010,844	2,424,759	6,436,657	32,286	8,893,702
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Property taxes received in advance	4,762,962	4,590,278	259,511	2,792,596	485,495	1,927,348	14,818,190	-	-	14,818,190
Deferred revenue	-	-	-	-	-	315,355	315,355	-	-	315,355
Total deferred inflows of resources	4,762,962	4,590,278	259,511	2,792,596	485,495	2,242,703	15,133,545	-	-	15,133,545
<b>FUND BALANCE</b>										
Fund balance:										
Nonspendable	1,924,365	1,171,342	215,880	227,646	92,000	68,635	3,699,868	-	4,734	3,704,602
Restricted	4,486,637	34,765	64,748	617,581	3,013	4,722,044	9,928,788	8,596,038	75,290,556	93,815,382
Committed	-	-	-	-	-	1,000,000	1,000,000	-	-	1,000,000
Assigned	551,490	1,579,714	3,216,510	2,188,220	744,024	4,855,009	13,134,967	-	-	13,134,967
Unassigned	13,306,619	-	-	-	-	-	13,306,619	-	-	13,306,619
Total fund balance	20,269,111	2,785,821	3,497,138	3,033,447	839,037	10,645,688	41,070,242	8,596,038	75,295,290	124,961,570
Total liabilities, deferred inflows of resources and fund balance	\$ 25,864,605	\$ 7,692,995	\$ 3,835,568	\$ 5,994,637	\$ 1,341,506	\$ 13,899,235	\$ 58,628,546	\$ 15,032,695	\$ 75,327,576	\$ 148,988,817

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, 2016

Total Fund Balance - Governmental Funds \$ 124,961,570

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

\$ 856,283,410

Depreciable

523,578,166

Accumulated depreciation

(325,755,839)

1,054,105,737

Deferred charge on refunding bonds

456,953

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 fund financial statements.

However, these liabilities are included in the Statement of Net Position:

General obligation bonds payable, net

(115,117,251)

Special assessment bonds with governmental commitment

(67,486)

Compensated absences

(9,208,636)

Judgments and claims payable

(2,287,500)

Retainages held

(564,658)

Other post-employment benefits

(80,564,563)

Estimated liability for landfill closure and post-closure care costs

(3,026,010)

(210,836,104)

Pension related items are not reported in the governmental fund financial statements since they are not related to current financial resources. The pension related items included in governmental activities consist of the following:

Net pension liability - proportionate share

(27,699,910)

Deferred outflow of resources

32,693,181

Deferred inflow of resources

(4,163,920)

829,351

Revenue that was not accrued on the governmental fund 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.

2,508,086

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 fund financial statements. However, this liability is included in the Statement of Net Position.

(933,006)

Net Position - Governmental Activities

\$ 971,092,587

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	MAJOR FUNDS							MAJOR FUNDS		
	General Fund	Police District Fund	Town Outside Village Fund	Highway Fund	Public Safety Communications Fund	Non-Major Governmental Funds	Total Operating Funds	Capital Projects Fund	Community Preservation Fund	Total Governmental Funds
<b>REVENUES</b>										
Real property taxes	\$ 21,500,574	\$ 21,618,749	\$ 1,327,298	\$ 12,422,647	\$ 2,174,475	\$ 9,097,436	\$ 68,141,179	\$ -	\$ -	\$ 68,141,179
Other real property tax items	231,173	147,684	11,446	85,335	12,970	118,132	606,740	-	-	606,740
Non-property tax items	1,846,425	-	-	-	-	-	1,846,425	-	-	1,846,425
Special assessments	33,153	-	-	-	-	-	33,153	-	55,083,465	55,083,465
Departmental income	1,097,848	537,959	1,609,545	20,200	127,147	2,377,595	5,770,294	-	-	5,770,294
Intergovernmental charges	221,095	-	-	752,113	-	-	973,208	-	-	973,208
Use of money and property	108,493	46,924	20,467	32,850	7,806	385,001	601,541	-	443,530	1,111,137
Licenses and permits	487,749	88,950	3,347,065	-	-	-	3,923,764	-	-	3,923,764
Fines and forfeitures	1,572,067	41,112	1,989	200,900	-	20,055	1,592,122	-	-	1,592,122
Sale of property and compensation for loss	259,243	340,522	958	49,301	-	378,060	881,314	-	-	881,314
Miscellaneous local sources	744,183	2,548,699	-	842,272	144,345	650,401	1,785,365	53,560	7,227	1,846,152
State aid	9,959,551	265,439	-	87,112	-	5,000	13,499,867	1,564,279	-	15,064,146
Federal aid	1,071,551	-	-	-	-	4,094,125	5,518,227	220,322	-	5,738,549
<b>Total revenues</b>	<b>39,133,105</b>	<b>25,636,038</b>	<b>6,318,778</b>	<b>14,492,730</b>	<b>2,466,743</b>	<b>17,125,805</b>	<b>105,173,199</b>	<b>1,904,227</b>	<b>55,534,222</b>	<b>162,611,648</b>
<b>EXPENDITURES</b>										
Current -										
General governmental support	14,162,985	-	-	-	-	89,991	14,252,976	-	66,209,600	82,462,576
Public safety	2,455,819	16,082,237	669,756	-	1,705,459	892,040	21,805,311	-	-	21,805,311
Health	-	-	-	-	-	3,067,786	3,067,786	-	-	3,067,786
Transportation	868,780	-	-	6,811,095	-	485,800	8,165,615	-	-	8,165,615
Economic assistance and opportunity	2,768,458	-	-	-	-	622,556	3,391,014	-	-	3,391,014
Culture and recreation	2,238,320	-	-	-	-	542,203	2,780,523	-	-	2,780,523
Home and community services	611,801	-	3,736,511	-	-	6,341,329	10,689,641	-	-	10,689,641
Employee benefits	8,798,064	9,030,571	1,909,709	3,121,087	728,432	874,224	24,462,087	10,768,144	154,625	24,616,712
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service -										
Principal	3,336,987	205,285	37,815	3,381,197	5,000	2,772,046	9,738,330	-	4,247,060	13,985,390
Interest	672,118	30,769	8,874	767,415	1,050	739,811	2,220,037	-	1,641,011	3,861,048
<b>Total expenditures</b>	<b>35,913,332</b>	<b>25,348,652</b>	<b>6,362,665</b>	<b>14,080,734</b>	<b>2,439,941</b>	<b>16,427,786</b>	<b>100,573,320</b>	<b>10,768,144</b>	<b>74,252,296</b>	<b>185,583,760</b>
Excess (deficiency) of revenues over (under) expenditures	3,219,773	287,176	(43,887)	411,996	26,802	698,019	4,599,879	(8,863,917)	(18,718,074)	(22,982,112)
<b>OTHER FINANCING SOURCES (USES)</b>										
Serial bond issuance	-	-	-	-	-	-	-	8,320,000	-	8,320,000
Premium on obligations	88,979	2,436	2,701	43,909	-	10,897	148,922	-	-	148,922
Interfund transfers in	429,240	-	130,048	250,100	-	228,230	1,037,618	1,322,009	-	2,359,627
Interfund transfers out	(86,428)	-	(35,800)	(250,405)	-	(893,778)	(1,266,411)	(456,205)	(222,011)	(1,944,627)
<b>Total other financing sources (uses)</b>	<b>431,791</b>	<b>2,436</b>	<b>96,949</b>	<b>43,604</b>	<b>-</b>	<b>(654,651)</b>	<b>(79,871)</b>	<b>9,185,804</b>	<b>(222,011)</b>	<b>8,883,922</b>
Change in fund balance	3,651,564	289,612	53,062	455,600	26,802	43,368	4,520,008	321,887	(18,940,085)	(14,098,190)
Fund balance, beginning of year	16,617,547	2,496,209	3,444,076	2,577,847	812,235	10,602,320	36,550,234	8,274,151	94,235,375	139,059,760
Fund balance, end of year	\$ 20,269,111	\$ 2,785,821	\$ 3,497,138	\$ 3,033,447	\$ 839,037	\$ 10,645,688	\$ 41,070,242	\$ 8,596,038	\$ 75,295,290	\$ 124,961,570

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, 2016**

Net Change in Fund Balance - Governmental Funds \$ (14,098,190)

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	\$ 73,791,946	
Depreciation expense	<u>(17,636,577)</u>	56,155,369

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		262,363
------------------------------------------------------------------------------------------------------------------------------------	--	---------

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.

Premiums on obligations	(106,663)	
Serial bond issuance	(8,320,000)	
Repayment of bond principal	13,952,799	
Repayment of special assessment bonds	<u>32,591</u>	5,558,727

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	(9,819,582)	
Compensated absences	(20,048)	
Judgments and claims payable	655,000	
Estimated liability for landfill closure and post-closure care costs	150,819	
Retainages held	(479,173)	
Pension related	(1,196,406)	
Amortization of deferred charges from bond refunding	(99,304)	
Amortization of bond premiums and discounts	517,509	
Accrued interest costs	<u>250,874</u>	<u>(10,040,311)</u>

Net Change in Net Position - Governmental Activities		<u>\$ 37,837,958</u>
------------------------------------------------------	--	----------------------

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2016**

	<b>MAJOR BUSINESS-TYPE ACTIVITIES</b>		<b>NON-MAJOR BUSINESS-TYPE ACTIVITIES</b>	<b>Total Proprietary Funds</b>
	<b>Beaches and Marinas</b>	<b>Waste Management</b>	<b>Golf Course</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 561,558	\$ 1,497,859	\$ 333,375	\$ 2,392,792
Restricted cash	31,351	37,982	-	69,333
Accounts receivable, net	-	52,592	14,312	66,904
Due from governmental funds	128,216	16,518	-	144,734
Prepaid expenses	945	17,185	-	18,130
Non-depreciable capital assets	8,024,789	169,100	5,135,201	13,329,090
Depreciable capital assets, net of depreciation	4,546,737	4,516,039	511,520	9,574,296
<b>Total assets</b>	<b>13,293,596</b>	<b>6,307,275</b>	<b>5,994,408</b>	<b>25,595,279</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge from refunding bonds	47,536	50,889	-	98,425
Pension related	174,110	522,329	-	696,439
<b>Total deferred outflows of resources</b>	<b>221,646</b>	<b>573,218</b>	<b>-</b>	<b>794,864</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	17,001	51,705	2,216	70,922
Accrued interest payable	19,467	36,592	-	56,059
Due to fiduciary funds	143	4,372	-	4,515
Noncurrent liabilities due within one year:				
General obligation bonds payable	430,609	379,020	-	809,629
Compensated absences	2,000	8,000	-	10,000
Noncurrent liabilities due in more than one year:				
General obligation bonds payable, net	1,812,480	3,328,017	-	5,140,497
Compensated absences	1,802	70,946	-	72,748
Net pension liability - proportionate share	155,520	466,560	-	622,080
<b>Total liabilities</b>	<b>2,439,022</b>	<b>4,345,212</b>	<b>2,216</b>	<b>6,786,450</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes received in advance	21,014	-	-	21,014
Pension related	19,148	57,444	-	76,592
<b>Total deferred inflows of resources</b>	<b>40,162</b>	<b>57,444</b>	<b>-</b>	<b>97,606</b>
<b>NET POSITION</b>				
Net investment in capital assets	10,375,973	1,028,991	5,646,721	17,051,685
Restricted for debt service	31,351	37,982	-	69,333
Unrestricted	628,734	1,410,864	345,471	2,385,069
<b>Total net position</b>	<b>\$ 11,036,058</b>	<b>\$ 2,477,837</b>	<b>\$ 5,992,192</b>	<b>\$ 19,506,087</b>

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

**TOWN OF SOUTHAMPTON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES		
	Beaches and Marinas	Waste Management	Golf Course	Total Proprietary Funds	
<b>OPERATING REVENUES:</b>					
Charges for services	2,102,927	\$ 2,205,876	\$ 187,420	\$ 4,496,223	
Other	3,004	2,756	3,151	8,911	
Total operating revenues	<u>2,105,931</u>	<u>2,208,632</u>	<u>190,571</u>	<u>4,505,134</u>	
<b>OPERATING EXPENSES:</b>					
Beaches and marinas	1,203,932	-	-	1,203,932	
Waste management	-	1,478,088	-	1,478,088	
Golf course	-	-	27,427	27,427	
Depreciation	298,451	356,821	20,705	675,977	
Employee benefits	182,866	457,816	-	640,682	
Total operating expenses	<u>1,685,249</u>	<u>2,292,725</u>	<u>48,132</u>	<u>4,026,106</u>	
Operating income (loss)	<u>420,682</u>	<u>(84,093)</u>	<u>142,439</u>	<u>479,028</u>	
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Real property taxes	109,881	186,534	-	296,415	
Grants	1,570	29,976	-	31,546	
Interest income	2,889	6,321	1,241	10,451	
Interest on debt	(79,033)	(107,037)	-	(186,070)	
Total non-operating revenues (expenses)	<u>35,307</u>	<u>115,794</u>	<u>1,241</u>	<u>152,342</u>	
Interfund transfers out	<u>(315,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(415,000)</u>	
Change in net position	140,989	31,701	43,680	216,370	
Total net position, beginning of year	10,895,069	2,446,136	5,948,512	19,289,717	
Total net position, end of year	<u>\$ 11,036,058</u>	<u>\$ 2,477,837</u>	<u>\$ 5,992,192</u>	<u>\$ 19,506,087</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, 2016**

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES		Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Revenues collected:					
Cash receipts from customers	\$ 2,088,796	\$ 2,263,283	\$ 183,479	\$	\$ 4,535,568
Other operating cash receipts	3,004	2,756	3,151		8,911
Payments for expenses:					
Cash payments to other suppliers of goods or services	(1,195,939)	(1,491,497)	(32,441)		(2,719,877)
Cash payments to employees for services and related expenses	(166,705)	(402,151)	-		(568,856)
Other operating cash payments	(90,241)	96,108	-		7,867
Net cash provided by operating activities	638,915	470,499	154,189		1,263,603
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(101,788)	(304,980)	-		(406,768)
Principal paid on capital debt	(428,814)	(359,291)	-		(788,105)
Serial bond proceeds	150,000	210,000	-		360,000
Premium on bonds payable	1,924	2,692	-		4,616
Interest paid on debt	(91,734)	(109,751)	-		(201,485)
Net cash used by capital financing activities	(470,412)	(561,330)	-		(1,031,742)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Real property taxes	130,895	186,534	-		317,429
Interfund transfer	(315,000)	-	(100,000)		(415,000)
Grants	1,570	29,976	-		31,546
Net cash provided by non-capital financing activities	(182,535)	216,510	(100,000)		(66,025)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and earnings received	2,889	6,321	1,241		10,451
Net cash provided by investing activities	2,889	6,321	1,241		10,451
Net increase in cash and cash equivalents	(11,143)	132,000	55,430		176,287
Cash and cash equivalents, beginning of year	604,052	1,403,841	277,945		2,285,838
Cash and cash equivalents, end of year	\$ 592,909	\$ 1,535,841	\$ 333,375	\$	\$ 2,462,125
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income	\$ 420,682	\$ (84,093)	\$ 142,439	\$	\$ 479,028
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	298,451	356,821	20,705		675,977
(Increase) decrease in accounts receivable	-	81,396	(3,941)		77,455
Decrease in due from fiduciary funds	37,832	110,254	-		148,086
Increase in due from governmental funds	(128,216)	(16,518)	-		(144,734)
(Increase) decrease in prepaid expenses	604	(3,889)	-		(3,285)
Decrease in inventory	-	10,000	-		10,000
Increase in pension related deferred outflows	(124,470)	(373,409)	(5,014)		(497,879)
Increase (decrease) in accounts payable and accrued liabilities	7,389	(19,520)	-		(17,145)
Increase in due to fiduciary funds	143	4,372	-		4,515
Decrease in unearned fees for services	(14,131)	(23,989)	-		(38,120)
Increase (decrease) in compensated absences	(315)	6,238	-		5,923
Increase in pension related deferred inflows	18,403	55,208	-		73,611
Increase in net pension liability	122,543	367,628	-		490,171
Net cash provided by operating activities	\$ 638,915	\$ 470,499	\$ 154,189	\$	\$ 1,263,603

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, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 63,765,766
Due from proprietary funds	4,515
Due from governmental funds	126,912
Service award program assets	<u>2,928,875</u>
Total assets	<u>\$ 66,826,068</u>
<b>LIABILITIES</b>	
Due to governmental funds	\$ 152,535
Due to school districts	30,842,592
Service award program liabilities	2,928,875
Other agency liabilities	<u>32,902,066</u>
Total liabilities	<u>\$ 66,826,068</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, 2016**

**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. As a result of the Town providing financial support for the Trustees' employees and capital additions, it is determined that they are fiscally dependent on the Town. The Trustees also do not provide services exclusively to the Town itself but also to the residents of the Town of Southampton and therefore, are 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 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.

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 Fund: 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 transfers from the General Fund.

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 proprietary 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 proprietary 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 Clerk Agency Fund: accounts for amounts collected on behalf of other governments for licenses and permit fees.

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

#### 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 90 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 1<sup>st</sup>, and are due in two equal installments, payable without penalty on January 10<sup>th</sup> and May 31<sup>st</sup> respectively; after which taxes are payable to the County Treasurer. Penalties are imposed thereafter at the rate of 1% per month from January 10<sup>th</sup> until May 31<sup>st</sup>. The Receiver collects all taxes based on this single bill and distributes the proceeds to the Town Supervisor prior to distributing the remaining taxes collected to the County. Responsibility for the collection of unpaid taxes rests with the County and, accordingly, the Town is assured 100% collection of real property taxes.

#### 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. Interfund expenses

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 using the consumption method in both the government-wide and fund financial statements. Prepaid items consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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 Balance Sheet or 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, compensated absences, judgments and claims, other post-employment benefits, proportionate share of the net pension liability 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. Other benefits

Town employees participate in the New York State and Local Retirement System. In addition to providing pension benefits, the Town provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the Town and the retired employee. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

T. 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.

U. Equity classifications:

Government-wide financial statements

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

1. 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.
2. 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.
3. 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 items recorded in the Town's various funds.
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 reports the following restricted fund balances:

### Debt Service

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

A summary of the activity in the Debt Service Reserve for the year ended December 31, 2016 is as follows:

Balance - beginning	\$	7,421,818
Additions to debt service reserve		6,015,419
Liquidation of reserve for debt service payments		<u>(6,311,739)</u>
Balance - ending	\$	<u>7,125,498</u>

### Tax Stabilization

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

### Community Preservation

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

### Capital

Capital Projects Funds are used to account for and report financial resources that are restricted for capital outlays, including the acquisition or construction of capital facilities and other capital assets, and accordingly the Town has reflected it's 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.

### Special Revenue - Park Improvements

The Town's Special Revenue Fund is used to account for and report financial resources that are legally restricted by the source of the contribution. The Special Revenue Fund accounts for a number of different projects all of which are restricted and therefore the entire fund balance is considered restricted.

## Grants

The Town's Special Grant Fund is used to account for and report financial resources that are restricted for the Town's various housing and urban development grant programs. The Housing Choice Voucher program and the Community Development Block Grant, both funded by the U.S. Department of Housing and Urban Development ("HUD"), are accounted for in this fund. The remaining proceeds (if any) are restricted only for those programs and therefore the entire fund balance is considered restricted.

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.
4. **Assigned** - Includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed, except for tax stabilization agreements. The intent can be expressed by the Board or through the Board delegating this responsibility to the Town administration through the budgetary process. The classification also includes the remaining positive fund balances for all governmental funds except for the General Fund.
5. **Unassigned** - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the Town. The unassigned classification also includes negative residual balances of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

Fund balances for all the major and non-major governmental funds as of December 31, 2016, were distributed as follows:

	General Fund	Police District Fund	Town Outside Village Fund	Highway Fund	Public Safety Communications Fund	Capital Projects Fund	Community Preservation Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>									
Prepaid items	\$ 1,924,365	\$ 1,171,342	\$ 215,880	\$ 227,646	\$ 92,000	\$ -	\$ 4,734	\$ 68,635	\$ 3,704,602
Total nonspendable	1,924,365	1,171,342	215,880	227,646	92,000	-	4,734	68,635	3,704,602
<b>Restricted</b>									
Debt reserve	557,694	34,765	64,748	617,581	3,013	-	5,758,010	89,687	7,125,498
Tax stabilization	3,928,943	-	-	-	-	-	-	-	3,928,943
Capital projects	-	-	-	-	-	8,596,038	-	-	8,596,038
Community preservation	-	-	-	-	-	-	69,532,546	-	69,532,546
Park improvements	-	-	-	-	-	-	-	4,296,039	4,296,039
HUD grants	-	-	-	-	-	-	-	336,318	336,318
Total restricted	4,486,637	34,765	64,748	617,581	3,013	8,596,038	75,290,556	4,722,044	93,815,382
<b>Committed</b>									
Dune road repairs	-	-	-	-	-	-	-	1,000,000	1,000,000
Total restricted	-	-	-	-	-	-	-	1,000,000	1,000,000
<b>Assigned</b>									
Appropriated for subsequent year's expenditures	452,350	250,000	750,000	175,000	150,000	-	-	356,360	2,133,710
Encumbrances	99,140	48,784	-	-	-	-	-	10,430	158,354
Unappropriated fund balance	-	1,280,930	2,466,510	2,013,220	594,024	-	-	4,488,219	10,842,903
Total assigned	551,490	1,579,714	3,216,510	2,188,220	744,024	-	-	4,855,009	13,134,967
<b>Unassigned</b>	13,306,619	-	-	-	-	-	-	-	13,306,619
<b>Total</b>	<b>\$ 20,269,111</b>	<b>\$ 2,785,821</b>	<b>\$ 3,497,138</b>	<b>\$ 3,033,447</b>	<b>\$ 839,037</b>	<b>\$ 8,596,038</b>	<b>\$ 75,295,290</b>	<b>\$ 10,645,688</b>	<b>\$ 124,961,570</b>

### Net position and fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted (i.e. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### Minimum fund balance policy

The Town Board has adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least 7% of the ensuing years General Fund operating budget.

