

TOWN OF SOUTHAMPTON LONG ISLAND, NEW YORK



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2018

TOWN OF SOUTHAMPTON, LONG ISLAND, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018



PREPARED BY:

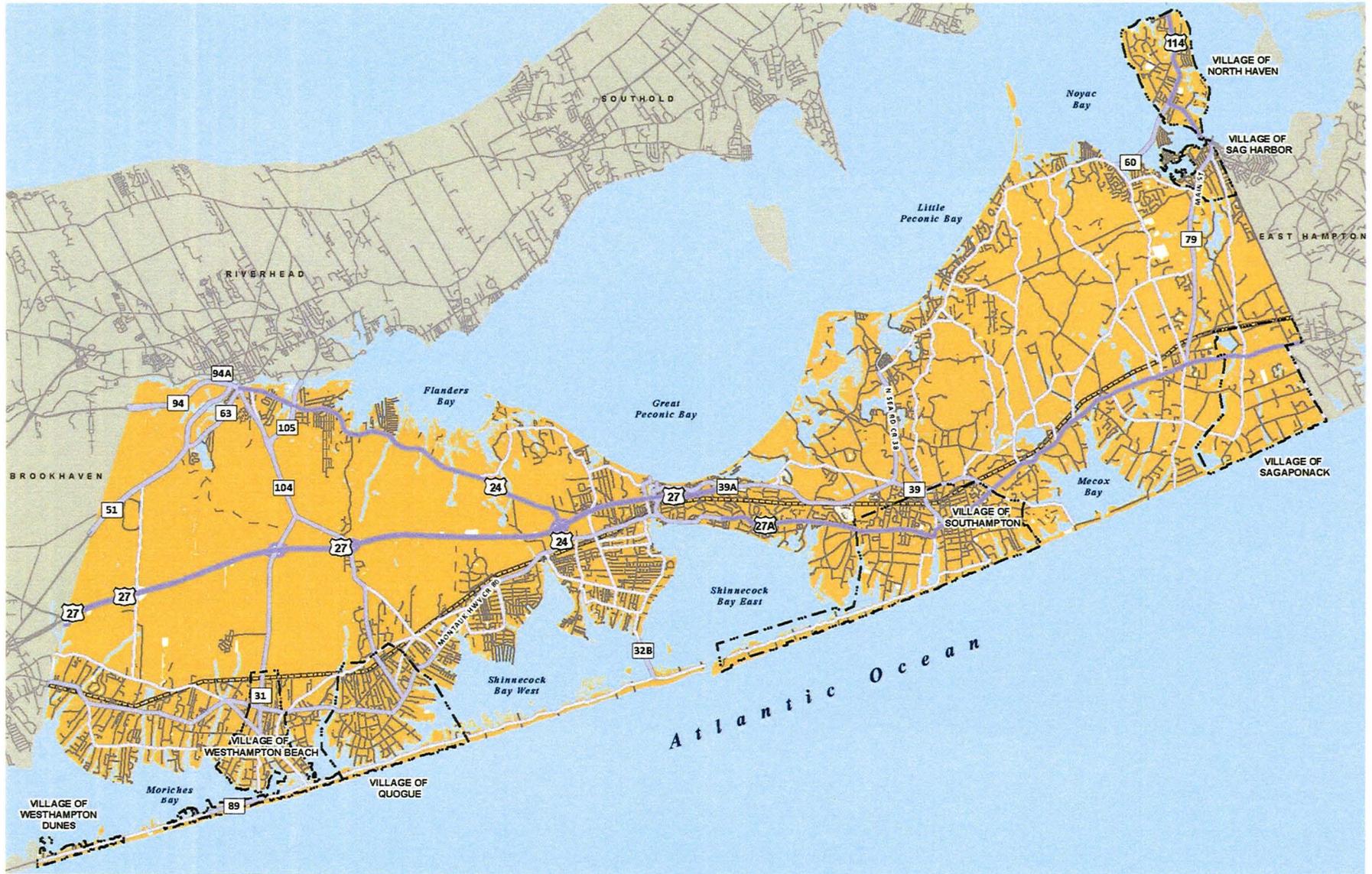
TOWN COMPTROLLER'S OFFICE

TOWN OF SOUTHAMPTON
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INTRODUCTORY SECTION



TOWN OF SOUTHAMPTON

PRINCIPAL OFFICIALS

SUPERVISOR

JAY SCHNEIDERMAN

TOWN COUNCIL

JOHN BOUVIER

TOMMY JOHN SCHIAVONI

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

BRUCE STAFFORD

ANN WELKER

TOWN ATTORNEY

JAMES M. BURKE

TOWN COMPTROLLER

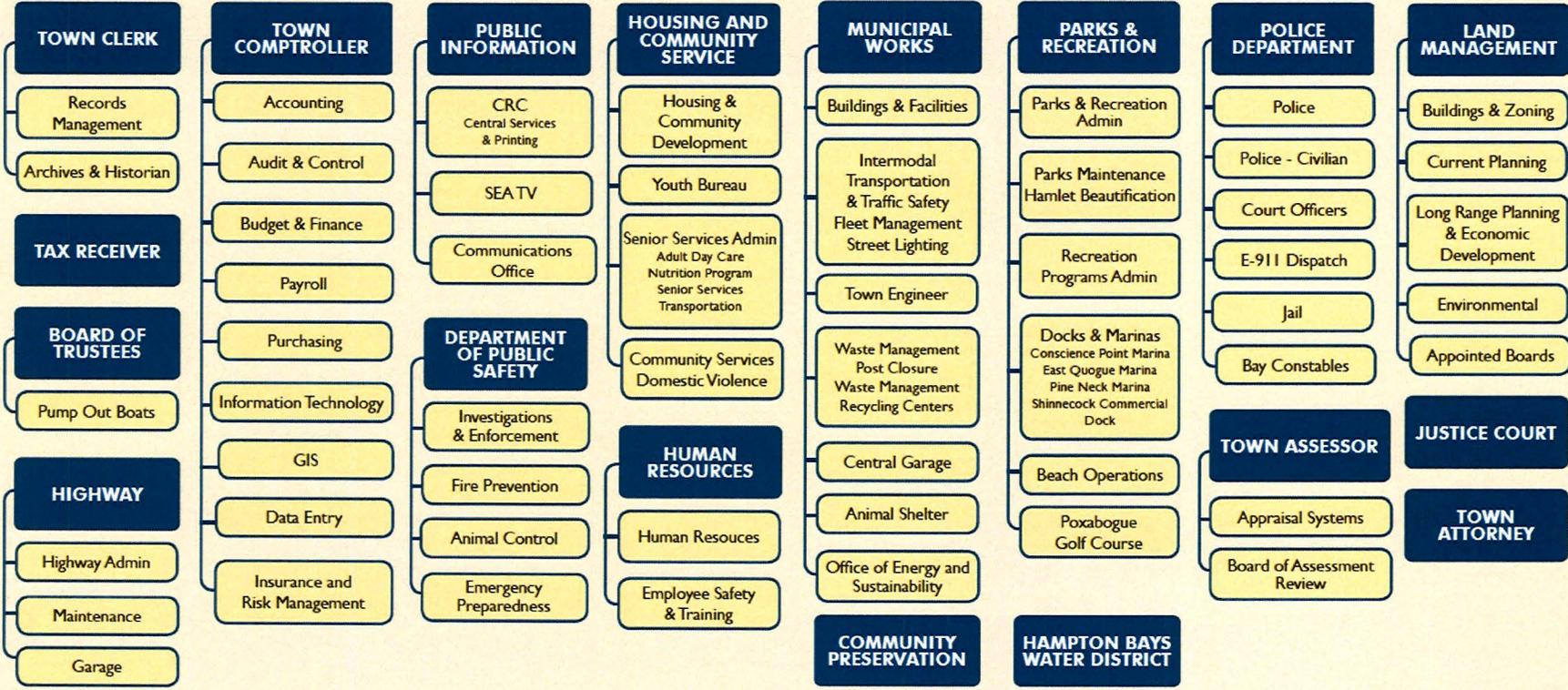
LEONARD J. MARCHESI, MBA, CPA

TOWN OF SOUTHAMPTON

ORGANIZATIONAL CHART

SUPERVISOR

TOWN COUNCIL



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

May 15, 2019

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, 2018. 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

May 15, 2019

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, 2018, 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, 2018, 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 May 15, 2019.

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 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 57,803. 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 2018, 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 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. After 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 2018 fiscal year of the Town was adopted by the Town Board in November 2018.

Although a Tentative Capital Program is presented by the Supervisor with the Tentative Annual Operating Budget on or before September 30th of each year, the Town adopts the Capital Program on or before November 20th of the preceding year, which coincides with the Annual Operating Budget process. The 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 10th and May 31st, respectively. Penalties are imposed thereafter at the rate of 1% per month from the date such taxes are due (January 10th) and payable, and 10% after May 31st. The Tax Receiver distributes the collected tax money to the Town, fire districts and school districts prior to distributing the balance to the County. Uncollected amounts are not segregated by the Tax Receiver and any deficiency in tax collection is the County's responsibility. The Town thereby is 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 2019. 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 going forward is for the workforce to be commensurate with demand, particularly in public safety and maintenance of park facilities. The 2019 budget continues to ensure that those positions are financed and are adequate with the needs of the Town.

The Director of Public Safety is managing and optimizing the resources within four existing divisions - code enforcement, fire marshal, animal control and emergency preparedness. The Director has 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 is housed within the Department of Land Management and is 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 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 because 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, 2018, the Fund's fund balance totaled \$96,103,620.

Residents of the Town voted, 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 project 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 relating to its disposal of solid waste cause capital expenditures to be necessary.

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

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

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 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 follows 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.
- Debt Reduction Policy - The Town adopted a Debt Reduction Policy during 2017 and it requires at least 75% of the difference between the prior years adopted budget projections and the actual fund balance reported, will be used 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 31st of each year. 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 six years (2012 through 2017). 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. J. 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**

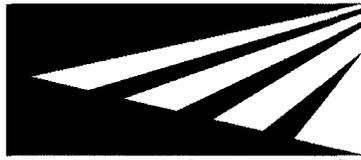
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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, 2018, 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 the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2018, 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

Change in Accounting Principle

As discussed in Note 4, as well as Management's Discussion and Analysis ("MD&A"), in 2018 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The effect of GASB Statement No. 75 required a prior period adjustment as discussed in Note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, on pages 16-29 and 77-100, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("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 on pages 101-114 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 May 15, 2019, 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
May 15, 2019

Nawrocki Smith LLP

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

TOWN OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

The following is a discussion and analysis of the Town of Southampton's (the "Town") financial performance for the year ended December 31, 2018. 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 \$904,722,671 (net position). This consists of \$1,023,973,196 invested in capital assets (net of related debt), \$124,597,103 restricted for specific purposes, offset by a deficit unrestricted portion of \$243,847,628.
- The Town's primary government net position increased \$44,065,315 in 2018 compared to \$35,421,528 in 2017.
- The Town's total bonded indebtedness decreased \$5,092,686 and governmental fund expenditures related to debt service (principal and interest) increased \$270,084 from fiscal year ended December 31, 2017. 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 \$507,339 as compared to \$2,753,316 in 2017. The decrease in the change in fund balance is primarily related to the decrease in revenues being greater than the decrease in expenditures, 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 \$515,730 in 2018. This is an increase of \$250,202, compared to 2017.
- The General Fund fund balance increased \$746,728 to \$23,164,320 of which \$2,307,574 was nonspendable, \$4,749,806 was restricted, \$644,055 was assigned, and \$15,462,885 was unassigned.
- As discussed in Note 4 to the financial statements, "Changes in Accounting Principles", the Town has implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the year ended December 31, 2018. The implementation of this statement resulted in a restatement to the opening net position as of January 1, 2018.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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, 2018 were approximately \$1.3 billion. Total liabilities and deferred inflows of resources were \$443.3 million. The result is a net position of \$904.7 million, an increase of \$44.1 million over the prior year.

- Working capital of \$166.0 million on December 31, 2018 compared with the December 31, 2017 working capital of \$135.4 million, increased primarily due to a \$34.2 million increase in restricted cash.
- Net investment in capital assets of \$1.0 billion (compared to \$999.2 million in 2017) 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 increased \$27.8 million. This classification represents assets subject to external restrictions. The increase is mainly due to an increase in restricted net position for capital projects and community preservation operations.
- The Town reported an increase in deferred outflows of resources. The increase is the result of a increase in the difference between projected and actual earnings on pension plan investments (see note 11 to financial statements for more information).

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Assets:						
Current assets	\$ 186,573,783	\$ 155,060,874	\$ 4,243,977	\$ 3,319,169	\$ 190,817,760	\$ 158,380,043
Capital assets, net	1,110,746,714	1,091,526,314	22,698,937	22,697,575	1,133,445,651	1,114,223,889
Total assets	\$1,297,320,497	\$1,246,587,188	\$ 26,942,914	\$ 26,016,744	\$1,324,263,411	\$1,272,603,932
Deferred outflows of resources	\$ 23,206,595	\$ 18,969,266	\$ 524,614	\$ 439,021	\$ 23,731,209	\$ 19,408,287
Liabilities:						
Current liabilities	\$ 24,308,166	\$ 22,021,783	\$ 1,071,190	\$ 981,997	\$ 25,379,356	\$ 23,003,780
Long-term liabilities	373,869,022	381,504,018	6,136,390	5,561,931	380,005,412	387,065,949
Total liabilities	\$ 398,177,188	\$ 403,525,801	\$ 7,207,580	\$ 6,543,928	\$ 405,384,768	\$ 410,069,729
Deferred inflows of resources	\$ 37,370,778	\$ 21,167,371	\$ 516,403	\$ 117,763	\$ 37,887,181	\$ 21,285,134
Net position:						
Net investment in capital assets	\$1,008,090,488	\$ 982,759,871	\$ 15,882,708	\$ 16,448,771	\$1,023,973,196	\$ 999,208,642
Restricted	124,549,788	96,751,673	47,315	52,253	124,597,103	96,803,926
Unrestricted	(247,661,150)	(238,648,262)	3,813,522	3,293,050	(243,847,628)	(235,355,212)
Total net position	\$ 884,979,126	\$ 840,863,282	\$ 19,743,545	\$ 19,794,074	\$ 904,722,671	\$ 860,657,356

Change in Net Position

The Town's program revenues for the year ended December 31, 2018 were \$82.9 million, an increase of \$1.3 million from 2017, primarily related to an increase in capital grants and contributions. General revenues of \$91.4 million were slightly higher (\$3.7 million increase) than last year. Total combined revenues for 2018 were \$174.3 million, an increase of \$4.9 million from 2017. Expenses for the year ended December 31, 2018 were \$130.2 million reflecting a decrease of \$3.7 million compared to 2017, which is primarily related to decreases in General Governmental Support and Home and Community Services, offset by an increase in Public Safety. This resulted in an increase in net position for the year ended December 31, 2018 of approximately \$44.1 million. The table below outlines a comparison of revenues and expenses for the Primary Government for the years ended December 31, 2018 and 2017:

Table 2:
Condensed Statements of Activities
Governmental and Business-type Activities - Primary Government
For the Years Ended December 31,

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services, fees, fines and forfeitures	\$ 13,008,301	\$ 12,973,115	\$ 4,812,084	\$ 4,532,541	\$ 17,820,385	\$ 17,505,656
Operating grants and contributions	59,664,615	61,882,374	15,324	-	59,679,939	61,882,374
Capital grants and contributions	5,366,999	2,200,128	-	-	5,366,999	2,200,128
Total program revenues	78,039,915	77,055,617	4,827,408	4,532,541	82,867,323	81,588,158
General revenues:						
Real property taxes	73,419,542	70,404,024	250,195	101,162	73,669,737	70,505,186
Other real property tax items	584,630	725,072	-	-	584,630	725,072
Non-property tax items	1,898,978	1,907,161	-	-	1,898,978	1,907,161
Interest earnings	3,371,457	1,610,440	28,455	17,013	3,399,912	1,627,453
State aid - unrestricted	11,432,391	12,511,102	-	-	11,432,391	12,511,102
Sale of property and compensation for loss	406,399	494,235	-	-	406,399	494,235
Miscellaneous	47,059	-	-	-	47,059	-
Total general revenues	91,160,456	87,652,034	278,650	118,175	91,439,106	87,770,209
Total revenues	169,200,371	164,707,651	5,106,058	4,650,716	174,306,429	169,358,367
Program expenses:						
General governmental support	27,606,745	31,505,422	-	-	27,606,745	31,505,422
Public safety	52,396,830	49,981,090	-	-	52,396,830	49,981,090
Health	3,201,042	3,129,142	-	-	3,201,042	3,129,142
Transportation	12,399,397	13,268,204	-	-	12,399,397	13,268,204
Economic assistance and opportunity	5,523,552	5,431,458	-	-	5,523,552	5,431,458
Culture and recreation	5,665,045	5,560,779	-	-	5,665,045	5,560,779
Home and community services	16,138,172	17,458,105	-	-	16,138,172	17,458,105
Interest on debt	2,843,540	3,159,095	-	-	2,843,540	3,159,095
Beaches and marinas	-	-	1,938,923	1,930,722	1,938,923	1,930,722
Waste management	-	-	2,441,617	2,463,066	2,441,617	2,463,066
Golf course	-	-	86,251	49,756	86,251	49,756
Total expenses	125,774,323	129,493,295	4,466,791	4,443,544	130,241,114	133,936,839
Excess before transfers	43,426,048	35,214,356	639,267	207,172	44,065,315	35,421,528
Interfund transfers	689,796	300,000	(689,796)	(300,000)	-	-
Change in net position	44,115,844	35,514,356	(50,529)	(92,828)	44,065,315	35,421,528
Total net position, beginning of year	840,863,282	966,022,252	19,794,074	19,506,087	860,657,356	985,528,339
Prior period adjustment, see Note 19	-	(160,673,326)	-	380,815	-	(160,292,511)
Total net position, end of year	\$ 884,979,126	\$ 840,863,282	\$ 19,743,545	\$ 19,794,074	\$ 904,722,671	\$ 860,657,356

Governmental Activities

Revenues for the Town's governmental activities increased \$4.5 million, or 2.7%. Program revenues totaling \$78,039,915 accounted for 46.2% of total governmental activities revenue, and increased \$984,298, primarily due to an increase in capital grants and contributions offset by a decrease in operating grants and contributions. General revenues, which includes revenue from property taxes and other tax items, totaled \$91,160,456, or 53.8% of total revenues, and increased by \$3.5 million mainly as a result of a budgeted increase in property tax revenue and an increase in interest earnings.

- Charges for services, fees, fines and forfeitures increased \$35,186, as a result of increased revenue from various Town issued licenses and permits, as well as general decreases in departmental income. 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 \$2,217,759 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 \$3,166,871 primarily as a result of increased grant revenues for ongoing capital projects related to various capital projects such as, Tiana Beach Levee, Ponquogue Bridge, Riverside revitalization, and the Nathaniel Rogers House.

Expenses for the Town's governmental activities on the full accrual basis of accounting decreased \$3.7 million, or 2.9%. Expenses relating to general governmental support, public safety, transportation and home and community services totaled \$108.5 million and accounted for 86.3% of total expenses.

- General governmental support and home and community services reported the majority of the decrease, offset by an increase in public safety, totaling \$2.8 million. This decrease 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 changes in employee benefit related items affect these categories more.