## **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 governmental 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 four 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. Pension differences

Pension differences occur as a result of changes in the Town's proportion of the collective net pension liability and differences between the Town's contributions and its proportionate share of the total contributions to the pension systems.

4. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

A. Budgetary data

The Town follows the procedures enumerated below in establishing the budgetary data (pages 80 through 97, as well as pages 108 through 115) reflected in the financial statements:

1. On or before September 20<sup>th</sup>, each department, office or district submits to the Supervisor and the Comptroller a detailed estimate of the budget known as "departmental estimates" for the amount of revenue to be received and expenditures to be made for the ensuing year.
2. On or before September 30<sup>th</sup>, the Supervisor files a tentative budget with the Town Clerk and the Comptroller.
3. On or before October 5<sup>th</sup>, the Town Clerk presents to the Town Board a tentative budget for the ensuing year (Town Law Sections 106 and 108). The Town Board reviews the tentative budget and files a preliminary budget with the Town Clerk.
4. The Town Board conducts a public hearing on the preliminary budget, and on or before November 20<sup>th</sup>, the Town Board meets to adopt the budget now known as the "adopted budget".
5. Formal budgetary integration is employed during the year as a management control device for the General Fund and certain major funds. The Town Board adopts the budget and establishes a legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the Capital Projects Fund lapse at year-end, except that outstanding encumbrances are re-appropriated in the succeeding year in the approved budgetary account line. 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, 2016 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	\$ 551,490	\$ 452,350
Police District Fund	1,579,714	250,000
Town Outside Village Fund	3,216,510	750,000
Highway Fund	2,188,220	175,000
Public Safety Communications Fund	744,024	150,000
Non-Major Governmental Funds	<u>4,855,009</u>	<u>356,360</u>
Total	<u>\$ 13,134,967</u>	<u>\$ 2,133,710</u>

Fund deficits

As of December 31, 2016, there were no deficit fund balances in any governmental funds.

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

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.

As of December 31, 2016, the cash balances were as follows:

	Bank Balance	Book Balance
Town of Southampton	\$ 200,751,102	\$ 197,066,446
Town of Southampton Housing Authority	351,316	331,444
Trustees of the Freeholders	<u>1,055,999</u>	<u>1,056,139</u>
Total	<u>\$ 202,158,417</u>	<u>\$ 198,454,029</u>

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, 2016, the Town did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2016 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	\$ 2,777,518	\$ 58,812
Police District Fund	1,324	47,027
Town Outside Village Fund	-	10,213
Highway Fund	16,664	-
Public Safety Communications Fund	-	6,997
Capital Projects Fund	134,547	2,262,252
Community Preservation Fund	-	521
Non-Major Governmental Funds	-	663,342
Major Business-Type Funds:		
Beaches and Marinas	128,216	143
Waste Management	16,518	4,372
Agency Funds	131,427	152,535
	<u>\$ 3,206,214</u>	<u>\$ 3,206,214</u>
Total		

Interfund transfer balances for the primary government at December 31, 2016 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	\$ 429,240	\$ 86,428
Town Outside Village Fund	130,048	35,800
Highway Fund	250,100	250,405
Capital Projects Fund	1,322,009	456,205
Community Preservation Fund	-	222,011
Non-Major Governmental Funds	228,230	893,778
Major Business-Type Funds:		
Beaches and Marinas	-	315,000
Golf Course	-	100,000
	<u>\$ 2,359,627</u>	<u>\$ 2,359,627</u>
Total		

## 7. CAPITAL ASSETS

Governmental activities, capital asset balances and activity for the year ended December 31, 2016 were as follows:

	Beginning Balance	Additions	Reclassifications/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 545,653,162	\$ 37,642,120	\$ (6,718,400)	\$ 576,576,882
Development and access rights	244,344,289	29,575,484	-	273,919,773
Construction-in-progress	4,273,875	3,722,834	(2,209,954)	5,786,755
<b>Total</b>	<b>\$ 794,271,326</b>	<b>\$ 70,940,438</b>	<b>\$ (8,928,354)</b>	<b>856,283,410</b>
Depreciable capital assets:				
Buildings	\$ 51,060,102	\$ 1,439,536	\$ 518,261	53,017,899
Improvements other than buildings	38,868,234	3,406,900	234,641	42,509,775
Machinery and equipment	22,613,453	2,495,983	267,810	25,377,246
Infrastructure -				
Bridges	1,075,249	-	-	1,075,249
Landfill	9,401,652	-	-	9,401,652
Roads, curbs and sidewalks	360,908,835	2,578,000	600,000	364,086,835
Lighting system	1,349,791	-	-	1,349,791
Bulkheads, piers and boardwalks	12,356,459	-	-	12,356,459
Water and sewer mains	14,403,260	-	-	14,403,260
<b>Total depreciable capital assets</b>	<b>\$ 512,037,035</b>	<b>\$ 9,920,419</b>	<b>\$ 1,620,712</b>	<b>523,578,166</b>
Less accumulated depreciation:				
Buildings	\$ 18,816,692	\$ 1,034,539	\$ (22,373)	19,828,858
Improvements other than buildings	12,345,840	1,881,794	-	14,227,634
Machinery and equipment	17,098,526	1,485,749	(216,358)	18,367,917
Infrastructure -				
Bridges	275,048	19,615	-	294,663
Landfill	6,546,992	313,388	-	6,860,380
Roads, curbs and sidewalks	240,101,132	12,413,777	-	252,514,909
Lighting system	1,341,557	2,423	-	1,343,980
Bulkheads, piers and boardwalks	7,391,127	292,328	-	7,683,455
Water and sewer mains	4,441,079	192,964	-	4,634,043
<b>Total accumulated depreciation</b>	<b>\$ 308,357,993</b>	<b>\$ 17,636,577</b>	<b>\$ (238,731)</b>	<b>325,755,839</b>
<b>Total depreciable capital assets, net</b>				<b>197,822,327</b>
<b>Total capital assets, net</b>				<b>\$ 1,054,105,737</b>



Depreciation expense was charged to governmental functions as follows:

General governmental support	\$ 4,056,413
Public safety	8,289,191
Transportation	1,940,023
Economic assistance and opportunity	881,829
Culture and recreation	705,463
Home and community services	<u>1,763,658</u>
 Total governmental activities depreciation expense	 <u><u>\$ 17,636,577</u></u>

Business-type activities, capital asset balances and activity for the year ended December 31, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications/ Adjustments</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,329,090	\$ -	\$ -	\$ 13,329,090
Construction-in-progress	<u>4,157</u>	<u>-</u>	<u>(4,157)</u>	<u>-</u>
 Total	 <u><u>\$ 13,333,247</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (4,157)</u></u>	 <u><u>13,329,090</u></u>
Depreciable capital assets:				
Buildings	\$ 4,815,425	\$ 70,219	\$ -	4,885,644
Improvements other than buildings	8,917,851	31,569	4,157	8,953,577
Machinery and equipment	<u>2,580,571</u>	<u>304,980</u>	<u>(30,000)</u>	<u>2,855,551</u>
 Total depreciable capital assets	 <u><u>\$ 16,313,847</u></u>	 <u><u>\$ 406,768</u></u>	 <u><u>\$ (25,843)</u></u>	 <u><u>16,694,772</u></u>
Less accumulated depreciation:				
Buildings	\$ 1,623,956	\$ 96,159	\$ -	1,720,115
Improvements other than buildings	3,144,847	442,054	-	3,586,901
Machinery and equipment	<u>1,705,696</u>	<u>137,764</u>	<u>(30,000)</u>	<u>1,813,460</u>
 Total accumulated depreciation	 <u><u>\$ 6,474,499</u></u>	 <u><u>\$ 675,977</u></u>	 <u><u>\$ (30,000)</u></u>	 <u><u>7,120,476</u></u>
 Total depreciable capital assets, net				 <u><u>9,574,296</u></u>
 Total capital assets, net				 <u><u>\$ 22,903,386</u></u>
Depreciation expense was charged to business-type activities functions as follows:				
Beaches and marinas				\$ 298,451
Waste management				356,821
Golf course				<u>20,705</u>
 Total business-type activities depreciation expense				 <u><u>\$ 675,977</u></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, 2016, 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, 2016 were as follows:

	Beginning Balance	Additions	Reclassifications/ 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	\$ 2,575,206	\$ -	\$ -	2,575,206
Equipment	174,779	9,250	-	184,029
Building improvements	904,884	24,411	-	929,295
Total depreciable capital assets	<u>\$ 3,654,869</u>	<u>\$ 33,661</u>	<u>\$ -</u>	<u>3,688,530</u>
Less accumulated depreciation:				
Buildings	\$ 668,420	\$ 60,895	\$ -	729,315
Equipment	152,282	18,991	-	171,273
Building improvements	191,726	54,687	-	246,413
Total accumulated depreciation	<u>\$ 1,012,428</u>	<u>\$ 134,573</u>	<u>\$ -</u>	<u>1,147,001</u>
Total depreciable capital assets, net				<u>2,541,529</u>
Total capital assets, net				<u>\$ 3,225,229</u>
Depreciation expense was charged as follows:				
Economic assistance and opportunity				<u>\$ 134,573</u>

## 8. SHORT-TERM DEBT

Bond anticipation notes ("BANs") are used as a temporary means of financing capital expenditures in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter. Liabilities for BANs are generally accounted for in the Capital Projects Fund. Bans are generally paid from the proceeds of bond issuance after renewal of these notes.

Interest expense resulting from the issuance of short-term debt for the year ended December 31, 2016 was \$28,178.

A summary of changes in short-term debt for the Town for the year ended December 31, 2016 is as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing on 2/24/16 @ 1.00%	\$ 2,745,640	\$ -	\$ 2,745,640	\$ -
BAN maturing on 10/1/16 @ 0.91%	600,000	-	600,000	-
BAN maturing on 2/23/17 @ 2.00%	-	3,191,640	-	3,191,640
<b>Total:</b>	<b>\$ 3,345,640</b>	<b>\$ 3,191,640</b>	<b>\$ 3,345,640</b>	<b>\$ 3,191,640</b>

## 9. LONG-TERM DEBT OBLIGATIONS

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

	Beginning Balance	Increases	Reductions	Ending Balance	Amounts Due Within One Year	Noncurrent Liabilities
<b>Governmental activities:</b>						
General obligation bonds payable	\$ 117,374,448	\$ 8,320,000	\$ 13,952,799	\$ 111,741,649	\$ 14,202,252	\$ 97,539,397
Unamortized bond discounts and premiums	3,786,448	106,863	517,509	3,375,602	-	3,375,602
<b>Total general obligation bonds, net</b>	<b>121,160,896</b>	<b>8,426,863</b>	<b>14,470,308</b>	<b>115,117,251</b>	<b>14,202,252</b>	<b>100,914,999</b>
<b>Special assessment bonds</b>						
with governmental commitment	100,077	-	32,591	67,486	13,120	54,366
Compensated absences	9,188,588	20,048	-	9,208,636	200,000	9,008,636
Judgments and claims payable	2,942,500	235,000	890,000	2,287,500	417,424	1,870,076
Other post-employment benefits	70,744,981	14,094,994	4,275,412	80,564,563	-	80,564,563
Retainages held	85,485	564,658	85,485	564,658	-	564,658
Estimated liability for landfill closure and post-closure care costs	3,176,843	210,979	361,812	3,026,010	201,536	2,824,474
<b>Total governmental activities</b>	<b>\$ 207,399,370</b>	<b>\$ 23,552,342</b>	<b>\$ 20,115,608</b>	<b>\$ 210,836,104</b>	<b>\$ 15,034,332</b>	<b>\$ 195,801,772</b>
<b>Business-type activities:</b>						
General obligation bonds payable	\$ 6,178,981	\$ 360,000	\$ 788,108	\$ 5,750,873	\$ 809,629	\$ 4,941,244
Unamortized bond premiums	223,960	4,615	29,322	199,253	-	199,253
Compensated absences	76,825	15,923	10,000	82,748	10,000	72,748
<b>Total business-type activities</b>	<b>\$ 6,479,766</b>	<b>\$ 380,538</b>	<b>\$ 827,430</b>	<b>\$ 6,032,874</b>	<b>\$ 819,629</b>	<b>\$ 5,213,245</b>
<b>Discretely presented component unit:</b>						
General obligation bonds payable	\$ 3,377,000	\$ -	\$ 75,000	\$ 3,302,000	\$ 80,000	\$ 3,222,000
Unamortized bond discounts	(31,048)	-	(970)	(30,078)	(970)	(29,108)
Notes payable	650,000	-	-	650,000	-	650,000
<b>Total discretely presented component unit</b>	<b>\$ 3,995,952</b>	<b>\$ -</b>	<b>\$ 74,030</b>	<b>\$ 3,921,922</b>	<b>\$ 79,030</b>	<b>\$ 3,842,892</b>

**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 1.000% to 5.350% and have maturity dates in 2016 through 2031.

In February 2016, the Town issued \$8,680,000 in public improvement serial bonds with an interest rate of 2.00% increasing to 2.75%. The proceeds of the bond were used for various capital improvements and to acquire various equipment. The total purchase price of the bonds were \$8,791,278 with an original issue premium of \$111,278, which will be amortized over the life of the bonds on a straight line basis as a component of interest expense in the Statement of Activities.

Special assessment bonds - The Town has \$67,486 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 7 years.

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

Governmental activities:

General obligations bonds payable -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2016
Public improvement serial bonds	7/1/97	6/15/17	3.750%-5.350%	\$ 35,000
NYS EFC bonds	3/13/03	4/15/20	1.031%-4.551%	215,000
Public improvement serial bonds	9/15/07	9/15/22	3.875%-4.125%	704,400
Open space preservation serial bonds	1/15/09	1/15/30	3.000%-4.375%	14,300,000
Open space preservation serial bonds	4/1/09	4/1/30	3.000%-4.500%	14,300,000
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	3,015,373
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	12,297,000
Public improvement serial bonds	4/28/11	4/15/22	2.000%-4.000%	6,850,000
Refunding serial bonds	8/8/12	10/1/23	2.000%-5.000%	7,237,221
Retirement serial bonds	11/27/12	11/15/22	2.000%-2.400%	1,340,000
Public improvement serial bonds	4/17/13	4/15/27	2.000%-2.375%	6,005,000
Erosion control district serial bonds	9/4/13	9/1/23	2.000%-4.000%	15,745,000
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%	3,675,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	5,591,125
Public improvement serial bonds	2/24/15	2/15/30	1.000%-2.500%	4,440,000
Refunding serial bonds	4/28/15	3/15/22	2.000%-3.000%	3,721,530
Public improvement serial bonds	2/1/16	2/15/31	2.000%-2.750%	8,320,000
				<u>\$ 111,741,649</u>

Special assessment bonds -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2016
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	\$ -
Public improvement serial bonds	8/12/10	8/12/23	2.000%-3.250%	35,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	32,486
				<u>\$ 67,486</u>

Business-type activities:  
General obligation bonds payable -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2016
Public improvement serial bonds	9/15/07	9/15/22	3.875%-4.125%	\$ 270,600
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	79,627
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	1,773,000
Public improvement serial bonds	4/28/11	4/15/22	2.000%-4.000%	175,000
Refunding serial bonds	8/8/12	10/1/23	2.000%-5.000%	132,789
Public improvement serial bonds	4/17/13	4/15/27	2.000%-2.375%	370,000
Public improvement serial bonds	7/9/14	4/1/29	2.000%-3.000%	130,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	891,387
Public improvement serial bonds	2/24/15	2/15/30	1.000%-2.500%	85,000
Refunding serial bonds	4/28/15	3/15/22	2.000%-3.000%	1,483,470
Public improvement serial bonds	2/1/16	2/15/31	2.000%-2.750%	360,000
				<u>\$ 5,750,873</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
2017	\$ 14,202,252	\$ 3,769,696	\$ 17,971,948
2018	14,147,989	3,157,574	17,305,563
2019	13,868,080	2,703,757	16,571,837
2020	13,308,477	2,237,485	15,545,962
2021	10,266,000	1,786,492	12,052,492
2022-2026	31,653,851	4,879,328	36,533,179
2027-2031	14,295,000	1,120,527	15,415,527
	<u>\$ 111,741,649</u>	<u>\$ 19,654,859</u>	<u>\$ 131,396,508</u>

Special assessment bonds -

Year ended December 31,	Principal	Interest	Total
2017	\$ 13,120	\$ 2,293	\$ 15,413
2018	13,120	1,868	14,988
2019	13,120	1,362	14,482
2020	13,120	850	13,970
2021	5,000	325	5,325
2022-2026	10,006	269	10,275
	<u>\$ 67,486</u>	<u>\$ 6,967</u>	<u>\$ 74,453</u>

Business-type activities:  
 General obligations bonds payable -

Year ended December 31,	Principal	Interest	Total
2017	\$ 809,629	\$ 184,127	\$ 993,756
2018	803,889	148,096	951,985
2019	748,802	119,301	868,103
2020	728,403	92,745	821,148
2021	543,978	66,766	610,744
2022-2026	1,486,172	173,573	1,659,745
2027-2031	630,000	29,291	659,291
	<u>\$ 5,750,873</u>	<u>\$ 813,899</u>	<u>\$ 6,564,772</u>

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

Interest paid	\$ 3,832,870
Less interest accrued in the prior year	(1,183,880)
Plus interest accrued in the current year	933,006
Amortization of discounts, premiums and deferred charges	<u>(418,206)</u>
Total expense	<u>\$ 3,163,790</u>

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

Interest paid	\$ 201,485
Less interest accrued in the prior year	(58,554)
Plus interest accrued in the current year	56,059
Amortization of premiums and deferred charges	<u>(12,920)</u>
Total expense	<u>\$ 186,070</u>

Other long-term debt - Liabilities for judgments and claims, net pension obligation, other post-employment benefits, retainages held and landfill closure and post-closure care costs are liquidated through future budgetary appropriations in the General Fund. The liabilities for compensated absences 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 was 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 is set to mature in May 2017.

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, 2016 is \$3,235,000.

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, 2016 is \$67,000.

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>
2017	\$ 80,000	\$ 103,072	\$ 183,072
2018	80,000	101,660	181,660
2019	88,000	99,990	187,990
2020	89,000	98,189	187,189
2021	75,000	94,025	169,025
2022-2026	385,000	443,059	828,059
2027-2031	460,000	381,906	841,906
2032-2036	525,000	306,759	831,759
2037-2041	625,000	212,919	837,919
2042-2046	735,000	94,588	829,588
2047	160,000	2,800	162,800
	<u>\$ 3,302,000</u>	<u>\$ 1,938,967</u>	<u>\$ 5,240,967</u>

**10. PENSION PLANS**

Plan description

The Town of Southampton participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System (the "System"). These are cost-sharing, multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York (the "Comptroller") serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits provided

The System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

#### *Tiers 3, 4, and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

#### *Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

#### *Special Plans*

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.



### *Ordinary Disability Benefits*

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

### *Accidental Disability Benefits*

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

### *Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

### *Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

### Contributions

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

<u>Year</u>	<u>NYSERS</u>	<u>NYS PFRS</u>
2016	\$ 3,900,418	\$ 3,182,546
2015	4,285,670	3,151,539
2014	4,683,082	3,499,468

### Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2016, the Town reported a liability of \$28,321,990 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2015. Update procedures were used to roll forward the pension liability to March 31, 2016. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2016, the Town's proportion was 0.096896% for ERS and 0.431304% for PFRS. The Town's proportion was consistent with December 31, 2015.

For the year ended December 31, 2016, the Town recognized pension expense of \$10,161,824. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources - NYSERS	Deferred Outflows of Resources - NYSPFRS	Deferred Inflows of Resources - NYSERS	Deferred Inflows of Resources - NYSPFRS
Differences between expected experience and actual experience	\$ 78,588	\$ 114,535	\$ 1,843,431	\$ 1,930,668
Changes of assumptions	4,147,251	5,505,098	-	-
Net difference between projected and actual earnings on pension plan investments	9,226,304	7,156,543	-	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	58,416	19,921	71,375	395,038
Employer contributions made subsequent to the measurement date	3,900,418	3,182,546	-	-
Total	<u>\$ 17,410,977</u>	<u>\$ 15,978,643</u>	<u>\$ 1,914,806</u>	<u>\$ 2,325,706</u>

Deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	NYSERS	NYSPFRS
<u>For the year ended:</u>		
2017	\$ 2,936,363	\$ 2,473,913
2018	2,936,363	2,473,913
2019	2,936,363	2,473,913
2020	2,786,664	2,374,267
2021	-	674,385

#### Actuarial assumptions

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The actuarial valuation used the following actuarial assumptions:

	NYSERS	NYSPPFRS
Measurement date	March 31, 2016	March 31, 2016
Actuarial valuation date	April 1, 2015	April 1, 2015
Interest rate	7.00%	7.00%
Salary scale	3.80%	2.50%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.50%	2.50%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

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

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 are summarized below:

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

#### Discount rate

The discount rate used to calculate the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

<u>NYSERS</u>	<u>1% Decrease (6.00%)</u>	<u>Current assumption (7.00%)</u>	<u>1% Increase (8.00%)</u>
Employer's proportionate share of the net pension liability (asset)	\$ 35,068,646	\$ 15,552,007	\$ (938,719)

<u>NYSPPFRS</u>	<u>1% Decrease (6.00%)</u>	<u>Current assumption (7.00%)</u>	<u>1% Increase (8.00%)</u>
Employer's proportionate share of the net pension liability (asset)	\$ 28,523,101	\$ 12,769,983	\$ (434,543)

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2016, were as follows:

	(Dollars in Thousands)		
	<u>NYSERS</u>	<u>NYSPPFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 172,303,544	\$ 30,347,727	\$ 202,651,271
Plan net position	(156,253,265)	(27,386,940)	(183,640,205)
Employers' net pension liability	<u>\$ 16,050,279</u>	<u>\$ 2,960,787</u>	<u>\$ 19,011,066</u>
Ratio of plan net position to the Employers' total pension liability	-90.68%	-90.24%	-90.62%

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, 2016 totaled \$1,764,815. A report for this plan may be obtained by writing to N.Y.S. Deferred Compensation Plan, 385 Jordon Road, Troy, NY 12180.

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

Program Description

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

## Funding Policy

The Plans are established under New York State Law Section 565-B, A7635-B, Article 11AAA. The Plans are non-contributory for the volunteer. 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 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 August 10, 2016.

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 \$63,315, the Flanders Northampton Volunteer Ambulance Corporation of \$58,260, the Hampton Bays Volunteer Ambulance Corporation of \$53,473 and the Southampton Volunteer Ambulance Corporation of \$40,312 for the year ended December 31, 2015 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, 2016 and the two preceding years is as follows:

<u>Year</u>	<u>Annual Cost</u>	<u>Annual Contribution Made</u>	<u>Percentage Contributed</u>
2016	\$ 215,360	\$ 215,360	100.00%
2015	213,523	213,523	100.00%
2014	261,000	261,000	100.00%

Program financial condition (As of December 31, 2015)

Westhampton War Memorial Ambulance Corporation -

Actuarial present value of vested benefits	\$	779,940
Net assets available for benefit	\$	695,934

Flanders Northampton Volunteer Ambulance Corporation -

Actuarial present value of vested benefits	\$	766,742
Net assets available for benefit	\$	802,387

Hampton Bays Volunteer Ambulance Corporation -

Actuarial present value of vested benefits	\$	680,606
Net assets available for benefit	\$	772,988

Southampton Volunteer Ambulance Corporation -

Actuarial present value of vested benefits	\$	594,611
Net assets available for benefit	\$	657,565

Receipts and disbursements (For the year ended December 31, 2015)

Westhampton War Memorial Ambulance Corporation -

Program net assets, beginning of year		\$	651,840
Changes during the year:			
Plan contributions	\$	64,000	
Investment income earned		11,418	
Benefits paid		(24,520)	
Trustee fees		(3,299)	
Administrative fees		(3,505)	
			<u>44,094</u>
Program net assets, end of year		\$	<u>695,934</u>
Contributions -			
Recommended actuarial contribution		\$	<u>53,011</u>
Amount of sponsor's actual contribution		\$	<u>63,315</u>

Receipts and disbursements (For the year ended December 31, 2015), continued

Flanders Northampton Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	738,234
Changes during the year:			
Plan contributions	\$	68,000	
Investment income earned		13,026	
Benefits paid		(9,362)	
Trustee fees		(3,766)	
Administrative fees		(3,745)	
			<u>64,153</u>
Program net assets, end of year		\$	<u>802,387</u>
Contributions -			
Recommended actuarial contribution		\$	<u>57,761</u>
Amount of sponsor's actual contribution		\$	<u>58,260</u>

Hampton Bays Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	742,697
Changes during the year:			
Plan contributions	\$	40,253	
Investment income earned		12,683	
Benefits paid		(14,785)	
Trustee fees		(3,755)	
Administrative fees		(4,105)	
			<u>30,291</u>
Program net assets, end of year		\$	<u>772,988</u>
Contributions -			
Recommended actuarial contribution		\$	<u>43,368</u>
Amount of sponsor's actual contribution		\$	<u>53,473</u>

Southampton Volunteer Ambulance Corporation -

Program net assets, beginning of year		\$	614,486
Changes during the year:			
Plan contributions	\$	41,000	
Investment income earned		10,658	
Benefits paid		(2,160)	
Trustee fees		(3,124)	
Administrative fees		(3,295)	
			<u>43,079</u>
Program net assets, end of year		\$	<u>657,565</u>
Contributions -			
Recommended actuarial contribution		\$	<u>32,052</u>
Amount of sponsor's actual contribution		\$	<u>40,312</u>



Funding methodology and actuarial assumptions

Westhampton War Memorial Ambulance Corporation -

Valuation Date	December 31, 2015
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	6.00%

Flanders Northampton Volunteer Ambulance Corporation -

Valuation Date	December 31, 2015
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	6.00%

Hampton Bays Volunteer Ambulance Corporation -

Valuation Date	December 31, 2015
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	6.00%

Southampton Volunteer Ambulance Corporation -

Valuation Date	December 31, 2015
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	6.00%

## 12. POST-EMPLOYMENT BENEFITS

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

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

The Town implemented GASB 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, 279 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, 2016, the Town recognized \$4,275,412 for its share of insurance premiums for currently enrolled retirees.

The Town has obtained an actuarial valuation report as of January 1, 2016 which indicates that the total liability for other post-employment benefits is \$172,795,225 (\$99,162,986 related to retirees and \$73,632,239 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, 2016
Annual required contribution	\$ 11,738,193
Interest on net OPEB obligation	2,829,799
Adjustment to ARC	<u>(472,998)</u>
Annual OPEB cost	14,094,994
Contributions made	<u>4,275,412</u>
Increase in net OPEB obligation	9,819,582
Net OPEB obligation, beginning of year	<u>70,744,981</u>
Net OPEB obligation, end of year	<u>\$ 80,564,563</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, 2016 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>
12/31/2016	\$ 14,094,994	30.3%	\$ 80,564,563
12/31/2015	12,429,002	31.2%	70,744,981
12/31/2014	11,643,664	32.5%	62,198,303

The funded status of the plan as of January 1, 2016 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)
1/1/2016	\$ -	\$ 172,795,225	\$ 172,795,225	0%	\$ 42,076,574	410.67%
1/1/2014	-	147,335,207	147,335,207	0%	38,943,443	378.33%
1/1/2012	-	148,511,000	148,511,000	0%	37,953,261	391.30%

As of January 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$172,795,225 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$172,795,225. 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 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, 2016 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, 2016 was 22 years.

### **13. COMPENSATED ABSENCES**

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

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the Statement of Net Position. Payment of vacation time and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory absences when such payments become due. As of December 31, 2016, the value of the accumulated vacation time and sick leave for governmental activities and business-type activities was \$9,291,384.

## 14. 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 establish principles 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>2016</u>	<u>2015</u>
Unpaid claims and claim adjustment expenditures at the beginning of the year	<u>\$ 2,942,500</u>	<u>\$ 3,575,000</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>235,000</u>	<u>(298,449)</u>
Total incurred claims and claim adjustment expenditures	<u>3,177,500</u>	<u>3,276,551</u>
Payments:		
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>890,000</u>	<u>334,051</u>
Total payments	<u>890,000</u>	<u>334,051</u>
Unpaid claims and claim adjustment expenditures at the end of the year	<u>\$ 2,287,500</u>	<u>\$ 2,942,500</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 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. The Shinnecoeks, as well as other named Defendants-Appellees, filed opposition briefs, and Plaintiff-Appellant filed a reply brief. The appeal was argued orally before the Court of Appeals on October 14, 2015, and by Summary Order dated October 27, 2015, the Court of Appeals affirmed the judgment of dismissal issued by the District Court. Plaintiff-Appellant filed a petition for a Writ of Certiorari to the United States Supreme Court on March 25, 2016. On June 27, 2016, the United States Supreme Court denied the appellant's petition, and accordingly this matter is now concluded.

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, 2016, the Town has recorded a liability of \$3,026,010 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, 2016.

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, the growth factor 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 factor (but never less than a 1.00 factor), 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. In July 2015, the Real Property Tax Cap Laws were extended to June 15, 2020.

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, 2016 were approximately \$336,000.

The Town is also committed under various other operating leases that expire on various dates through December 31, 2023. Total rental expenditures on these leases for the year ended December 31, 2016 were approximately \$56,000.

Future minimum operating lease commitments are as follows:

<u>Year ended December 31,</u>		
2017	\$	349,313
2018		378,422
2019		392,976
2020		392,976
2021		392,976
2022-2023		523,970
	<u>\$</u>	<u>2,430,633</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. In March 2016, the Town entered into a license agreement with Pin High Golf Management, LLC for the operation of the golf course. The agreement provides the Town with a share of the revenue based upon a sliding scale. The agreement expires on February 29, 2024, and has an option to renew for two additional three year periods. Management of the Town determined that the agreement does not require any additional recognition of a deferred outflow or inflow of resources in the financial statements.

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

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

For the year ended December 31, 2016, 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>
2016	\$ 55,083,465	\$ 74,474,307
2015	60,660,717	42,431,091
2014	65,110,117	51,927,326
2013	58,058,512	39,776,047
2012	38,064,858	48,794,391

**16. TAX ABATEMENTS**

The Town negotiates property tax abatement agreements on an individual basis. The Town has the following abatement agreements as of December 31, 2016:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Gabreski Airport Land Lease	85.8%	\$ 55,782
Various Properties Held for Affordable Housing	53.1%	30,273

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities. The Town has chosen to disclose information about its tax abatement agreements by purpose. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

**17. CONDENSED FINANCIAL STATEMENTS FOR THE DISCRETELY PRESENTED COMPONENT UNITS**

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

*Condensed Statement of Net Position:*

	Assets		Liabilities and Net Position		
	Current Assets	Non-Current Assets	Current Liabilities	Long-Term Liabilities	Net Position
Town of Southampton Housing Authority	\$ 357,149	\$ 3,920,565	\$ 111,468	\$ 3,857,185	\$ 309,061
Trustees of the Freeholders	\$1,059,891	\$ -	\$ 49,368	\$ -	\$ 1,010,523

*Condensed Statement of Activities:*

	Program		Net Revenues	Other	Change	Net Position
	Expenses	Revenue				
Town of Southampton Housing Authority	\$ 897,704	\$ 707,821	\$ (189,883)	\$ 96	\$ (189,787)	\$ 309,061
Trustees of the Freeholders	\$ 442,824	\$ 458,248	\$ 15,424	\$ 1,620	\$ 17,044	\$ 1,010,523

**18. NEW ACCOUNTING STANDARDS TO BE IMPLEMENTED**

GASB has issued Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions, which establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The Town is currently studying the Statement and plans on adoption when required, which will be for the year ending December 31, 2018.

GASB has issued Statement No. 80, Blending Requirements For Certain Component Units - An Amendment of GASB No. 14, which amends the blending requirements for the financial statement presentation of component units of all state and local governments. The new criteria will require blending of a component unit incorporated as not-for-profit Corporation in which the primary government is the sole corporate member. The Town is currently studying the Statement and plans on adoption when required, which will be for the year ending December 31, 2017.

GASB has issued Statement No. 82, Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73, which addresses the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from actuarial standards, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Town is currently studying the Statement and plans on adoption when required, which will be for the year ending December 31, 2018.

GASB has issued Statement No. 83, Certain Asset Retirement Obligations, which addresses the accounting and financial reporting for certain asset retirement obligations ("AROs"). The Town is currently studying the Statement and plans on adoption when required, which will be for the year ending December 31, 2019.

GASB has issued Statement No. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities of all state and local governments. The focus is on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The Town is currently studying the Statement and plans on adoption when required, which will be for the year ending December 31, 2019.

GASB has issued Statement No. 85, Omnibus 2017, which addresses practice issues that have been identified during implementation and application of certain GASB statements, including: blending component units, goodwill, fair value measurement, and post-employment benefits. The Town is currently studying the Statement and plans on adoption when required, which will be for the year ending December 31, 2018.

## **19. SUBSEQUENT EVENTS**

The Town has evaluated subsequent events occurring after the Statement of Net Position through the date of April 20, 2017, 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 2017, the Town issued Public Improvement Serial Bonds in the amount of \$7,650,000 maturing on February 15, 2026. The proceeds of the bonds will be used for various capital improvements, to acquire capital equipment.

In February 2017, the Town issued Bond Anticipation Notes in the amount of \$1,790,000 maturing on February 22, 2018. The proceeds from the sale of the notes will be used to provide additional original funds for capital improvements, to acquire capital equipment and to redeem outstanding bond anticipation notes maturing on February 23, 2017.



## **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 District 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 Employer Contributions - Service Award Program

Schedule of Funding Progress - Service Award Program

Schedule of Funding Progress For Retiree Health Plan

Schedule of Town's Proportionate Share of the Net Pension Liability - NYSERS and NYSPFRS

Schedule of Town Pension Contributions - NYSERS and NYSPFRS

### **NOTE 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, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
<b>Real property taxes</b>	\$ 21,500,574	\$ 21,500,574	\$ 21,500,574		\$ -
<b>Other real property tax items:</b>					
Federal payments in lieu of taxes	20,000	20,000	21,131		1,131
Other payments in lieu of taxes	65,000	65,000	68,846		3,846
Interest and penalties - real property taxes	135,000	135,000	141,196		6,196
Total other real property tax items	220,000	220,000	231,173		11,173
<b>Non-property tax items:</b>					
Franchise fees	1,639,000	1,674,000	1,846,425		172,425
Total non-property tax items	1,639,000	1,674,000	1,846,425		172,425
<b>Special assessments</b>	33,153	33,153	33,153		-
<b>Departmental income:</b>					
Town Clerk fees	105,000	105,000	150,905		45,905
Alarm billing	74,000	101,000	128,545		27,545
Departmental income	25,250	25,250	24,125		(1,125)
Inspection contracts	1,000	1,000	133		(867)
Engineering fees	110,000	112,070	250,425		138,355
Shinnecock commercial dock rental	37,000	37,000	56,275		19,275
Program fees	426,530	442,890	487,440		44,550
Total departmental income	778,780	824,210	1,097,848		273,638
<b>Intergovernmental charges:</b>					
Intergovernmental revenue	181,000	196,000	177,900		(18,100)
Revenue from other governments	46,263	46,263	43,195		(3,068)
Total intergovernmental charges	227,263	242,263	221,095		(21,168)
<b>Use of money and property:</b>					
Interest and earnings	61,100	61,100	108,493		47,393
Total use of money and property	61,100	61,100	108,493		47,393
<b>Licenses and permits:</b>					
Dog licenses	9,000	9,000	9,926		926
Public safety permits	250,000	250,000	261,603		11,603
Taxi permits	75,000	78,500	200,555		122,055
Animal control permit fees	1,000	1,000	900		(100)
LT parking permits	13,000	13,000	14,765		1,765
Total licenses and permits	348,000	351,500	487,749		136,249
<b>Fines and forfeitures:</b>					
Justice court fines and fees	1,992,927	1,992,927	1,572,067		(420,860)
Total fines and forfeitures	1,992,927	1,992,927	1,572,067		(420,860)
<b>Sale of property and compensation for loss:</b>					
Program fees	40,000	40,000	52,241		12,241
Sales of real property	-	-	207,002		207,002
Insurance recoveries	15,000	15,000	-		(15,000)
Total sale of property and compensation for loss	55,000	55,000	259,243		204,243

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Miscellaneous local sources:</b>					
Refunds of prior years	\$ 140,000	\$ 140,000	\$ 62,118		\$ (77,882)
Contract revenue	29,000	29,000	-		(29,000)
Donations - adult transportation	20,000	22,000	23,429		1,429
Donations - nutrition program	131,000	131,000	118,087		(12,913)
Donations - residential repair	2,500	2,500	4,382		1,882
Donations - senior day care	109,000	110,000	73,423		(36,577)
Miscellaneous	134,100	145,000	335,314		190,314
Professional services - G.I.S.	100,000	100,000	127,430		27,430
<b>Total miscellaneous local sources</b>	<b>665,600</b>	<b>679,500</b>	<b>744,183</b>		<b>64,683</b>
<b>State aid:</b>					
State aid - revenue sharing	190,000	190,000	184,491		(5,509)
State aid - mortgage tax	7,750,000	7,750,000	9,033,172		1,283,172
State aid - real property tax administration	-	9,250	174,993		165,743
State aid nutrition program	429,500	429,500	370,122		(59,378)
EISEP grant	15,500	15,500	9,805		(5,695)
State aid - residential repair	19,380	19,380	18,558		(822)
County aid	86,841	86,841	72,481		(14,360)
State aid - adult day care	-	-	2,500		2,500
State aid - youth programs	6,000	6,000	6,000		-
State aid - human services youth	17,000	17,000	17,167		167
State aid - emergency disaster	-	-	70,262		70,262
<b>Total state aid</b>	<b>8,514,221</b>	<b>8,523,471</b>	<b>9,959,551</b>		<b>1,436,080</b>
<b>Federal aid:</b>					
Federal aid nutrition program	429,500	429,500	558,246		128,746
Federal aid - adult day care	10,000	10,000	7,500		(2,500)
Federal aid - public safety	-	8,138	8,215		77
Pump-out boats - clean vessel grant	35,000	95,000	30,000		(65,000)
Federal grants - FEMA	-	-	467,590		467,590
<b>Total federal aid</b>	<b>474,500</b>	<b>542,638</b>	<b>1,071,551</b>		<b>528,913</b>
<b>Total revenues</b>	<b>36,510,118</b>	<b>36,700,336</b>	<b>39,133,105</b>		<b>2,432,769</b>
<b>EXPENDITURES</b>					
<b>General governmental support:</b>					
Salaries	8,432,822	8,454,011	8,327,052	\$ -	126,959
Overtime	37,000	30,895	17,266	-	13,629
Severance pay	-	80,404	80,370	-	34
Accumulated sick/personal days	30,065	13,414	10,366	-	3,048
Part time salaries	265,378	269,070	222,557	-	46,513
Longevity	177,314	179,094	178,681	-	413
Other pay	3,000	3,000	3,000	-	-
Cash in lieu of health benefits	21,500	55,550	54,527	-	1,023
Human resources - wellness reimbursement	800	155	155	-	-
Vehicles	200,000	245,300	245,194	-	106
Equipment	80,000	64,943	64,934	-	9
Park improvement	-	71,598	71,593	-	5
Contracts	1,461,318	1,579,112	1,465,433	6,640	107,039
Gasoline	32,100	23,619	18,670	-	4,949
Electric	279,300	270,207	266,292	-	3,915
Fuel oil	165,700	162,880	105,276	-	57,604
Repairs	174,400	171,162	129,553	-	41,609
Copier supplies	15,000	15,000	12,803	-	2,197

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>General governmental support, cont'd:</b>					
Postage	\$ 121,350	\$ 106,115	\$ 101,692	\$ -	\$ 4,423
Printing, publications and stationery	109,410	117,492	91,402	-	26,090
Rentals	415,000	422,900	422,840	-	60
Telephone	53,000	49,240	45,223	-	4,017
Travel, dues and related	27,050	25,540	21,093	-	4,447
Uniforms	2,000	1,500	728	-	772
Other	113,900	41,639	36,639	-	5,000
Legal notices	14,500	13,300	8,423	-	4,877
Small equipment (non-capital)	49,500	52,775	48,180	-	4,595
Taxes - town property	30,000	29,500	14,760	-	14,740
Office supplies	21,035	27,214	23,238	-	3,976
Supplies - other	36,925	47,212	36,755	-	10,457
Drug court expense	20,000	15,879	15,619	-	260
Legal fees	693,265	683,665	440,146	-	243,519
Interpreters	80,000	86,425	79,975	-	6,450
Stenographer	100,000	93,575	86,300	-	7,275
Computer supplies	37,000	40,761	40,756	-	5
Mileage reimbursement	1,300	2,260	1,269	-	991
Schools and training	18,500	13,601	8,922	-	4,679
Document restoration	4,500	4,500	4,500	-	-
Background investigations	500	500	-	-	500
Municipal dues	2,600	2,600	1,950	-	650
Telephone - wireless	18,800	14,500	13,914	-	586
Advertising	1,500	1,500	316	-	1,184
Other - landfill charges	3,500	5,943	5,130	-	813
Copier leases	24,175	39,571	35,409	-	4,162
Cleaning allowance	6,000	6,000	2,727	-	3,273
Consultants	183,710	168,375	150,662	-	17,713
Tires	50,500	52,500	42,946	-	9,554
Lube oil	15,000	15,300	13,091	-	2,209
Judgments and claims	200,000	200,000	67,507	-	132,493
Insurance - unallocated	961,103	1,026,676	1,027,151	-	(475)
<b>Total general governmental support</b>	<b>14,791,320</b>	<b>15,097,972</b>	<b>14,162,985</b>	<b>6,640</b>	<b>928,347</b>
<b>Public safety:</b>					
Salaries	1,608,448	1,610,827	1,601,245	-	9,582
Overtime	151,500	160,778	149,970	-	10,808
Accumulated sick/personal days	44,923	24,836	12,650	-	12,186
Part time salaries	127,319	129,679	107,158	-	22,521
Longevity	73,013	74,463	73,213	-	1,250
Cash in lieu of health benefits	5,000	8,186	8,184	-	2
Clothing cleaning	4,800	4,800	4,800	-	-
Equipment	15,000	1,520	1,389	-	131
Contracts	279,675	282,700	256,464	-	26,236
Gasoline	56,500	50,195	38,118	-	12,077
Electric	139,000	129,500	82,495	-	47,005
Fuel oil	60,000	61,200	20,417	-	40,783
Repair equipment	46,100	53,520	28,414	-	25,106
Repair building	15,000	7,000	-	-	7,000
Postage	150	150	145	-	5
Printing and stationery	3,550	2,845	1,959	-	886
Rentals	-	1,800	1,800	-	-
Travel, dues and related	1,250	1,250	175	-	1,075
Uniforms	9,000	10,465	8,425	-	2,040
Other	10,300	12,150	3,958	-	8,192
Bay constables - small equipment	10,000	13,394	10,053	-	3,341
Office supplies	1,500	1,500	1,021	-	479