The cost of all governmental activities this year was \$125.8 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 \$73.4 million, because some of the cost was paid by those who directly benefited from the programs (\$13.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$65.0 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	
	2018	2017	2018	2017	2018	2017
General governmental support	\$ 27,606,745	\$ 31,505,422	\$ 55,108,881	\$ 57,626,639	\$ 27,502,136	\$ 26,121,217
Public safety	52,396,830	49,981,090	2,983,421	2,814,962	(49,413,409)	(47,166,128)
Health	3,201,042	3,129,142	-	-	(3,201,042)	(3,129,142)
Transportation	12,399,397	13,268,204	2,330,447	2,955,709	(10,068,950)	(10,312,495)
Economic assistance and opportunity	5,523,552	5,431,458	1,544,613	1,267,860	(3,978,939)	(4,163,598)
Culture and recreation	5,665,045	5,560,779	3,689,160	891,183	(1,975,885)	(4,669,596)
Home and community services	16,138,172	17,458,105	12,383,393	11,499,264	(3,754,779)	(5,958,841)
Interest on debt	2,843,540	3,159,095	-	-	(2,843,540)	(3,159,095)
	<u>\$ 125,774,323</u>	<u>\$ 129,493,295</u>	<u>\$ 78,039,915</u>	<u>\$ 77,055,617</u>	<u>\$ (47,734,408)</u>	<u>\$ (52,437,678)</u>

Table 4: Sources of Revenues for Fiscal Year 2018 - Governmental Activities

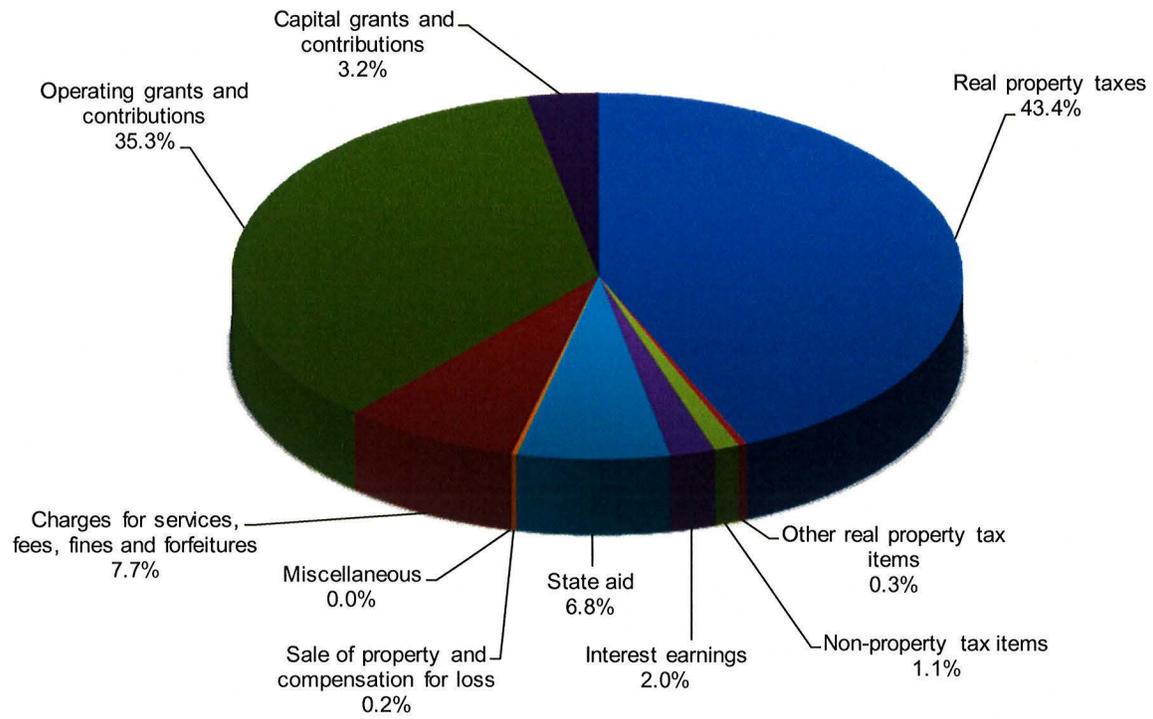
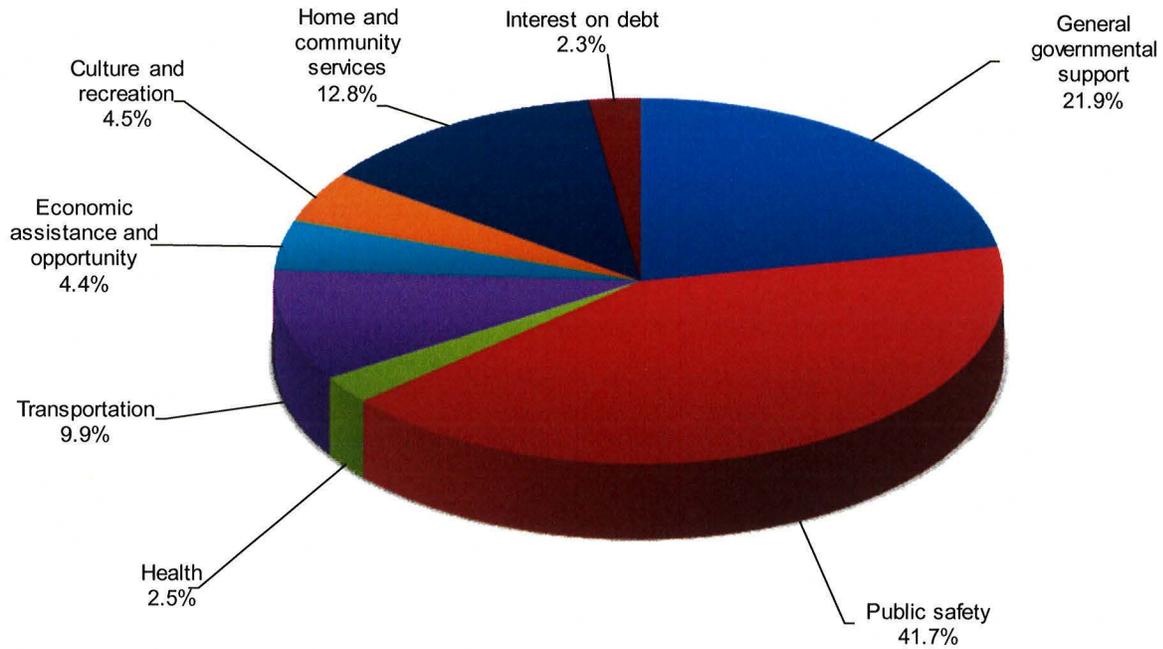


Table 5: Expenses for Fiscal Year 2018 - Governmental Activities



Business-Type Activities

The Town's total program revenues from business-type activities increased by \$294,867, or 6.5% over 2017. 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 2018. Operating revenue was consistent with 2017. The fund decreased net position by \$83,836, as compared to an increase of \$67,196 in 2017. Non-operating activity decreased \$156,617, as a result of an increase in interfund transfers out of \$190,000. The Fund's ending net position was approximately \$11.2 million (see page 37).
- Operating revenue in the Waste Management Fund totaled \$2.4 million in 2018 which is an increase of \$101,291 from 2017. The increase is the result of increased landfill usage. Net position decreased \$116,611 in 2018. Non-operating activity resulted in a decrease of \$123,437, compared to a decrease of \$93,787 in 2017. The variance is the result of increased interfund transfers out in 2018. The Fund's ending net position was approximately \$2.4 million (see page 37).
- The Poxabogue Golf Course Fund increased net position by \$149,918 in 2018. Operating revenues increased by \$167,782, as a result of donated capital assets. The Town's expenses increased \$36,495. Non-operating activity decreased \$26,040 due to increased transfers out. 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 2018 was approximately \$6.2 million (see page 37).

Table 6: Sources of Revenues for Fiscal Year 2018 - Business-Type Activities

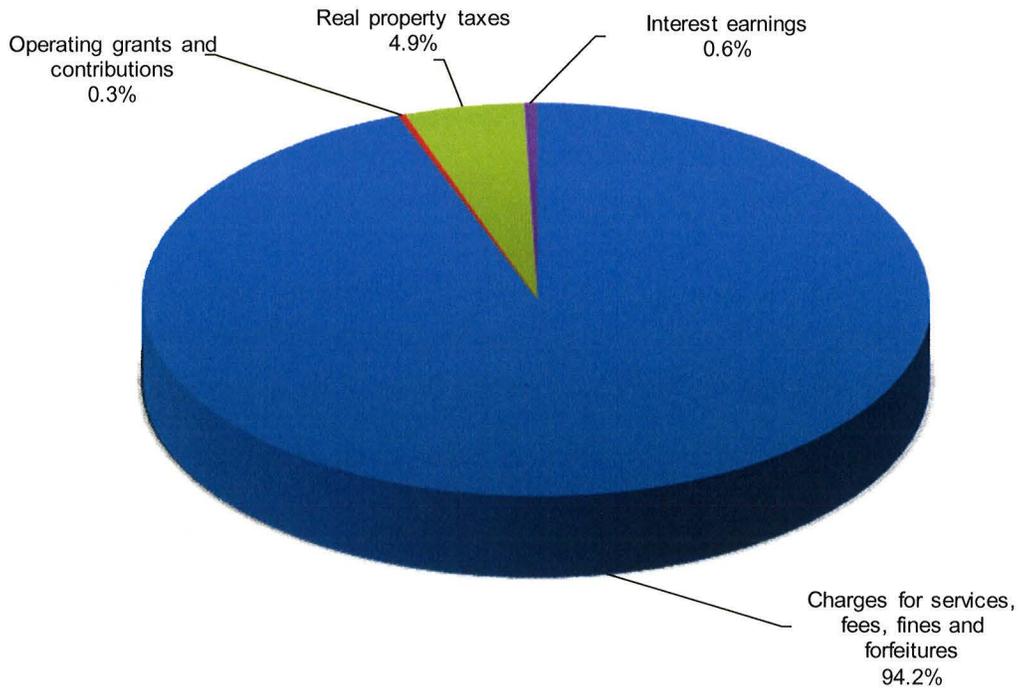
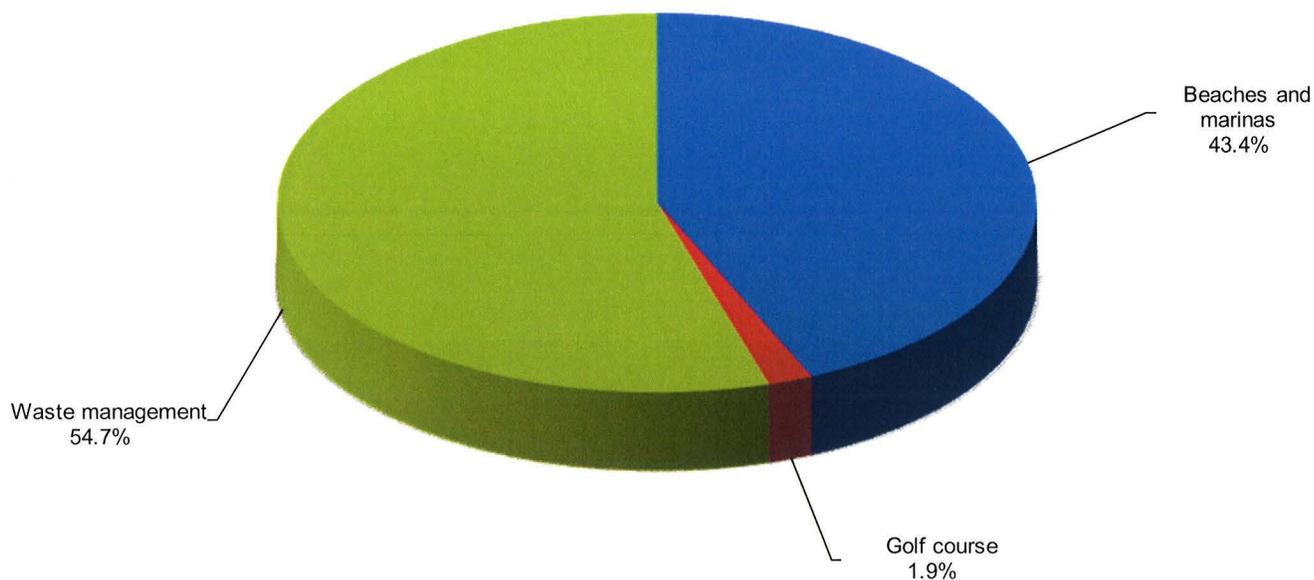


Table 7: Expenses for Fiscal Year 2018 - Business-Type Activities



FINANCIAL ANALYSIS OF CERTAIN TOWN GOVERNMENTAL FUNDS

Governmental Funds

General Fund assets increased \$1.5 million mainly as a result of increased cash and cash equivalents. The increase in cash and cash equivalents is due partly to the positive operating results and 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 \$746,728, compared to an increase in 2017 of \$2.1 million. Revenues increased \$150,946 driven by a budgeted increase in real property taxes, offset by a decrease in state aid. Expenditures increased by \$2.1 million from 2017, primarily due to minor increases in most categories. Total other financing sources increased \$509,992 resulting from a decrease in budgeted transfers out. Expenditures relating to debt service increased by approximately \$334,000.

The General Fund's spendable fund balance consists of \$15.5 million in unassigned funds, restricted reserves of \$4.7 million, and \$644,000 in assigned fund balance, which combined, represents 53.0% of annual General Fund operating expenditures. The Town has adopted a resolution to commit the excess fund balance to reduce future borrowing for capital projects.

The Town's share of assets in the Police District Fund decreased \$136,510, as a result of an increase in state and federal aid receivables offset by a decrease in cash and cash equivalents. Liabilities decreased \$252,606 due to a decrease in accrued liabilities, which was recorded for compensated absence payments for year-end officer retirements.

The Police District Fund fund balance decreased \$504,989 as a result of the increase in expenditures being greater than the increase in revenues. Expenditures increased \$1.8 million and is mostly related to increased personnel costs due to the Town of Southampton hosting the U.S. Open golf tournament.

The Town Outside Village Fund assets decreased \$166,249 mainly driven by a decrease in cash and cash equivalents.

The Town Outside Village Fund recorded a decrease in fund balance of \$292,448. Revenues increased \$139,017 due to an increase in current year revenues from real property taxes and departmental income. Expenditures increased \$31,323 mostly due to personnel costs and related employee benefits expenditures.

The Highway Fund assets increased \$197,149 due to an increase in cash and cash equivalents. The increase in cash and cash equivalents is the result of collections of prior year accounts receivable and the operating results of the fund. Liabilities in the Highway Fund decreased by \$347,920 as a result of timing of payments made near year-end for road maintenance and construction.

Highway Fund revenues increased \$90,874 mainly due to an increase in real property taxes offset by a decrease state aid. Expenditures increased \$256,914, and is the result of increased road reconstruction and equipment purchases as well as increases in personnel costs and related employee benefits.

Public Safety Communications Fund assets increased \$45,649. The increase is driven by an increase in state and federal aid receivables.

Revenues in the Public Safety Communications Fund increased \$242,028 mainly due to increases in real property taxes. Expenditures increased \$156,118, mainly as a result of increased personnel costs and related benefit expenditures.

Capital outlay totaled \$14.6 million in 2018, which is an increase of \$6.3 million from 2017. The Town issued public improvement serial bonds totaling \$8.9 million, which will be paid for by governmental funds. Capital Projects Fund revenues increased \$3,303,382 mainly as a result of increased State, federal and local grants. Cash restricted for capital improvements totaled \$25.1 million in 2018. Total liabilities increased \$1.4 million as a result of an increase in accounts payable due to timing of payments related to ongoing projects.

In the Community Preservation Fund, fund balance increased by \$20.3 million as a result of a decrease in land purchases and development rights. In 2017, the Community Preservation Fund purchased \$43.4 million in land and development rights, and in 2018 the fund purchased \$14.5 million in land and development rights. Total fund balance restricted for the Community Preservation Fund operations was \$96,103,620.

Total assets in the non-major governmental funds were \$15.1 million in 2018 which is \$818,779 higher than 2017. 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, 2018, the Town's governmental funds had a combined fund balance of \$157,875,434, which is an increase of \$27.7 million from the previous year. Fund balances for the Town's governmental funds for the past two years were as follows:

Table 8:			
Fund Balances			
As of December 31,			
<u>Governmental Funds:</u>	<u>2018</u>	<u>2017</u>	
General Fund	\$ 23,164,320	\$ 22,417,592	
Police District Fund	2,201,792	2,706,781	
Town Outside Village Fund	3,087,595	3,380,043	
Highway Fund	3,605,901	3,264,685	
Public Safety Communications Fund	905,135	867,011	
Capital Projects Fund	17,440,917	10,543,769	
Community Preservation Fund	96,103,620	75,774,217	
Non-Major Governmental Funds	11,366,154	11,187,446	
Total fund balances	\$ 157,875,434	\$ 130,141,544	

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:

Table 9:				
General Fund Budget				
For the Year Ended December 31, 2018				
	Budgeted Amounts		Actual Including Encumbrances	Variance with Final Budget
	Original	Revised		
Revenues	\$ 40,860,351	\$ 41,209,074	\$ 40,065,699	\$ (1,143,375)
Expenditures	41,785,351	42,505,974	39,414,935	3,091,039
Other financing sources (uses)	925,000	1,296,900	51,909	(1,244,991)
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,673</u>	<u>\$ 702,673</u>

Overall the General Fund performed better than anticipated. The performance was driven by lower than anticipated total revenues of \$1.1 million, and a savings in expenditures of \$3.1 million. The Town originally appropriated \$600,000 of fund balance, but performed better by \$702,673. Some highlights include:

- Revenues from State aid were \$332,429 lower than expected as a result of lower 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 \$1.6 million, as spending in almost all categories was less than anticipated.
- Public safety expenditures were less than anticipated by \$234,412.
- Economic assistance and opportunity expenditures were less than anticipated by \$344,856.
- Culture and recreation expenditures were less than anticipated by \$184,020.
- Home and community services expenditures were less than anticipated by \$131,215.
- Employee benefit expenditures were less than anticipated by \$571,935.

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 77-83.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

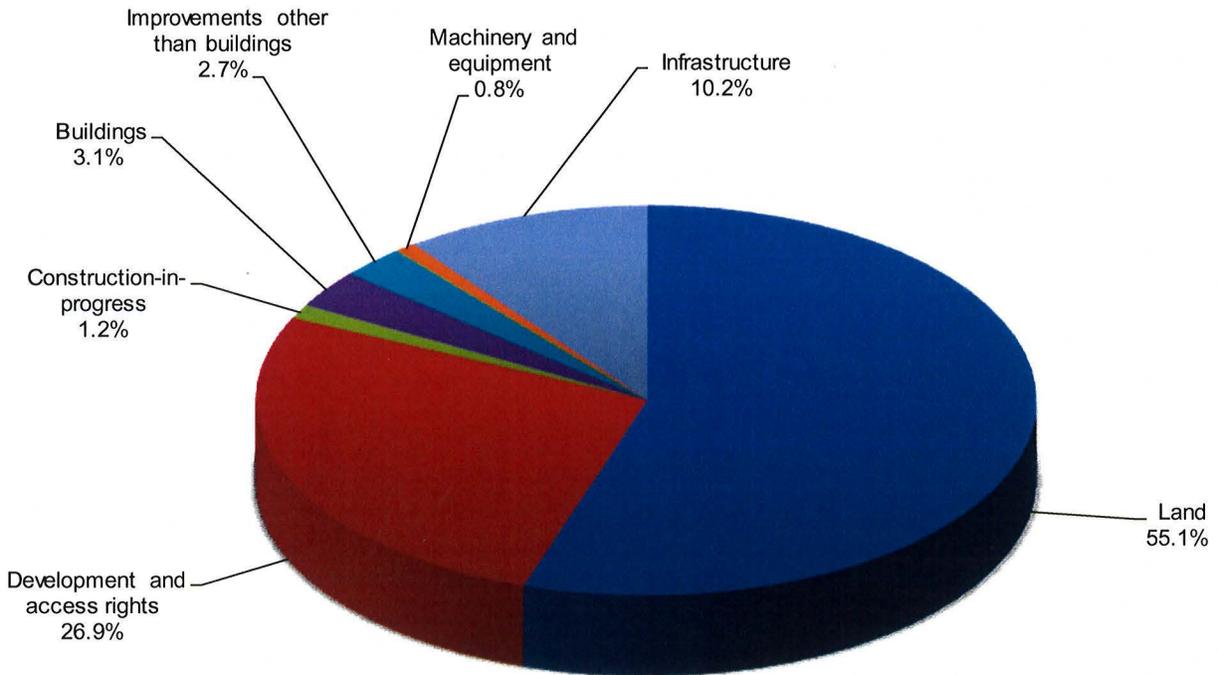
At the end of 2018, the Town had \$1.1 billion invested in a broad range of capital assets, including beaches, land, police equipment, buildings, park facilities, roads, bridges and water infrastructure (See Table 10).

The Town's fiscal year 2018 capital budget included the continuation of funding for infrastructure improvements. Of the \$17.1 million capital spending plan in 2018, \$4.2 million was dedicated to the reconstruction of roads, bridges, and drainage improvement projects, \$3.1 million was dedicated to municipal works projects, \$9.8 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 8 in the notes to financial statements.

Table 10:
Capital Assets
 As of December 31,

	2018	2017
Governmental Activities:		
Land	\$ 611,482,582	\$ 600,153,852
Development and access rights	304,532,100	295,574,954
Construction-in-progress	12,773,843	6,118,416
Buildings	32,262,170	31,927,718
Improvements other than buildings	25,862,150	26,992,305
Machinery and equipment	8,263,637	7,746,597
Infrastructure	115,570,232	123,012,472
Total	\$ 1,110,746,714	\$ 1,091,526,314
Business-type Activities:		
Land	\$ 13,329,090	\$ 13,329,090
Construction-in-progress	469,507	30,664
Buildings	3,003,193	3,081,426
Improvements other than buildings	4,566,256	4,912,184
Machinery and equipment	1,330,891	963,396
Total	\$ 22,698,937	\$ 22,316,760

Table 11: Capital Assets, Net for Fiscal Year 2018



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 2018, the Town's governmental funds total debt service was approximately \$18.1 million, of which \$5.8 million was paid by the Community Preservation Fund, resulting in taxpayer supported debt service of approximately \$12.3 million. Governmental funds debt service expenditures including interest in 2018, excluding CPF, was 11.4% of operating expenditures.

The Town of Southampton's current outstanding bonded indebtedness was \$105.5 million at year-end, of which \$30.2 million was related to the Community Preservation Fund land purchases, \$11.5 million to the Coastal Erosion District Fund, \$26.6 million related to highway improvements, \$4.4 million for the Hampton Bays Water District and the remaining \$32.8 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, 2018, the Town had exhausted 2.57% of its limit.

The Town has accrued a \$259.1 million obligation for other post-employment benefits in accordance with GASB Pronouncements on the Town-wide financial statements. Note 13 to the financial statements shows the details of the Town's long-term liabilities in this area.

Union Contracts

The Town provides services through approximately 17 elected officials, 528 full-time employees including 32 board members and approximately 81 part-time employees. The Town also employs approximately 350 part-time seasonal employees. The Civil Service Employees Association represents approximately 322 employees under a contract which expires on December 31, 2021. The Police Benevolent Association represents approximately 77 employees under a contract which expires December 31, 2020. The Superior Officers Association represents approximately 22 employees under a contract which expires December 31, 2020. The Chief of Police is a non-union employee.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town's elected officials considered many factors when setting the fiscal-year 2019 budget, tax rates and fees to be charged for the business-type activities. The 2019 Adopted Operating Budget was primarily structurally balanced and the only funds with appropriated fund balance were the General Fund (\$600,000), Police District Fund (\$250,000), Town Outside Village Fund (\$800,000), Highway Fund (\$175,000), Public Safety Communications Fund (\$150,000) and various Nonmajor Funds (\$366,329). 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 2019 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
2018	\$ 365,663,704	\$ 351,045,897	\$ 564,875	\$ 14,052,932
2017	359,662,173	340,641,573	1,213,931	17,806,669
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

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 2019 fiscal year, which takes into account inflation, prior period performance, and other economic factors. The 2019 budget includes a decrease in the tax rate by nearly 1.0%, 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 \$67.0 billion in 2019, compared to \$63.7 billion in 2018.

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 2019 adopted budget for the Beaches and Marina Fund projects revenue of \$2.2 million and an expense budget of \$2.4 million, calling for a use of net position of \$200,000. Revenue includes real property taxes of \$128,000 to help subsidize the cost of operations. The budget also includes expenditures for debt service principal and interest of \$589,000. Although the principal is not a fund level expense, this helps the Town predict cash flow for the year.
- The 2019 adopted budget for the Waste Management Fund anticipates similar performance as projected revenues are \$2.6 million and projected expenses are expected to be \$2.9 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 \$514,000.