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Public safety, cont'd.:</b>					
Supplies - other	\$ 500	\$ 650	\$ 630	\$ -	\$ 20
Safety equipment	12,250	12,550	12,533	-	17
Food	5,150	5,150	4,085	-	1,065
Schools and training	4,400	990	695	-	295
Telephone - wireless	6,800	6,885	5,493	-	1,392
Copier leases	2,250	2,250	75	-	2,175
Marine charges	13,000	15,500	15,386	-	114
Veterinarian fees	1,500	1,500	710	-	790
Signs	0	4,200	4,159	-	41
Consultants	4,000	3,000	-	-	3,000
<b>Total public safety</b>	<b>2,711,878</b>	<b>2,695,433</b>	<b>2,455,819</b>	<b>-</b>	<b>239,614</b>
<b>Transportation:</b>					
Salaries	678,487	673,487	670,064	-	3,423
Accumulated sick/personal days	3,508	2,508	2,485	-	23
Part time salaries	51,600	63,100	60,374	-	2,726
Longevity	22,341	19,741	19,684	-	57
Cash in lieu of health benefits	7,500	4,100	4,092	-	8
Gasoline	50,000	46,500	34,745	-	11,755
Repair vehicle	45,000	45,000	36,574	-	8,426
Uniforms	800	800	-	-	800
Diesel fuel	2,000	2,000	535	-	1,465
Schools and training	1,000	1,000	-	-	1,000
Other	1,100	1,100	36,307	-	(35,207)
Wireless telephone	-	3,500	2,940	-	560
Copier leases	1,085	1,085	980	-	105
<b>Total transportation</b>	<b>864,421</b>	<b>863,921</b>	<b>868,780</b>	<b>-</b>	<b>(4,859)</b>
<b>Economic assistance and opportunity:</b>					
Salaries	1,592,094	1,583,734	1,547,030	-	36,704
Overtime	-	1,882	1,699	-	183
Accumulated sick/personal days	13,111	8,467	5,060	-	3,407
Part time salaries	241,180	258,180	222,175	-	36,005
Longevity	48,973	49,959	49,909	-	50
Cash in lieu of health benefits	5,000	10,186	9,838	-	348
Contracts	336,500	334,579	330,250	-	4,329
Electric	6,000	6,000	3,180	-	2,820
Fuel oil	1,800	1,800	589	-	1,211
Repair equipment	7,000	7,278	2,573	-	4,705
Repairs	500	500	137	-	363
Postage	6,150	1,550	1,440	-	110
Printing and stationery	250	50	-	-	50
Publications	350	250	90	-	160
Travel, dues and related	4,900	2,073	1,434	-	639
Uniforms	2,000	1,000	1,000	-	-
Other	184,600	184,600	143,236	-	41,364
Office supplies	3,000	5,115	5,024	-	91
Supplies - other	45,000	45,997	44,070	-	1,927
Youth services - programs	20,500	20,400	20,397	-	3
Mileage reimbursement	10,200	10,475	9,058	-	1,417
Food	315,000	315,000	313,797	-	1,203
Schools and training	700	853	153	-	700

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Economic assistance and opportunity, cont'd.:</b>					
Telephone - wireless	\$ 2,150	\$ 2,761	\$ 2,355	\$ -	\$ 406
Copier leases	5,230	2,917	2,842	-	75
Contingency	12,469	12,469	-	-	12,469
Program expenses	42,000	52,560	51,122	-	1,438
<b>Total economic assistance and opportunity</b>	<b>2,906,657</b>	<b>2,920,635</b>	<b>2,768,458</b>	<b>-</b>	<b>152,177</b>
<b>Culture and recreation:</b>					
Salaries	1,193,477	1,138,724	1,126,016	-	12,708
Overtime	15,000	41,254	41,212	-	42
Accumulated sick/personal days	13,934	7,917	3,369	-	4,548
Part time salaries	286,270	334,902	315,353	-	19,549
Longevity	42,502	43,528	42,557	-	971
Cash in lieu of health benefits	2,500	2,937	2,936	-	1
Equipment	15,000	43,610	6,018	-	37,592
Contracts	66,310	128,124	109,992	-	18,132
Gasoline	42,500	23,052	20,434	-	2,618
Electric	123,300	125,088	123,476	-	1,612
Fuel oil	32,850	13,280	11,463	-	1,817
Repair equipment	18,500	37,122	33,604	-	3,518
Repair building	50,000	48,700	48,687	-	13
Repair vehicle	20,000	23,860	23,854	-	6
Postage	7,150	7,150	6,604	-	546
Printing and stationery	10,200	10,100	7,096	-	3,004
Publications	60	60	45	-	15
Rentals	16,750	14,410	14,406	-	4
Telephone	3,100	3,350	2,893	-	457
Travel, dues and related	1,000	1,000	440	-	560
Uniforms	4,500	4,500	4,123	-	377
Other	26,850	29,885	22,039	-	7,846
Small equipment (non-capital)	1,000	2,500	2,296	-	204
Office supplies	2,700	3,000	2,810	-	190
Supplies - other	30,380	37,780	37,500	-	280
Diesel fuel	27,000	20,183	15,113	-	5,070
Salt	10,000	4,800	1,980	-	2,820
Telephone - wireless	1,700	1,700	1,460	-	240
Program expenses	175,000	174,074	169,600	-	4,474
Other - landfill charges	35,000	35,000	35,000	-	-
P and R chargeback - watering	5,200	4,936	4,936	-	-
Copier leases	600	1,000	828	-	172
Consultants	1,000	2,333	180	-	2,153
<b>Total culture and recreation</b>	<b>2,281,333</b>	<b>2,369,859</b>	<b>2,238,320</b>	<b>-</b>	<b>131,539</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Home and community services:</b>					
Salaries	\$ 230,451	\$ 230,451	\$ 229,905	\$ -	\$ 546
Overtime	12,500	29,500	29,072	-	428
Accumulated sick/personal days	10,870	8,390	2,387	-	6,003
Part time salaries	52,908	51,908	49,167	-	2,741
Longevity	9,899	9,899	9,866	-	33
Equipment	15,000	105,000	12,326	92,500	174
Contracts - other	129,800	129,480	95,401	-	34,079
Contracts	3,000	11,140	10,420	-	720
Gasoline	11,000	13,500	11,292	-	2,208
Electric	2,500	2,220	1,336	-	884
Repair equipment	50,000	64,280	55,563	-	8,717
Repair building	15,000	13,000	6,992	-	6,008
Rentals	2,500	2,500	2,448	-	52
Uniforms	500	500	-	-	500
Other	17,500	5,000	4,923	-	77
Legal notices	2,000	2,020	2,016	-	4
Small equipment (non-capital)	4,000	10,000	9,592	-	408
Office supplies	500	800	792	-	8
Supplies - other	1,000	400	296	-	104
Diesel fuel	69,000	64,000	35,047	-	28,953
Municipal dues	15,800	5,800	660	-	5,140
Telephone - wireless	3,500	3,500	2,803	-	697
Copier leases	1,800	1,800	231	-	1,569
Marine charges	5,000	3,960	3,538	-	422
Consultants	49,000	49,000	35,728	-	13,272
<b>Total home and community services</b>	<b>715,028</b>	<b>818,048</b>	<b>611,801</b>	<b>92,500</b>	<b>113,747</b>
<b>Employee benefits:</b>					
Employee retirement - active	2,379,222	2,311,860	2,218,367	-	93,493
FICA tax expenditure	1,177,509	1,167,838	1,139,863	-	27,975
MTA tax	52,812	53,257	50,929	-	2,328
Worker's compensation	416,794	445,619	445,235	-	384
Medical insurance - active employees	3,512,737	3,533,526	3,388,576	-	144,950
Health insurance - retirees	1,010,000	1,075,642	1,075,640	-	2
Medicare part B - retirees	175,000	161,469	161,469	-	-
Dental and optical	290,092	280,502	261,139	-	19,363
N.Y.S unemployment insurance	55,000	51,600	51,503	-	97
Disability	10,992	9,276	5,343	-	3,933
<b>Total employee benefits</b>	<b>9,080,158</b>	<b>9,090,589</b>	<b>8,798,064</b>	<b>-</b>	<b>292,525</b>
<b>Debt service:</b>					
Principal	3,336,987	3,336,987	3,336,987	-	-
Interest	674,770	672,170	672,118	-	52
<b>Total debt service</b>	<b>4,011,757</b>	<b>4,009,157</b>	<b>4,009,105</b>	<b>-</b>	<b>52</b>
<b>Total expenditures</b>	<b>37,362,552</b>	<b>37,865,614</b>	<b>35,913,332</b>	<b>99,140</b>	<b>1,853,142</b>
Excess (deficiency) of revenues over (under) expenditures	(852,434)	(1,165,278)	3,219,773	\$ 99,140	4,285,911

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Year-end Encumbrances</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Revised Budget</b>			
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on obligations	\$ -	\$ -	\$ 88,979		\$ 88,979
Interfund transfer in	400,000	420,000	429,240		9,240
Interfund transfer out	-	(86,428)	(86,428)		-
Appropriated fund balance	452,434	831,706	-		(831,706)
Total other financing sources (uses)	852,434	1,165,278	431,791		(733,487)
Change in fund balance	-	-	3,651,564		\$ 3,552,424
Fund balance, beginning of year	16,617,547	16,617,547	16,617,547		
Fund balance, end of year	\$ 16,617,547	\$ 16,617,547	\$ 20,269,111		



**TOWN OF SOUTHAMPTON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - POLICE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
<b>Real property taxes</b>	\$ 21,618,749	\$ 21,618,749	\$ 21,618,749		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	80,000	80,000	87,493		7,493
Interest and penalties - real property taxes	61,000	61,000	60,191		(809)
Total other real property tax items	141,000	141,000	147,684		6,684
<b>Departmental income:</b>					
Departmental income	2,500	2,500	2,371		(129)
Towing fees	130,000	130,000	101,538		(28,462)
Alarm billing	375,000	375,000	434,050		59,050
Total departmental income	507,500	507,500	537,959		30,459
<b>Use of money and property:</b>					
Interest and earnings	40,000	40,000	46,924		6,924
Total use of money and property	40,000	40,000	46,924		6,924
<b>Licenses and permits:</b>					
Special event permits	70,000	70,000	88,950		18,950
Total licenses and permits	70,000	70,000	88,950		18,950
<b>Sale of property and compensation for loss:</b>					
Insurance recoveries	-	8,686	41,112		32,426
Total sale of property and compensation for loss	-	8,686	41,112		32,426
<b>Miscellaneous local sources:</b>					
Miscellaneous tax receipts	128,000	128,000	219,253		91,253
Miscellaneous	72,000	112,000	121,269		9,269
Total miscellaneous local sources	200,000	240,000	340,522		100,522
<b>State aid:</b>					
State aid - sales tax	2,479,561	2,479,561	2,533,561		54,000
State aid - public safety	75,460	75,460	15,138		(60,322)
Total state aid	2,555,021	2,555,021	2,548,699		(6,322)
<b>Federal aid:</b>					
Stop DWI	55,000	117,680	183,145		65,465
NYS speed enforcement	8,000	8,000	11,655		3,655
Bullet proof vest program	12,000	12,000	8,855		(3,145)
Federal aid, other public safety	-	-	61,784		61,784
Total federal aid	75,000	137,680	265,439		127,759
<b>Total revenues</b>	<b>25,207,270</b>	<b>25,318,636</b>	<b>25,636,038</b>		<b>317,402</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - POLICE DISTRICT FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

EXPENDITURES	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Public safety:</b>					
Salaries	\$ 11,714,148	\$ 11,470,208	\$ 11,423,843	\$ -	\$ 46,365
Overtime	874,928	1,049,858	1,048,297	-	1,561
Severance pay	-	484,723	481,493	-	3,230
Accumulated sick/personal days	89,898	75,908	69,363	-	6,545
Holiday	634,837	573,837	573,377	-	460
Part time salaries	430,021	479,671	471,548	-	8,123
Pay differential special units	40,093	12,143	12,139	-	4
Shift differential	384,295	385,695	385,652	-	43
Longevity	489,436	433,436	431,484	-	1,952
Training	81,314	69,314	68,728	-	586
Instructor - shift differential	9,500	10,000	10,000	-	-
Cash in lieu of health benefits	4,000	7,934	7,934	-	-
Other pay	33,250	33,250	33,250	-	-
Payment differential - sergeants supervisor	16,000	-	-	-	-
Clothing cleaning	1,200	1,200	1,175	-	25
Clothing allowance	97,788	86,741	85,100	-	1,641
Equipment	-	33,824	-	33,824	-
Vehicles	375,000	325,435	311,311	14,124	-
Emergency services team gear	2,000	2,000	1,995	-	5
Contracts	111,714	66,213	66,213	-	-
Gasoline	230,000	160,345	131,568	-	28,777
Electric	80,000	67,724	67,571	-	153
Fuel oil	33,000	28,690	12,233	-	16,457
Repair equipment	5,000	5,000	3,729	-	1,271
Repair building	25,000	27,038	27,037	-	1
Repair vehicle	20,000	35,613	32,240	-	3,373
Postage	4,600	4,600	4,094	-	506
Printing and stationery	10,000	10,000	7,899	-	2,101
Publications	5,101	2,839	2,713	-	126
Telephone	8,500	8,500	7,044	-	1,456
Travel, dues and related	3,000	4,712	3,671	-	1,041
Photography	1,500	1,500	976	-	524
Uniforms	42,500	43,310	43,276	-	34
Small equipment	5,000	7,000	5,081	836	1,083
Other	20,000	23,000	19,668	-	3,332
Office supplies	8,000	8,000	6,081	-	1,919
Supplies - other	7,500	8,573	8,370	-	203
Towing	100,000	90,000	86,100	-	3,900
Ammunition	25,000	36,900	36,850	-	50
Flares and medical supplies	10,000	13,000	8,772	-	4,228
Safety equipment	39,000	36,700	32,546	-	4,154
Computer supplies	13,000	9,300	7,508	-	1,792
Diesel fuel	2,000	2,000	864	-	1,136
Food	1,000	1,000	889	-	111
Schools and training	8,000	18,340	17,904	-	436
Telephone - wireless	2,800	5,800	5,691	-	109
Copier leases	3,500	4,300	4,078	-	222
Uniform cleaning	18,000	18,000	14,882	-	3,118
<b>Total public safety</b>	<b>16,120,423</b>	<b>16,283,174</b>	<b>16,082,237</b>	<b>48,784</b>	<b>152,153</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - POLICE DISTRICT FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Employee benefits:</b>					
Employee retirement - active	\$ 3,270,807	\$ 3,256,712	\$ 3,252,976	\$ -	\$ 3,736
FICA tax expenditure	890,444	956,237	934,796	-	21,441
MTA tax	50,384	51,169	49,893	-	1,276
Worker's compensation	413,804	443,682	443,680	-	2
Life insurance	12,294	12,294	11,858	-	436
Medical insurance - active employees	2,063,184	2,017,016	2,008,024	-	8,992
Health insurance - retirees	1,890,000	1,893,503	1,893,502	-	1
Medicare part B - retirees	146,000	118,997	118,972	-	25
Dental and optical	166,268	141,829	139,537	-	2,292
Dental and optical retirees	185,000	161,000	160,631	-	369
NYS unemployment insurance	8,000	13,090	13,080	-	10
Disability	4,608	3,832	3,622	-	210
<b>Total employee benefits</b>	<b>9,100,793</b>	<b>9,069,361</b>	<b>9,030,571</b>	<b>-</b>	<b>38,790</b>
<b>Debt service:</b>					
Principal	205,285	205,285	205,285	-	-
Interest	30,769	30,769	30,769	-	-
<b>Total debt service</b>	<b>236,054</b>	<b>236,054</b>	<b>236,054</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>25,457,270</b>	<b>25,588,589</b>	<b>25,348,862</b>	<b>48,784</b>	<b>190,943</b>
Excess (deficiency) of revenues over (under) expenditures	(250,000)	(269,953)	287,176	<u>\$ 48,784</u>	<u>508,345</u>
<b>OTHER FINANCING SOURCES</b>					
Premium on obligations	-	-	2,436		2,436
Appropriated fund balance	250,000	269,953	-		(269,953)
<b>Total other financing sources</b>	<b>250,000</b>	<b>269,953</b>	<b>2,436</b>		<b>(267,517)</b>
Change in fund balance	-	-	289,612		<u>\$ 240,828</u>
Fund balance, beginning of year	2,496,209	2,496,209	2,496,209		
Fund balance, end of year	<u>\$ 2,496,209</u>	<u>\$ 2,496,209</u>	<u>\$ 2,785,821</u>		

**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, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
<b>Real property taxes</b>	\$ 1,327,298	\$ 1,327,298	\$ 1,327,298		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	8,000	8,000	5,920		(2,080)
Interest and penalties - real property taxes	5,600	5,600	5,526		(74)
Total other real property tax items	13,600	13,600	11,446		(2,154)
<b>Departmental income:</b>					
Electrical inspections	500,000	500,000	597,525		97,525
Rental permits	150,000	158,090	202,750		44,660
Zoning fees	86,000	86,000	156,525		70,525
Wetland fees	280,000	280,000	309,100		29,100
Old filed maps	1,000	1,000	2,350		1,350
Planning zoning amendments	5,000	5,000	-		(5,000)
Other PB scheduling fees	70,000	70,000	79,400		9,400
Land Management planning division - site plan - fees	135,000	135,000	131,486		(3,514)
Special exceptions planning fee	7,000	7,000	7,350		350
Photocopy fees	12,000	12,000	17,239		5,239
Sub division planning fees	120,000	120,000	105,820		(14,180)
Total departmental income	1,366,000	1,374,090	1,609,545		235,455
<b>Use of money and property:</b>					
Interest and earnings	11,000	11,000	20,467		9,467
Total use of money and property	11,000	11,000	20,467		9,467
<b>Licenses and permits:</b>					
Licensing	156,000	156,000	301,425		145,425
Building permit fee	2,900,000	2,946,499	3,045,640		99,141
Total licenses and permits	3,056,000	3,102,499	3,347,065		244,566
<b>Sale of property and compensation for loss:</b>					
Insurance recovery	-	-	1,999		1,999
Total sale of property and compensation for loss	-	-	1,999		1,999
<b>Miscellaneous local sources:</b>					
Refunds of prior years	950	950	958		8
Total miscellaneous local sources	950	950	958		8
<b>Total revenues</b>	<b>5,774,848</b>	<b>5,829,437</b>	<b>6,318,778</b>		<b>487,342</b>
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Salaries	578,200	556,700	523,274	\$ -	33,426
Overtime	20,500	60,500	60,053	-	447
Accumulated sick days	-	520	517	-	3
Part time salaries	25,000	37,750	36,239	-	1,511
Longevity	8,103	8,103	8,075	-	28
Cash in lieu of health benefits	2,500	4,093	4,092	-	1
Clothing cleaning	2,400	2,400	2,100	-	300
Gasoline	18,000	15,113	12,510	-	2,603

**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, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Public safety, cont'd:</b>					
Repair equipment	\$ 3,000	\$ 3,000	\$ 350	\$ -	\$ 2,650
Printing and stationery	1,500	2,000	1,908	-	92
Publication	2,150	2,200	1,694	-	506
Uniforms	4,000	6,220	5,916	-	304
Small equipment (non-capital)	1,000	1,000	-	-	1,000
Office supplies	2,500	2,712	2,711	-	1
Schools and training	3,500	2,780	2,280	-	500
Telephone - wireless	3,500	4,571	4,570	-	1
Other	3,000	738	624	-	114
Copier lease	2,500	2,843	2,843	-	-
<b>Total public safety</b>	<b>681,353</b>	<b>713,243</b>	<b>669,756</b>	<b>-</b>	<b>43,487</b>
<b>Home and community services:</b>					
Salaries	2,940,789	2,938,927	2,856,040	-	82,887
Overtime	15,000	57,378	54,852	-	2,526
Severance pay	-	3,412	3,410	-	2
Accumulated sick/personal days	17,895	14,423	7,231	-	7,192
Part time salaries	20,370	28,870	25,983	-	2,887
Longevity	71,997	74,993	74,766	-	227
Cash in lieu of health benefits	16,500	31,829	29,843	-	1,986
Equipment	25,000	17,236	14,012	-	3,224
Vehicles	100,126	140,079	91,610	-	48,469
Contracts	130,492	173,492	108,410	-	65,082
Gasoline	23,500	13,151	10,725	-	2,426
Copier supplies	450	450	165	-	285
Printing and stationery	13,200	12,434	9,195	-	3,239
Publications	8,112	18,571	15,964	-	2,607
Travel, dues and related	3,735	4,255	3,969	-	286
Uniforms	2,040	2,040	1,397	-	643
Other	5,000	8,980	8,938	-	42
Legal notices	11,600	12,530	12,016	-	514
Small equipment (non-capital)	400	1,400	540	-	860
Office supplies	7,500	7,500	5,668	-	1,832
Supplies - other	350	710	675	-	35
Safety equipment	1,400	1,650	1,641	-	9
Schools and training	1,600	1,600	654	-	946
Telephone - wireless	5,500	4,949	4,947	-	2
Mileage reimbursement	500	520	135	-	385
Landfill charges	335,400	386,769	386,768	-	1
Copier leases	11,200	7,200	6,957	-	243
Consultants	-	25,335	-	-	25,335
<b>Total home and community services</b>	<b>3,769,656</b>	<b>3,990,683</b>	<b>3,736,511</b>	<b>-</b>	<b>254,172</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - TOWN OUTSIDE VILLAGE FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Employee benefits:</b>					
Employee retirement - active	\$ 586,161	\$ 558,824	\$ 546,532	\$ -	\$ 12,292
FICA tax expenditure	280,069	282,540	273,970	-	8,570
MTA tax	12,660	12,954	12,240	-	714
Worker's compensation	63,013	67,331	67,314	-	17
Medical insurance - active employees	772,176	729,654	695,291	-	34,363
Health insurance - retirees	280,000	232,631	225,030	-	7,601
Medicare part B - retirees	45,000	45,000	29,351	-	15,649
Dental and optical	71,682	65,874	58,702	-	7,172
NYS unemployment insurance	8,000	8,000	-	-	8,000
Disability	2,736	2,184	1,279	-	905
Total employee benefits	<u>2,121,497</u>	<u>2,004,992</u>	<u>1,909,709</u>	<u>-</u>	<u>95,283</u>
<b>Debt service:</b>					
Principal	37,815	37,815	37,815	-	-
Interest	8,875	8,875	8,874	-	1
Total debt service	<u>46,690</u>	<u>46,690</u>	<u>46,689</u>	<u>-</u>	<u>1</u>
<b>Total expenditures</b>	<u>6,619,196</u>	<u>6,755,608</u>	<u>6,362,665</u>	<u>-</u>	<u>392,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(844,348)</u>	<u>(926,171)</u>	<u>(43,887)</u>	<u>\$ -</u>	<u>880,285</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on obligations	-	-	2,701		2,701
Interfund transfer in	94,348	130,048	130,048		-
Interfund transfer out	-	(35,800)	(35,800)		-
Appropriated fund balance	750,000	831,923	-		(831,923)
Total other financing sources (uses)	<u>844,348</u>	<u>926,171</u>	<u>96,949</u>		<u>(829,222)</u>
Change in fund balance	-	-	53,062		<u>\$ 51,063</u>
Fund balance, beginning of year	<u>3,444,076</u>	<u>3,444,076</u>	<u>3,444,076</u>		
Fund balance, end of year	<u>\$ 3,444,076</u>	<u>\$ 3,444,076</u>	<u>\$ 3,497,138</u>		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
<b>Real property taxes</b>	\$ 12,422,647	\$ 12,422,647	\$ 12,422,647		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	50,000	50,000	55,733		5,733
Interest and penalties - real property taxes	30,000	30,000	29,602		(398)
Total other real property tax items	80,000	80,000	85,335		5,335
<b>Departmental income:</b>					
Engineering fees	14,000	14,000	20,200		6,200
Total departmental income	14,000	14,000	20,200		6,200
<b>Intergovernmental charges:</b>					
Intergovernmental revenue	735,474	735,474	735,475		1
Revenue from other governments	6,500	6,500	16,638		10,138
Total intergovernmental charges	741,974	741,974	752,113		10,139
<b>Use of money and property:</b>					
Interest and earnings	22,500	22,500	32,850		10,350
Total use of money and property	22,500	22,500	32,850		10,350
<b>Licenses and permits:</b>					
Licenses and permits	2,500	2,500	-		(2,500)
Total licenses and permits	2,500	2,500	-		(2,500)
<b>Sale of property and compensation for loss:</b>					
Insurance recoveries	-	210,734	200,900		(9,834)
Total sale of property and compensation for loss	-	210,734	200,900		(9,834)
<b>Miscellaneous local sources:</b>					
Miscellaneous tax receipts	-	-	206		206
Miscellaneous	25,000	25,000	49,095		24,095
Total miscellaneous local sources	25,000	25,000	49,301		24,301
<b>State aid:</b>					
Consolidated highway aid	842,159	1,034,385	842,272		(192,113)
Total state aid	842,159	1,034,385	842,272		(192,113)
<b>Federal aid:</b>					
Federal grants - FEMA	-	-	87,112		87,112
Total federal aid	-	-	87,112		87,112
<b>Total revenues</b>	<b>14,150,780</b>	<b>14,553,740</b>	<b>14,492,730</b>		<b>(61,010)</b>

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>EXPENDITURES</b>					
<b>Transportation:</b>					
Salaries	\$ 3,333,680	\$ 3,250,203	\$ 3,032,691	\$ -	\$ 217,512
Overtime	352,000	352,000	265,113	-	86,887
Severance pay	-	83,476	83,476	-	-
Accumulated sick/personal days	20,467	20,467	4,940	-	15,527
Longevity	208,544	204,826	177,528	-	27,298
Cash in lieu of health benefits	17,500	23,218	23,217	-	1
Equipment	100,000	429,193	426,193	-	3,000
Road reconstruction	842,159	842,159	842,138	-	21
Road improvements	-	192,226	192,226	-	-
Contracts - other	200,000	200,000	175,025	-	24,975
Gasoline	70,000	51,691	36,422	-	15,269
Recharge Basin	25,000	25,000	24,560	-	440
Electric	44,000	36,925	36,920	-	5
Fuel oil	65,000	46,425	22,825	-	23,600
Repair equipment	310,000	336,321	305,248	-	31,073
Repair building	51,500	59,500	54,446	-	5,054
Postage	1,450	3,450	3,270	-	180
Publications	3,300	3,300	1,980	-	1,320
Rentals	34,060	16,210	9,775	-	6,435
Telephone	4,700	6,826	6,822	-	4
Uniforms	750	-	-	-	-
Other	27,000	12,843	10,894	-	1,949
Legal notices	4,000	4,238	4,238	-	-
Small equipment (non-capital)	7,000	9,658	8,767	-	891
Office supplies	2,000	2,107	2,088	-	19
Supplies - other	51,000	69,997	58,467	-	11,530
Tree and stump removal	75,000	83,395	75,295	-	8,100
Safety equipment	25,000	25,000	17,355	-	7,645
Hardware	47,500	47,500	47,061	-	439
Diesel fuel	245,000	245,000	159,061	-	85,939
Mileage reimbursement	3,500	3,950	3,724	-	226
Sand	100,000	80,718	80,718	-	-
Salt	250,000	298,100	297,767	-	333
Chemicals	10,000	-	-	-	-
Road repairs	100,000	89,300	75,937	-	13,363
Schools and training	2,500	2,500	2,411	-	89
Telephone - wireless	4,700	4,700	2,680	-	2,020
Townwide line striping	175,000	183,063	183,063	-	-
Copier leases	3,800	3,800	381	-	3,419
Cleaning allowance	4,000	5,013	5,013	-	-
Tires	31,500	38,060	37,539	-	521
Lube oil	20,000	20,000	13,761	-	6,239
<b>Total transportation</b>	<b>6,872,610</b>	<b>7,412,358</b>	<b>6,811,035</b>	<b>-</b>	<b>601,323</b>



**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Employee benefits:</b>					
Employee retirement - active	\$ 599,011	\$ 599,011	\$ 558,514	\$ -	\$ 40,497
FICA tax expenditure	300,177	295,776	269,577	-	26,199
MTA tax	13,347	13,357	11,981	-	1,376
Worker's compensation	716,603	765,508	765,503	-	5
Medical insurance - active employees	952,428	904,073	811,044	-	93,029
Health insurance - retirees	550,000	566,845	566,844	-	1
Medicare part B - retirees	85,000	69,996	69,995	-	1
Dental and optical	78,264	78,264	67,319	-	10,945
NYS unemployment insurance	8,000	7,807	-	-	7,807
Disability	1,728	1,728	310	-	1,418
<b>Total employee benefits</b>	<b>3,304,558</b>	<b>3,302,365</b>	<b>3,121,087</b>	<b>-</b>	<b>181,278</b>
<b>Debt service:</b>					
Principal	3,381,197	3,381,197	3,381,197	-	-
Interest	767,415	767,415	767,415	-	-
<b>Total debt service</b>	<b>4,148,612</b>	<b>4,148,612</b>	<b>4,148,612</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>14,325,780</b>	<b>14,863,335</b>	<b>14,080,734</b>	<b>-</b>	<b>782,601</b>
Excess (deficiency) of revenues over (under) expenditures	(175,000)	(309,595)	411,996	\$ -	721,591
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on obligations	-	-	43,909		43,909
Interfund transfer in	-	250,000	250,100		100
Interfund transfer out	-	(250,405)	(250,405)		-
Appropriated fund balance	175,000	310,000	-		(310,000)
<b>Total other financing sources (uses)</b>	<b>175,000</b>	<b>309,595</b>	<b>43,604</b>		<b>(265,991)</b>
Change in fund balance	-	-	455,600		<u>\$ 455,600</u>
Fund balance, beginning of year	2,577,847	2,577,847	2,577,847		
Fund balance, end of year	<u>\$ 2,577,847</u>	<u>\$ 2,577,847</u>	<u>\$ 3,033,447</u>		

**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, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 2,174,475	\$ 2,174,475	\$ 2,174,475		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	7,500	7,500	8,036		536
Interest and penalties - real property taxes	5,000	5,000	4,934		(66)
Total other real property tax items	12,500	12,500	12,970		470
<b>Departmental income:</b>					
Rentals	130,000	130,000	127,147		(2,853)
Total departmental income	130,000	130,000	127,147		(2,853)
<b>Use of money and property:</b>					
Interest and earnings	6,000	6,000	7,806		1,806
Total use of money and property	6,000	6,000	7,806		1,806
<b>State aid:</b>					
State aid - other public safety	100,000	100,000	144,345		44,345
Total state aid	100,000	100,000	144,345		44,345
<b>Total revenues</b>	<b>2,422,975</b>	<b>2,422,975</b>	<b>2,466,743</b>		<b>43,768</b>
<b>EXPENDITURES</b>					
<b>Public safety:</b>					
Salaries	1,251,118	1,257,018	1,256,972	\$ -	46
Overtime	52,181	52,181	35,236	-	16,945
Sick leave	10,585	4,667	498	-	4,169
Holiday	15,225	15,225	8,623	-	6,602
Pay differential - shift	55,503	55,503	49,625	-	5,878
Longevity	66,330	66,562	66,561	-	1
Other pay	16,000	16,000	-	-	16,000
Cash in lieu of health benefits	9,000	13,135	13,135	-	-
Uniform cleaning allowance	6,300	6,300	6,300	-	-
Contracts	140,195	146,195	141,111	-	5,084
Electric	7,000	7,000	6,543	-	457
Repair equipment	5,000	5,000	1,862	-	3,138
Rentals	113,197	113,197	108,156	-	5,041
Telephone	1,300	1,300	802	-	498
Uniforms	10,000	10,000	5,684	-	4,316
Small equipment (non-capital)	900	900	-	-	900
Office supplies	300	300	120	-	180
Schools and training	7,000	4,000	3,431	-	569
Contracts - copier lease	6,500	3,500	800	-	2,700
Total public safety	1,773,634	1,777,983	1,705,459	-	72,524
<b>Employee benefits:</b>					
Employee retirement - active	247,534	243,185	230,800	-	12,385
FICA tax expenditure	113,391	113,391	107,729	-	5,662
MTA tax	5,040	5,040	4,788	-	252
Worker's compensation	5,004	5,349	5,346	-	3
Medical insurance - active employees	309,325	309,325	302,191	-	7,134

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PUBLIC SAFETY COMMUNICATIONS FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Dental and optical	\$ 27,392	\$ 27,392	\$ 25,922	\$ -	\$ 1,470
Disability	605	260	76	-	184
Health insurance - retirees	70,000	70,000	47,699	-	22,301
Medicare part B - retirees	15,000	15,000	3,881	-	11,119
<b>Total employee benefits</b>	<b>793,291</b>	<b>788,942</b>	<b>728,432</b>	<b>-</b>	<b>60,510</b>
<b>Debt service:</b>					
Principal	5,000	5,000	5,000	-	-
Interest	1,050	1,050	1,050	-	-
<b>Total debt service</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>2,572,975</b>	<b>2,572,975</b>	<b>2,439,941</b>	<b>-</b>	<b>133,034</b>
Excess (deficiency) of revenues over (under) expenditures	(150,000)	(150,000)	26,802	\$ -	176,802
<b>OTHER FINANCING SOURCES</b>					
Appropriated fund balance	150,000	150,000	-		(150,000)
<b>Total other financing sources</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>		<b>(150,000)</b>
Change in fund balance	-	-	26,802		<u>\$ 26,802</u>
Fund balance, beginning of year	812,235	812,235	812,235		
Fund balance, end of year	<u>\$ 812,235</u>	<u>\$ 812,235</u>	<u>\$ 839,037</u>		

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOUTHAMPTON  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - SERVICE AWARD PROGRAM  
DECEMBER 31, 2016**

**Westhampton War Memorial Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2016	\$ 53,011	\$ 63,315	119.44%
2015	55,444	64,000	115.43%
2014	53,011	69,000	130.16%

**Flanders Northampton Volunteer Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2016	\$ 57,761	\$ 58,260	100.86%
2015	57,984	68,000	117.27%
2014	57,761	73,000	126.38%

**Hampton Bays Volunteer Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2016	\$ 43,368	\$ 53,473	123.30%
2015	40,092	40,253	100.40%
2014	43,368	70,000	161.41%

**Southampton Volunteer Ambulance Corporation:**

Year Ended Dec. 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2016	\$ 32,052	\$ 40,312	125.77%
2015	32,100	41,000	127.73%
2014	32,052	49,000	152.88%

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF FUNDING PROGRESS - SERVICE AWARD PROGRAM**  
**DECEMBER 31, 2016**

**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]
2015	\$ 695,934	\$ 779,940	\$ 84,006	89.23%	N/A*	N/A*
2014	651,840	724,790	72,950	89.94%	N/A*	N/A*
2013	571,391	646,636	75,245	88.36%	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]
2015	\$ 802,387	\$ 766,742	\$ (35,645)	104.65%	N/A*	N/A*
2014	738,234	703,773	(34,461)	104.90%	N/A*	N/A*
2013	634,500	622,327	(12,173)	101.96%	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]
2015	\$ 772,988	\$ 680,606	\$ (92,382)	113.57%	N/A*	N/A*
2014	742,697	617,613	(125,084)	120.25%	N/A*	N/A*
2013	671,783	574,142	(97,641)	117.01%	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]
2015	\$ 657,565	\$ 594,611	\$ (62,954)	110.59%	N/A*	N/A*
2014	614,486	538,860	(75,626)	114.03%	N/A*	N/A*
2013	535,696	475,081	(60,615)	112.76%	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.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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)
1/1/2016	\$ -	\$ 172,795,225	\$ 172,795,225	0%	\$ 42,076,574	410.67%
1/1/2014	-	147,335,207	147,335,207	0%	38,943,443	378.33%
1/1/2012	-	148,511,000	148,511,000	0%	37,953,261	391.30%

REQUIRED  
SUPPLEMENTARY  
INFORMATION

TOWN OF SOUTHAMPTON  
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NYSERS  
LAST TEN FISCAL YEARS\*  
(Dollar amounts in thousands)

	2016	2015	2014	**2013	**2012	**2011	**2010	**2009	**2008	**2007
Town's proportionate share of the net pension liability	0.09690%	0.09762%	0.09762%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability	\$ 15,552	\$ 3,298	\$ 4,411	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	\$ 25,366	\$ 25,436	\$ 24,346	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability as a percentage of covered payroll	61.31%	12.97%	18.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.68%	97.95%	97.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* The amounts presented for each fiscal year were determined (bi-annually) as of March 31st.

Not Available = N/A

**\*\*Note to Required Supplementary Information**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NYSPFRS**  
**LAST TEN FISCAL YEARS\***  
**(Dollar amounts in thousands)**

	2016	2015	2014	**2013	**2012	**2011	**2010	**2009	**2008	**2007
Town's proportionate share of the net pension liability	0.43130%	0.41533%	0.41533%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability	\$ 12,770	\$ 1,143	\$ 1,729	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	\$ 13,254	\$ 12,692	\$ 12,371	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability as a percentage of covered payroll	96.35%	9.01%	13.98%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.24%	99.03%	98.48%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* The amounts presented for each fiscal year were determined (bi-annually) as of March 31st.

Not Available = N/A

**\*\*Note to Required Supplementary Information**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



TOWN OF SOUTHAMPTON  
SCHEDULE OF TOWN PENSION CONTRIBUTIONS - NYERS  
LAST TEN FISCAL YEARS\*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 3,900,418	\$ 4,285,670	\$ 4,683,082	\$ 4,765,453	\$ 4,519,439	\$ 3,489,546	\$ 2,650,410	\$ 1,872,489	\$ 2,049,204	\$ 2,041,831
Contributions in relation to the contractually required contribution	3,900,418	4,285,670	4,683,082	6,138,921	4,449,690	2,692,108	2,485,758	1,872,489	2,049,204	2,041,831
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (1,373,468)	\$ 69,749	\$ 797,438	\$ 164,652	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 25,365,769	\$ 25,436,049	\$ 24,346,118	\$ 23,442,704	\$ 22,741,318	\$ 23,457,759	\$ 23,611,163	\$ 24,716,060	\$ 24,330,075	\$ 22,858,341
Contributions as a percentage of covered-employee payroll	15.38%	16.85%	19.24%	26.19%	19.57%	11.48%	10.53%	7.58%	8.42%	8.93%

\* The amounts presented for each fiscal year were determined (bi-annually) as of March 31.

TOWN OF SOUTHAMPTON  
SCHEDULE OF TOWN PENSION CONTRIBUTIONS - NYSPPRS  
LAST TEN FISCAL YEARS\*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 3,182,546	\$ 3,151,539	\$ 3,499,468	\$ 3,283,356	\$ 2,842,994	\$ 2,541,060	\$ 1,760,075	\$ 1,783,054	\$ 1,654,117	\$ 1,733,315
Contributions in relation to the contractually required contribution	3,182,546	3,151,539	3,499,468	3,818,036	2,679,736	2,104,844	1,760,075	1,783,054	1,654,117	1,733,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (534,680)	\$ 163,258	\$ 436,216	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 13,254,423	\$ 12,692,066	\$ 12,370,922	\$ 11,742,650	\$ 11,653,522	\$ 12,254,205	\$ 11,652,175	\$ 11,337,244	\$ 10,913,218	\$ 10,600,966
Contributions as a percentage of covered-employee payroll	24.01%	24.83%	28.29%	32.51%	23.00%	17.18%	15.11%	15.73%	15.16%	16.35%

\* The amounts presented for each fiscal year were determined (bi-annually) as of March 31.

**OTHER SUPPLEMENTARY INFORMATION**

OTHER SUPPLEMENTARY INFORMATION

TOWN OF SOUTHAMPTON  
SCHEDULE OF OPEN PROJECTS - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

Project Number	Project Title	Expenditures					Methods of Financing					Fund Balance December 31, 2016	
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Prior Years	Proceeds of Obligations	Contributions and Grants	Transfers In		Total
9947	Unallocated	6,145	148,229	11,109	60,303	176,817	76,817	82,163	86,066	-	148,229	76,817	
C110	Nathaniel Rodgers House	850,000	6,539,470	2,553,463	1,101,878	3,655,341	2,884,129	6,485,910	53,560	-	6,539,470	2,884,129	
C118	Beach Nourishment	100,000	100,000	62,946	9,260	319,081	37,054	100,000	-	-	100,000	37,054	
C120	Public Safety Phase II	420,729	319,091	309,821	9,260	319,081	15,457	319,081	-	4,000	319,081	15,457	
C134	NS Landfill Management	350,000	100,940	88,483	31,670	158,948	191,055	350,000	-	-	350,000	191,055	
C134	NS Landfill Post Closure	200,000	127,275	127,275	44,366	274,070	84,938	325,477	-	4,940	330,417	84,938	
C201	Reeves Bay	200,000	200,000	228,704	30,712	489,220	169,288	325,477	33,529	-	359,006	166,288	
C205	Beach Reconstruction	97,050	97,050	97,050	30,712	127,762	97,050	127,762	-	-	127,762	97,050	
C218	Seonac Bulkhead	136,900	136,900	117,035	117,035	254,070	117,035	196,800	-	-	196,800	117,035	
C233	Dredging Park Facilities	46,489	171,489	93,200	7,686	101,086	70,403	121,489	-	-	121,489	70,403	
C242	Time and Attendance	38,000	176,847	166,800	30,322	197,122	166,800	166,800	-	-	166,800	166,800	
C305	Animal Shelter HVAC	60,000	443,675	443,675	667,322	1,110,997	202,143	313,140	1,000,000	250,000	1,313,140	202,143	
C313	NS Park Restrooms	50,123	325,781	28,193	47,588	75,781	250,000	75,781	-	-	75,781	250,000	
C316	ICAD	200,000	550,000	440,119	71,347	511,466	38,534	500,000	-	-	500,000	38,534	
C321	Elevation of Dune Road	100,000	2,050,000	1,050,000	300	1,050,300	1,000,000	1,050,000	-	-	1,050,000	1,000,000	
C327	AA Museum	341,000	480,000	480,000	300	480,300	480,000	480,000	-	-	480,000	480,000	
C328	Blue Barn	170,000	180,000	863	386,227	427,989	179,137	170,000	-	-	170,000	179,137	
C402	Lyzon Fall Shop	62,650	641,378	641,378	30,220	671,600	213,390	616,378	-	-	616,378	213,390	
C414	Improvement of Unimproved Roads	150,000	150,000	55,941	48,355	178,040	65,839	150,000	-	-	150,000	65,839	
C414	Improvement of Unimproved Roads	300,000	300,000	129,685	47,923	177,608	121,960	300,000	-	-	300,000	121,960	
C501	Email Solution	70,000	35,000	4,657	3,281	78,938	70,000	70,000	-	-	70,000	70,000	
C503	Licensing	10,000	35,000	3,281	5,564	8,845	10,000	10,000	-	-	10,000	10,000	
C507	Beach Facility Upgrade	155,564	75,000	75,000	5,564	135,564	75,000	75,000	-	-	75,000	75,000	
C509	Shimecock Dock Repair	75,000	75,000	770,817	290,000	1,060,817	608,621	1,060,817	72,500	-	1,133,317	608,621	
C510	Highway Equipment	1,364	217,107	318,621	290,000	827,012	318,621	827,012	-	-	827,012	318,621	
C511	Highway Salt Barn Improvements	17,107	72,500	72,500	290,000	362,107	72,500	362,107	72,500	-	434,607	72,500	
C518	PD Heavy Trucks	16,111	91,111	91,111	287,107	378,328	91,111	378,328	-	-	378,328	91,111	
C519	Bay Constable Patrol Boat	175,000	601,250	304,143	189,273	693,416	113,738	693,416	220,322	74,428	817,744	113,738	
C520	Canoe Place Chapel Rest.	296,689	373,451	70,440	2,833,017	3,473,607	2,833,017	3,473,607	500,000	12,000	3,595,607	2,833,017	
C522	Good Ground Park	258,000	1,019,519	236,729	85,978	344,707	236,729	344,707	-	-	344,707	236,729	
C524	Waste Management Equipment	20,000	688,575	139,050	27,375	186,425	139,050	186,425	-	-	186,425	139,050	
C524	Waste Management Equipment	81,787	718,500	768,669	26,140	824,436	768,669	824,436	629,199	83,974	1,437,619	768,669	
C525	Trips Beach Fire Station	50,000	50,000	25,213	50,000	75,213	25,213	50,000	-	-	75,213	25,213	
C600	Network Infrastructure	20,000	26,000	24,767	12,862	37,629	13,038	20,000	-	-	20,000	13,038	
C602	Phone System	26,000	26,000	44,086	99,094	171,180	55,000	171,180	-	-	171,180	55,000	
C603	Remote Data Storage	40,000	120,000	51,214	99,094	190,308	51,214	190,308	-	-	190,308	51,214	
C604	Server Room Power	55,000	55,000	44,086	99,094	154,180	44,086	154,180	-	-	154,180	44,086	
C605	Storage Area Network	55,000	55,000	44,086	99,094	154,180	44,086	154,180	-	-	154,180	44,086	
C606	Brownfield Area	59,225	236,900	35,169	35,169	70,338	35,169	70,338	177,675	945	236,900	70,338	
C609	Park Improvements	310,000	347,446	13,315	95,508	446,269	13,315	446,269	-	-	446,269	13,315	
C610	Highway Equipment	277,500	246,621	30,879	372,724	649,724	30,879	649,724	-	-	649,724	30,879	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656	337,915	-	-	337,915	165,656	
C612	Heavy Trucks	547	372,724	372,724	157,070	529,794	372,724	529,794	-	-	529,794	372,724	
C612	Heavy Trucks	84,083	236,256	8,586	157,070	337,915	165,656						