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.
- 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

**TOWN OF SOUTHAMPTON
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Town of Southampton Housing Authority	Trustees of the Freeholders and Commonalty
ASSETS					
Cash and cash equivalents	\$ 40,866,638	\$ 2,041,595	\$ 42,908,233	\$ 119,928	\$ 1,065,757
Restricted cash	128,645,045	47,315	128,692,360	92,296	-
Accounts receivable	1,996,800	71,721	2,068,521	-	15,335
State and federal aid receivables	5,868,951	-	5,868,951	-	-
Due from governmental funds	-	2,062,878	2,062,878	-	-
Due from fiduciary funds	401,402	-	401,402	-	-
Due from other governments	4,542,036	-	4,542,036	2,737	-
Prepaid expenses	4,252,911	20,468	4,273,379	25,246	-
Tenant security deposits	-	-	-	13,955	-
Bond proceeds held by fiscal agent	-	-	-	114,237	-
Capital assets:					
Non-depreciable capital assets	928,788,525	13,798,598	942,587,123	973,158	-
Depreciable capital assets, net	181,958,189	8,900,339	190,858,528	2,432,242	-
Total assets	1,297,320,497	26,942,914	1,324,263,411	3,773,799	1,081,092
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge from refunding bonds	258,345	65,617	323,962	-	-
Pension related	22,368,653	458,997	22,827,650	-	-
LOSAP related	579,597	-	579,597	-	-
Total deferred outflows of resources	23,206,595	524,614	23,731,209	-	-
LIABILITIES					
Accounts payable	3,135,168	62,721	3,197,889	11,235	8,681
Accrued liabilities	438,567	-	438,567	23,372	-
Accrued interest payable	846,250	72,165	918,415	-	-
Bond anticipation notes payable	1,605,000	-	1,605,000	-	-
Due to proprietary funds	2,062,878	-	2,062,878	-	-
Due to fiduciary funds	65,867	603	66,470	-	-
Due to other governments	238,224	-	238,224	-	-
Unearned revenue	-	-	-	-	1,382
Noncurrent liabilities due within one year:					
General obligation bonds payable	15,403,910	925,701	16,329,611	87,030	-
Special assessment bonds with governmental commitment	66,120	-	66,120	-	-
Note payable	-	-	-	150,000	-
Mortgage payable	-	-	-	173,000	-
Compensated absences	200,000	10,000	210,000	-	-
Retainages held	48,619	-	48,619	-	-
Estimated liability for landfill closure and post-closure care costs	197,563	-	197,563	-	-
Noncurrent liabilities due in more than one year:					
General obligation bonds payable, net	84,966,415	5,956,145	90,922,560	3,026,832	-
Special assessment bonds with governmental commitment	873,126	-	873,126	-	-
Compensated absences	9,376,063	58,745	9,434,808	-	-
Retainages held	437,567	-	437,567	-	-
Judgments and claims payable	2,835,787	-	2,835,787	-	-
Net pension liability - proportionate share	7,002,381	121,500	7,123,881	-	-
Total pension liability - LOSAP	5,713,219	-	5,713,219	-	-
Total OPEB liability	259,066,095	-	259,066,095	-	-
Tenant security deposits	-	-	-	13,955	-
Estimated liability for landfill closure and post-closure care costs	3,598,369	-	3,598,369	-	-
Total liabilities	398,177,188	7,207,580	405,384,768	3,485,424	10,063
DEFERRED INFLOWS OF RESOURCES					
Property taxes received in advance	19,098,020	126,396	19,224,416	-	-
Pension related	17,800,360	390,007	18,190,367	-	-
LOSAP related	472,398	-	472,398	-	-
Total deferred inflows of resources	37,370,778	516,403	37,887,181	-	-
NET POSITION					
Net investment in capital assets	1,008,090,488	15,882,708	1,023,973,196	383,834	-
Restricted:					
Debt service	7,475,960	47,315	7,523,275	-	-
Tax stabilization	4,338,442	-	4,338,442	-	-
Capital projects	17,440,917	-	17,440,917	92,296	-
Community preservation operations	90,435,972	-	90,435,972	-	-
Community and park improvements	4,439,091	-	4,439,091	-	-
HUD grants	419,406	-	419,406	-	-
Unrestricted	(247,661,150)	3,813,522	(243,847,628)	(187,755)	1,071,029
Total net position	\$ 884,979,126	\$ 19,743,545	\$ 904,722,671	\$ 288,375	\$ 1,071,029

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

**TOWN OF SOUTHAMPTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Revenues				Net Revenues (Expenses) and Changes in Net Position				
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					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	\$ 27,606,745	\$ 1,083,762	\$ 54,025,119	\$ -	\$ 27,502,136	\$ -	\$ 27,502,136		
Public safety	52,396,830	2,068,401	915,020	-	(49,413,409)	-	(49,413,409)		
Health	3,201,042	-	-	-	(3,201,042)	-	(3,201,042)		
Transportation	12,399,397	1,095,150	80,892	1,154,405	(10,068,950)	-	(10,068,950)		
Economic assistance and opportunity	5,523,552	985,849	558,764	-	(3,978,939)	-	(3,978,939)		
Culture and recreation	5,665,045	33,737	528,365	3,127,058	(1,975,885)	-	(1,975,885)		
Home and community services	16,138,172	7,741,402	3,556,455	1,085,536	(3,754,779)	-	(3,754,779)		
Interest on debt	2,843,540	-	-	-	(2,843,540)	-	(2,843,540)		
Total governmental activities	125,774,323	13,008,301	59,664,615	5,366,999	(47,734,408)	-	(47,734,408)		
Business-type activities:									
Beaches and marinas	1,938,923	2,102,048	15,324	-	-	178,449	178,449		
Waste management	2,441,617	2,354,834	-	-	-	(86,783)	(86,783)		
Golf course	86,251	355,202	-	-	-	268,951	268,951		
Total business-type activities	4,466,791	4,812,084	15,324	-	-	360,617	360,617		
Total primary government	\$ 130,241,114	\$ 17,820,385	\$ 59,679,939	\$ 5,366,999	(47,734,408)	360,617	(47,373,791)		
Component Units -									
Town of Southampton									
Housing Authority:									
Economic assistance and opportunity	\$ 783,696	\$ 207,975	\$ 575,553	\$ -				\$ (168)	
Interest on debt	118,747	-	-	-				(118,747)	
Total housing authority	\$ 902,443	\$ 207,975	\$ 575,553	\$ -				(118,915)	
Trustees of the Freeholders and Commonalty:									
Home and community	\$ 464,869	\$ 607,031	\$ -	\$ -					\$ 142,162
General revenues:									
Real property taxes					73,419,542	250,195	73,669,737	-	-
Other real property tax items					584,630	-	584,630	-	-
Non-property tax items					1,898,978	-	1,898,978	-	-
Interest earnings					3,371,457	28,455	3,399,912	62	1,575
State aid - unrestricted					11,432,391	-	11,432,391	-	-
Sale of property and compensation for loss					406,399	-	406,399	-	-
Miscellaneous					47,059	-	47,059	-	-
Total general revenues					91,160,456	278,650	91,439,106	62	1,575
Excess (deficiency) of revenues over (under) expenses before transfers					43,426,048	639,267	44,065,315	(118,853)	143,737
Interfund transfers					689,796	(689,796)	-	-	-
Change in net position					44,115,844	(50,529)	44,065,315	(118,853)	143,737
Total net position, beginning of year, as restated (see Note 19)					840,863,282	19,794,074	860,657,356	407,228	927,292
Total net position, end of year					\$ 884,979,126	\$ 19,743,545	\$ 904,722,671	\$ 288,375	\$ 1,071,029

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

TOWN OF SOUTHAMPTON
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	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
ASSETS										
Cash and cash equivalents	\$ 19,348,103	\$ 4,037,046	\$ 3,155,970	\$ 5,362,428	\$ 1,363,011	\$ 7,600,080	\$ 40,866,638	\$ -	\$ -	\$ 40,866,638
Restricted cash	4,749,806	27,299	42,849	504,051	1,808	6,783,027	12,108,840	25,068,543	91,467,662	128,645,045
Accounts receivable	829,812	226,845	820	1,325	8,456	671,680	1,738,938	-	257,862	1,996,800
State and federal aid receivables	278,985	2,833,061	-	609,309	77,971	-	3,799,326	15,000	-	3,814,326
Due from other funds	3,149,843	-	-	-	-	-	3,149,843	-	-	3,149,843
Due from fiduciary funds	3,948	-	-	395,009	-	2,445	401,402	-	-	401,402
Due from other governments	-	-	-	3,129	-	-	3,129	-	4,538,907	4,542,036
Prepaid items	2,307,574	1,246,258	233,560	275,213	118,013	67,690	4,248,308	-	4,603	4,252,911
Total assets	\$ 30,668,071	\$ 8,370,509	\$ 3,433,199	\$ 7,150,464	\$ 1,569,259	\$ 15,124,922	\$ 66,316,424	\$ 25,083,543	\$ 96,269,034	\$ 187,669,001
LIABILITIES										
Accounts payable	\$ 617,658	\$ 124,158	\$ 20,576	\$ 126,961	\$ 1,671	\$ 282,209	\$ 1,173,233	\$ 1,805,211	\$ 156,724	\$ 3,135,168
Accrued liabilities	207,770	100,056	9,504	5,064	1,264	111,150	434,808	-	3,759	438,567
Bond anticipation notes payable	-	-	-	-	-	-	-	1,605,000	-	1,605,000
Due to other funds	-	-	-	-	-	980,306	980,306	2,169,537	-	3,149,843
Due to proprietary funds	-	-	-	-	-	-	-	2,062,878	-	2,062,878
Due to fiduciary funds	29,668	8,023	8,397	15,408	2,646	79	64,221	-	1,646	65,867
Due to other governments	238,224	-	-	-	-	-	238,224	-	-	238,224
Total liabilities	1,093,320	232,237	38,477	147,433	5,581	1,373,744	2,890,792	7,642,626	162,129	10,695,547
DEFERRED INFLOWS OF RESOURCES										
Property taxes received in advance	6,410,431	5,936,480	307,127	3,397,130	658,543	2,385,024	19,094,735	-	3,285	19,098,020
Total deferred inflows of resources	6,410,431	5,936,480	307,127	3,397,130	658,543	2,385,024	19,094,735	-	3,285	19,098,020
FUND BALANCE										
Fund balance:										
Nonspendable	2,307,574	1,246,258	233,560	275,213	118,013	67,690	4,248,308	-	4,603	4,252,911
Restricted	4,749,806	27,299	42,849	504,051	1,808	5,684,041	11,009,854	17,440,917	96,099,017	124,549,788
Committed	-	-	-	-	-	55,000	55,000	-	-	55,000
Assigned	644,055	928,235	2,811,186	2,826,637	785,314	5,559,423	13,554,850	-	-	13,554,850
Unassigned	15,462,885	-	-	-	-	-	15,462,885	-	-	15,462,885
Total fund balance	23,164,320	2,201,792	3,087,595	3,605,901	905,135	11,366,154	44,330,897	17,440,917	96,103,620	157,875,434
Total liabilities, deferred inflows of resources and fund balance	\$ 30,668,071	\$ 8,370,509	\$ 3,433,199	\$ 7,150,464	\$ 1,569,259	\$ 15,124,922	\$ 66,316,424	\$ 25,083,543	\$ 96,269,034	\$ 187,669,001

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, 2018

Total Fund Balance - Governmental Funds \$ 157,875,434

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	\$ 928,788,525	
Depreciable	541,584,964	
Accumulated depreciation	<u>(359,626,775)</u>	1,110,746,714

Deferred charge on refunding bonds. 258,345

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	(100,370,325)	
Special assessment bonds with governmental commitment	(939,246)	
Compensated absences	(9,576,063)	
Judgments and claims payable	(2,835,787)	
Retainages held	(486,186)	
Total OPEB liability	(259,066,095)	
Estimated liability for landfill closure and post-closure care costs	<u>(3,795,932)</u>	(377,069,634)

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	(7,002,381)	
Deferred outflow of resources - pension related	22,368,653	
Deferred inflow of resources - pension related	(17,800,360)	
Total pension liability - LOSAP	(5,713,219)	
Deferred outflow of resources - LOSAP	579,597	
Deferred inflow of resources - LOSAP	<u>(472,398)</u>	(8,040,108)

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.

2,054,625

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.

(846,250)

Net Position - Governmental Activities

\$ 884,979,126

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, 2018

	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
REVENUES										
Real property taxes	\$ 24,257,541	\$ 22,843,352	\$ 1,327,480	\$ 12,985,125	\$ 2,535,297	\$ 9,470,747	\$ 73,419,542	\$ -	\$ -	\$ 73,419,542
Other real property tax items	228,116	135,504	10,042	79,746	12,910	118,312	584,630	-	-	584,630
Non-property tax items	1,898,978	-	-	-	-	-	1,898,978	-	53,939,669	55,838,647
Special assessments	13,063	-	-	-	-	-	13,063	-	-	13,063
Departmental income	1,009,482	444,301	1,876,706	19,400	137,162	2,273,536	5,760,587	-	-	5,760,587
Intergovernmental charges	295,335	-	-	767,352	-	-	1,062,687	-	-	1,062,687
Use of money and property	504,118	213,945	87,209	136,161	35,695	526,896	1,504,024	251,508	1,615,925	3,371,457
Licenses and permits	338,435	119,903	3,591,160	-	-	-	4,049,498	-	-	4,049,498
Fines and forfeitures	1,102,879	-	-	-	-	33,737	1,136,616	-	-	1,136,616
Sale of property and compensation for loss	72,015	14,978	-	5,270	-	314,136	406,399	-	-	406,399
Miscellaneous local sources	494,377	856,122	10,168	70,378	210	455,276	1,886,531	916,370	6,401	2,809,302
State aid	9,129,059	2,882,712	6,530	1,154,405	157,888	66,302	13,396,896	1,996,522	7,569	15,400,987
Federal aid	722,301	58,898	-	-	-	3,425,170	4,206,369	1,085,536	-	5,291,905
Total revenues	40,065,699	27,569,715	6,909,295	15,217,837	2,879,162	16,684,112	109,325,820	4,249,936	55,569,564	169,145,320
EXPENDITURES										
Current -										
General governmental support	15,089,533	-	-	-	-	117,930	15,207,463	-	22,766,548	37,974,011
Public safety	2,896,818	17,832,514	670,842	-	1,863,134	1,035,208	24,298,516	-	-	24,298,516
Health	-	-	-	-	-	3,201,042	3,201,042	-	-	3,201,042
Transportation	902,151	-	-	7,152,708	-	416,236	8,471,095	-	-	8,471,095
Economic assistance and opportunity	2,966,343	-	-	-	-	369,570	3,335,913	-	-	3,335,913
Culture and recreation	2,638,427	-	-	-	-	543,165	3,181,592	-	-	3,181,592
Home and community services	721,108	-	4,083,364	-	-	6,027,602	10,832,074	-	-	10,832,074
Employee benefits	9,920,257	10,068,405	2,115,849	3,406,601	895,439	897,962	27,304,513	-	140,199	27,444,712
Capital outlay	-	-	-	-	-	-	-	14,563,444	-	14,563,444
Debt service -										
Principal	3,595,620	248,940	39,118	3,582,741	6,000	2,858,603	10,331,022	-	4,477,098	14,808,120
Interest	640,623	26,664	4,523	701,099	705	618,353	1,991,967	-	1,304,913	3,296,880
Total expenditures	39,370,880	28,176,523	6,913,696	14,843,149	2,765,278	16,085,671	108,155,197	14,563,444	28,688,758	151,407,399
Excess (deficiency) of revenues over (under) expenditures	694,819	(606,808)	(4,401)	374,688	113,884	598,441	1,170,623	(10,313,508)	26,880,806	17,737,921
OTHER FINANCING SOURCES (USES)										
Bond anticipation note redeemed from appropriation	-	-	-	-	-	-	-	185,000	-	185,000
Serial bond issuance	-	-	-	-	-	-	-	8,876,000	-	8,876,000
Premium on obligations	143,426	8,753	-	92,994	-	-	245,173	-	-	245,173
Interfund transfers in	468,671	93,066	18,056	17,534	-	853,142	1,450,469	9,815,003	620,948	11,886,420
Interfund transfers out	(560,188)	-	(306,103)	(144,000)	(75,760)	(1,272,875)	(2,358,926)	(1,665,347)	(7,172,351)	(11,196,624)
Total other financing sources (uses)	51,909	101,819	(288,047)	(33,472)	(75,760)	(419,733)	(663,284)	17,210,656	(6,551,403)	9,995,969
Change in fund balance	746,728	(504,989)	(292,448)	341,216	38,124	178,708	507,339	6,897,148	20,329,403	27,733,890
Fund balance, beginning of year	22,417,592	2,706,781	3,380,043	3,264,685	867,011	11,187,446	43,823,558	10,543,769	75,774,217	130,141,544
Fund balance, end of year	\$ 23,164,320	\$ 2,201,792	\$ 3,087,595	\$ 3,605,901	\$ 905,135	\$ 11,366,154	\$ 44,330,897	\$ 17,440,917	\$ 96,103,620	\$ 157,875,434

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

TOWN OF SOUTHAMPTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net Change in Fund Balance - Governmental Funds		\$ 27,733,890
<p>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:</p>		
Capital outlay, net of reclassifications and retirements	\$ 37,221,503	
Depreciation expense	<u>(18,001,103)</u>	19,220,400
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		45,307
<p>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.</p>		
Premiums on obligations	(235,429)	
Serial bond issuance	(8,876,000)	
Repayment of bond principal	14,610,000	
Repayment of special assessment bonds	<u>13,120</u>	5,511,691
<p>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:</p>		
Total OPEB liability	(7,138,144)	
Compensated absences	204,390	
Judgments and claims payable	(155,787)	
Estimated liability for landfill closure and post-closure care costs	(701,308)	
Retainages held	(486,186)	
Pension related	(265,909)	
LOSAP related	(305,840)	
Amortization of deferred charges from bond refunding	(99,304)	
Amortization of bond premiums and discounts	512,830	
Accrued interest costs	<u>39,814</u>	<u>(8,395,444)</u>
Net Change in Net Position - Governmental Activities		<u>\$ 44,115,844</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, 2018

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES	Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course	
ASSETS				
Current assets:				
Cash and cash equivalents:				
Unrestricted cash	\$ 371,298	\$ 1,240,097	\$ 430,200	\$ 2,041,595
Restricted cash	21,993	25,322	-	47,315
Accounts receivable, net	-	62,643	9,078	71,721
Due from governmental funds	1,748,013	314,865	-	2,062,878
Prepaid expenses	2,182	18,286	-	20,468
Total current assets	<u>2,143,486</u>	<u>1,661,213</u>	<u>439,278</u>	<u>4,243,977</u>
Noncurrent assets:				
Non-depreciable capital assets	8,494,297	169,100	5,135,201	13,798,598
Depreciable capital assets, net of depreciation	4,031,451	4,258,126	610,762	8,900,339
Total noncurrent assets	<u>12,525,748</u>	<u>4,427,226</u>	<u>5,745,963</u>	<u>22,698,937</u>
Total assets	<u>14,669,234</u>	<u>6,088,439</u>	<u>6,185,241</u>	<u>26,942,914</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge from refunding bonds	31,691	33,926	-	65,617
Pension related	114,749	344,248	-	458,997
Total deferred outflows of resources	<u>146,440</u>	<u>378,174</u>	<u>-</u>	<u>524,614</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	10,744	49,113	2,864	62,721
Accrued interest payable	37,194	34,971	-	72,165
Due to fiduciary funds	255	348	-	603
Noncurrent liabilities due within one year:				
General obligation bonds payable	494,659	431,042	-	925,701
Compensated absences	2,000	8,000	-	10,000
Total current liabilities	<u>544,852</u>	<u>523,474</u>	<u>2,864</u>	<u>1,071,190</u>
Noncurrent liabilities:				
General obligation bonds payable, net of current maturities and unamortized premiums	2,899,053	3,057,092	-	5,956,145
Compensated absences	2,792	55,953	-	58,745
Net pension liability - proportionate share	30,375	91,125	-	121,500
Total noncurrent liabilities	<u>2,932,220</u>	<u>3,204,170</u>	<u>-</u>	<u>6,136,390</u>
Total liabilities	<u>3,477,072</u>	<u>3,727,644</u>	<u>2,864</u>	<u>7,207,580</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes received in advance	31,682	94,714	-	126,396
Pension related	97,502	292,505	-	390,007
Total deferred inflows of resources	<u>129,184</u>	<u>387,219</u>	<u>-</u>	<u>516,403</u>
NET POSITION				
Net investment in capital assets	9,163,727	973,018	5,745,963	15,882,708
Restricted for debt service	21,993	25,322	-	47,315
Unrestricted	2,023,698	1,353,410	436,414	3,813,522
Total net position	<u>\$ 11,209,418</u>	<u>\$ 2,351,750</u>	<u>\$ 6,182,377</u>	<u>\$ 19,743,545</u>

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, 2018

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES	Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course	
OPERATING REVENUES:				
Charges for services	\$ 2,099,043	\$ 2,352,196	\$ 191,889	\$ 4,643,128
Other	3,005	2,638	163,313	168,956
Total operating revenues	<u>2,102,048</u>	<u>2,354,834</u>	<u>355,202</u>	<u>4,812,084</u>
OPERATING EXPENSES:				
Beaches and marinas	1,379,278	-	-	1,379,278
Waste management	-	1,531,708	-	1,531,708
Golf course	-	-	36,894	36,894
Depreciation	322,236	360,101	49,357	731,694
Employee benefits	160,581	456,199	-	616,780
Total operating expenses	<u>1,862,095</u>	<u>2,348,008</u>	<u>86,251</u>	<u>4,296,354</u>
Operating income	<u>239,953</u>	<u>6,826</u>	<u>268,951</u>	<u>515,730</u>
NON-OPERATING REVENUES (EXPENSES):				
Real property taxes	120,311	129,884	-	250,195
Grants	15,324	-	-	15,324
Interest income	6,200	16,288	5,967	28,455
Interest on debt	(76,828)	(93,609)	-	(170,437)
Total non-operating revenues (expenses)	<u>65,007</u>	<u>52,563</u>	<u>5,967</u>	<u>123,537</u>
Interfund transfers in	1,204	-	-	1,204
Interfund transfers out	(390,000)	(176,000)	(125,000)	(691,000)
Change in net position	<u>(83,836)</u>	<u>(116,611)</u>	<u>149,918</u>	<u>(50,529)</u>
Total net position, beginning of year, as restated (see Note 19)	<u>11,293,254</u>	<u>2,468,361</u>	<u>6,032,459</u>	<u>19,794,074</u>
Total net position, end of year	<u>\$ 11,209,418</u>	<u>\$ 2,351,750</u>	<u>\$ 6,182,377</u>	<u>\$ 19,743,545</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, 2018

	MAJOR BUSINESS-TYPE ACTIVITIES		NON-MAJOR BUSINESS-TYPE ACTIVITIES	Total Proprietary Funds
	Beaches and Marinas	Waste Management	Golf Course	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Revenues collected:				
Cash receipts from customers	\$ 2,099,043	\$ 2,354,332	\$ 192,857	\$ 4,646,232
Other operating cash receipts	3,005	2,638	163,313	168,956
Payments for expenses:				
Cash payments to other suppliers of goods or services	(1,394,976)	(1,544,934)	(36,422)	(2,976,332)
Cash payments to employees for services and related expenses	(162,240)	(474,640)	-	(636,880)
Other operating cash payments	(1,177,449)	9,323	-	(1,168,126)
Net cash provided (used) by operating activities	<u>(632,617)</u>	<u>346,719</u>	<u>319,748</u>	<u>33,850</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Purchase of capital assets	(335,950)	(233,793)	(163,313)	(733,056)
Principal paid on capital debt	(433,881)	(383,006)	-	(816,887)
Serial bond proceeds	1,510,000	224,000	-	1,734,000
Premium on bonds payable	40,052	5,941	-	45,993
Interest paid on debt	(76,032)	(99,233)	-	(175,265)
Net cash provided (used) by capital financing activities	<u>704,189</u>	<u>(486,091)</u>	<u>(163,313)</u>	<u>54,785</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Real property taxes	123,998	194,375	-	318,373
Interfund transfer	(388,796)	(176,000)	(125,000)	(689,796)
Grants	15,324	-	-	15,324
Net cash provided (used) by non-capital financing activities	<u>(249,474)</u>	<u>18,375</u>	<u>(125,000)</u>	<u>(356,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and earnings received	6,200	16,288	5,967	28,455
Net cash provided by investing activities	<u>6,200</u>	<u>16,288</u>	<u>5,967</u>	<u>28,455</u>
Net increase (decrease) in cash and cash equivalents	(171,702)	(104,709)	37,402	(239,009)
Cash and cash equivalents, beginning of year	564,993	1,370,128	392,798	2,327,919
Cash and cash equivalents, end of year	<u>\$ 393,291</u>	<u>\$ 1,265,419</u>	<u>\$ 430,200</u>	<u>\$ 2,088,910</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 239,953	\$ 6,826	\$ 268,951	\$ 515,730
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	322,236	360,101	49,357	731,694
(Increase) decrease in accounts receivable	-	2,136	968	3,104
Decrease in due from fiduciary funds	177	-	-	177
Increase in due from governmental funds	(1,177,881)	9,793	-	(1,168,088)
Increase in prepaid expenses	818	172	-	990
Decrease in pension related deferred outflows	(25,499)	(76,499)	-	(101,998)
Increase in accounts payable and accrued liabilities	(16,516)	(13,398)	472	(29,442)
Decrease in due to fiduciary funds	255	(470)	-	(215)
Increase (decrease) in compensated absences	623	(11,591)	-	(10,968)
Decrease in pension related deferred inflows	82,616	247,846	-	330,462
Decrease in net pension liability	(59,399)	(178,197)	-	(237,596)
Net cash provided (used) by operating activities	<u>\$ (632,617)</u>	<u>\$ 346,719</u>	<u>\$ 319,748</u>	<u>\$ 33,850</u>
NONCASH CAPITAL FINANCING ACTIVITIES:				
Amortization of bond premium and deferred charges	\$ 7,220	\$ 10,749	\$ 11,783	\$ 29,752

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, 2018

ASSETS	<u>Agency Funds</u>
Cash	\$ 84,517,704
Due from proprietary funds	603
Due from governmental funds	65,867
Service award program assets	<u>3,820,686</u>
Total assets	<u>\$ 88,404,860</u>
LIABILITIES	
Due to governmental funds	\$ 401,402
Due to school districts	41,067,138
Service award program liabilities	3,820,686
Other agency liabilities	<u>43,115,634</u>
Total liabilities	<u>\$ 88,404,860</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, 2018

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.

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, NY 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. The effect of interfund services provided and used between functions have not been eliminated in the Statement of Activities.

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. Governmental fund financial statements

The governmental 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.

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

Police Town 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.

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.

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.

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

Special Revenue Funds:

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 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 items are recognized when incurred, (b) principal and interest on indebtedness are recognized as expenditures when due and (c) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid.

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

E. Property taxes

In Suffolk County ("County"), the assessment and lien of real property for taxation is done by the County Department of Assessment. The Town assessment rolls are used for the levy of real property taxes by the Town and the school districts, as well as by the County and by special districts of the County and the Town.

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

F. Interfund transactions

Interfund transactions have been eliminated from the government-wide financial statements. In the fund financial statements, interfund transactions are defined as the flow of assets such as cash or goods and services, without the equivalent flow of assets in return.

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

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

Inventory of supplies is valued at cost, whereas inventories held for resale are reported at the lower of cost or market using the first-in, first-out method.

K. Prepaid expenses/expenditures

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 \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a concession arrangement are reported at acquisition value rather than fair value. 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 to and from 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, total LOSAP 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 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 and proprietary fund financial statements

In the government-wide and proprietary fund 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, 2018 is as follows:

Balance - beginning	\$ 7,004,526
Additions to debt service reserve	6,417,168
Liquidation of reserve for debt service payments	<u>(5,945,734)</u>
Balance - ending	<u>\$ 7,475,960</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.

Capital

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

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.

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, 2018, 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
Nonspendable									
Prepaid items	\$ 2,307,574	\$ 1,246,258	\$ 233,560	\$ 275,213	\$ 118,013	\$ -	\$ 4,603	\$ 67,690	\$ 4,252,911
Total nonspendable	2,307,574	1,246,258	233,560	275,213	118,013	-	4,603	67,690	4,252,911
Restricted									
Debt reserve	411,364	27,299	42,849	504,051	1,808	-	5,663,045	825,544	7,475,960
Tax stabilization	4,338,442	-	-	-	-	-	-	-	4,338,442
Capital projects	-	-	-	-	-	17,440,917	-	-	17,440,917
Community preservation	-	-	-	-	-	-	90,435,972	-	90,435,972
Park improvements	-	-	-	-	-	-	-	4,439,091	4,439,091
HUD grants	-	-	-	-	-	-	-	419,406	419,406
Total restricted	4,749,806	27,299	42,849	504,051	1,808	17,440,917	96,099,017	5,684,041	124,549,788
Committed									
Dune road repairs	-	-	-	-	-	-	-	55,000	55,000
Total committed	-	-	-	-	-	-	-	55,000	55,000
Assigned									
Appropriated for subsequent year's expenditures	600,000	250,000	800,000	175,000	150,000	-	-	366,329	2,341,329
Encumbrances	44,055	6,564	-	106,465	-	-	-	950	158,034
Unappropriated fund balance	-	671,671	2,011,186	2,545,172	635,314	-	-	5,192,144	11,055,487
Total assigned	644,055	928,235	2,811,186	2,826,637	785,314	-	-	5,559,423	13,554,850
Unassigned	15,462,885	-	-	-	-	-	-	-	15,462,885
Total	<u>\$ 23,164,320</u>	<u>\$ 2,201,792</u>	<u>\$ 3,087,595</u>	<u>\$ 3,605,901</u>	<u>\$ 905,135</u>	<u>\$ 17,440,917</u>	<u>\$ 96,103,620</u>	<u>\$ 11,366,154</u>	<u>\$ 157,875,434</u>

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 and LOSAP 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. Differences also occur as a result of changes in the LOSAP total pension liability and related deferred inflows and outflows of resources.

4. CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended December 31, 2018, the Town implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of this statement had no impact on the fund financial statements. The statement requires governments to report Other Postemployment Benefits ("OPEB") liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. The implementation resulted in a restatement of the Town's beginning net position balance as required by the statement. See Note 19 for financial statement impact of the implementation of this statement.

5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary data

The Town follows the procedures enumerated below in establishing the budgetary data (pages 77 through 94, as well as pages 105 through 112) reflected in the financial statements:

1. On or before September 20th, each department, office or district submits to the Supervisor and the Comptroller a detailed estimate of the budget known as “departmental estimates” for the amount of revenue to be received and expenditures to be made for the ensuing year.
2. On or before September 30th, the Supervisor files a tentative budget with the Town Clerk and the Comptroller.
3. On or before October 5th, the Town Clerk presents to the Town Board a tentative budget for the ensuing year (Town Law Sections 106 and 108). The Town Board reviews the tentative budget and files a preliminary budget with the Town Clerk.
4. The Town Board conducts a public hearing on the preliminary budget, and on or before November 20th, the Town Board meets to adopt the budget now known as the “adopted budget”.
5. Formal budgetary integration is employed during the year as a management control device for the General Fund and certain major funds. The Town Board adopts the budget and establishes a legal level of control of the budget at the object level of expenditures. The object level identifies expenditures by the article purchased or service obtained in order to carry out a function. Appropriations are adopted at the object level. All budgetary amendments and transfers of appropriation require Town Board approval. Appropriations for all governmental funds except the Capital Projects Fund lapse at year-end, 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, 2018 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	\$ 644,055	\$ 600,000
Police District Fund	928,235	250,000
Town Outside Village Fund	2,811,186	800,000
Highway Fund	2,826,637	175,000
Public Safety Communications Fund	785,314	150,000
Non-Major Governmental Funds	<u>5,559,423</u>	<u>366,329</u>
Total	<u>\$ 13,554,850</u>	<u>\$ 2,341,329</u>

Fund deficits

As of December 31, 2018, there were no deficit fund balances in any governmental funds.

6. 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, 2018, the cash balances were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
Town of Southampton	\$ 176,075,915	\$ 173,969,231
Town of Southampton Housing Authority	263,139	212,224
Trustees of the Freeholders	<u>1,068,327</u>	<u>1,065,757</u>
 Total	 <u>\$ 177,407,381</u>	 <u>\$ 175,247,212</u>

All cash balances as of December 31, 2018 are collateralized with securities held by the pledging financial institution.

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, 2018, the Town did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances for the primary government at December 31, 2018 primarily represent the payment of operating expenditures that will be reimbursed subsequent to year end and are stated as follows:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
Major Governmental Funds:		
General Fund	\$ 3,153,791	\$ 29,668
Police District Fund	-	8,023
Town Outside Village Fund	-	8,397
Highway Fund	395,009	15,408
Public Safety Communications Fund	-	2,646
Capital Projects Fund	-	4,232,415
Community Preservation Fund	-	1,646
Non-Major Governmental Funds	2,445	980,385
Major Business-Type Funds:		
Beaches and Marinas	1,748,013	255
Waste Management	314,865	348
Agency Funds	<u>66,470</u>	<u>401,402</u>
 Total	 <u>\$ 5,680,593</u>	 <u>\$ 5,680,593</u>

Interfund transfer balances for the primary government at December 31, 2018 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:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 468,671	\$ 560,188
Police District Fund	93,066	-
Town Outside Village Fund	18,056	306,103
Highway Fund	17,534	144,000
Public Safety Communications Fund	-	75,760
Capital Projects Fund	9,815,003	1,665,347
Community Preservation Fund	620,948	7,172,351
Non-Major Governmental Funds	853,142	1,272,875
Major Business-Type Fund:		
Beaches and Marinas	1,204	390,000
Waste Management	-	176,000
Non-Major Business-Type Fund:		
Golf Course	<u>-</u>	<u>125,000</u>
 Total	 <u>\$ 11,887,624</u>	 <u>\$ 11,887,624</u>

8. CAPITAL ASSETS

Governmental activities, capital asset balances and activity for the year ended December 31, 2018 were as follows:

	Beginning Balance	Additions	Reclassifications/ Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 600,153,852	\$ 11,328,730	\$ -	\$ 611,482,582
Development and access rights	295,574,954	8,957,146	-	304,532,100
Construction-in-progress	6,118,416	8,336,915	(1,681,488)	12,773,843
Total	\$ 901,847,222	\$ 28,622,791	\$ (1,681,488)	928,788,525
Depreciable capital assets:				
Buildings	\$ 52,827,575	\$ 688,020	\$ 753,424	54,269,019
Improvements other than buildings	43,265,093	836,553	154,242	44,255,888
Machinery and equipment	27,417,020	2,560,015	(750,385)	29,226,650
Infrastructure -				
Bridges	1,075,249	-	-	1,075,249
Landfill	9,401,652	-	-	9,401,652
Roads, curbs and sidewalks	369,420,850	3,654,815	250,000	373,325,665
Lighting system	1,349,791	-	-	1,349,791
Bulkheads, piers and boardwalks	12,356,459	698,453	165,656	13,220,568
Water and sewer mains	15,213,750	160,857	85,875	15,460,482
Total depreciable capital assets	\$ 532,327,439	\$ 8,598,713	\$ 658,812	541,584,964
Less accumulated depreciation:				
Buildings	\$ 20,899,857	\$ 1,136,693	\$ (29,701)	22,006,849
Improvements other than buildings	16,272,788	2,120,950	-	18,393,738
Machinery and equipment	19,670,423	2,066,107	(773,517)	20,963,013
Infrastructure -				
Bridges	331,352	28,152	-	359,504
Landfill	7,173,768	313,389	-	7,487,157
Roads, curbs and sidewalks	263,855,480	11,413,101	-	275,268,581
Lighting system	1,344,191	140	-	1,344,331
Bulkheads, piers and boardwalks	8,024,035	347,252	-	8,371,287
Water and sewer mains	5,076,453	355,862	-	5,432,315
Total accumulated depreciation	\$ 342,648,347	\$ 17,781,646	\$ (803,218)	359,626,775
Total depreciable capital assets, net				181,958,189
Total capital assets, net				\$ 1,110,746,714

Depreciation expense was charged to governmental functions as follows:

General governmental support	\$ 4,029,321
Public safety	8,472,954
Transportation	1,875,964
Economic assistance and opportunity	764,611
Culture and recreation	729,047
Home and community services	<u>1,909,749</u>
Total governmental activities depreciation expense	<u>\$ 17,781,646</u>

Business-type activities, capital asset balances and activity for the year ended December 31, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications/ Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,329,090	\$ -	\$ -	\$ 13,329,090
Construction-in-progress	<u>30,664</u>	<u>438,844</u>	<u>-</u>	<u>469,508</u>
Total	<u>\$ 13,359,754</u>	<u>\$ 438,844</u>	<u>\$ -</u>	<u>13,798,598</u>
Depreciable capital assets:				
Buildings	\$ 4,906,129	\$ 27,550	\$ -	4,933,679
Improvements other than buildings	8,953,577	114,189	-	9,067,766
Machinery and equipment	<u>2,901,762</u>	<u>533,288</u>	<u>-</u>	<u>3,435,050</u>
Total depreciable capital assets	<u>\$ 16,761,468</u>	<u>\$ 675,027</u>	<u>\$ -</u>	<u>17,436,495</u>
Less accumulated depreciation:				
Buildings	\$ 1,824,703	\$ 105,783	\$ -	1,930,486
Improvements other than buildings	4,041,393	460,117	-	4,501,510
Machinery and equipment	<u>1,938,366</u>	<u>165,794</u>	<u>-</u>	<u>2,104,160</u>
Total accumulated depreciation	<u>\$ 7,804,462</u>	<u>\$ 731,694</u>	<u>\$ -</u>	<u>8,536,156</u>
Total depreciable capital assets, net				<u>8,900,339</u>
Total capital assets, net				<u>\$ 22,698,937</u>

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

Beaches and marinas	\$ 322,236
Waste management	360,101
Golf course	<u>49,357</u>
Total business-type activities depreciation expense	<u>\$ 731,694</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, 2018, 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, 2018 were as follows:

	Beginning Balance	Additions	Reclassifications/ Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 683,700	\$ 68,000	\$ -	\$ 751,700
Construction-in-progress	-	221,458	-	221,458
Total	<u>\$ 683,700</u>	<u>\$ 289,458</u>	<u>\$ -</u>	<u>973,158</u>
Depreciable capital assets:				
Buildings	\$ 2,575,206	\$ -	\$ -	2,575,206
Building improvements	953,608	88,486	-	1,042,094
Equipment	205,188	-	-	205,188
Total depreciable capital assets	<u>\$ 3,734,002</u>	<u>\$ 88,486</u>	<u>\$ -</u>	<u>3,822,488</u>
Less accumulated depreciation:				
Buildings	\$ 762,327	\$ 60,895	\$ -	823,222
Building improvements	328,321	58,929	-	387,250
Equipment	176,052	3,722	-	179,774
Total accumulated depreciation	<u>\$ 1,266,700</u>	<u>\$ 123,546</u>	<u>\$ -</u>	<u>1,390,246</u>
Total depreciable capital assets, net				<u>2,432,242</u>
Total capital assets, net				<u>\$ 3,405,400</u>
Depreciation expense was charged as follows:				
Economic assistance and opportunity				<u>\$ 123,546</u>

9. 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, 2018 was \$35,800.

A summary of changes in short-term debt for the Town for the year ended December 31, 2018 is as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN matured on 2/22/18 @ 2.00%	\$ 1,790,000	\$ -	\$ 1,790,000	\$ -
BAN maturing on 2/21/19 @ 2.25%	-	1,605,000	-	1,605,000
Total	<u>\$ 1,790,000</u>	<u>\$ 1,605,000</u>	<u>\$ 1,790,000</u>	<u>\$ 1,605,000</u>

10. LONG-TERM DEBT OBLIGATIONS

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

	Beginning Balance	Increases	Reductions	Ending Balance	Amounts Due Within One Year	Noncurrent Liabilities
Governmental activities:						
General obligation bonds payable	\$ 104,357,397	\$ 7,978,000	\$ 14,610,000	\$ 97,725,397	\$ 14,891,080	\$ 82,834,317
Unamortized bond discounts and premiums	2,922,329	235,429	512,830	2,644,928	512,830	2,132,098
Total general obligation bonds, net	107,279,726	8,213,429	15,122,830	100,370,325	15,403,910	84,966,415
Special assessment bonds with governmental commitment	54,366	898,000	13,120	939,246	66,120	873,126
Compensated absences	9,780,453	-	204,390	9,576,063	200,000	9,376,063
Judgments and claims payable	2,680,000	245,787	90,000	2,835,787	-	2,835,787
Retainages held	-	704,256	218,070	486,186	48,619	437,567
Estimated liability for landfill closure and post-closure care costs	3,094,624	701,308	-	3,795,932	197,563	3,598,369
Total governmental activities	\$ 122,889,169	\$ 10,762,780	\$ 15,648,410	\$ 118,003,539	\$ 15,916,212	\$ 102,087,327
Business-type activities:						
General obligation bonds payable	\$ 5,773,244	\$ 1,734,000	\$ 816,887	\$ 6,690,357	\$ 892,802	\$ 5,797,555
Unamortized bond premiums	176,767	45,993	31,271	191,489	32,899	158,590
Total general obligation bonds, net	5,950,011	1,779,993	848,158	6,881,846	925,701	5,956,145
Compensated absences	79,713	-	10,968	68,745	10,000	58,745
Total business-type activities	\$ 6,029,724	\$ 1,779,993	\$ 859,126	\$ 6,950,591	\$ 935,701	\$ 6,014,890
Discretely presented component unit:						
General obligation bonds payable	\$ 3,222,000	\$ -	\$ 80,000	\$ 3,142,000	\$ 88,000	\$ 3,054,000
Unamortized bond discounts	(29,108)	-	(970)	(28,138)	(970)	(27,168)
Total general obligation bonds, net	3,192,892	-	79,030	3,113,862	87,030	3,026,832
Mortgage payable	-	173,000	-	173,000	173,000	-
Note payable	150,000	-	-	150,000	150,000	-
Total discretely presented component unit	\$ 3,342,892	\$ 173,000	\$ 79,030	\$ 3,436,862	\$ 410,030	\$ 3,026,832

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 5.000% and have maturity dates in 2020 through 2033.

In June 2018, the Town issued \$10,610,000 in public improvement serial bonds with an interest rate of 3.00%. The proceeds of the bond were used for various capital improvements and to acquire various equipment. The total purchase price of the bonds was \$10,891,422 with an original issue premium of \$281,422, 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 \$939,246 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 have maturity dates in 2023 through 2033.