TOWN OF SOUTHAMPTON  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

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 Districts	Parks Districts			
<b>ASSETS</b>												
Cash and cash equivalents	\$ 356,315	\$ -	\$ 337,239	\$ 759,025	\$ 274,000	\$ 2,894,439	\$ 986,759	\$ 1,566,993	\$ 690,765	\$ 7,865,535		
Restricted cash	336,318	5,120,204	-	-	-	89,687	-	-	-	5,546,209		
Accounts receivable, net	-	2,750	-	-	5,838	410,268	-	-	-	418,856		
Prepaid items	2,574	-	-	7,153	-	58,908	-	-	-	68,635		
Total assets	\$ 695,207	\$ 5,122,954	\$ 337,239	\$ 766,178	\$ 279,838	\$ 3,453,302	\$ 986,759	\$ 1,566,993	\$ 690,765	\$ 13,899,235		
<b>LIABILITIES</b>												
Accounts payable	\$ 5,190	\$ 27,693	\$ 22,396	\$ 25,270	\$ 82	\$ 44,757	\$ -	\$ 50,426	\$ 2,513	\$ 178,327		
Accrued liabilities	35,770	124,956	-	-	-	8,449	-	-	-	169,175		
Due to other funds	-	660,000	-	-	-	-	-	-	-	660,000		
Due to fiduciary funds	-	-	-	333	-	3,009	-	-	-	3,342		
Total liabilities	40,960	812,649	22,396	25,603	82	56,215	-	50,426	2,513	1,010,844		
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Property taxes	-	14,266	186,400	117,071	25,025	266,469	674,560	529,862	113,695	1,927,348		
Deferred revenue	315,355	-	-	-	-	-	-	-	-	315,355		
Total deferred inflows of resources	315,355	14,266	186,400	117,071	25,025	266,469	674,560	529,862	113,695	2,242,703		
<b>FUND BALANCE</b>												
Fund balance:												
Nonspendable	2,574	-	-	7,153	-	58,908	-	-	-	68,635		
Restricted	336,318	4,296,039	-	-	-	89,687	-	-	-	4,722,044		
Committed	-	-	-	-	-	1,000,000	-	-	-	1,000,000		
Assigned	-	-	128,443	616,351	254,731	1,982,023	312,199	986,705	574,557	4,855,009		
Total fund balance	338,892	4,296,039	128,443	623,504	254,731	3,130,618	312,199	986,705	574,557	10,645,688		
Total liabilities, deferred inflows of resources and fund balance	\$ 695,207	\$ 5,122,954	\$ 337,239	\$ 766,178	\$ 279,838	\$ 3,453,302	\$ 986,759	\$ 1,566,993	\$ 690,765	\$ 13,899,235		

TOWN OF SOUTHAMPTON  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	SPECIAL REVENUE 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 Districts	Parks Districts		
<b>REVENUES</b>											
Real property taxes	\$	\$	\$ 895,831	\$ 558,919	\$ 105,588	\$ 1,250,684	\$ 3,185,007	\$ 2,551,022	\$ 550,405	\$	\$ 9,097,436
Other real property tax items	-	-	6,738	2,421	195	8,321	89,331	-	1,128	-	118,132
Departmental income	-	-	-	-	-	2,377,595	-	-	-	-	2,377,595
Use of money and property	148	31,191	820	3,760	1,286	330,536	3,574	10,048	3,618	-	385,001
Fines and forfeitures	-	20,055	-	-	-	-	-	-	-	-	20,055
Sale of property and compensation for loss	-	362,686	-	610	14,764	-	-	-	-	-	378,060
Miscellaneous local sources	2,163	648,238	-	-	-	-	-	-	-	-	650,401
State aid	-	5,000	-	-	-	-	-	-	-	-	5,000
Federal aid	4,094,125	-	-	-	-	-	-	-	-	-	4,094,125
Total revenues	4,096,436	1,087,170	903,389	565,730	121,813	3,987,136	3,287,912	2,561,070	555,149	-	17,125,805
<b>EXPENDITURES</b>											
General governmental support	-	89,991	-	-	-	-	-	-	-	-	89,991
Public safety	-	10,313	881,727	-	-	-	-	-	-	-	892,040
Health	-	-	-	-	-	-	3,067,786	-	-	-	3,067,786
Transportation	-	-	-	382,792	93,008	-	-	-	-	-	485,800
Economic assistance and opportunity	-	622,556	-	-	-	-	-	-	-	-	622,556
Culture and recreation	-	112,988	-	-	-	-	-	-	-	-	112,988
Home and community services	-	13,967	-	-	-	2,323,112	-	-	429,205	-	542,203
Employee benefits	3,855,367	682	-	64,997	-	593,176	215,359	148,883	-	-	6,341,329
Debt service -	-	-	-	-	-	-	-	-	-	-	874,224
Principal	-	-	15,000	39,919	5,761	586,949	17,380	2,040,000	67,037	-	2,772,046
Interest	-	-	225	7,678	1,292	185,797	3,897	542,750	18,172	-	739,811
Total expenditures	3,855,367	850,517	896,952	505,386	100,061	3,689,034	3,304,422	2,731,633	514,414	-	16,427,786
Excess (deficiency) of revenues over (under) expenditures	241,069	216,653	6,437	60,344	21,752	298,102	(16,510)	(170,563)	40,735	-	698,019
<b>OTHER FINANCING SOURCES (USES)</b>											
Premium on obligations	-	-	-	1,282	-	9,615	-	-	-	-	10,897
Interfund transfers in	-	213,230	-	15,000	-	-	-	-	-	-	228,230
Interfund transfers out	-	(838,778)	-	(55,000)	-	-	-	-	-	-	(893,778)
Total other financing sources (uses)	-	(625,548)	-	(38,718)	-	9,615	-	-	-	-	(654,651)
Change in fund balance	241,069	(408,895)	6,437	21,626	21,752	307,717	(16,510)	(170,563)	40,735	-	43,368
Fund balance, beginning of year	97,823	4,704,934	122,006	601,878	232,979	2,822,901	328,709	1,157,268	533,822	-	10,602,320
Fund balance, end of year	338,892	4,296,039	128,443	623,504	254,731	3,130,618	312,199	986,705	574,557	-	10,645,688

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FIRE PROTECTION DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 896,490	\$ 896,490	\$ 895,831		\$ (659)
Other real property tax items:					
Other payments in lieu of taxes	5,500	5,500	6,738		1,238
Total other real property tax items	5,500	5,500	6,738		1,238
Use of money and property:					
Interest and earnings	950	950	820		(130)
Total use of money and property	950	950	820		(130)
<b>Total revenues</b>	<b>902,940</b>	<b>902,940</b>	<b>903,389</b>		<b>449</b>
<b>EXPENDITURES</b>					
Public safety:					
Contracts - other	837,849	837,849	836,849	\$ -	1,000
Electric	49,866	49,866	44,878	-	4,988
Total public safety	887,715	887,715	881,727	-	5,988
Debt service:					
Principal	15,000	15,000	15,000	-	-
Interest	225	225	225	-	-
Total debt service	15,225	15,225	15,225	-	-
<b>Total expenditures</b>	<b>902,940</b>	<b>902,940</b>	<b>896,952</b>	<b>\$ -</b>	<b>5,988</b>
Change in fund balance	-	-	6,437		<u>\$ 6,437</u>
Fund balance, beginning of year	122,006	122,006	122,006		
Fund balance, end of year	<u>\$ 122,006</u>	<u>\$ 122,006</u>	<u>\$ 128,443</u>		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LIGHTING DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 558,919	\$ 558,919	\$ 558,919		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	2,005	2,005	2,421		416
Total other real property tax items	2,005	2,005	2,421		416
<b>Use of money and property:</b>					
Interest and earnings	2,010	2,010	3,780		1,770
Total use of money and property	2,010	2,010	3,780		1,770
<b>Sale of property and compensation for loss</b>	-	-	610		610
<b>Total revenues</b>	<b>562,934</b>	<b>562,934</b>	<b>565,730</b>		<b>2,796</b>
<b>EXPENDITURES</b>					
<b>Transportation:</b>					
Salaries	116,121	116,121	116,042	\$ -	79
Overtime	-	1,000	201	-	799
Repair vehicle	15,000	19,528	19,496	-	32
Longevity	4,135	4,135	4,121	-	14
Electric	274,836	263,091	210,790	-	52,301
Other	29,100	28,130	25,981	-	2,149
Small equipment (non-capital)	10,000	50,281	16,161	9,294	24,826
Total transportation	449,192	482,286	392,792	9,294	80,200
<b>Employee benefits:</b>					
Employee retirement	20,083	19,467	18,725	-	742
FICA tax expense	9,200	9,284	8,928	-	356
MTA tax expense	409	419	405	-	14
Worker's compensation	4,644	4,971	4,962	-	9
Medical insurance	29,136	29,500	29,494	-	6
Dental and optical	2,608	2,535	2,475	-	60
Disability	58	58	8	-	50
Total employee benefits	66,138	66,234	64,997	-	1,237
<b>Debt service:</b>					
Principal	39,923	39,923	39,919	-	4
Interest	7,681	7,681	7,678	-	3
Total debt service	47,604	47,604	47,597	-	7
<b>Total expenditures</b>	<b>562,934</b>	<b>596,124</b>	<b>505,386</b>	<b>9,294</b>	<b>81,444</b>
Excess (deficiency) of revenues over (under) expenditures	-	(33,190)	60,344	\$ (9,294)	84,240
<b>OTHER FINANCING SOURCES</b>					
Premium on obligations	-	-	1,282		1,282
Interfund transfers in	-	15,000	15,000		-
Interfund transfers out	-	(55,000)	(55,000)		-
Appropriated fund balance	-	73,190	-		(73,190)
Total other financing sources	-	33,190	(38,718)		(71,908)
Change in fund balance	-	-	21,626		\$ 12,332
Fund balance, beginning of year	601,878	601,878	601,878		
Fund balance, end of year	\$ 601,878	\$ 601,878	\$ 623,504		



**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PUBLIC PARKING DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 105,568	\$ 105,568	\$ 105,568		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	190	190	195		5
Total other real property tax items	190	190	195		5
<b>Use of money and property:</b>					
Interest and earnings	800	800	1,286		486
Total use of money and property	800	800	1,286		486
<b>Sale of property and compensation for loss:</b>					
Sales, other	10,000	10,000	14,764		4,764
Total sale of property and compensation for loss	10,000	10,000	14,764		4,764
<b>Total revenues</b>	<b>116,558</b>	<b>116,558</b>	<b>121,813</b>		<b>5,255</b>
<b>EXPENDITURES</b>					
<b>Transportation:</b>					
P & R CB Water	15,000	15,000	14,620	\$ -	380
Contracts	93,305	103,305	77,872	-	25,433
Landscaping	-	-	-	-	-
Electric	1,200	1,200	516	-	684
Total transportation	109,505	119,505	93,008	-	26,497
<b>Debt service:</b>					
Principal	5,761	5,761	5,761	-	-
Interest	1,292	1,292	1,292	-	-
Total debt service	7,053	7,053	7,053	-	-
<b>Total expenditures</b>	<b>116,558</b>	<b>126,558</b>	<b>100,061</b>	<b>\$ -</b>	<b>26,497</b>
Excess (deficiency) of revenues over (under) expenditures	-	(10,000)	21,752		31,752
<b>OTHER FINANCING SOURCES</b>					
Appropriated fund balance	-	10,000	-		(10,000)
Total other financing sources	-	10,000	-		(10,000)
Change in fund balance	-	-	21,752		\$ 21,752
Fund balance, beginning of year	232,979	232,979	232,979		
Fund balance, end of year	\$ 232,979	\$ 232,979	\$ 254,731		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - WATER DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
<b>Real property taxes</b>	\$ 1,250,684	\$ 1,250,684	\$ 1,250,684		\$ -
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	12,100	12,100	3,881		(8,219)
Interest and penalties - real property taxes	4,500	4,500	4,440		(60)
Total other real property tax items	16,600	16,600	8,321		(8,279)
<b>Departmental income:</b>					
Metered water sales	2,212,000	2,212,000	2,377,595		165,595
Total departmental income	2,212,000	2,212,000	2,377,595		165,595
<b>Use of money and property:</b>					
Interest and earnings	5,000	5,000	9,969		4,969
Rentals	325,000	325,000	320,567		(4,433)
Total use of money and property	330,000	330,000	330,536		536
<b>Total revenues</b>	3,809,284	3,809,284	3,967,136		157,852
<b>EXPENDITURES</b>					
<b>Home and community services:</b>					
Salaries	830,316	832,116	801,496	\$ -	30,620
Overtime	-	1,501	1,501	-	-
Accumulated sick/personal time	5,340	2,758	-	-	2,758
Part time salaries	24,000	30,000	25,063	-	4,937
Longevity	33,768	34,964	34,963	-	1
Cash in lieu of health benefits	2,500	4,942	4,941	-	1
Contracts	448,255	440,472	398,611	-	41,861
Postage	15,000	15,400	15,361	-	39
Publicity and public notices	350	300	187	-	113
Gasoline	14,000	8,100	5,891	-	2,209
Office supplies	1,000	1,005	1,001	-	4
Equipment	25,000	51,216	50,080	1,136	-
Meter settings	45,000	51,000	49,790	-	1,210
Electric	273,000	269,778	268,959	-	819
Fuel oil	25,000	12,500	7,238	-	5,262
Repair equipment	90,000	79,700	68,449	-	11,251
Vehicle repair	6,500	16,600	14,298	-	2,302
Telephone	13,300	13,300	10,721	-	2,579
Travel, dues and related	4,000	4,650	3,889	-	761
Uniforms	3,600	3,900	3,900	-	-
Small equipment (non capital)	5,000	3,200	2,486	-	714
Safety equipment	2,000	2,000	1,101	-	899
Diesel fuel	8,000	6,000	3,849	-	2,151
Chemicals	137,275	147,159	137,310	-	9,849
Water analysis	49,000	46,600	43,233	-	3,367
Engineering fees	37,000	46,900	46,799	-	101
Wireless telephone	1,800	1,800	1,017	-	783
Landfill charges	3,000	3,000	2,293	-	707
Other	2,000	2,000	1,431	-	569
Cost of water	322,000	322,000	317,254	-	4,746
Total home and community services	2,427,004	2,454,861	2,323,112	-	130,613

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - WATER DISTRICTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>Employee benefits:</b>					
Employee retirement	\$ 145,612	\$ 141,162	\$ 135,767	\$ -	\$ 5,395
FICA tax expense	68,538	69,138	65,172	-	3,966
MTA tax expense	3,046	3,095	2,896	-	199
Worker's compensation	67,339	71,936	71,936	-	-
Medical insurance	224,736	220,221	218,139	-	2,082
Medical insurance - retiree	82,000	82,000	70,439	-	11,561
Medicare reimbursement - part B	20,000	20,000	12,588	-	7,412
Dental and optical	17,812	17,674	16,039	-	1,635
Disability	451	451	200	-	251
<b>Total employee benefits</b>	<b>629,534</b>	<b>625,677</b>	<b>593,176</b>	<b>-</b>	<b>32,501</b>
<b>Debt service:</b>					
Principal	586,949	586,949	586,949	-	-
Interest	165,797	165,797	165,797	-	-
<b>Total debt service</b>	<b>752,746</b>	<b>752,746</b>	<b>752,746</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>3,809,284</b>	<b>3,833,284</b>	<b>3,669,034</b>	<b>1,136</b>	<b>163,114</b>
Excess (deficiency) of revenues over (under) expenditures	-	(24,000)	298,102	\$ (1,136)	320,966
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on obligations	-	-	9,615	-	(9,615)
Appropriated fund balance	-	24,000	-	-	(24,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>24,000</b>	<b>9,615</b>	<b>-</b>	<b>(33,615)</b>
Change in fund balance	-	-	307,717	-	\$ 287,351
Fund balance, beginning of year	2,822,901	2,822,901	2,822,901	-	-
Fund balance, end of year	\$ 2,822,901	\$ 2,822,901	\$ 3,130,618	-	-

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - AMBULANCE DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 3,272,763	\$ 3,272,763	\$ 3,185,007		\$ (87,756)
<b>Other real property tax items:</b>					
Other payments in lieu of taxes	7,300	7,300	99,331		92,031
Total other real property tax items	7,300	7,300	99,331		92,031
<b>Use of money and property:</b>					
Interest and earnings	3,500	3,500	3,574		74
Total use of money and property	3,500	3,500	3,574		74
<b>Total revenues</b>	<b>3,283,563</b>	<b>3,283,563</b>	<b>3,287,912</b>		<b>4,349</b>
<b>EXPENDITURES</b>					
<b>Health:</b>					
Contracts	3,067,786	3,067,786	3,067,786	\$ -	-
Total health	3,067,786	3,067,786	3,067,786	-	-
<b>Employee benefits:</b>					
LOSAP	194,500	216,100	215,359	-	741
Total employee benefits	194,500	216,100	215,359	-	741
<b>Debt service:</b>					
Principal	17,380	17,380	17,380	-	-
Interest	3,897	3,897	3,897	-	-
Total debt service	21,277	21,277	21,277	-	-
<b>Total expenditures</b>	<b>3,283,563</b>	<b>3,305,163</b>	<b>3,304,422</b>	<b>\$ -</b>	<b>741</b>
Excess (deficiency) of revenues over (under) expenditures	-	(21,600)	(16,510)		5,090
<b>OTHER FINANCING SOURCES</b>					
Appropriated fund balance	-	21,600	-		21,600
Total other financing sources	-	21,600	-		21,600
Change in fund balance	-	-	(16,510)		<u>\$ 26,690</u>
Fund balance, beginning of year	328,709	328,709	328,709		
Fund balance, end of year	<u>\$ 328,709</u>	<u>\$ 328,709</u>	<u>\$ 312,199</u>		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COASTAL EROSION DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 2,551,022	\$ 2,551,022	\$ 2,551,022		\$ -
Use of money and property:					
Interest and earnings	-	-	10,048		10,048
Total use of money and property	-	-	10,048		10,048
<b>Total revenues</b>	<u>2,551,022</u>	<u>2,551,022</u>	<u>2,561,070</u>		<u>10,048</u>
<b>EXPENDITURES</b>					
<b>Home and community services:</b>					
Other	23,000	26,000	20,438	\$ -	5,562
Consultants	120,000	129,169	128,445		724
Total home and community services	<u>143,000</u>	<u>155,169</u>	<u>148,883</u>	<u>-</u>	<u>6,286</u>
<b>Debt service:</b>					
Principal	2,040,000	2,040,000	2,040,000	-	-
Interest	542,750	542,750	542,750	-	-
Total debt service	<u>2,582,750</u>	<u>2,582,750</u>	<u>2,582,750</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>2,725,750</u>	<u>2,737,919</u>	<u>2,731,633</u>	<u>-</u>	<u>6,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(174,728)</u>	<u>(186,897)</u>	<u>(170,563)</u>	<u>\$ -</u>	<u>16,334</u>
<b>OTHER FINANCING SOURCES</b>					
Appropriated fund balance	174,728	186,897	-		(186,897)
Total other financing sources	<u>174,728</u>	<u>186,897</u>	<u>-</u>		<u>(186,897)</u>
Change in fund balance	-	-	(170,563)		\$ (170,563)
Fund balance, beginning of year	<u>1,157,268</u>	<u>1,157,268</u>	<u>1,157,268</u>		
Fund balance, end of year	<u>\$ 1,157,268</u>	<u>\$ 1,157,268</u>	<u>\$ 986,705</u>		

**TOWN OF SOUTHAMPTON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - PARKS DISTRICTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
<b>REVENUES</b>					
Real property taxes	\$ 550,405	\$ 550,405	\$ 550,405		\$ -
Other real property tax items:					
Other payments in lieu of taxes	1,105	1,105	1,126		21
Total other real property tax items	1,105	1,105	1,126		21
Use of money and property:					
Interest and earnings	2,100	2,100	3,618		1,518
Total use of money and property	2,100	2,100	3,618		1,518
<b>Total revenues</b>	<b>553,610</b>	<b>553,610</b>	<b>555,149</b>		<b>1,539</b>
<b>EXPENDITURES</b>					
<b>Culture and recreation:</b>					
Contracts	458,400	458,400	370,924	\$ -	87,476
Building repair	10,000	100,000	58,281	-	41,719
Total culture and recreation	468,400	558,400	429,205	-	129,195
<b>Debt service:</b>					
Principal	67,037	67,037	67,037	-	-
Interest	18,173	18,173	18,172	-	1
Total debt service	85,210	85,210	85,209	-	1
<b>Total expenditures</b>	<b>553,610</b>	<b>643,610</b>	<b>514,414</b>	<b>-</b>	<b>129,196</b>
Excess (deficiency) of revenues over (under) expenditures	-	(90,000)	40,735	\$ -	130,735
<b>OTHER FINANCING SOURCES (USES)</b>					
Appropriated fund balance	-	90,000	-		(90,000)
Total other financing sources (uses)	-	90,000	-		(90,000)
Change in fund balance	-	-	40,735		\$ 40,735
Fund balance, beginning of the year	533,822	533,822	533,822		
Fund balance, end of year	\$ 533,822	\$ 533,822	\$ 574,557		

**OTHER  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOUTHAMPTON  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2016**