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, 2018
NYS EFC bonds	3/13/03	4/15/20	1.031%-4.551%	\$ 110,000
Open space preservation serial bonds	1/15/09	1/15/30	3.000%-4.375%	12,450,000
Open space preservation serial bonds	4/1/09	4/1/30	3.000%-4.500%	12,450,000
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	1,562,435
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	9,780,000
Public improvement serial bonds	4/28/11	4/15/22	2.000%-4.000%	4,735,000
Refunding serial bonds	8/8/12	10/1/23	2.000%-5.000%	3,745,000
Retirement serial bonds	11/27/12	11/15/22	2.000%-2.400%	910,000
Public improvement serial bonds	4/17/13	4/15/27	2.000%-2.375%	4,900,000
Erosion control district serial bonds	9/4/13	9/1/23	2.000%-4.000%	11,545,000
Refunding EFC serial bond	5/2/14	11/16/20	4.061%-4.235%	2,020,000
Public improvement serial bonds	7/9/14	4/1/29	2.000%-3.000%	2,940,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	2,630,287
Public improvement serial bonds	2/24/15	2/15/30	1.000%-2.500%	3,570,000
Refunding serial bonds	4/28/15	3/15/22	2.000%-3.000%	3,020,675
Public improvement serial bonds	2/1/16	2/15/31	2.000%-2.750%	7,023,000
Public improvement serial bonds	2/1/17	2/15/32	2.000%-2.750%	6,356,000
Public improvement serial bonds	6/19/18	5/15/33	3.00%	7,978,000
				<u>\$ 97,725,397</u>

Special assessment bonds -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2018
Public improvement serial bonds	8/12/10	8/12/23	2.000%-3.250%	\$ 25,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	16,246
Public improvement serial bonds	6/19/18	5/15/33	3.00%	898,000
				<u>\$ 939,246</u>

Business-type activities:
General obligation bonds payable -

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2018
Refunding serial bonds	5/1/10	5/1/22	2.000%-4.500%	\$ 42,565
Public improvement serial bonds	8/12/10	8/12/29	2.000%-3.250%	1,550,000
Public improvement serial bonds	4/28/11	4/15/22	2.000%-4.000%	115,000
Public improvement serial bonds	4/17/13	4/15/27	2.000%-2.375%	300,000
Public improvement serial bonds	7/9/14	4/1/29	2.000%-3.000%	110,000
Refunding serial bonds	9/4/14	11/1/24	2.000%-5.000%	438,467
Public improvement serial bonds	2/24/15	2/15/30	1.000%-2.500%	65,000
Refunding serial bonds	4/28/15	3/15/22	2.000%-3.000%	1,204,325
Public improvement serial bonds	2/1/16	2/15/31	2.000%-2.750%	312,000
Public improvement serial bonds	2/1/17	2/15/32	2.000%-2.750%	819,000
Public improvement serial bonds	6/19/18	5/15/33	3.00%	1,734,000
				<u>\$ 6,690,357</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
2019	\$ 14,891,080	\$ 3,170,941	\$ 18,062,021
2020	14,508,477	2,582,412	17,090,889
2021	11,471,022	2,100,919	13,571,941
2022	11,408,873	1,739,995	13,148,868
2023	8,982,000	1,414,713	10,396,713
2024-2028	26,360,000	3,933,659	30,293,659
2029-2033	10,103,945	556,047	10,659,992
	<u>\$ 97,725,397</u>	<u>\$ 15,498,686</u>	<u>\$ 113,224,083</u>

Special assessment bonds -

Year ended December 31,	Principal	Interest	Total
2019	\$ 66,120	\$ 39,228	\$ 105,348
2020	73,120	26,200	99,320
2021	65,000	23,875	88,875
2022	65,000	21,950	86,950
2023	65,000	20,019	85,019
2024-2028	300,000	72,750	372,750
2029-2033	305,006	27,750	332,756
	<u>\$ 939,246</u>	<u>\$ 231,772</u>	<u>\$ 1,171,018</u>

Business-type activities:

General obligations bonds payable -

Year ended December 31,	Principal	Interest	Total
2019	\$ 892,802	\$ 210,096	\$ 1,102,898
2020	908,403	158,624	1,067,027
2021	718,978	127,745	846,723
2022	756,126	107,069	863,195
2023	408,000	91,190	499,190
2024-2028	1,985,000	292,911	2,277,911
2029-2033	1,021,048	66,440	1,087,488
	<u>\$ 6,690,357</u>	<u>\$ 1,054,075</u>	<u>\$ 7,744,432</u>

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

Interest paid	\$ 3,261,080
Less interest accrued in the prior year	(886,064)
Plus interest accrued in the current year	846,250
Amortization of discounts, premiums and deferred charges	<u>(413,526)</u>
Total expense	<u>\$ 2,807,740</u>

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

Interest paid	\$ 175,265
Less interest accrued in the prior year	(62,127)
Plus interest accrued in the current year	72,165
Amortization of premiums and deferred charges	<u>(14,866)</u>
Total expense	<u>\$ 170,437</u>

Other long-term debt - Liabilities for judgments and claims, 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.

Discretely presented component unit -

Mortgage payable - In December 2018, the Town of Southampton Housing Authority (the "Authority") obtained \$173,000 in a mortgage payable at the prime interest rate of 5.50%. The proceeds were used to finance the acquisition of a property. The mortgage is expected to be repaid in full in the upcoming year.

Note payable - In May 2013, 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 remaining balance of \$150,000 is payable on demand.

General obligation bonds - 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, 2018 is \$3,105,000.

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, 2018 is \$37,000.

The following is a summary of maturing debt service requirements for the discretely presented component unit's general obligation bonds:

Year ended December 31,	Principal	Interest	Total
2019	\$ 88,000	\$ 98,189	\$ 186,189
2020	89,000	96,150	185,150
2021	75,000	94,025	169,025
2022	75,000	92,431	167,431
2023	75,000	90,697	165,697
2024-2028	410,000	421,019	831,019
2029-2033	490,000	353,341	843,341
2034-2038	555,000	272,356	827,356
2039-2043	665,000	167,913	832,913
2044-2047	620,000	44,275	664,275
	<u>\$ 3,142,000</u>	<u>\$ 1,730,396</u>	<u>\$ 4,872,396</u>

11. 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 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 as follows:

<u>Year</u>	<u>NYSERS</u>	<u>NYS PFRS</u>
2018	\$ 3,873,603	\$ 3,255,244
2017	3,796,025	3,313,428
2016	3,900,418	3,182,546

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

At December 31, 2018, the Town reported a liability of \$7,123,881 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. Update procedures were used to roll forward the pension liability to March 31, 2018. 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, 2018, the Town's proportion was 0.094115% for ERS and 0.404289% for PFRS. The Town's proportion was consistent with December 31, 2017.

For the year ended December 31, 2018, the Town recognized pension expense of \$3,740,360 for ERS and \$3,645,266 for PFRS. At December 31, 2018, 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	\$ 1,083,380	\$ 1,681,911	\$ 895,265	\$ 1,085,843
Changes of assumptions	2,014,118	3,096,169	-	-
Net difference between projected and actual earnings on pension plan investments	4,411,737	3,307,441	8,708,327	6,661,007
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	92,094	11,953	146,573	693,352
Employer contributions made subsequent to the measurement date	3,873,603	3,255,244	-	-
Total	<u>\$ 11,474,932</u>	<u>\$ 11,352,718</u>	<u>\$ 9,750,165</u>	<u>\$ 8,440,202</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, 2019. 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>		
2019	\$ 623,315	\$ 673,551
2020	478,446	580,146
2021	(2,228,555)	(1,010,560)
2022	(1,022,042)	(701,067)
2023	-	115,202

Actuarial assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

	NYSERS	NYSPFRS
Measurement date	March 31, 2018	March 31, 2018
Actuarial valuation date	April 1, 2017	April 1, 2017
Interest rate	7.00%	7.00%
Salary scale	3.80%	4.50%
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, 2017 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, 2018 are summarized below:

Asset Type	NYSERS and NYSPFRS	
	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return strategies	2.00%	3.75%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	(0.25%)
Domestic equity	36.00%	4.55%
Inflation-indexed bonds	4.00%	1.25%
International equity	14.00%	6.35%
Opportunistic portfolio	3.00%	5.68%
Private equity	10.00%	7.50%
Real assets	3.00%	5.29%
Real estate	10.00%	5.55%
	<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>	1% Decrease (6.00%)	Current assumption (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability (asset)	\$ 22,982,591	\$ 3,037,506	\$ (13,835,238)

<u>NYSPPFRS</u>	1% Decrease (6.00%)	Current assumption (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability (asset)	\$ 20,016,169	\$ 4,086,375	\$ (9,274,986)

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2018, were as follows:

	(Dollars in Thousands)		
	<u>NYSERS</u>	<u>NYSPPFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 183,400,590	\$ 32,914,423	\$ 216,315,013
Plan net position	(180,173,145)	(31,903,666)	(212,076,811)
Employers' net pension liability	<u>\$ 3,227,445</u>	<u>\$ 1,010,757</u>	<u>\$ 4,238,202</u>
Ratio of plan net position to the Employers' total pension liability	98.24%	96.93%	98.04%

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, 2018 totaled \$2,168,565. A report for this plan may be obtained by writing to N.Y.S. Deferred Compensation Plan, 385 Jordon Road, Troy, NY 12180.

12. 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. The Plans are considered a single plan and are consolidated for financial statement disclosure purposes.

Funding Policy

The Plans are established under New York State Law Section 565-B, A7635-B, Article 11-A. 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.

Participants covered by the benefit terms

At the December 31, 2017 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	29
Inactive participants entitled to but not yet receiving benefit payments	94
Active participants	<u>167</u>
Total	<u><u>290</u></u>

Contributions

New York State General Municipal Law §219-o (1) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town Board.

Trust assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	N/A

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2020 with scale MP2016.

Discount rate

The discount rate used to measure the total pension liability was 3.71%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Discount Rate

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was 3.71% for the December 31, 2016 measurement date, and 3.16% for the December 31, 2017 measurement date.

Changes in the Total Pension Liability

Balance as of December 31, 2016 measurement date	\$	4,915,681
Service cost		213,851
Interest		188,975
Changes of assumptions or other inputs		481,534
Differences between expected and actual experience		(15,078)
Benefit payments		(71,744)
		<hr/>
Balance as of December 31, 2017 measurement date	\$	<u>5,713,219</u>

Sensitivity of the total LOSAP pension liability to changes in the discount rate

The following presents the total LOSAP pension liability of the Town as of the December 31, 2017 measurement date, calculated using the discount rate of 3.16 percent, as well as what the Town's total LOSAP pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current rate:

	<u>1% decrease (2.16%)</u>	<u>Current discount rate (3.16%)</u>	<u>1% increase (4.16%)</u>
Total LOSAP pension liability	\$ 6,836,901	\$ 5,713,219	\$ 4,828,805

Pension expense and deferred outflows of resources and deferred inflows of resources related to LOSAP pensions

For the year ended December 31, 2018, the Town recognized pension expense of \$418,501. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to LOSAP pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 31,754	\$ 87,736
Changes of assumptions or other inputs	438,767	384,662
Benefit payments and administrative expenses subsequent to the measurement date	<u>109,076</u>	<u>-</u>
Totals	<u>\$ 579,597</u>	<u>\$ 472,398</u>

The Town reported \$109,076 as deferred outflows of resources related to LOSAP pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total LOSAP pension liability in the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LOSAP pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	
2019	\$ 426
2020	426
2021	426
2022	426
2023	426
Thereafter	(4,007)

13. POST-EMPLOYMENT BENEFITS

A. General information about the OPEB plan

Plan description

The Town's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Town. The plan is a single employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board of Trustees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided

The Town provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the Town offices and are available upon request.

Employees covered by benefit terms

As of January 1, 2018, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive participants currently receiving benefit payments	300
Active participants	<u>501</u>
Total	<u><u>801</u></u>

B. Total OPEB liability

The Town's total OPEB liability of \$259,066,095 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018.

Actuarial assumptions and other inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, with update procedures used to roll forward the total OPEB liability to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00% average, including inflation
Discount rate	3.90%
Healthcare cost trend rates	8.0% through 2020, decreasing 0.5% per year to an ultimate rate of 5.0% in 2026
Retirees' share of benefit-related costs	Rates based on percentage of premiums for retirees

The discount rate was based on the December 31, 2018 S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the RP-2014 Healthy Male and Female Tables projected to the valuation date with Scale MP-2018.

C. Changes in the total OPEB liability

Balance as of December 31, 2017	\$ 251,927,951
Service cost	3,506,756
Interest	9,706,721
Benefit payments	<u>(6,075,333)</u>
Balance as of December 31, 2018	<u>\$ 259,066,095</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.90%) or one percentage point higher (4.90%) than the current discount rate:

	<u>1% decrease (2.90%)</u>	<u>Current discount rate (3.90%)</u>	<u>1% increase (4.90%)</u>
Total OPEB liability as of December 31, 2018	\$ 329,296,200	\$ 259,066,095	\$ 209,807,628

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current discount rate:

	<u>1% Decrease (7.00% decreasing to 4.00%)</u>	<u>Current assumption (8.00% decreasing to 5.00%)</u>	<u>1% Increase (9.00% decreasing to 6.00%)</u>
Total OPEB liability as of December 31, 2018	\$ 206,554,638	\$ 259,066,095	\$ 338,344,070

D. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2018, the Town recognized OPEB expense of \$13,213,477.

As of December 31, 2018, the Town did not report any deferred outflows of resources or deferred inflows of resources related to the total OPEB liability.

14. 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, 2018, the value of the accumulated vacation time and sick leave for governmental activities and business-type activities was \$9,644,808.

15. 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>2018</u>	<u>2017</u>
Unpaid claims and claim adjustment expenditures at the beginning of the year	<u>\$ 2,680,000</u>	<u>\$ 2,287,500</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>245,787</u>	<u>395,000</u>
Total incurred claims and claim adjustment expenditures	<u>2,925,787</u>	<u>2,682,500</u>
Payments:		
Claims and claim adjustment expenditures attributable to insured events of the current and prior years	<u>90,000</u>	<u>2,500</u>
Total payments	<u>90,000</u>	<u>2,500</u>
Unpaid claims and claim adjustment expenditures at the end of the year	<u><u>\$ 2,835,787</u></u>	<u><u>\$ 2,680,000</u></u>

B. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities. Encumbrances as of December 31, 2018 are as follows:

General Fund:	
General governmental support	\$ 33,856
Public safety	2,271
Culture and recreation	<u>7,928</u>
Total General Fund	<u>44,055</u>
Police District Fund:	
Public safety	<u>6,564</u>
Highway Fund:	
Transportation	<u>106,465</u>
Non-major funds:	
Health	<u>950</u>
Total encumbrances	<u>\$ 158,034</u>

C. 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.

D. 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, 2018, the Town has recorded a liability of \$3,795,932 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, 2018.

E. 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.

F. 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 through June 15, 2020, 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.

G. 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, 2018 were approximately \$349,000.

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, 2018 were approximately \$580,000.

Future minimum operating lease commitments are as follows:

<u>Year ended December 31,</u>			
2019	\$	399,926	
2020		399,926	
2021		399,926	
2022		399,926	
2023		136,783	
		<u>1,736,487</u>	
	\$	<u>1,736,487</u>	

H. 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.

16. 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, 2018, and for the four previous years, the Town has the following 2% transfer tax revenue and expenses associated with environmental or historic preservation purposes:

Year ended December 31,	Revenues	Expenditures
2018	\$ 53,939,669	\$ 35,861,109
2017	56,540,098	57,723,535
2016	55,083,465	74,474,307
2015	60,660,717	42,431,091
2014	65,110,117	51,927,326

17. TAX ABATEMENTS

The Town negotiates property tax abatement agreements on an individual basis. The Town has the following abatement agreements as of December 31, 2018:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Gabreski Airport Land Lease	85.8%	\$ 56,000
Various Properties Held for Affordable Housing	55.6%	41,016

Each agreement was negotiated under municipal law, allowing localities to abate property taxes for a variety of development purposes, including business relocation, retention and expansion. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. The law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

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.

18. 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, 2018:

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	\$ 240,207	\$ 3,533,592	\$ 444,637	\$ 3,040,787	\$ 288,375
Trustees of the Freeholders	\$ 1,081,092	\$ -	\$ 10,063	\$ -	\$ 1,071,029

Condensed Statement of Activities:

	Program					Net Position
	Expenses	Revenue	Net Revenues	Other	Change	
Town of Southampton Housing Authority	\$ 902,443	\$ 783,528	\$ (118,915)	\$ 62	\$ (118,853)	\$ 288,375
Trustees of the Freeholders	\$ 464,869	\$ 607,031	\$ 142,162	\$ 1,575	\$ 143,737	\$ 1,071,029

19. PRIOR PERIOD ADJUSTMENT/RESTATEMENT OF FINANCIAL POSITION

The Town's financial statements for the year ended December 31, 2018 have been restated as of January 1, 2018 to give effect to the following:

	Governmental Activities Net Position	Business-type Activities Net Position	Total
Balance as of January 1, 2018, as reported	\$ 1,001,536,608	\$ 19,413,259	\$ 1,020,949,867
Add: change in capital assets, net, as a result of capital asset inventory	-	380,815	380,815
GASB Statement No. 75 implementation:			
Less: Difference in Total OPEB Liability (calculated under GASB 75) and Net OPEB Liability (calculated under GASB 45)	(160,673,326)	-	(160,673,326)
Balance as of January 1, 2018, as restated	\$ 840,863,282	\$ 19,794,074	\$ 860,657,356

20. FUTURE ACCOUNTING STANDARDS

The Town will evaluate the impact each of these upcoming pronouncements may have on its financial statements and will implement them as applicable and when material. The following is a list of GASB pronouncements issued but not yet effective:

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
Statement No. 83	Certain Asset Retirement Obligations	December 31, 2019
Statement No. 84	Fiduciary Activities	December 31, 2019
Statement No. 87	Leases	December 31, 2020
Statement No. 88	Certain Disclosures Related To Debt, Including Direct Borrowings And Direct Placements	December 31, 2019
Statement No. 89	Accounting For Interest Cost Incurred Before The End Of A Construction Period	December 31, 2020
Statement No. 90	Majority Equity Interests	December 31, 2019

The Town has studied these upcoming pronouncements and is not anticipating any material impact to the financial statements as presented.

21. SUBSEQUENT EVENTS

The Town has evaluated subsequent events occurring after the Statement of Net Position through the date of May 15, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, the Town has determined there to be no material subsequent events requiring financial statement disclosure.

**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 Changes in the Town's Total Pension Liability - Service Award Program

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

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 - BUDGET
AND ACTUAL SCHEDULES**

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, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 24,257,541	\$ 24,257,541	\$ 24,257,541		\$ -
Other real property tax items:					
Federal payments in lieu of taxes	25,000	25,000	19,496		(5,504)
Other payments in lieu of taxes	70,000	70,000	75,094		5,094
Interest and penalties - real property taxes	150,000	150,000	133,526		(16,474)
Total other real property tax items	245,000	245,000	228,116		(16,884)
Non-property tax items:					
Franchise fees	1,850,000	1,886,564	1,898,978		12,414
Total non-property tax items	1,850,000	1,886,564	1,898,978		12,414
Special assessments	13,063	13,063	13,063		-
Departmental income:					
Town Clerk fees	150,000	150,000	198,382		48,382
Alarm billing	125,000	125,000	143,295		18,295
Departmental income	25,250	36,045	40,247		4,202
Inspection contracts	1,000	1,000	1,968		968
Engineering fees	160,000	160,000	161,977		1,977
Shinnecock commercial dock rental	37,000	37,000	45,152		8,152
Program fees	551,530	551,530	418,461		(133,069)
Total departmental income	1,049,780	1,060,575	1,009,482		(51,093)
Intergovernmental charges:					
Intergovernmental revenue	226,000	241,500	245,261		3,761
Revenue from other governments	47,145	47,145	50,074		2,929
Total intergovernmental charges	273,145	288,645	295,335		6,690
Use of money and property:					
Interest and earnings	223,000	444,698	504,118		59,420
Total use of money and property	223,000	444,698	504,118		59,420
Licenses and permits:					
Dog licenses	9,000	9,000	10,298		1,298
Public safety permits	250,000	250,000	263,256		13,256
Taxi permits	85,000	85,000	47,040		(37,960)
Animal control permit fees	1,000	1,000	900		(100)
LT parking permits	13,000	13,000	16,941		3,941
Total licenses and permits	358,000	358,000	338,435		(19,565)
Fines and forfeitures:					
Justice court fines and fees	1,857,523	1,857,523	1,102,879		(754,644)
Total fines and forfeitures	1,857,523	1,857,523	1,102,879		(754,644)
Sale of property and compensation for loss:					
Program fees	50,000	50,000	49,838		(162)
Sales of real property	-	-	17,243		17,243
Insurance recoveries	15,000	15,000	4,934		(10,066)
Total sale of property and compensation for loss	65,000	65,000	72,015		7,015

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Miscellaneous local sources:					
Refunds of prior years	\$ 144,000	\$ 144,000	\$ 73,217		\$ (70,783)
Contract revenue	20,000	20,000	-		(20,000)
Donations - adult transportation	25,000	25,000	13,609		(11,391)
Donations - nutrition program	130,000	130,000	110,433		(19,567)
Donations - residential repair	4,500	4,500	4,095		(405)
Donations - senior day care	110,000	110,000	69,353		(40,647)
Miscellaneous	139,000	157,477	92,165		(65,312)
Professional services - G.I.S.	110,000	110,000	131,505		21,505
Total miscellaneous local sources	682,500	700,977	494,377		(206,600)
State aid:					
State aid - revenue sharing	190,000	190,000	184,491		(5,509)
State aid - mortgage tax	8,600,000	8,600,000	8,237,579		(362,421)
State aid - nutrition program	470,000	470,000	498,904		28,904
EISEP grant	15,500	15,500	6,671		(8,829)
State aid - residential repair	19,283	19,283	19,283		-
County aid	98,016	138,705	119,970		(18,735)
State aid - adult day care	-	-	2,497		2,497
State aid - youth programs	6,000	6,000	4,500		(1,500)
State aid - human services youth	17,000	17,000	16,127		(873)
State aid - parks conservation	-	-	33,988		33,988
State aid - emergency disaster	-	-	49		49
State aid - other	-	5,000	5,000		-
Total state aid	9,415,799	9,461,488	9,129,059		(332,429)
Federal aid:					
Federal aid - nutrition program	470,000	470,000	476,956		6,956
Federal aid - adult day care	10,000	10,000	7,492		(2,508)
Pump-out boats - clean vessel grant	90,000	90,000	94,180		4,180
Federal grants - FEMA	-	-	143,673		143,673
Total federal aid	570,000	570,000	722,301		152,301
Total revenues	40,860,351	41,209,074	40,065,699		(1,143,375)
EXPENDITURES					
General governmental support:					
Salaries	9,173,446	9,077,066	8,785,676	\$ -	291,390
Overtime	32,000	32,000	12,311	-	19,689
Severance pay	-	133,298	133,291	-	7
Accumulated sick/personal days	26,200	26,464	10,701	-	15,763
Part time salaries	296,338	349,600	254,489	-	95,111
Longevity	346,710	349,458	319,118	-	30,340
Other pay	6,500	6,500	6,500	-	-
Cash in lieu of health benefits	103,930	126,353	106,312	-	20,041
Human resources - wellness reimbursement	800	800	20	-	780
Equipment	137,500	247,680	3,253	-	244,427
Vehicles	200,000	201,390	171,622	28,358	1,410
Software	30,500	24,730	-	-	24,730
Contracts	1,518,226	1,824,149	1,674,887	-	149,262
Gasoline	27,725	26,346	21,929	-	4,417
Electric	274,400	273,855	261,670	-	12,185
Fuel oil	165,900	164,920	122,812	-	42,108
Repairs	228,300	229,145	100,966	-	128,179
Copier supplies	15,000	13,600	10,385	-	3,215