	<u>Town Agency Fund</u>	<u>Town Clerk Agency Fund</u>	<u>Town Receiver of Taxes Agency Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>				
Cash	\$ 2,052,825	\$ 27,757	\$ 61,685,184	\$ 63,765,766
Due from proprietary funds	4,515	-	-	4,515
Due from governmental funds	126,912	-	-	126,912
Service award program assets	2,928,875	-	-	2,928,875
Total assets	<u>\$ 5,113,127</u>	<u>\$ 27,757</u>	<u>\$ 61,685,184</u>	<u>\$ 66,826,068</u>
<b>LIABILITIES</b>				
Due to governmental funds	\$ 152,535	\$ -	\$ -	\$ 152,535
Due to school districts	-	-	30,842,592	30,842,592
Service award program liabilities	2,928,875	-	-	2,928,875
Other agency liabilities	2,031,717	27,757	30,842,592	32,902,066
Total liabilities	<u>\$ 5,113,127</u>	<u>\$ 27,757</u>	<u>\$ 61,685,184</u>	<u>\$ 66,826,068</u>

OTHER  
SUPPLEMENTARY  
INFORMATION

**TOWN OF SOUTHAMPTON**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2016**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>ASSETS</b>				
<b>Town Agency Fund</b>				
Cash	\$ 2,719,585	\$ 114,272,505	\$ 114,939,265	\$ 2,052,825
Due from proprietary funds	-	4,515	-	4,515
Due from governmental funds	1,566,056	126,912	1,566,056	126,912
Service award program assets	2,747,257	181,618	-	2,928,875
Total assets - Town Agency Fund	7,032,898	114,585,550	116,505,321	5,113,127
<b>Town Clerk Agency Fund</b>				
Cash	39,166	27,757	39,166	27,757
Total assets - Town Clerk Agency Fund	39,166	27,757	39,166	27,757
<b>Town Receiver of Taxes Agency Fund</b>				
Cash	107,023,442	61,685,184	107,023,442	61,685,184
Total assets - Town Receiver of Taxes Agency Fund	107,023,442	61,685,184	107,023,442	61,685,184
Total assets	\$ 114,095,506	\$ 176,298,491	\$ 223,567,929	\$ 66,826,068
<b>LIABILITIES</b>				
<b>Town Agency Fund</b>				
Due to proprietary funds	\$ 148,086	-	\$ 148,086	-
Due to governmental funds	1,513,549	152,535	1,513,549	152,535
Service award program liabilities	2,747,257	181,618	-	2,928,875
Other agency liabilities	2,624,006	114,251,397	114,843,686	2,031,717
Total liabilities - Town Agency Fund	7,032,898	114,585,550	116,505,321	5,113,127
<b>Town Clerk Agency Fund</b>				
Other agency liabilities	39,166	27,757	39,166	27,757
Total liabilities - Town Clerk Agency Fund	39,166	27,757	39,166	27,757
<b>Town Receiver of Taxes Agency Fund</b>				
Due to school districts	53,511,721	30,842,592	53,511,721	30,842,592
Other agency liabilities	53,511,721	30,842,592	53,511,721	30,842,592
Total liabilities - Town Receiver of Taxes Agency Fund	107,023,442	61,685,184	107,023,442	61,685,184
Total liabilities	\$ 114,095,506	\$ 176,298,491	\$ 223,567,929	\$ 66,826,068



## **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, required supplementary information and other 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									
	2016	2015	(As Restated) 2014*	(As Restated) 2013**	2012	2011	2010	2009	2008	2007
<b>GOVERNMENTAL ACTIVITIES:</b>										
Net position -										
Net investment in capital assets	\$ 936,186,313	\$ 873,900,018	\$ 844,231,835	\$ 654,433,516	\$ 634,405,267	\$ 603,043,978	\$ 581,511,256	\$ 576,456,907	\$ 598,483,191	\$ 548,126,307
Restricted	93,815,382	113,569,969	95,112,199	87,166,036	62,529,907	74,783,204	55,806,221	42,827,892	2,000,000	42,881,535
Unrestricted	(58,909,108)	(54,215,358)	(58,433,011)	(62,713,908)	(56,527,123)	(58,103,583)	(16,226,201)	(11,486,346)	10,120,175	4,204,695
Total net position	\$ 971,092,587	\$ 933,254,629	\$ 880,911,023	\$ 678,885,644	\$ 640,408,051	\$ 619,723,599	\$ 621,091,276	\$ 607,798,453	\$ 610,603,366	\$ 595,212,537
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Net position -										
Net investment in capital assets	\$ 17,051,685	\$ 16,894,481	\$ 16,682,301	\$ 16,569,181	\$ 14,584,547	\$ 14,506,695	\$ 14,385,599	\$ 16,345,063	\$ 14,054,090	\$ 14,908,073
Restricted	69,333	86,713	104,394	121,358	-	-	-	-	1,217,763	-
Unrestricted	2,385,069	2,318,523	2,456,476	1,696,425	1,435,967	1,062,184	(3,403,998)	(6,153,916)	(680,933)	3,065,043
Total net position	\$ 19,506,087	\$ 19,289,717	\$ 19,243,171	\$ 18,386,964	\$ 16,020,514	\$ 15,568,879	\$ 10,981,601	\$ 10,191,147	\$ 14,590,920	\$ 17,973,116
<b>PRIMARY GOVERNMENT:</b>										
Net position -										
Net investment in capital assets	\$ 953,237,998	\$ 890,784,499	\$ 860,914,136	\$ 671,002,697	\$ 648,989,814	\$ 617,550,673	\$ 595,896,855	\$ 592,801,970	\$ 612,537,281	\$ 563,034,380
Restricted	93,884,715	113,656,682	95,216,593	87,287,394	62,529,907	74,783,204	55,806,221	42,827,892	3,217,763	42,881,535
Unrestricted	(56,524,039)	(51,896,835)	(55,976,535)	(61,017,483)	(55,091,156)	(57,041,399)	(19,630,199)	(17,640,262)	9,439,242	7,269,738
Total net position	\$ 990,598,674	\$ 952,544,346	\$ 900,154,194	\$ 697,272,608	\$ 656,428,565	\$ 635,292,478	\$ 632,072,877	\$ 617,989,600	\$ 625,194,286	\$ 613,185,653

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

\* - 2014 financial statements were restated to reflect the implementation of Governmental Accounting Standards Board pension requirements.

\*\* - 2013 financial statements were restated due to a change in reporting for the Trustees of the Freeholders.

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

	Fiscal Year									
	2016	2015	(As Restated) 2014*	(As Restated) 2013**	2012	2011	2010	2009	2008	2007
<b>EXPENSES:</b>										
Governmental activities:										
General governmental support	\$ 33,700,867	\$ 24,266,171	\$ 28,458,103	\$ 23,891,061	\$ 23,735,945	\$ 26,940,594	\$ 25,074,740	\$ 23,697,473	\$ 22,212,560	\$ 21,613,601
Public safety	46,553,861	42,493,599	41,732,622	35,628,311	32,672,478	39,135,250	31,543,766	29,768,091	27,954,384	26,068,407
Health	3,067,786	2,989,335	2,943,708	2,895,640	2,742,820	2,742,820	2,471,220	2,507,258	2,112,910	1,884,709
Transportation	12,428,053	12,740,333	12,747,929	24,374,926	23,067,768	25,946,066	23,815,305	24,024,518	22,949,170	20,775,342
Economic assistance and opportunity	5,824,936	5,877,403	5,030,414	4,667,703	4,194,245	4,493,983	3,126,172	3,660,663	2,699,959	2,138,101
Culture and recreation	4,831,447	4,536,438	4,692,914	5,638,303	6,375,416	8,779,126	7,438,142	7,471,413	7,850,068	6,704,058
Home and community services	15,894,394	14,686,485	15,385,752	14,790,555	13,857,100	16,478,801	15,196,972	17,378,146	12,843,426	13,468,932
Interest on debt	3,191,968	3,597,585	3,903,364	3,963,461	3,964,822	4,331,456	5,265,610	4,370,036	3,641,720	3,555,930
Total governmental activities	125,493,312	111,187,349	114,894,806	115,849,962	110,630,594	128,712,096	113,931,947	112,877,598	102,264,197	96,209,080
Business-type activities:										
Beaches and marinas	1,685,249	1,669,719	1,621,647	1,602,784	1,565,118	1,628,477	1,591,250	1,515,979	1,515,342	1,546,966
Waste management	2,292,725	2,132,958	1,924,917	2,302,072	2,252,794	2,334,084	2,354,890	2,197,650	2,093,351	2,342,016
Building and zoning									3,587,303	3,328,637
Golf course	48,132	79,019	41,867	636,375	712,872	629,314	650,847	633,436	702,164	647,353
Interest on debt	186,070	206,253	229,882	281,595	303,733	308,632	280,637	318,940	293,167	-
Total business-type activities	4,212,176	4,087,949	3,818,313	4,822,826	4,834,517	4,900,507	4,877,424	4,666,005	8,191,327	7,864,972
Total expenses	129,705,488	115,275,298	118,713,119	120,672,788	115,465,111	133,612,603	118,809,371	117,543,603	110,455,524	104,074,052
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services -										
General governmental support	1,323,093	821,385	826,664	910,917	2,390,682	1,410,236	1,255,590	1,163,085	1,047,045	1,295,227
Public safety	2,588,626	2,690,072	2,576,095	2,946,557	2,679,889	395,909	182,601	206,739	327,202	383,220
Transportation	1,026,561	1,017,836	1,043,920	1,006,871	864,140	874,274	684,058	622,237	-	12,500
Economic assistance and opportunity	938,368	934,721	847,723	880,127	-	-	-	-	-	-
Culture and recreation	20,055	37,170	40,061	55,938	57,502	51,209	62,559	81,834	98,160	98,859
Home and community services	7,334,205	7,181,918	7,163,186	5,706,851	6,206,789	5,738,767	5,721,557	5,451,000	1,798,608	2,224,198
Operating grants and contributions	62,112,570	66,401,212	70,647,232	64,285,558	44,489,319	46,193,967	42,090,351	31,720,088	42,334,202	59,483,982
Capital grants and contributions	2,767,546	2,453,459	1,819,374	3,568,519	831,877	1,045,638	235,547	495,052	61,851	150,164
Total governmental activities	78,111,024	81,537,773	84,964,255	79,361,338	57,520,198	55,710,000	50,232,263	39,740,035	45,668,068	63,648,150
Business-type activities:										
Charges for services -										
Beaches and marinas	2,105,931	2,180,432	1,809,694	1,693,806	1,833,090	1,702,160	1,633,128	1,569,862	1,363,697	1,359,631
Waste management	2,208,632	1,969,182	1,919,588	1,859,264	2,018,483	2,131,435	2,210,232	1,791,992	1,965,197	1,698,440
Building and zoning									3,348,958	4,487,872
Golf course	190,571	145,042	134,532	655,867	670,047	618,645	547,325	729,464	807,998	748,612
Operating grants and contributions	31,546	31,109	782,905	207,864	265,849	53,642	54,563	30,655	117,642	54,020
Total business-type activities	4,536,680	4,325,765	4,646,719	4,416,801	4,787,469	4,505,882	4,445,248	4,121,973	7,603,492	8,348,575
Total program revenues	82,647,704	85,863,538	89,610,974	83,778,139	62,307,667	60,215,882	54,677,511	43,862,008	53,271,560	71,996,725
Net (expense)/revenue	\$ (47,057,784)	\$ (29,411,760)	\$ (29,102,145)	\$ (36,894,649)	\$ (53,157,444)	\$ (73,396,721)	\$ (64,131,860)	\$ (73,681,595)	\$ (57,183,964)	\$ (32,077,327)

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.  
 \* - 2014 financial statements were restated to reflect the implementation of Governmental Accounting Standards Board pension requirements.  
 \*\* - 2013 financial statements were restated due to a change in reporting for the Trustees of the Freeholders.

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

	Fiscal Year									
	2016	2015	2014*	2013**	2012	2011	2010	2009	2008	2007
<b>NET (EXPENSE)/REVENUE:</b>										
Governmental activities	\$ (47,382,288)	\$ (29,649,576)	\$ (29,930,551)	\$ (36,488,624)	\$ (53,110,396)	\$ (73,002,096)	\$ (63,699,684)	\$ (73,137,563)	\$ (56,596,129)	\$ (32,560,930)
Business-type activities	324,504	237,816	828,406	(406,025)	(47,048)	(394,625)	(432,176)	(544,032)	(587,835)	483,803
	<u>\$ (47,057,784)</u>	<u>\$ (29,411,760)</u>	<u>\$ (29,102,145)</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>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
Governmental activities:										
Real property taxes	\$ 68,141,179	\$ 66,242,804	\$ 65,501,711	\$ 62,863,930	\$ 63,259,796	\$ 61,685,290	\$ 62,263,733	\$ 59,192,549	\$ 53,161,189	\$ 50,764,207
Other real property tax items	606,740	617,813	599,919	577,961	536,486	569,203	536,037	65,223	446,647	440,318
Non-property tax items	1,846,425	1,700,658	1,643,124	1,530,975	1,431,473	1,424,315	1,350,747	1,013,649	1,010,521	894,303
Interest earnings	1,111,137	1,034,392	685,415	580,245	617,034	687,758	720,489	568,086	2,116,151	4,036,759
Local government assistance - County	-	-	-	-	-	-	-	-	-	1,501,061
State aid-unrestricted	12,173,071	11,908,460	10,477,475	10,418,900	7,893,931	8,193,369	8,053,994	7,301,340	11,108,990	12,276,742
Sale of property and compensation for loss	881,314	107,062	73,160	137,893	-	-	-	-	-	-
Miscellaneous	45,380	38,132	90,982	15,044	76,214	2,720,844	4,295,472	4,420,251	1,807,480	2,117,575
Transfers	415,000	343,881	500,000	(250,728)	(20,086)	(3,646,360)	(427,733)	-	1,213,366	701,446
Total governmental activities	<u>85,220,246</u>	<u>81,993,182</u>	<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>
Business-type activities:										
Real property taxes	296,415	142,807	523,037	475,640	476,900	1,333,287	492,017	-	-	-
Interest earnings	10,451	9,784	9,457	4,080	1,697	2,256	3,200	5,664	88,371	174,779
Transfer of capital assets	-	-	-	2,042,027	-	-	-	-	-	-
Transfers	(415,000)	(343,861)	(500,000)	250,728	20,086	3,646,360	427,733	-	(1,213,366)	(701,446)
Total business-type activities	<u>(108,134)</u>	<u>(191,270)</u>	<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>
Total general revenues and other changes in net position	<u>\$ 85,112,112</u>	<u>\$ 81,801,912</u>	<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>
<b>CHANGE IN NET POSITION:</b>										
Governmental activities	\$ 37,837,958	\$ 52,343,606	\$ 49,641,215	\$ 39,385,596	\$ 20,684,452	\$ (1,367,677)	\$ 13,093,055	\$ (576,465)	\$ 14,268,215	\$ 40,171,481
Business-type activities	216,370	46,546	860,900	2,366,450	451,635	4,567,278	490,774	(538,368)	(1,712,830)	(43,064)
Total change in net position	<u>\$ 38,054,328</u>	<u>\$ 52,390,152</u>	<u>\$ 50,502,115</u>	<u>\$ 41,752,046</u>	<u>\$ 21,136,087</u>	<u>\$ 3,219,601</u>	<u>\$ 13,583,829</u>	<u>\$ (1,114,633)</u>	<u>\$ 12,555,385</u>	<u>\$ 40,128,417</u>

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.  
 \* - 2014 financial statements were restated to reflect the implementation of Governmental Accounting Standards Board pension requirements.  
 \*\* - 2013 financial statements were restated due to a change in reporting for the Trustees of the Freeholders.

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

	Fiscal Year									
	2016	2015	2014	2013*	2012	2011	2010	2009	2008	2007
<b>GENERAL FUND:</b>				(As Restated)						
Nonspendable	\$ 1,924,365	\$ 1,890,447	\$ 1,934,210	\$ 1,420,951	\$ 1,317,335	\$ 1,318,259				
Restricted	4,486,637	4,388,779	4,505,755	7,131,432	6,405,740	6,529,348				
Assigned	551,490	576,131	381,197	766,818	1,064,819	465,926				
Unassigned	13,306,619	9,762,190	7,503,015	4,650,750	5,786,071	4,635,599				
Total general fund	\$ 20,269,111	\$ 16,617,547	\$ 14,324,177	\$ 13,969,951	\$ 14,573,965	\$ 12,949,132				
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Nonspendable	\$ 1,780,237	\$ 1,782,849	\$ 1,850,522	\$ 1,437,253	\$ 1,383,478	\$ 1,529,744				
Restricted	89,328,745	109,181,190	90,606,444	78,877,301	56,124,167	68,253,856				
Committed	1,000,000									
Assigned	12,583,477	11,478,174	10,777,837	10,858,328	5,747,317	3,999,525				
Unassigned	-	-	-	(308,871)	-	(81,441)				
Total all other governmental funds	\$ 104,692,459	\$ 122,442,213	\$ 103,234,803	\$ 90,864,011	\$ 63,254,962	\$ 73,701,684				
<b>GENERAL FUND:</b>										
Reserved	\$ 5,725,525	\$ 7,019,673	\$ 471,089	\$ 3,655,975						
Unreserved	8,280,158	4,486,611	6,978,750	13,001,542						
Total general fund	\$ 14,005,683	\$ 11,506,284	\$ 7,449,839	\$ 16,657,517						
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved	\$ 50,448,390	\$ 35,838,615	\$ (3,516,835)	\$ 43,506,414						
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						
Capital projects funds	334,683	(14,404,950)	(1,059,891)	1,404,997						
Total all other governmental funds	\$ 62,814,875	\$ 29,159,220	\$ 95,889	\$ 47,422,085						

Source: Office of the Comptroller and the audited financial statements of the Town of Southampton.  
 \*- 2013 financial statements were restated due to a change in reporting for the Trustees of the Freeholders.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>				(As Restated)*						
Real property taxes	\$ 68,141,179	\$ 66,242,804	\$ 65,501,711	\$ 62,863,930	\$ 63,259,796	\$ 61,685,290	\$ 62,263,733	\$ 59,192,549	\$ 53,161,189	\$ 50,764,207
Other real property tax items	606,740	617,813	599,919	577,961	536,486	569,203	536,037	65,223	446,647	440,318
Non-property tax items	56,929,890	62,361,375	66,753,241	59,589,487	39,496,331	40,642,767	35,576,544	25,819,137	1,010,521	894,303
Special assessments	33,153	37,170	40,061	47,335	47,332	51,209	62,559	81,834	8,039	75,274
Departmental income	5,770,294	5,546,890	8,561,846	7,211,022	7,693,286	6,692,946	6,702,946	3,368,812	2,616,944	2,509,855
Intergovernmental charges	973,208	1,000,083	1,031,520	1,006,871	864,140	987,806	684,058	622,237	647,032	2,135,212
Use of money and property	1,111,137	1,034,392	685,415	580,245	617,034	687,758	720,489	568,086	2,116,151	4,290,876
License and permits	3,923,764	3,501,659	428,117	548,264	415,965	346,345	288,217	38,250	109,541	95,961
Fines and forfeitures	1,592,122	1,662,579	1,588,383	1,813,642	1,857,009	1,784,553	1,835,927	1,617,193	1,668,459	1,084,514
Sale of property and compensation for loss	881,314	107,062	73,180	164,755	19,186	34,872	262,688	15,399	29,480	38,164
Miscellaneous local sources	1,846,152	2,137,411	1,824,346	2,256,831	2,418,601	1,492,190	3,985,516	2,213,889	37,881,727	55,502,865
State aid	15,064,146	13,942,477	12,196,339	10,535,956	9,238,136	10,769,638	8,955,588	8,753,181	11,407,404	14,193,569
Federal aid	5,738,549	5,103,507	5,097,358	7,153,799	4,843,167	4,726,149	5,143,552	4,328,606	4,215,912	4,462,548
<b>Total revenues</b>	<b>162,611,648</b>	<b>163,195,222</b>	<b>164,381,416</b>	<b>154,350,098</b>	<b>131,306,469</b>	<b>130,470,726</b>	<b>127,017,166</b>	<b>106,684,396</b>	<b>115,319,046</b>	<b>136,487,666</b>
<b>Expenditures:</b>										
Current:										
General governmental support	82,462,576	48,711,714	56,863,297	45,197,974	54,379,864	41,188,029	24,779,811	33,896,121	86,296,399	74,639,186
Public safety	21,805,311	21,016,582	20,041,887	19,315,488	19,406,028	18,527,638	19,067,239	18,287,036	18,709,082	18,324,645
Health	3,067,786	2,989,335	2,943,708	2,895,640	2,742,820	2,606,820	2,471,220	2,505,122	2,110,700	1,925,061
Transportation	8,165,615	8,174,330	8,035,861	7,100,595	6,366,143	7,087,272	7,444,043	6,860,470	6,681,248	6,375,348
Economic assistance and opportunity	3,391,014	3,503,342	2,721,431	2,967,560	3,123,002	2,692,752	2,107,374	2,607,405	1,836,619	1,728,207
Culture and recreation	2,780,523	2,680,457	2,886,959	3,155,588	4,141,028	4,241,038	4,375,822	4,110,850	5,231,407	5,290,288
Home and community service	10,689,641	10,298,975	15,175,424	28,560,085	10,393,391	10,390,084	10,236,731	8,688,200	8,845,066	8,606,388
Employee benefits	24,616,712	23,871,365	23,813,336	26,958,754	20,363,214	20,122,235	17,218,161	15,616,014	13,570,763	15,942,268
Capital outlay	10,768,144	7,754,713	5,436,843	4,905,920	6,004,465	9,695,990	6,878,197	9,753,807	16,079,789	12,068,690
Debt service:										
Principal	13,985,390	13,944,153	14,100,073	12,399,576	11,080,636	10,549,825	11,687,500	12,833,040	9,991,940	10,582,811
Interest	3,861,048	4,111,638	4,400,806	4,032,820	4,286,344	4,274,478	4,833,281	4,370,036	3,679,405	3,580,816
<b>Total expenditures</b>	<b>185,593,760</b>	<b>147,057,604</b>	<b>156,419,625</b>	<b>157,490,000</b>	<b>142,286,935</b>	<b>131,376,161</b>	<b>111,099,379</b>	<b>119,528,101</b>	<b>173,032,418</b>	<b>159,063,708</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(22,982,112)</b>	<b>16,137,618</b>	<b>7,961,791</b>	<b>(3,139,902)</b>	<b>(10,980,466)</b>	<b>(905,435)</b>	<b>15,917,787</b>	<b>(12,843,705)</b>	<b>(57,713,372)</b>	<b>(22,576,042)</b>
<b>Other financing sources (uses):</b>										
Payment to refunded bond escrow agent	-	(3,996,598)	(13,058,151)	-	(16,539,554)	-	(10,500,569)	-	-	-
Refunding bond issuance	-	3,725,099	12,079,286	-	-	-	-	-	-	-
Serial bond issuance	8,320,000	4,873,500	4,200,000	29,350,000	2,150,000	376,128	1,070,569	5,159	-	98,231
Premium on obligations	148,922	417,300	1,042,092	1,008,668	2,149,687	2,422,820	3,615,996	9,991,492	22,991,549	23,778,450
Interfund transfers in	2,359,627	5,220,901	4,087,066	4,861,356	2,393,500	(6,069,180)	(4,043,729)	(9,991,492)	(21,778,183)	(23,077,004)
Interfund transfers out	(1,944,627)	(4,877,040)	(3,587,066)	(5,102,084)	14,418,530	-	9,430,000	2,720,000	-	-
Proceeds from issuance of refunding bond	-	-	-	-	-	-	-	-	-	-
Debt proceeds (bonds or installment)	-	-	-	-	-	-	-	-	-	-
Bond anticipation notes redeemed from appropriations	-	-	-	945,000	-	143,925	70,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>8,883,922</b>	<b>5,363,162</b>	<b>4,763,227</b>	<b>31,052,940</b>	<b>2,158,577</b>	<b>10,735,693</b>	<b>19,987,267</b>	<b>42,725,159</b>	<b>1,213,366</b>	<b>13,414,677</b>
<b>Net change in fund balances</b>	<b>\$ (14,098,190)</b>	<b>\$ 21,500,780</b>	<b>\$ 12,725,018</b>	<b>\$ 27,913,038</b>	<b>\$ (8,821,889)</b>	<b>\$ 9,830,258</b>	<b>\$ 35,905,054</b>	<b>\$ 29,881,454</b>	<b>\$ (56,500,006)</b>	<b>\$ (9,161,365)</b>
Debt service as a percentage of noncapital expenditures	15.96%	17.12%	16.99%	15.32%	15.65%	15.57%	17.39%	18.59%	15.66%	15.61%

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

\* In 2014, the Town changed the presentation of one of their two component units. Amounts reported in 2013 were restated to reflect the change in presentation.