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
General governmental support, cont'd:					
Postage	\$ 114,350	\$ 112,543	\$ 107,375	\$ -	\$ 5,168
Printing, publications and stationery	41,050	40,285	25,131	-	15,154
Publications	76,119	78,566	69,776	-	8,790
Rentals	425,000	427,660	427,660	-	-
Telephone	56,375	48,515	42,207	-	6,308
Travel, dues and related	29,610	27,670	19,235	-	8,435
Uniforms	1,725	1,725	580	-	1,145
Other	114,675	20,750	11,406	-	9,344
Legal notices	15,000	14,099	11,568	-	2,531
Small equipment (non-capital)	71,200	80,912	62,467	5,498	12,947
Taxes - town property	30,000	30,000	17,232	-	12,768
Office supplies	21,085	26,100	21,368	-	4,732
Supplies - other	54,775	54,775	43,991	-	10,784
Drug court expense	25,000	30,900	29,563	-	1,337
Legal fees	674,000	645,773	392,086	-	253,687
Interpreters	85,000	85,000	79,400	-	5,600
Stenographer	103,000	97,000	91,371	-	5,629
Computer supplies	35,000	35,469	32,383	-	3,086
Diesel fuel	-	200	157	-	43
Mileage reimbursement	1,825	1,925	920	-	1,005
Schools and training	22,500	20,765	8,114	-	12,651
Document restoration	1,000	4,960	4,960	-	-
Background investigations	500	405	-	-	405
Municipal dues	2,600	2,600	1,950	-	650
Telephone - wireless	9,100	9,395	8,109	-	1,286
Advertising	1,500	6,382	2,881	-	3,501
Other - landfill charges	4,625	12,605	11,118	-	1,487
Copier leases	31,145	40,081	26,613	-	13,468
Cleaning allowance	6,000	6,000	1,438	-	4,562
Consultants	213,810	181,251	105,938	-	75,313
Tires	50,500	57,500	46,682	-	10,818
Lube oil	15,000	15,000	14,444	-	556
Judgments and claims	1,132,860	1,119,788	1,112,265	-	7,523
Insurance - unallocated	250,000	263,205	263,203	-	2
Total general governmental support	16,299,404	16,707,158	15,089,533	33,856	1,583,769
Public safety:					
Salaries	1,864,561	1,844,491	1,832,552	-	11,939
Overtime	156,500	176,095	158,019	-	18,076
Accumulated sick/personal days	19,280	18,787	16,837	-	1,950
Part time salaries	117,645	144,290	106,050	-	38,240
Longevity	100,563	100,957	97,762	-	3,195
Cash in lieu of health benefits	11,274	11,274	11,271	-	3
Clothing cleaning	4,800	5,100	4,500	-	600
Equipment	30,000	30,000	11,201	-	18,799
Contracts	350,675	407,875	374,324	-	33,551
Gasoline	61,000	60,920	41,620	-	19,300
Electric	120,000	105,600	98,332	-	7,268
Fuel oil	50,000	31,842	22,378	-	9,464
Repair equipment	31,100	31,111	3,597	-	27,514
Repair building	18,500	18,260	9,593	2,271	6,396
Postage	150	150	50	-	100
Printing, publications and stationery	4,450	4,450	2,514	-	1,936
Rentals	2,000	2,000	-	-	2,000
Travel, dues and related	3,250	2,641	229	-	2,412
Uniforms	11,500	11,200	6,664	-	4,536
Other	21,300	13,820	13,447	-	373
Bay constables - small equipment	21,500	30,932	21,746	-	9,186
Office supplies	2,000	1,915	915	-	1,000

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Public safety, cont'd.:					
Supplies - other	\$ 500	\$ 1,112	\$ 1,032	\$ -	\$ 80
Safety equipment	13,000	29,700	24,137	-	5,563
Signs	1,000	1,000	340	-	660
Food	5,375	5,375	3,633	-	1,742
Schools and training	3,400	3,754	3,754	-	-
Telephone - wireless	7,800	7,800	5,657	-	2,143
Copier leases	2,250	2,250	192	-	2,058
Marine charges	18,000	18,000	16,710	-	1,290
Veterinarian fees	1,500	1,500	277	-	1,223
Uniform cleaning	1,800	1,800	-	-	1,800
Consultants	4,000	7,500	7,485	-	15
Total public safety	3,060,673	3,133,501	2,896,818	2,271	234,412
Transportation:					
Salaries	705,591	723,956	723,954	-	2
Overtime	-	3,700	-	-	3,700
Accumulated sick/personal days	3,560	2,280	2,274	-	6
Part time salaries	78,500	80,000	65,285	-	14,715
Longevity	25,908	24,756	24,745	-	11
Cash in lieu of health benefits	11,274	13,088	13,086	-	2
Gasoline	45,000	42,000	41,178	-	822
Repair vehicle	40,000	40,000	27,663	-	12,337
Uniforms	2,000	2,000	846	-	1,154
Other	3,000	3,000	-	-	3,000
Diesel fuel	2,000	2,000	574	-	1,426
Schools and training	2,126	2,126	-	-	2,126
Wireless telephone	-	3,000	2,490	-	510
Copier leases	1,085	1,085	56	-	1,029
Total transportation	920,044	942,991	902,151	-	40,840
Economic assistance and opportunity:					
Salaries	1,651,100	1,715,134	1,580,266	-	134,868
Overtime	2,200	-	-	-	-
Accumulated sick/personal days	5,370	5,732	5,731	-	1
Part time salaries	265,212	265,212	216,882	-	48,330
Longevity	68,723	68,554	65,727	-	2,827
Cash in lieu of health benefits	25,012	30,622	29,217	-	1,405
Contracts	386,500	385,346	375,366	-	9,980
Gasoline	-	140	124	-	16
Electric	5,000	5,000	2,721	-	2,279
Fuel oil	1,700	1,700	-	-	1,700
Repair equipment	13,000	13,020	11,908	-	1,112
Repair building	500	500	491	-	9
Postage	3,000	3,392	2,613	-	779
Printing and stationery	250	250	-	-	250
Publications	350	250	89	-	161
Telephone	-	300	119	-	181
Travel, dues and related	3,400	3,104	1,855	-	1,249
Uniforms	2,000	1,512	1,512	-	-
Other	240,600	237,100	169,342	-	67,758
Office supplies	4,000	5,302	5,283	-	19
Supplies - other	50,000	52,091	49,018	-	3,073
Youth services - programs	23,000	62,782	51,227	-	11,555
Mileage reimbursement	10,600	8,710	7,829	-	881
Food	370,000	370,000	330,381	-	39,619
Schools and training	800	752	508	-	244

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Economic assistance and opportunity, cont'd.:					
Telephone - wireless	\$ 2,150	\$ 2,559	\$ 2,333	\$ -	\$ 226
Advertising	500	500	-	-	500
Program expenses	56,000	65,900	53,346	-	12,554
Copier leases	5,230	4,629	2,455	-	2,174
Contingency	1,106	1,106	-	-	1,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total economic assistance and opportunity	3,197,303	3,311,199	2,966,343	-	344,856
Culture and recreation:					
Salaries	1,415,174	1,387,258	1,376,308	-	10,950
Overtime	15,000	50,000	49,513	-	487
Accumulated sick/personal days	15,965	1,365	1,313	-	52
Part time salaries	344,815	354,761	321,445	-	33,316
Longevity	57,058	57,551	49,794	-	7,757
Cash in lieu of health benefits	-	5,482	5,278	-	204
Equipment	70,000	85,055	55,181	-	29,874
Contracts	187,610	174,430	138,125	5,900	30,405
Gasoline	33,500	32,950	30,853	-	2,097
Electric	88,800	106,780	106,761	-	19
Fuel oil	32,000	26,556	18,782	-	7,774
Repair equipment	29,000	30,030	28,668	-	1,362
Repair building	85,000	82,000	79,489	-	2,511
Repair vehicle	20,000	32,740	32,582	-	158
Postage	7,150	4,048	3,743	-	305
Printing and stationery	10,200	10,150	9,056	-	1,094
Publications	50	50	30	-	20
Telephone	3,350	4,570	4,287	-	283
Travel, dues and related	1,100	200	143	-	57
Uniforms	5,500	10,322	9,280	2,028	(986)
Other	22,500	22,511	19,669	-	2,842
Small equipment (non-capital)	2,500	2,250	951	-	1,299
Office supplies	2,800	3,100	2,495	-	605
Supplies - other	30,630	30,130	25,475	-	4,655
Tree removal	71,000	59,500	43,459	-	16,041
Beach and dune monitoring	5,000	5,000	4,900	-	100
Diesel fuel	25,000	25,450	25,440	-	10
Mileage reimbursement	1,000	-	-	-	-
Salt	10,000	9,550	2,939	-	6,611
Schools and training	1,000	500	-	-	500
Telephone - wireless	1,700	2,297	2,280	-	17
Program expenses	175,000	167,179	149,051	-	18,128
Other - landfill charges	40,000	40,000	37,384	-	2,616
P and R chargeback - watering	5,200	5,200	2,505	-	2,695
Copier leases	600	1,410	1,248	-	162
Consultants	2,000	-	-	-	-
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Total culture and recreation	2,817,202	2,830,375	2,638,427	7,928	184,020

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Home and community services:					
Salaries	\$ 247,605	\$ 242,708	\$ 208,043	\$ -	\$ 34,665
Overtime	30,000	43,800	38,660	-	5,140
Accumulated sick/personal days	9,450	5,850	1,055	-	4,795
Part time salaries	86,000	93,200	75,852	-	17,348
Longevity	10,298	9,665	9,613	-	52
Equipment	107,500	101,500	92,500	-	9,000
Contracts	133,300	137,357	116,677	-	20,680
Gasoline	12,000	15,000	14,186	-	814
Electric	2,500	2,500	1,837	-	663
Fuel oil	4,000	-	-	-	-
Repair equipment	42,500	59,500	55,532	-	3,968
Repair building	15,500	10,053	6,100	-	3,953
Rentals	2,500	2,947	2,947	-	-
Uniforms	500	500	216	-	284
Other	5,000	5,000	4,370	-	630
Legal notices	4,200	4,200	4,044	-	156
Small equipment (non-capital)	4,000	3,000	2,930	-	70
Office supplies	500	500	427	-	73
Supplies - other	1,000	1,000	706	-	294
Diesel fuel	50,000	50,000	34,066	-	15,934
Stocking fish	8,400	-	-	-	-
Municipal dues	15,800	15,800	6,561	-	9,239
Telephone - wireless	3,500	3,500	1,580	-	1,920
Copier leases	1,800	1,800	309	-	1,491
Marine charges	2,500	500	454	-	46
Consultants	40,000	42,443	42,443	-	-
Total home and community services	<u>840,353</u>	<u>852,323</u>	<u>721,108</u>	<u>-</u>	<u>131,215</u>
Employee benefits:					
Employee retirement - active	2,253,022	2,206,666	2,096,951	-	109,715
FICA tax	1,347,017	1,356,153	1,238,245	-	117,908
MTA tax	60,849	61,465	55,267	-	6,198
Worker's compensation	523,159	516,776	468,672	-	48,104
Medical insurance - active	4,440,872	4,361,412	4,104,052	-	257,360
Health insurance - retirees	1,240,000	1,442,775	1,442,774	-	1
Medicare part B - retirees	175,000	189,572	189,571	-	1
Dental and optical	307,726	312,159	286,544	-	25,615
NYS unemployment insurance	55,000	36,050	36,049	-	1
Disability	11,493	9,164	2,132	-	7,032
Total employee benefits	<u>10,414,138</u>	<u>10,492,192</u>	<u>9,920,257</u>	<u>-</u>	<u>571,935</u>
Debt service:					
Principal	3,595,610	3,595,611	3,595,620	-	(9)
Interest	640,624	640,624	640,623	-	1
Total debt service	<u>4,236,234</u>	<u>4,236,235</u>	<u>4,236,243</u>	<u>-</u>	<u>(8)</u>
Total expenditures	<u>41,785,351</u>	<u>42,505,974</u>	<u>39,370,880</u>	<u>\$ 44,055</u>	<u>3,091,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(925,000)</u>	<u>(1,296,900)</u>	<u>694,819</u>		<u>1,947,664</u>

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Year-end Encumbrances</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Revised Budget</u>			
OTHER FINANCING SOURCES (USES)					
Premium on obligations	\$ -	\$ -	\$ 143,426		\$ 143,426
Interfund transfer in	325,000	458,682	468,671		9,989
Interfund transfer out	-	(560,188)	(560,188)		-
Appropriated fund balance	<u>600,000</u>	<u>1,398,406</u>	<u>-</u>		<u>(1,398,406)</u>
Total other financing sources (uses)	<u>925,000</u>	<u>1,296,900</u>	<u>51,909</u>		<u>(1,244,991)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	746,728		<u>\$ 702,673</u>
Fund balance, beginning of year			<u>22,417,592</u>		
Fund balance, end of year			<u>\$ 23,164,320</u>		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - POLICE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 22,843,352	\$ 22,843,352	\$ 22,843,352		\$ -
Other real property tax items:					
Other payments in lieu of taxes	85,000	85,000	89,460		4,460
Interest and penalties - real property taxes	61,000	61,000	46,044		(14,956)
Total other real property tax items	146,000	146,000	135,504		(10,496)
Departmental income:					
Departmental income	2,500	2,500	2,229		(271)
Towing fees	130,000	130,000	111,922		(18,078)
Alarm billing	450,000	450,000	330,150		(119,850)
Total departmental income	582,500	582,500	444,301		(138,199)
Use of money and property:					
Interest and earnings	85,000	180,502	213,945		33,443
Total use of money and property	85,000	180,502	213,945		33,443
Licenses and permits:					
Special event permits	100,000	113,423	119,903		6,480
Total licenses and permits	100,000	113,423	119,903		6,480
Sale of property and compensation for loss:					
Insurance recoveries	-	1,935	14,978		13,043
Total sale of property and compensation for loss	-	1,935	14,978		13,043
Miscellaneous local sources:					
Miscellaneous tax receipts	200,000	200,000	92,239		(107,761)
Miscellaneous	70,000	760,550	763,883		3,333
Total miscellaneous local sources	270,000	960,550	856,122		(104,428)
State aid:					
State aid - sales tax	2,828,561	2,828,561	2,828,561		-
State aid - public safety	75,460	75,460	54,151		(21,309)
Total state aid	2,904,021	2,904,021	2,882,712		(21,309)
Federal aid:					
Stop DWI	55,000	62,787	7,788		(54,999)
NYS speed enforcement	8,000	8,000	12,787		4,787
Bullet proof vest program	12,000	12,000	5,441		(6,559)
Federal aid, other public safety	-	47,900	32,882		(15,018)
Total federal aid	75,000	130,687	58,898		(71,789)
Total revenues	27,005,873	27,862,970	27,569,715		(293,255)

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, 2018

EXPENDITURES	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Public safety:					
Salaries	\$ 12,332,184	\$ 12,034,940	\$ 12,033,671	\$ -	\$ 1,269
Overtime	980,364	1,647,463	1,646,022	-	1,441
Severance pay	-	683,380	683,367	-	13
Accumulated sick/personal days	69,132	64,517	64,511	-	6
Holiday	674,640	579,972	579,970	-	2
Part time salaries	480,081	490,406	481,723	-	8,683
Pay differential special units	41,239	25,499	25,497	-	2
Shift differential	400,694	435,187	435,187	-	-
Longevity	447,133	428,013	427,970	-	43
Training	80,635	84,286	84,285	-	1
Instructor - shift differential	9,500	9,000	9,000	-	-
Other pay	33,250	36,250	36,250	-	-
Cash in lieu of health benefits	5,637	20,875	20,873	-	2
Clothing cleaning	1,200	1,200	1,200	-	-
Clothing allowance	95,450	89,399	89,245	-	154
Equipment	50,000	196,846	92,208	-	104,638
Vehicles	400,000	437,837	437,836	-	1
Emergency services team gear	10,000	11,025	10,629	-	396
Contracts	161,090	49,555	47,196	-	2,359
Gasoline	150,000	180,000	179,210	-	790
Electric	70,000	63,100	59,041	-	4,059
Fuel oil	33,000	22,300	22,293	-	7
Repair equipment	7,500	7,500	4,581	-	2,919
Repair building	25,500	21,370	21,365	-	5
Repair vehicle	25,000	27,649	20,584	1,542	5,523
Postage	4,850	4,850	2,665	-	2,185
Printing and stationery	10,500	10,500	8,429	-	2,071
Publications	5,151	5,151	2,737	-	2,414
Telephone	8,500	8,500	7,486	-	1,014
Travel, dues and related	5,000	5,000	4,940	-	60
Photography	4,000	4,000	2,598	-	1,402
Uniforms	50,000	38,218	38,153	-	65
Other	20,000	19,377	15,626	-	3,751
Small equipment	10,250	16,247	13,861	-	2,386
Office supplies	10,000	10,000	8,867	-	1,133
Supplies - other	8,000	8,000	7,284	-	716
Towing	100,000	84,700	84,695	-	5
Ammunition	30,000	30,000	29,989	-	11
Flares and medical supplies	15,000	11,531	8,748	-	2,783
Safety equipment	39,000	36,600	34,589	5,022	(3,011)
Computer supplies	16,000	16,000	15,734	-	266
Diesel fuel	2,000	2,000	1,148	-	852
Food	1,500	1,500	570	-	930
Schools and training	10,000	10,000	8,527	-	1,473
Telephone - wireless	12,000	7,037	7,002	-	35
Copier leases	3,500	1,500	397	-	1,103
Uniform cleaning	18,000	14,756	14,755	-	1
Total public safety	16,966,480	17,993,036	17,832,514	6,564	153,958

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, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Employee benefits:					
Employee retirement - active	\$ 3,252,166	\$ 3,342,755	\$ 3,338,253	\$ -	\$ 4,502
FICA tax	927,726	1,030,498	1,027,929	-	2,569
MTA tax	54,835	55,144	55,002	-	142
Worker's compensation	484,457	434,578	434,001	-	577
Life insurance	12,096	12,023	11,844	-	179
Medical insurance - active	2,587,992	2,447,221	2,441,949	-	5,272
Health insurance - retirees	2,190,000	2,291,311	2,291,310	-	1
Medicare part B - retirees	140,000	143,769	143,769	-	-
Dental and optical	167,095	140,948	139,184	-	1,764
Dental and optical - retirees	185,000	173,461	173,460	-	1
NYS unemployment insurance	8,000	9,961	9,961	-	-
Disability	4,421	1,990	1,743	-	247
Total employee benefits	10,013,788	10,083,659	10,068,405	-	15,254
Debt service:					
Principal	248,940	248,940	248,940	-	-
Interest	26,665	26,665	26,664	-	1
Total debt service	275,605	275,605	275,604	-	1
Total expenditures	27,255,873	28,352,300	28,176,523	\$ 6,564	169,213
Deficiency of revenues under expenditures	(250,000)	(489,330)	(606,808)		(124,042)
OTHER FINANCING SOURCES					
Premium on obligations	-	-	8,753		8,753
Interfund transfer in	-	88,943	93,066		4,123
Appropriated fund balance	250,000	400,387	-		(400,387)
Total other financing sources	250,000	489,330	101,819		(387,511)
Change in fund balance	\$ -	\$ -	(504,989)		\$ (511,553)
Fund balance, beginning of year			2,706,781		
Fund balance, end of year			\$ 2,201,792		

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**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, 2018**

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 1,327,480	\$ 1,327,480	\$ 1,327,480		\$ -
Other real property tax items:					
Other payments in lieu of taxes	5,000	5,000	5,815		815
Interest and penalties - real property taxes	5,600	5,600	4,227		(1,373)
Total other real property tax items	10,600	10,600	10,042		(558)
Departmental income:					
Rental permits	160,000	201,275	271,950		70,675
Electrical inspections	526,000	526,000	568,150		42,150
Administrative fees	25,000	25,000	-		(25,000)
Zoning fees	95,000	98,000	153,975		55,975
Wetland fees	325,000	335,874	417,875		82,001
Old filed maps	2,000	2,000	3,920		1,920
Planning zoning amendments	2,500	2,500	3,000		500
Other PB scheduling fees	76,000	76,000	74,125		(1,875)
Land Management planning division - site plan - fees	135,000	135,000	178,461		43,461
Special exceptions planning fee	7,000	7,000	7,700		700
Photocopy fees	12,000	12,000	13,210		1,210
Sub division planning fees	132,000	132,000	184,340		52,340
Total departmental income	1,497,500	1,552,649	1,876,706		324,057
Use of money and property:					
Interest and earnings	40,000	40,000	87,209		47,209
Total use of money and property	40,000	40,000	87,209		47,209
Licenses and permits:					
Licensing	225,000	225,000	258,500		33,500
Building permit fee	3,400,000	3,472,672	3,332,660		(140,012)
Total licenses and permits	3,625,000	3,697,672	3,591,160		(106,512)
Miscellaneous local sources:					
Refunds of prior years	950	950	9,829		8,879
Miscellaneous revenue	-	-	339		339
Total miscellaneous local sources	950	950	10,168		9,218
State aid:					
State aid conservation	90,500	90,500	6,530		(83,970)
Total state aid	90,500	90,500	6,530		(83,970)
Total revenues	6,592,030	6,719,851	6,909,295		189,444
EXPENDITURES					
Public safety:					
Salaries	545,671	535,009	523,984	\$ -	11,025
Overtime	20,500	63,500	59,587	-	3,913
Part time salaries	25,000	25,000	22,466	-	2,534
Longevity	16,377	19,821	19,821	-	-
Cash in lieu of health benefits	5,637	7,045	7,045	-	-
Clothing cleaning	1,200	2,275	2,275	-	-
Gasoline	15,000	15,000	13,839	-	1,161