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

Fiscal Year	Residential Property	Condo and Co-Op Property	Utility and Special Franchise	Commercial Property	Total Taxable Assessed Valuation	State Equalization Rate	Full Valuation	Total Effective Tax Rate*
2016	\$ 53,603,516,352	\$ 753,232,777	\$ 324,878,941	\$ 2,888,884,976	\$ 57,714,211,253	100.00%	\$ 57,714,211,253	1.45
2015	51,629,656,232	674,400,483	318,771,198	2,886,676,483	55,698,279,015	100.00%	55,698,279,015	1.40
2014	48,136,241,163	653,305,392	359,589,779	2,910,810,381	55,022,618,428	100.00%	55,022,618,428	1.43
2013	48,483,708,541	658,630,789	336,723,277	2,362,232,070	55,861,991,485	100.00%	55,861,991,485	1.42
2012	48,548,282,347	677,866,346	335,332,412	2,386,324,938	55,860,526,117	100.00%	55,860,526,117	1.36
2011	47,208,430,906	609,171,656	336,538,380	2,424,623,298	54,445,058,850	100.00%	54,445,058,850	1.35
2010	45,695,742,348	568,920,040	332,080,500	2,393,991,338	52,803,053,580	100.00%	52,803,053,580	1.38
2009	43,890,296,013	568,228,045	307,109,345	1,542,253,885	50,324,763,975	89.70%	56,103,415,803	1.35
2008	40,500,000,000	499,658,289	489,126,720	3,423,887,045	48,912,672,054	100.00%	48,912,672,054	1.16
2007	29,674,556,695	477,233,252	227,609,767	1,500,768,049	34,751,503,793	100.00%	34,751,503,793	1.26

\* 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.

Note: Years 2007-2015 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)**

<b>Fiscal Year</b>	<b>Total Effective Tax Rate*</b>	<b>Overlapping Rates</b>			
		<b>School Districts and Libraries - Range</b>			<b>Suffolk County</b>
2016	1.45	0.03	-	24.05	0.19
2015	1.40	0.03	-	23.40	0.21
2014	1.43	0.03	-	22.90	0.20
2013	1.42	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

\* 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**

**2016**

<b>Name</b>	<b>Type</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Taxable Assessed Valuation</b>
National Grid	Utility	\$ 306,527,446	0.53%
Blue Turtles, Inc.	Estate	248,727,800	0.43%
Old Town SH Associates, LLC	Comercial	91,805,800	0.16%
Leon D. Black	Estate	67,414,900	0.12%
Yumi & The Kids LLC	Comercial	62,548,000	0.11%
Hampton Center Realty, LLC	Comercial	55,465,000	0.10%
Stem Partners, LLC	Comercial	54,223,600	0.09%
Stephen Perl binder	Estate	51,097,400	0.09%
Sagaponack Realty, LLC	Comercial	50,884,400	0.09%
Cheryl G. Krongard	Estate	49,219,400	0.09%

**2007**

<b>Name</b>	<b>Type</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Taxable Assessed Valuation</b>
Blue Turtles, Inc.	Estate	\$ 198,906,800	0.57%
Long Island Power Authority	Utility	120,998,998	0.35%
The Links at East Quogue	Golf course	101,562,100	0.29%
Sebonac Neck Property LLC	Commercial	98,092,300	0.28%
National Grid	Utility	66,996,208	0.19%
Verizon New York Inc.	Utility	66,565,331	0.19%
Marketspan Gas Corporation	Utility	60,595,727	0.17%
Noyac Land Corp.	Commercial	55,500,000	0.16%
Payton Lane Nursing Home, Inc.	Commercial	50,126,000	0.14%
Yumi & The Kids LLC	Estate	48,206,800	0.14%

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**

Tax Levy:	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Town	\$ 21,796,989	\$ 21,007,380	\$ 21,416,522	\$ 21,907,868	\$ 22,048,728	\$ 24,288,157	\$ 23,471,265	\$ 22,557,464	\$ 19,239,157	\$ 18,978,117
Police	21,618,749	20,966,728	20,238,896	19,717,477	19,510,509	18,787,061	19,122,882	19,792,258	18,186,288	17,191,432
Emergency Dispatching - E911	2,174,475	2,142,364	2,059,311	2,056,667	2,154,216	2,163,471	2,163,032	1,628,786	2,588,154	2,436,540
Zoning	1,327,298	1,854,200	2,130,885	2,170,133	1,757,858	907,216	1,591,613	450,560	292,927	248,754
Highway	12,422,647	11,571,887	11,059,879	11,048,231	11,458,980	10,757,440	10,203,992	8,805,492	7,735,936	7,768,227
Fire and Fire Protection Districts	14,436,406	13,566,410	12,744,610	12,548,005	12,111,213	12,302,370	12,282,939	12,039,733	11,555,033	10,373,416
Lighting District	558,919	571,833	602,374	575,831	556,046	564,747	553,783	543,516	54,733	772,994
Water Districts	1,250,684	1,126,131	1,181,369	1,122,575	1,132,073	1,082,775	1,111,611	1,391,341	1,025,209	914,969
Miscellaneous Special Districts	6,392,002	6,996,235	6,506,283	5,616,172	4,484,099	4,337,653	4,302,159	3,736,414	3,897,952	2,403,311
School and Library Districts	249,613,770	245,197,938	242,270,737	230,856,616	230,672,394	221,311,943	212,480,335	197,196,966	183,430,049	172,669,473
County of Suffolk	17,270,445	19,994,927	18,394,417	19,211,414	15,869,036	16,688,892	14,148,089	15,602,231	14,945,935	13,455,401
Other Items	1,655,959	905,306	1,890,029	819,935	991,121	714,871	518,619	566,523	603,218	643,314
<b>Total tax levy</b>	<b>\$ 350,518,343</b>	<b>\$ 345,901,339</b>	<b>\$ 340,485,312</b>	<b>\$ 327,650,924</b>	<b>\$ 322,746,273</b>	<b>\$ 313,906,596</b>	<b>\$ 301,950,319</b>	<b>\$ 284,311,284</b>	<b>\$ 263,554,591</b>	<b>\$ 247,855,948</b>
<b>Amount Collected</b>	<b>\$ 326,724,516</b>	<b>\$ 326,724,516</b>	<b>\$ 324,507,864</b>	<b>\$ 315,005,317</b>	<b>\$ 307,538,277</b>	<b>\$ 297,658,185</b>	<b>\$ 286,195,281</b>	<b>\$ 271,663,915</b>	<b>\$ 251,805,335</b>	<b>\$ 237,570,892</b>
<b>Percentage Collected</b>	<b>93.21%</b>	<b>94.46%</b>	<b>95.31%</b>	<b>96.14%</b>	<b>95.29%</b>	<b>94.82%</b>	<b>94.78%</b>	<b>95.55%</b>	<b>95.54%</b>	<b>95.85%</b>
<b>Amount Uncollected</b>	<b>\$ 23,793,827</b>	<b>\$ 19,176,823</b>	<b>\$ 15,977,448</b>	<b>\$ 12,645,607</b>	<b>\$ 15,207,996</b>	<b>\$ 16,248,411</b>	<b>\$ 15,755,038</b>	<b>\$ 12,647,369</b>	<b>\$ 11,749,256</b>	<b>\$ 10,285,056</b>
<b>Percent Uncollected</b>	<b>6.79%</b>	<b>5.54%</b>	<b>4.69%</b>	<b>3.86%</b>	<b>4.71%</b>	<b>5.18%</b>	<b>5.22%</b>	<b>4.45%</b>	<b>4.46%</b>	<b>4.15%</b>

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)	Total Debt Per Capita (1)
	General Obligation Bonds, Net	Special Assessment Bonds	Bond Anticipation Notes	Installment Purchase Debt	General Obligation Bonds, Net	Bond Anticipation Notes					
2016	\$ 115,117,251	\$ 67,486	\$ 3,191,640	\$ -	\$ 5,950,126	\$ -	\$ -	\$ 124,326,503	4.59%	\$ 2,154	
2015	121,160,890	100,077	3,345,640	-	6,402,941	-	-	131,009,548	4.83%	2,291	
2014	130,246,420	133,289	-	3,072,700	6,970,455	-	-	140,422,864	5.18%	2,456	
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	

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**

Fiscal Year	Population	Taxable Assessed Valuation	Gross Bonded Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2016	57,730	\$ 57,714,211,253	\$ 121,134,863	\$ 113,940,032	0.20%	\$ 1,974
2015	57,180	55,698,279,015	127,663,908	120,242,091	0.22%	2,103
2014	57,180	55,022,618,428	137,350,164	127,195,816	0.23%	2,224
2013	56,960	55,861,991,485	144,634,999	132,728,634	0.24%	2,330
2012	56,790	55,860,526,117	127,059,999	115,171,283	0.21%	2,028
2011	56,800	54,445,058,850	138,340,000	126,719,677	0.23%	2,231
2010	60,668	52,803,053,580	135,220,000	129,584,853	0.25%	2,136
2009	60,007	50,324,763,975	125,285,000	118,974,008	0.24%	1,983
2008	59,777	48,912,672,054	95,889,040	95,889,040	0.20%	1,604
2007	59,813	34,751,503,793	106,235,000	104,398,488	0.30%	1,745

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 - 2016 figures, which were derived from the Town of Southampton's Assessor's Office.

**TOWN OF SOUTHAMPTON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2016**

Governmental Unit		Gross Indebtedness	Estimated Exclusions	Net Indebtedness	Percentage Applicable	Applicable Net Indebtedness
Town of Southampton	12/31/2016	\$ 118,376,377	\$ 5,636,300	\$ 112,740,077	100.00%	\$ 112,740,077
Total direct debt						<u>112,740,077</u>
County of Suffolk	3/27/2017	2,143,585,317	821,311,034	1,322,274,283	21.12%	279,264,329
Villages:						
Quogue	5/31/2016	1,455,000	-	1,455,000	100.00%	1,455,000
Sagaponack	5/31/2016	660,000	-	660,000	100.00%	660,000
Sag Harbor	5/31/2016	1,705,000	-	1,705,000	30.00%	511,500
Southampton	5/31/2016	12,235,000	-	12,235,000	100.00%	12,235,000
Westhampton Beach	5/31/2016	1,350,000	-	1,350,000	100.00%	1,350,000
Westhampton Dunes	5/31/2016	380,000	-	380,000	100.00%	380,000
School Districts:						
Bridgehampton	6/30/2016	780,000	-	780,000	100.00%	780,000
East Quogue	6/30/2016	1,475,000	-	1,475,000	100.00%	1,475,000
Eastport-South Manor	6/30/2016	130,025,000	-	130,025,000	14.48%	18,827,620
Hampton Bays	6/30/2016	33,920,000	-	33,920,000	100.00%	33,920,000
Riverhead	6/30/2016	86,753,211	26,025,877	60,727,334	15.50%	9,412,737
Sag Harbor	6/30/2016	14,692,132	-	14,692,132	88.51%	13,004,006
Southampton	6/30/2016	38,775,000	-	38,775,000	100.00%	38,775,000
Tuckahoe	6/30/2016	483,156	-	483,156	100.00%	483,156
Wainscott	6/30/2016	655,000	-	655,000	4.79%	31,375
Westhampton Beach	6/30/2016	28,491,000	-	28,491,000	100.00%	28,491,000
Fire Districts:						
Bridgehampton	12/31/2016	4,376,052	-	4,376,052	100.00%	4,376,052
Eastport	12/31/2016	160,000	-	160,000	100.00%	160,000
Flanders	12/31/2016	179,400	-	179,400	100.00%	179,400
Riverhead	12/31/2016	8,855,000	-	8,855,000	4.46%	394,933
Westhampton Beach	12/31/2016	15,000,000	-	15,000,000	100.00%	15,000,000
Total overlapping debt						<u>461,166,108</u>
Total direct and overlapping debt		<u>\$ 2,644,366,645</u>	<u>\$ 852,973,211</u>	<u>\$ 1,791,393,434</u>		<u>\$ 573,906,185</u>
Per Capita						<u>\$ 9,941</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, 2016**

	Years Ended December 31,	Assessed Valuation	State Equalization Rate	Full Valuation	
	2016	\$ 57,714,211,253	100.00%	\$ 57,714,211,253	
	2015	55,698,279,015	100.00%	55,698,279,015	
	2014	55,022,618,428	100.00%	55,022,618,428	
	2013	55,861,991,485	100.00%	55,861,991,485	
	2012	55,860,526,117	100.00%	55,860,526,117	
Total Five Year Full Valuation				<u>280,157,626,298</u>	
Average Five Year Full Valuation				<u>56,031,525,260</u>	
Debt Limit - 7% of Average Full Valuation				<u>\$ 3,922,206,768</u>	(a)
Inclusions:					
Outstanding Bonds				<u>\$ 117,560,000</u>	
Total Inclusions				<u>117,560,000</u>	
Exclusions:					
Water Debt				<u>5,636,300</u>	
Total Exclusions				<u>5,636,300</u>	
Total Net Indebtedness Subject to the Debt Limit				<u>\$ 111,923,700</u>	(b)
Net Debt Contracting Margin				<u>\$ 3,810,283,068</u>	(a) - (b)
Percent of Debt Limit Exhausted				<u>2.85%</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
2016	\$ 3,922,206,768	\$ 117,560,000	\$ 5,636,300	\$ 111,923,700	\$ 3,810,283,068	97.15%
2015	3,922,206,768	126,999,140	5,473,275	121,525,865	3,800,680,903	96.90%
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%

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**

Fiscal Year	Population	Income (millions of dollars)	Per Capita Income	Unemployment Rate	Year-Round Households Estimate	Household Size Estimates	Population Density Per Square Mile (1)
2016	57,730	\$ 2,710	\$ 46,943	4.60%	21,735	2.46	407.85
2015	57,180	2,710	47,394	5.10%	21,735	2.46	407.85
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

(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 AND TEN YEARS AGO**

2016

Rank	Name	Headquarters	Type of Business	Number of Employees	Percentage of Total Town's Employment
1	Southampton Hospital	Southampton	Hospital	775	1.31%
2	Town of Southampton	Southampton	Municipality	519	0.88%
3	Southampton Union Free School District	Southampton	School District	400	0.68%
4	Corcoran Group	Bridgehampton	Real Estate	400	0.68%
5	Dominican Sisters Family Health Services	Hampton Bays	Home Health Agency	350	0.59%
6	Bridgehampton National Bank	Bridgehampton	Commercial Banks	245	0.41%
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	0.08%
10	Hampton Coach	Southampton	Limousine Service	50	0.08%
				<u>2,982</u>	<u>5.16%</u>

2007

Rank	Name	Headquarters	Type of Business	Number of Employees	Percentage of Total Town's Employment
1	Southampton Hospital	Southampton	Hospital	650	2.19%
2	Town of Southampton	Southampton	Municipality	623	1.04%
3	Corcoran Group	Bridgehampton	Real Estate	250	0.84%
4	Bridgehampton National Bank	Bridgehampton	Bank	130	0.44%
5	Dominican Sisters Family Health Services	Hampton Bays	Home Health Agency	97	0.33%
6	Dunn Engineering	Westhampton Beach	Engineering	78	0.26%
7	Storms Motors	Southampton	Automotive Dealership	65	0.22%
8	Hamptons State Bank	Southampton	Bank	60	0.20%
9	Southampton Press	Southampton	Newspaper	58	0.20%
10	Maran Corporate Risk Associates	Southampton	Insurance	43	0.15%
				<u>2,054</u>	<u>6.50%</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**

Function:	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government	221	204	212	221	219	219	224	234	267	248
Justice and Law Enforcement	165	158	158	135	132	140	145	142	153	170
Public Works	67	62	61	99	99	104	104	112	114	116
Economic Assistance and Opportunity	-	-	-	-	-	-	-	-	-	7
Environment, Parks and Education	27	24	26	18	16	18	20	19	25	33
Health and Human Services	39	38	37	39	40	42	47	45	36	49
<b>Total</b>	<b>519</b>	<b>486</b>	<b>494</b>	<b>512</b>	<b>506</b>	<b>523</b>	<b>540</b>	<b>552</b>	<b>595</b>	<b>623</b>

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

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

Function:	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public Safety -</b>										
Building										
Residential building permits issued	6,526	6,294	6,232	5,588	4,979	4,526	3,765	3,203	4,364	4,372
Commercial building permits issued	44	45	70	35	40	48	55	38	36	121
Police										
Physical arrests	1,039	1,813	2,125	2,141	2,172	2,512	2,588	2,341	2,213	2,117
Traffic and parking violations	15,558	14,640	13,530	16,390	17,631	19,479	20,383	20,401	18,830	17,806
Fire										
Number of fire protection districts	3	3	3	3	3	3	3	3	3	3
Number of calls answered	5,847	4,826	5,265	5,030	5,207	4,997	5,017	4,863	4,907	6,166
Inspections	1,467	1,355	1,458	1,029	1,144	1,238	1,275	1,736	1,093	1,052
Health -										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
<b>Transportation -</b>										
Highway and streets										
Street resurfacing (miles)	19	15	20	23	24	22	23	22	13	43
<b>Culture and recreation -</b>										
Beach permits issued	43,774	45,775	43,666	41,282	43,609	42,828	42,340	39,892	40,287	43,294
Registration for summer programs	1,994	2,006	2,126	2,335	2,502	3,024	2,989	2,331	2,408	7,260
<b>Home and Community Service -</b>										
Sanitation										
Refuse collected (tons/day)	20.95	19.62	19.05	18.48	18.03	18.54	18.36	18.70	19.24	21.10
Recyclables collected (tons/day)	10.98	11.08	11.04	10.95	11.23	11.83	11.50	11.50	12.16	13.00
Water										
Average daily consumption (thousands of gallons)	3,200	3,300	2,800	2,700	2,500	2,300	2,600	2,100	2,600	2,755

Source: Various departments of the Town of Southampton.

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

Function:	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public Safety -</b>										
Municipal buildings	30	30	30	30	29	29	29	29	29	2
Preserved acreage	4,246	3,886	3,795	3,643	3,500	3,197	3,006	2,946	2,904	2,817
<b>Public Safety -</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	99	93	93	90	104	104	104	104	104	95
<b>Health -</b>										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
<b>Transportation -</b>										
Highways and streets										
Number of street lighting districts	9	9	9	9	9	9	9	9	9	9
Streets (miles)	456	456	456	456	456	455	453	452	450	429
Streetslights	2,729	2,727	2,727	2,724	2,714	2,714	2,714	2,714	2,714	2,400
Traffic signals (1)	36	32	32	31	31	31	31	29	26	22
<b>Culture and recreation -</b>										
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	4,009	4,009
Beaches	8	8	8	8	8	8	8	8	8	8
Marinas	3	3	3	3	3	2	2	2	2	3
Boat basin slips	80	80	80	80	80	66	66	66	66	95
Swimming pools	-	-	-	-	-	-	-	-	-	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	10
Community centers	3	3	3	3	3	3	3	3	3	5
<b>Home and Community Services -</b>										
Sanitation										
Transfer stations	4	4	4	4	4	4	4	4	4	4
Vehicles	48	45	45	42	43	47	46	46	46	4
Water										
Water mains (miles)	100	105	105	101	100	98	96	94	94	101
Total yearly pumpage (in millions of gallons)	11,902	12,345	10,251	9,939	9,649	8,491	9,760	7,631	9,500	1,006
Fire hydrants	524	525	525	525	515	505	500	490	487	515

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 PSE&G (previously known as the Long Island Power Authority)