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, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Public safety, cont'd:					
Repair equipment	\$ 3,000	\$ 1,548	\$ 1,525	\$ -	\$ 23
Printing and stationery	1,500	1,500	1,426	-	74
Publication	2,200	2,250	2,243	-	7
Uniforms	5,000	6,317	3,648	-	2,669
Other	2,000	1,000	371	-	629
Small equipment (non-capital)	1,000	180	-	-	180
Office supplies	2,500	3,815	3,811	-	4
Schools and training	3,500	3,500	3,341	-	159
Telephone - wireless	3,500	4,090	4,084	-	6
Copier lease	2,500	2,500	1,376	-	1,124
Total public safety	656,085	694,350	670,842	-	23,508
Home and community services:					
Salaries	3,371,993	3,336,365	3,132,843	-	203,522
Overtime	35,000	84,000	82,169	-	1,831
Severance pay	-	32,458	32,456	-	2
Accumulated sick/personal days	9,910	10,194	8,541	-	1,653
Part time salaries	23,900	42,240	27,306	-	14,934
Longevity	126,113	126,882	120,721	-	6,161
Cash in lieu of health benefits	39,459	34,764	34,753	-	11
Equipment	62,500	62,500	7,418	-	55,082
Vehicles	75,000	75,000	63,783	-	11,217
Contracts	37,424	37,874	32,850	-	5,024
Gasoline	13,000	14,316	14,171	-	145
Copier supplies	350	50	-	-	50
Printing and stationery	13,900	12,354	8,974	-	3,380
Publications	2,600	2,640	2,138	-	502
Travel, dues and related	3,750	5,750	5,515	-	235
Uniforms	-	650	462	-	188
Other	13,000	16,600	12,856	-	3,744
Legal notices	10,900	11,615	11,607	-	8
Small equipment (non-capital)	400	400	376	-	24
Office supplies	9,000	8,590	7,251	-	1,339
Supplies - other	1,000	1,000	892	-	108
Tree removal	100,000	-	-	-	-
Safety equipment	2,200	2,200	958	-	1,242
Mileage reimbursement	300	510	508	-	2
Schools and training	4,900	2,478	1,388	-	1,090
Telephone - wireless	9,900	8,952	7,572	-	1,380
Landfill charges	335,000	454,793	454,793	-	-
Copier leases	8,918	8,563	5,744	-	2,819
Consultants	-	5,357	5,319	-	38
Total home and community services	4,310,417	4,399,095	4,083,364	-	315,731

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, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Employee benefits:					
Employee retirement - active	\$ 577,725	\$ 570,750	\$ 537,704	\$ -	\$ 33,046
FICA tax	318,459	327,113	301,810	-	25,303
MTA tax	14,531	14,824	13,443	-	1,381
Worker's compensation	101,733	102,955	91,138	-	11,817
Medical insurance - active	960,054	974,134	863,943	-	110,191
Health insurance - retirees	240,000	240,000	217,267	-	22,733
Medicare part B - retirees	35,000	35,000	24,141	-	10,859
Dental and optical	73,566	75,252	65,631	-	9,621
NYS unemployment insurance	8,000	8,000	-	-	8,000
Disability	2,818	2,792	772	-	2,020
Total employee benefits	2,331,886	2,350,820	2,115,849	-	234,971
Debt service:					
Principal	39,118	39,118	39,118	-	-
Interest	4,524	4,524	4,523	-	1
Total debt service	43,642	43,642	43,641	-	1
Total expenditures	7,342,030	7,487,907	6,913,696	\$ -	574,211
Excess (deficiency) of revenues over (under) expenditures	(750,000)	(768,056)	(4,401)		763,655
OTHER FINANCING SOURCES (USES)					
Interfund transfer in	-	18,056	18,056		-
Interfund transfer out	-	(306,103)	(306,103)		-
Appropriated fund balance	750,000	1,056,103	-		(1,056,103)
Total other financing sources (uses)	750,000	768,056	(288,047)		(1,056,103)
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(292,448)		<u>\$ (292,448)</u>
Fund balance, beginning of year			3,380,043		
Fund balance, end of year			<u>\$ 3,087,595</u>		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 12,985,125	\$ 12,985,125	\$ 12,985,125		\$ -
Other real property tax items:					
Other payments in lieu of taxes	60,000	60,000	57,101		(2,899)
Interest and penalties - real property taxes	30,000	30,000	22,645		(7,355)
Total other real property tax items	90,000	90,000	79,746		(10,254)
Departmental income:					
Engineering fees	20,000	20,000	19,400		(600)
Total departmental income	20,000	20,000	19,400		(600)
Intergovernmental charges:					
Intergovernmental revenue	738,248	738,248	738,248		-
Revenue from other governments	6,500	6,500	29,104		22,604
Total intergovernmental charges	744,748	744,748	767,352		22,604
Use of money and property:					
Interest and earnings	60,000	60,000	136,161		76,161
Total use of money and property	60,000	60,000	136,161		76,161
Licenses and permits:					
Licenses and permits	77,500	77,500	-		(77,500)
Total licenses and permits	77,500	77,500	-		(77,500)
Sale of property and compensation for loss:					
Insurance recoveries	-	-	5,270		5,270
Total sale of property and compensation for loss	-	-	5,270		5,270
Miscellaneous local sources:					
Miscellaneous tax receipts	-	-	2,446		2,446
Miscellaneous	25,000	25,000	67,932		42,932
Total miscellaneous local sources	25,000	25,000	70,378		45,378
State aid:					
Consolidated highway aid	842,159	1,209,702	1,154,405		(55,297)
Total state aid	842,159	1,209,702	1,154,405		(55,297)
Total revenues	14,844,532	15,212,075	15,217,837		5,762

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
EXPENDITURES					
Transportation:					
Salaries	\$ 3,343,659	\$ 3,217,319	\$ 3,175,481	\$ -	\$ 41,838
Overtime	377,000	390,360	293,512	-	96,848
Severance pay	-	80,138	80,137	-	1
Accumulated sick/personal days	21,965	2,965	2,821	-	144
Longevity	178,132	163,302	162,830	-	472
Cash in lieu of health benefits	33,411	56,636	56,634	-	2
Equipment	100,000	100,000	99,424	-	576
Road improvements	-	350,312	350,312	-	-
Road reconstruction	842,159	859,390	803,536	-	55,854
Contracts - other	200,000	295,000	287,020	-	7,980
Recharge Basin	50,000	24,400	21,820	-	2,580
Gasoline	60,000	66,335	61,187	-	5,148
Electric	30,000	39,100	39,021	-	79
Fuel oil	60,000	57,500	44,979	-	12,521
Repair equipment	335,000	442,767	320,919	100,000	21,848
Repair building	51,500	51,500	36,591	-	14,909
Postage	5,300	5,577	5,577	-	-
Publications	3,300	3,300	2,385	-	915
Rentals	40,000	40,000	31,434	-	8,566
Telephone	4,700	9,920	9,917	-	3
Uniforms	750	380	157	-	223
Other	37,500	8,658	7,231	-	1,427
Legal notices	5,000	5,000	4,026	-	974
Small equipment (non-capital)	10,000	21,100	19,841	-	1,259
Office supplies	2,500	2,500	2,402	-	98
Supplies - other	66,000	88,165	78,823	6,465	2,877
Tree and stump removal	90,000	90,000	80,200	-	9,800
Safety equipment	25,000	25,000	18,114	-	6,886
Hardware	56,000	61,000	57,142	-	3,858
Diesel fuel	245,000	229,104	229,104	-	-
Mileage reimbursement	5,000	5,000	2,880	-	2,120
Sand	115,000	-	-	-	-
Salt	375,000	452,122	449,958	-	2,164
Chemicals	10,000	-	-	-	-
Road repairs	110,000	89,396	73,252	-	16,144
Schools and training	2,500	4,500	4,316	-	184
Telephone - wireless	4,700	4,700	2,799	-	1,901
Townwide line striping	185,000	185,000	175,376	-	9,624
Copier leases	3,800	3,800	710	-	3,090
Cleaning allowance	5,500	6,050	6,020	-	30
Tires	31,500	41,438	41,436	-	2
Lube oil	20,000	13,238	13,238	-	-
Loan expenses	-	147	146	-	1
Total transportation	7,141,876	7,592,119	7,152,708	106,465	332,946

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HIGHWAY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Employee benefits:					
Employee retirement - active	\$ 591,994	\$ 587,434	\$ 550,986	\$ -	\$ 36,448
FICA tax	357,731	356,930	282,232	-	74,698
MTA tax	15,928	15,949	12,532	-	3,417
Worker's compensation	745,446	741,121	667,809	-	73,312
Medical insurance - active	1,060,548	1,012,723	985,737	-	26,986
Health insurance - retirees	655,000	762,174	760,967	-	1,207
Medicare part B - retirees	80,000	69,680	69,680	-	-
Dental and optical	77,739	77,739	73,429	-	4,310
NYS unemployment insurance	8,000	3,200	3,179	-	21
Disability	1,699	1,699	50	-	1,649
Total employee benefits	<u>3,594,085</u>	<u>3,628,649</u>	<u>3,406,601</u>	<u>-</u>	<u>222,048</u>
Debt service:					
Principal	3,582,741	3,582,741	3,582,741	-	-
Interest	700,830	701,100	701,099	-	1
Total debt service	<u>4,283,571</u>	<u>4,283,841</u>	<u>4,283,840</u>	<u>-</u>	<u>1</u>
Total expenditures	<u>15,019,532</u>	<u>15,504,609</u>	<u>14,843,149</u>	<u>\$ 106,465</u>	<u>554,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(175,000)</u>	<u>(292,534)</u>	<u>374,688</u>		<u>560,757</u>
OTHER FINANCING SOURCES (USES)					
Premium on obligations	-	-	92,994		92,994
Interfund transfer in	-	17,534	17,534		-
Interfund transfer out	-	(144,000)	(144,000)		-
Appropriated fund balance	175,000	419,000	-		(419,000)
Total other financing sources (uses)	<u>175,000</u>	<u>292,534</u>	<u>(33,472)</u>		<u>(326,006)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>341,216</u>		<u>\$ 234,751</u>
Fund balance, beginning of year			<u>3,264,685</u>		
Fund balance, end of year			<u>\$ 3,605,901</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, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 2,535,297	\$ 2,535,297	\$ 2,535,297		\$ -
Other real property tax items:					
Other payments in lieu of taxes	8,000	8,000	9,136		1,136
Interest and penalties - real property taxes	5,000	5,000	3,774		(1,226)
Total other real property tax items	13,000	13,000	12,910		(90)
Departmental income:					
Rentals	130,000	130,000	137,162		7,162
Total departmental income	130,000	130,000	137,162		7,162
Use of money and property:					
Interest and earnings	14,000	14,000	35,695		21,695
Total use of money and property	14,000	14,000	35,695		21,695
Miscellaneous local sources:					
Miscellaneous tax receipts	-	-	134		134
Miscellaneous	-	-	76		76
Total miscellaneous local sources	-	-	210		210
State aid:					
State aid - other public safety	100,000	100,000	157,888		57,888
Total state aid	100,000	100,000	157,888		57,888
Total revenues	2,792,297	2,792,297	2,879,162		86,865
EXPENDITURES					
Public safety:					
Salaries	1,407,555	1,371,323	1,371,323	\$ -	-
Overtime	58,706	58,706	42,457	-	16,249
Severance	-	1,263	1,263	-	-
Sick leave	1,975	1,975	486	-	1,489
Holiday	15,950	15,950	9,655	-	6,295
Pay differential - shift	58,146	58,146	50,000	-	8,146
Longevity	77,295	74,204	74,203	-	1
Other pay	15,000	-	-	-	-
Cash in lieu of health benefits	21,839	18,695	16,907	-	1,788
Uniform cleaning allowance	6,600	6,600	6,300	-	300
Contracts	155,640	159,728	154,208	-	5,520
Electric	7,000	7,000	6,842	-	158
Repair equipment	5,000	912	621	-	291
Rentals	124,287	124,287	119,287	-	5,000
Telephone	1,300	2,060	1,151	-	909
Uniforms	10,000	9,240	4,428	-	4,812
Small equipment (non-capital)	1,225	1,225	-	-	1,225
Office supplies	300	300	96	-	204
Schools and training	4,100	4,100	2,517	-	1,583
Contracts - copier lease	3,500	3,500	1,390	-	2,110
Total public safety	1,975,418	1,919,214	1,863,134	-	56,080

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, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Employee benefits:					
Employee retirement - active	\$ 277,226	\$ 263,886	\$ 258,022	\$ -	\$ 5,864
FICA tax	128,442	123,121	117,437	-	5,684
MTA tax	5,710	5,474	5,217	-	257
Worker's compensation	16,187	16,187	14,501	-	1,686
Medical insurance - active	407,988	407,988	390,185	-	17,803
Dental and optical	28,987	28,328	28,015	-	313
Disability	634	634	-	-	634
Health insurance - retirees	85,000	85,000	77,883	-	7,117
Medicare part B - retirees	10,000	10,000	4,179	-	5,821
Total employee benefits	960,174	940,618	895,439	-	45,179
Debt service:					
Principal	6,000	6,000	6,000	-	-
Interest	705	705	705	-	-
Total debt service	6,705	6,705	6,705	-	-
Total expenditures	2,942,297	2,866,537	2,765,278	\$ -	101,259
Excess (deficiency) of revenues over (under) expenditures	(150,000)	(74,240)	113,884		188,124
OTHER FINANCING SOURCES (USES)					
Interfund transfer out	-	(75,760)	(75,760)		-
Appropriated fund balance	150,000	150,000	-		(150,000)
Total other financing sources (uses)	150,000	74,240	(75,760)		(150,000)
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	38,124		<u>\$ 38,124</u>
Fund balance, beginning of year			867,011		
Fund balance, end of year			<u>\$ 905,135</u>		

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**TOWN OF SOUTHAMPTON
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL PENSION LIABILITY
SERVICE AWARD PROGRAM
LAST TWO FISCAL YEARS***

Measurement date as of:	December 31, 2017	December 31, 2016
Total pension liability:		
Service cost	\$ 213,851	\$ 248,297
Interest	188,975	169,191
Changes of assumptions or other inputs	481,534	(459,825)
Differences between expected and actual experience	(15,078)	(49,492)
Benefit payments	<u>(71,744)</u>	<u>(62,825)</u>
Net change in total pension liability	797,538	(154,654)
Total pension liability, beginning of year	<u>4,915,681</u>	<u>5,070,335</u>
Total pension liability, end of year	<u>\$ 5,713,219</u>	<u>\$ 4,915,681</u>
 Covered employee payroll	 N/A	 N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A

Note to Required Supplementary Information

Changes of assumptions or other inputs: The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016: 3.71%
December 31, 2017: 3.16%

Trust assets: There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 73 to pay related benefits. The trust assets are not legally protected from creditors of the Town.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**TOWN OF SOUTHAMPTON
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR***

Measurement date as of:	December 31, 2018
Total OPEB liability:	
Service cost	\$ 3,506,756
Interest	9,706,721
Benefit payments	<u>(6,075,333)</u>
Net change in total OPEB liability	7,138,144
Total OPEB liability, beginning of year	<u>251,927,951</u>
Total OPEB liability, end of year	<u><u>\$ 259,066,095</u></u>
Covered employee payroll	\$ 36,862,692
Total OPEB liability as a percentage of covered-employee payroll	702.79%

Note to Required Supplementary Information

* Ten years of historical information is not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The Town has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow Towns to establish this type of trust. The Town currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

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

	2018	2017	(A) 2016	2015	2014	**2013	**2012	**2011	**2010	**2009
Town's proportionate share of the net pension liability	0.09412%	0.09554%	0.09690%	0.09762%	0.09762%	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability	\$ 3,038	\$ 8,977	\$ 15,552	\$ 3,298	\$ 4,411	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	\$ 27,938	\$ 26,188	\$ 25,366	\$ 25,436	\$ 24,346	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	10.87%	34.28%	61.31%	12.97%	18.12%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.68%	97.95%	97.15%	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

(A) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

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

	2018	2017	(A) 2016	2015	2014	**2013	**2012	**2011	**2010	**2009
Town's proportionate share of the net pension liability	0.40429%	0.43130%	0.43130%	0.41533%	0.41533%	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability	\$ 4,086	\$ 8,547	\$ 12,770	\$ 1,143	\$ 1,729	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	\$ 13,901	\$ 13,668	\$ 13,254	\$ 12,692	\$ 12,371	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	29.40%	62.53%	96.35%	9.01%	13.98%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	96.93%	93.46%	90.24%	99.03%	98.48%	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

(A) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

****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 PENSION CONTRIBUTIONS - NYSERS
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 3,873,603	\$ 3,796,025	\$ 3,900,418	\$ 4,285,670	\$ 4,683,082	\$ 4,765,453	\$ 4,519,439	\$ 3,489,546	\$ 2,650,410	\$ 1,872,489
Contributions in relation to the contractually required contribution	<u>3,776,437</u>	<u>3,809,741</u>	<u>3,900,418</u>	<u>4,285,670</u>	<u>4,683,082</u>	<u>6,138,921</u>	<u>4,449,690</u>	<u>2,692,108</u>	<u>2,485,758</u>	<u>1,872,489</u>
Contribution deficiency (excess)	<u>\$ 97,166</u>	<u>\$ (13,716)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,373,468)</u>	<u>\$ 69,749</u>	<u>\$ 797,438</u>	<u>\$ 164,652</u>	<u>\$ -</u>
Town's covered payroll	\$ 27,937,844	\$ 26,188,230	\$ 25,365,769	\$ 25,436,049	\$ 24,346,118	\$ 23,442,704	\$ 22,741,318	\$ 23,457,759	\$ 23,611,163	\$ 24,716,060
Contributions as a percentage of covered payroll	13.52%	14.55%	15.38%	16.85%	19.24%	26.19%	19.57%	11.48%	10.53%	7.58%

REQUIRED
SUPPLEMENTARY
INFORMATION

TOWN OF SOUTHAMPTON
SCHEDULE OF TOWN PENSION CONTRIBUTIONS - NYSPFRS
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 3,255,244	\$ 3,313,428	\$ 3,182,546	\$ 3,151,539	\$ 3,499,468	\$ 3,283,356	\$ 2,842,994	\$ 2,541,060	\$ 1,760,075	\$ 1,783,054
Contributions in relation to the contractually required contribution	<u>3,338,253</u>	<u>3,352,947</u>	<u>3,182,546</u>	<u>3,151,539</u>	<u>3,499,468</u>	<u>3,818,036</u>	<u>2,679,736</u>	<u>2,104,844</u>	<u>1,760,075</u>	<u>1,783,054</u>
Contribution deficiency (excess)	<u>\$ (83,009)</u>	<u>\$ (39,519)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (534,680)</u>	<u>\$ 163,258</u>	<u>\$ 436,216</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 14,597,578	\$ 13,667,592	\$ 13,254,423	\$ 12,692,066	\$ 12,370,922	\$ 11,742,650	\$ 11,653,522	\$ 12,254,205	\$ 11,652,175	\$ 11,337,244
Contributions as a percentage of covered payroll	22.87%	24.53%	24.01%	24.83%	28.29%	32.51%	23.00%	17.18%	15.11%	15.73%

OTHER SUPPLEMENTARY INFORMATION

TOWN OF SOUTHAMPTON
SCHEDULE OF OPEN PROJECTS - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Project Number	Project Title	Expenditures					Methods of Financing					Fund Balance December 31, 2018	
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Prior Years	Current Year				Total
									Proceeds of Obligations	Contributions and Grants	Transfers In		
9947	Unallocated	\$ 6,145	\$ 563,554	\$ 141,412	\$ -	\$ 141,412	\$ 422,142	\$ 262,046	\$ -	\$ 301,508	\$ -	\$ 563,554	\$ 422,142
C110	Nathaniel Rodgers House	850,000	10,521,976	4,667,850	1,584,596	6,252,246	4,269,730	7,493,634	-	488,870	2,539,472	10,521,976	4,269,730
C118	Beach Nourishment	100,000	100,000	62,946	-	62,946	37,054	100,000	-	-	-	100,000	37,054
C120	Public Safety Phase II	420,729	319,081	319,081	-	319,081	-	319,081	-	-	-	319,081	-
C123	Solid Waste Management	100,000	104,940	102,294	2,646	104,940	-	104,940	-	-	-	104,940	-
C134	NS Landfill Post Closure	350,000	350,000	183,966	29,489	213,455	136,545	350,000	-	-	-	350,000	136,545
C144	Local Waterfront Revenue	209,652	381,189	274,070	-	274,070	107,119	381,189	-	-	-	381,189	107,119
C201	Reeves Bay	200,000	495,000	619,445	6,390	625,835	(130,835)	200,000	295,000	-	-	495,000	(130,835)
C205	Bridge Reconstruction	97,050	97,050	64,325	-	64,325	32,725	97,050	-	-	-	97,050	32,725
C218	Sebonac Bulkhead	-	136,900	117,035	-	117,035	19,865	136,900	-	-	-	136,900	19,865
C233	Dredging Park Facilities	48,499	171,499	105,088	3,991	109,079	62,420	171,499	-	-	-	171,499	62,420
C242	Time and Attendance	38,000	176,847	167,190	-	167,190	9,657	176,847	-	-	-	176,847	9,657
C305	Animal Shelter HVAC	60,000	1,313,140	1,221,096	4,356	1,225,452	87,688	1,313,140	-	-	-	1,313,140	87,688
C313	NS Park Restrooms	50,123	365,781	75,781	263,740	339,521	26,260	365,781	-	-	40,000	26,260	365,781
C316	ICAD	200,000	650,000	511,466	-	511,466	138,534	550,000	100,000	-	-	650,000	138,534
C321	Elevation of Dune Road	100,000	2,050,000	2,050,000	-	2,050,000	-	2,050,000	-	-	-	2,050,000	-
C327	AA Museum	341,000	890,550	25,150	409,362	434,532	456,018	725,458	-	-	165,092	890,550	456,018
C328	Blue Barn	170,000	180,863	130,863	50,000	180,863	-	180,000	-	-	863	180,863	-
C402	Lyzon Hat Shop	62,650	676,378	675,494	884	676,378	-	676,378	-	-	-	676,378	-
C404	Improvement of Unimproved Roads	150,000	150,000	84,161	-	84,161	65,839	150,000	-	-	-	150,000	65,839
C413	Town Facilities Improvements	300,000	300,000	188,354	-	188,354	111,646	300,000	-	-	-	300,000	111,646
C501	Email Solution	70,000	70,000	70,000	-	70,000	-	70,000	-	-	-	70,000	-
C503	Licensing	10,000	35,000	35,000	-	35,000	-	35,000	-	-	-	35,000	-
C507	Beach Facility Upgrade	155,564	5,564	5,564	-	5,564	-	5,564	-	-	-	5,564	-
C509	Shinnecock Dock Repair	75,000	375,000	73,230	121,724	194,954	180,046	75,000	300,000	-	-	375,000	180,046
C510	Highway Equipment	1,364	1,210,817	770,817	-	770,817	440,000	1,210,817	-	-	-	1,210,817	440,000
C511	Highway Salt Barn Improvements	17,107	217,107	608,621	-	608,621	(391,514)	217,107	-	-	-	217,107	(391,514)
C517	Waste Management Equipment	72,500	72,500	-	72,500	72,500	-	72,500	-	-	-	72,500	-
C518	PD Heavy Trucks	16,111	91,111	91,111	-	91,111	-	91,111	-	-	-	91,111	-
C519	Bay Constable Patrol Boat	175,000	601,250	601,250	-	601,250	-	601,250	-	-	-	601,250	-
C520	Canoe Place Chapel Rest.	296,689	373,451	299,352	74,099	373,451	-	373,451	-	-	-	373,451	-
C522	Good Ground Park	258,000	3,942,040	3,508,095	192,102	3,700,197	241,843	2,096,719	297,000	1,498,321	50,000	3,942,040	241,843
C523	Riverside Pedestrian Bridge	85,875	85,875	85,876	-	85,876	(1)	85,875	-	-	-	85,875	(1)
C524	Tiana Lifesaving Station	20,000	1,522,110	166,568	852,972	1,019,540	502,570	1,522,110	-	-	-	1,522,110	502,570
C525	Tiana Beach Levee	81,787	770,490	769,689	801	770,490	-	710,986	-	59,504	-	770,490	-
C600	Town-wide Emergency Equipment	50,000	150,000	26,140	-	26,140	123,860	50,000	-	-	100,000	150,000	123,860
C601	Network Infrastructure	50,000	50,000	50,000	-	50,000	-	50,000	-	-	-	50,000	-
C602	Phone System	20,000	26,000	26,000	-	26,000	-	26,000	-	-	-	26,000	-
C603	Remote Data Storage	26,000	51,214	51,214	-	51,214	-	51,214	-	-	-	51,214	-
C604	Server Room Power	40,000	120,000	120,000	-	120,000	-	120,000	-	-	-	120,000	-
C605	Storage Area Network	55,000	118,000	-	118,000	118,000	-	118,000	-	-	-	118,000	-
C606	Brownfield Area	59,225	236,900	236,900	-	236,900	-	236,900	-	-	-	236,900	-
C608	Park Improvements	310,000	800,945	360,909	283,832	644,741	156,204	450,945	200,000	-	150,000	800,945	156,204
C609	Heavy Trucks	277,500	347,500	347,500	-	347,500	-	347,500	-	-	-	347,500	-
C610	Highway Equipment	547	372,724	372,724	-	372,724	-	372,724	-	-	-	372,724	-
C611	Town-wide Bulkhead Improvements	84,093	236,256	165,656	70,600	236,256	-	236,256	-	-	-	236,256	-
C612	Town-wide Drainage Improvements	50,142	188,520	188,520	-	188,520	-	188,520	-	-	-	188,520	-
C613	Town-wide Road Improvements	24,433	2,093,529	2,093,529	-	2,093,529	-	2,093,529	-	-	-	2,093,529	-
C614	Town-wide Sidewalks	262	100,262	100,262	-	100,262	-	100,262	-	-	-	100,262	-
C615	Fueling Station Upgrade	300,000	716,500	329,052	5,699	334,751	381,749	666,500	-	-	50,000	716,500	381,749
C616	Jackson Avenue Campus Phase 1	260,000	590,650	405,207	70,595	475,802	114,848	440,650	150,000	-	-	590,650	114,848
C617	Ponquogue Bridge	76,140	1,173,122	128,880	1,866,610	1,995,490	(822,368)	76,140	-	1,096,982	-	1,173,122	(822,368)
C618	Heavy Trucks	150,000	150,000	150,000	-	150,000	-	150,000	-	-	-	150,000	-
C619	Town Hall Assessment	128,723	677,298	111,071	73,232	184,303	492,995	663,723	-	-	13,575	677,298	492,995
C620	Town Facilities Improvements	100,000	100,000	80,832	19,168	100,000	-	100,000	-	-	-	100,000	-
C621	Tupper Boat House	46,500	96,500	52,754	209,645	262,399	(165,899)	46,500	-	50,000	-	96,500	(165,899)
C622	Communication Upgrade	200,000	2,615,000	856,429	577,500	1,433,929	1,181,071	2,000,000	600,000	15,000	-	2,615,000	1,181,071
C623	Well Plain #2	100,000	85,875	85,875	-	85,875	-	85,000	-	-	-	85,000	-
C624	Bridgehampton Crosswalk	88,255	88,255	88,255	-	88,255	-	88,255	-	-	-	88,255	-
C625	Montauk Highway HB Paving	600,000	600,000	600,000	-	600,000	-	600,000	-	-	-	600,000	-
C626	Microgrid Feasibility Study	100,000	100,000	100,000	-	100,000	-	100,000	-	-	-	100,000	-
C700	Shuttle Busses	60,000	90,000	-	88,603	88,603	1,397	90,000	-	-	-	90,000	1,397
C701	Little Neck Road Pier	200,000	265,500	-	262,553	262,553	2,947	200,000	-	65,500	-	265,500	2,947
C702	Network Infrastructure - Computer Hardware	106,816	106,816	106,817	-	106,817	(1)	106,816	-	-	-	106,816	(1)
C704	Park Improvements	151,000	151,000	151,000	-	151,000	-	151,000	-	-	-	151,000	-
C705	Street Lighting Heavy Truck	155,000	155,000	155,000	-	155,000	-	155,000	-	-	-	155,000	-
C706	Town-wide Culvert	75,000	75,000	16,650	57,293	73,943	1,057	75,000	-	-	-	75,000	1,057
C707	Town-wide Drainage Improvements	111,622	261,622	261,621	-	261,621	1	261,622	-	-	-	261,622	1
C708	Highway Equipment	-	500,000	500,000	-	500,000	-	500,000	-	-	-	500,000	-
C709	Town-wide Road Improvements	70,904	1,770,904	1,770,903	-	1,770,903	1	1,770,904	-	-	-	1,770,904	1
C710	Subdivision Road Improvements	250,000	250,000	250,000	-	250,000	-	250,000	-	-	-	250,000	-
C711	Town-wide Sidewalks	50,405	50,405	50,405	-	50,405	-	50,405	-	-	-	50,405	-
C712	Bay Ave Building Demolition	50,000	50,000	200	-	200	49,800	50,000	-	-	-	50,000	49,800
C713	Hampton Bays Community Center	225,000	225,000	3,500	200,000	203,500	21,500	225,000	-	-	-	225,000	21,500
C714	Jackson Ave Parking Lots - Parking Lots	150,000	150,000	127,201	-	127,201	-	150,000	-	-	-	150,000	22,799
C715	Town Facilities Improvements	100,000	100,000	7,272	6,704	15,976	84,024	100,000	-	-	-	100,000	84,024
C716	Bay Constable Truck	75,000	75,000	75,000	-	75,000	-	75,000	-	-	-	75,000	-

TOWN OF SOUTHAMPTON
SCHEDULE OF OPEN PROJECTS - CAPITAL PROJECTS FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Project Number	Project Title	Expenditures					Methods of Financing						Fund Balance December 31, 2018
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Current Year			Total		
								Prior Years	Proceeds of Obligations	Contributions and Grants		Transfers In	
C717	Police ESU Truck	\$ 100,000	\$ 100,000	\$ 95,877	\$ 4,123	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
C718	Police Building HVAC Improvements	40,000	40,000	-	8,484	8,484	31,516	40,000	-	-	-	40,000	31,516
C719	Sand Bar Beach Nourishment	65,256	72,507	68,794	3,713	72,507	-	65,256	-	7,251	-	72,507	-
C720	Permeable Reactive Barrier	162,500	162,500	-	84,559	84,559	77,941	162,500	-	-	-	162,500	77,941
C721	Highway Department Fuel Tank Upgrade	40,000	40,000	34,299	5,193	39,492	508	40,000	-	-	-	40,000	508
C722	Roof Renovation	98,950	98,950	98,950	-	98,950	-	98,950	-	-	-	98,950	-
C804	Stormwater Management Plan	225,000	1,339,903	1,206,200	16,046	1,222,246	117,657	1,339,903	-	-	-	1,339,903	117,657
H100	Pump Out Boat	92,500	92,500	-	-	92,500	-	92,500	-	-	-	92,500	-
H101	Network Infrastructure	54,558	54,558	25,105	29,453	54,558	-	54,558	-	-	-	54,558	-
H102	Video Surveillance Updates	25,800	25,800	-	-	25,800	-	25,800	-	-	-	25,800	-
H103	Telephone System Updates	25,200	25,200	-	-	25,200	-	25,200	-	-	-	25,200	-
H104	Video Surveillance	79,954	79,954	-	-	79,954	-	79,954	-	-	-	79,954	-
H105	Financial Systems Upgrade	63,000	63,000	47,014	3,058	50,072	12,928	63,000	-	-	-	63,000	12,928
H106	ESX Environmental Update	27,800	27,800	-	-	14,520	13,280	27,800	-	-	-	27,800	13,280
H107	Riverside Salamander Survey	32,000	32,000	-	-	19,648	12,352	32,000	-	-	-	32,000	12,352
H108	Sewering Feasibility Study	20,000	20,000	-	-	-	20,000	20,000	-	-	-	20,000	20,000
H109	Hot Dog Beach Improvements	90,200	98,237	1,500	174,277	175,777	(77,540)	90,200	-	-	8,037	98,237	(77,540)
H110	Shinnecock Canal Park Improvements	510,000	510,000	-	-	32,500	32,500	477,500	-	300,000	210,000	510,000	477,500
H111	Bay Avenue Bulkhead	300,000	300,000	-	-	16,320	16,320	283,680	300,000	-	-	300,000	283,680
H112	Ponquogue Bathing Facility Improvements	190,000	190,000	-	-	190,000	-	190,000	-	-	190,000	190,000	-
H113	Resurface Ballfields	50,000	50,000	-	-	26,480	26,480	23,520	50,000	-	-	50,000	23,520
H114	Paving Parking Lots	25,000	25,000	23,717	700	24,417	583	25,000	-	-	-	25,000	583
H115	Fencing Repairs	50,000	50,000	50,000	-	50,000	-	50,000	-	-	-	50,000	-
H116	Scott Cameron Beach Restrooms	150,000	150,000	1,250	-	1,250	148,750	150,000	-	-	-	150,000	148,750
H117	Signage	20,000	20,000	7,660	11,702	19,362	638	20,000	-	-	-	20,000	638
H118	Garbage Receptacles	28,500	28,500	22,729	5,605	28,334	166	28,500	-	-	-	28,500	166
H119	Repair and Recolor Courts	50,000	150,000	-	-	122,536	27,464	50,000	100,000	-	-	150,000	27,464
H120	Parks Equipment	75,000	275,000	74,467	166,895	241,362	33,638	75,000	200,000	-	-	275,000	33,638
H121	Town-wide Bridge Reconstruction	250,000	250,000	-	-	-	250,000	250,000	-	-	-	250,000	-
H122	Town-wide Bulkhead Improvements	150,000	300,000	-	69,802	69,802	230,098	150,000	150,000	-	-	300,000	230,098
H123	Town-wide Drainage Improvements	150,000	350,000	466	35,856	36,322	313,678	150,000	200,000	-	-	350,000	313,678
H124	Town-wide Culverts Drainage Improvements	200,000	350,000	209,962	135,811	345,773	4,227	200,000	150,000	-	-	350,000	4,227
H125	Highway Equipment	500,000	1,250,000	500,000	750,000	1,250,000	-	500,000	606,000	-	144,000	1,250,000	-
H126	Town-wide Road Improvements	3,100,000	4,750,000	3,052,187	1,693,329	4,745,516	4,484	3,100,000	1,650,000	-	-	4,750,000	4,484
H127	Subdivision Road Improvements	250,000	900,000	250,000	650,000	900,000	-	250,000	650,000	-	-	900,000	-
H128	Town-wide Sidewalks	150,000	250,000	132,878	115,637	248,515	1,485	150,000	100,000	-	-	250,000	1,485
H129	Town Facilities Improvements	423,090	1,323,090	43,963	480,683	524,646	798,444	423,090	900,000	-	-	1,323,090	798,444
H130	Waste Management Equipment	248,500	248,500	-	190,815	190,815	57,685	-	-	-	248,500	248,500	57,685
H133	Police Department Facilities Improvements	175,000	275,000	11,727	67,320	79,047	195,953	175,000	100,000	-	-	275,000	195,953
H134	Ludlam Avenue Park Improvements	10,175	90,624	10,175	92,957	103,132	(12,508)	-	-	-	90,624	90,624	(12,508)
H135	Riverside Maritime Trail Plan	32,000	32,000	-	55,973	55,973	(23,973)	-	-	12,000	20,000	32,000	(23,973)
H136	Hot Dog Beach Access Ramp	100,000	293,317	8,548	238,201	246,749	46,568	100,000	-	-	193,317	293,317	46,568
H137	Bulkhead Repair Baycrest Avenue	375,000	375,000	-	-	375,000	-	375,000	375,000	-	-	375,000	-
H200	Bulkhead Repairs	250,000	250,000	-	-	250,000	-	250,000	250,000	-	-	250,000	-
H201	Shuttle Busses	40,000	40,000	-	-	40,000	-	-	-	-	40,000	40,000	-
H202	Beaches and Marinas Equipment	50,000	50,000	-	27,577	27,577	22,423	-	-	-	50,000	50,000	22,423
H203	Govern Software Upgrade	300,000	300,000	-	244,809	244,809	55,191	-	110,000	-	190,000	300,000	55,191
H204	Video Surveillance Equipment	100,000	100,000	-	19,590	80,410	-	-	100,000	-	-	100,000	80,410
H205	Network Infrastructure	115,915	115,915	-	99,182	99,182	16,733	-	80,000	-	35,915	115,915	16,733
H206	Comprehensive Plan	200,000	200,000	-	-	-	200,000	-	-	-	200,000	200,000	-
H207	Turf at Red Creek Improvements	185,000	185,000	-	184,116	184,116	884	-	185,000	-	-	185,000	884
H208	Bridgehampton Traffic Safety	-	-	-	28,960	28,960	(28,960)	-	-	-	-	-	(28,960)
H209	Detention Cameras	65,000	65,000	-	46,585	46,585	18,415	-	65,000	-	-	65,000	18,415
H210	Patrol Cars Equipment	65,000	65,000	-	64,511	64,511	489	-	65,000	-	-	65,000	489
H211	Meadowlark Lane Improvements	898,000	898,000	-	406,380	406,380	491,620	-	898,000	-	-	898,000	491,620
H212	Well Plant #1 Water Extensions	1,245,000	1,245,000	-	1,232,004	1,232,004	12,996	-	-	540,000	705,000	1,245,000	12,996
H214	Water Quality Round Pond	187,000	187,000	-	-	187,000	-	-	-	-	187,000	187,000	-
H215	Water Quality Hampton Hills	168,178	168,178	-	-	168,178	-	-	-	-	168,178	168,178	-
H216	Water Quality Southampton Village	292,040	292,040	-	-	292,040	-	-	-	-	292,040	292,040	-
H217	Water Quality Village of Westhampton Beach	2,067,468	2,067,468	-	-	-	2,067,468	-	-	-	2,067,468	2,067,468	-
H218	Village of Westhampton Beach Sewer	1,130,000	1,130,000	-	-	1,130,000	-	-	-	-	1,130,000	1,130,000	-
H219	Mecox Bay Improvements	271,922	271,922	-	16,950	254,972	-	-	-	-	271,922	271,922	16,950
H220	Village of Southampton Sewer	264,000	264,000	-	-	264,000	-	-	-	-	264,000	264,000	-
Totals		\$ 26,913,918	\$ 69,345,948	\$ 35,676,240	\$ 16,228,791	\$ 51,905,031	\$ 17,440,917	\$ 46,220,009	\$ 8,876,000	\$ 4,434,936	\$ 9,815,003	\$ 69,345,948	\$ 17,440,917

TOWN OF SOUTHAMPTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	SPECIAL DISTRICT 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
ASSETS										
Cash and cash equivalents	\$ 5,120	\$ -	\$ 485,524	\$ 992,964	\$ 367,520	\$ 2,160,342	\$ 1,269,288	\$ 1,498,768	\$ 820,554	\$ 7,600,080
Restricted cash	210,251	5,747,232	-	-	-	825,544	-	-	-	6,783,027
Accounts receivable, net	150	18,737	-	-	3,830	648,963	-	-	-	671,680
Due from fiduciary funds	-	-	-	2,445	-	-	-	-	-	2,445
Prepaid items	3,468	-	-	525	-	63,697	-	-	-	67,690
Total assets	\$ 218,989	\$ 5,765,969	\$ 485,524	\$ 995,934	\$ 371,350	\$ 3,698,546	\$ 1,269,288	\$ 1,498,768	\$ 820,554	\$ 15,124,922
LIABILITIES										
Accounts payable	\$ 5,270	\$ 25,777	\$ 22,885	\$ 24,281	\$ 2,750	\$ 87,484	\$ 6,512	\$ 88,765	\$ 18,485	\$ 282,209
Accrued liabilities	-	102,141	-	-	-	9,009	-	-	-	111,150
Due to other funds	-	980,306	-	-	-	-	-	-	-	980,306
Due to fiduciary funds	-	-	-	-	-	79	-	-	-	79
Total liabilities	5,270	1,108,224	22,885	24,281	2,750	96,572	6,512	88,765	18,485	1,373,744
DEFERRED INFLOWS OF RESOURCES										
Property taxes	-	9,499	261,719	123,117	29,108	312,889	893,679	629,482	125,531	2,385,024
Total deferred inflows of resources	-	9,499	261,719	123,117	29,108	312,889	893,679	629,482	125,531	2,385,024
FUND BALANCE										
Fund balance:										
Nonspendable	3,468	-	-	525	-	63,697	-	-	-	67,690
Restricted	210,251	4,648,246	-	-	-	825,544	-	-	-	5,684,041
Committed	-	-	-	-	-	55,000	-	-	-	55,000
Assigned	-	-	200,920	848,011	339,492	2,344,844	369,097	780,521	676,538	5,559,423
Total fund balance	213,719	4,648,246	200,920	848,536	339,492	3,289,085	369,097	780,521	676,538	11,366,154
Total liabilities, deferred inflows of resources and fund balance	\$ 218,989	\$ 5,765,969	\$ 485,524	\$ 995,934	\$ 371,350	\$ 3,698,546	\$ 1,269,288	\$ 1,498,768	\$ 820,554	\$ 15,124,922

TOWN OF SOUTHAMPTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	SPECIAL DISTRICT 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	
REVENUES										
Real property taxes	\$ -	\$ -	\$ 1,003,711	\$ 562,649	\$ 119,834	\$ 1,374,662	\$ 3,335,623	\$ 2,569,320	\$ 504,948	\$ 9,470,747
Other real property tax items	-	-	6,809	2,095	211	7,702	100,560	-	935	118,312
Departmental income	-	-	-	-	-	2,273,536	-	-	-	2,273,536
Use of money and property	342	112,883	3,076	17,837	5,650	315,580	20,562	36,929	14,037	526,896
Fines and forfeitures	-	33,737	-	-	-	-	-	-	-	33,737
Sale of property and compensation for loss	-	228,024	67,927	-	16,941	1,244	-	-	-	314,136
Miscellaneous local sources	879	424,407	-	3,932	-	26,058	-	-	-	455,276
State aid	-	66,302	-	-	-	-	-	-	-	66,302
Federal aid	3,425,170	-	-	-	-	-	-	-	-	3,425,170
Total revenues	3,426,391	865,353	1,081,523	586,513	142,636	3,998,782	3,456,745	2,606,249	519,920	16,684,112
EXPENDITURES										
General governmental support	-	117,930	-	-	-	-	-	-	-	117,930
Public safety	-	6,301	1,028,907	-	-	-	-	-	-	1,035,208
Health	-	-	-	-	-	-	3,201,042	-	-	3,201,042
Transportation	-	-	-	324,322	91,914	-	-	-	-	416,236
Economic assistance and opportunity	-	369,570	-	-	-	-	-	-	-	369,570
Culture and recreation	-	120,696	-	-	-	-	-	-	422,469	543,165
Home and community services	3,326,491	48,975	-	-	-	2,506,136	-	146,000	-	6,027,602
Employee benefits	-	730	-	41,165	-	661,826	194,241	-	-	897,962
Debt service -										
Principal	-	-	-	45,931	5,507	632,876	16,613	2,120,000	37,676	2,858,603
Interest	-	-	-	5,640	816	135,634	2,462	460,350	13,451	618,353
Total expenditures	3,326,491	664,202	1,028,907	417,058	98,237	3,936,472	3,414,358	2,726,350	473,596	16,085,671
Excess (deficiency) of revenues over (under) expenditures	99,900	201,151	52,616	169,455	44,399	62,310	42,387	(120,101)	46,324	598,441
OTHER FINANCING SOURCES (USES)										
Interfund transfers in	-	85,341	-	1,201	-	766,600	-	-	-	853,142
Interfund transfers out	(328,661)	(239,214)	-	-	-	(705,000)	-	-	-	(1,272,875)
Total other financing sources (uses)	(328,661)	(153,873)	-	1,201	-	61,600	-	-	-	(419,733)
Change in fund balance	(228,761)	47,278	52,616	170,656	44,399	123,910	42,387	(120,101)	46,324	178,708
Fund balance, beginning of year	442,480	4,600,968	148,304	677,880	295,093	3,165,175	326,710	900,622	630,214	11,187,446
Fund balance, end of year	\$ 213,719	\$ 4,648,246	\$ 200,920	\$ 848,536	\$ 339,492	\$ 3,289,085	\$ 369,097	\$ 780,521	\$ 676,538	\$ 11,366,154

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE PROTECTION DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 1,004,373	\$ 1,004,373	\$ 1,003,711		\$ (662)
Other real property tax items:					
Other payments in lieu of taxes	5,500	5,500	6,809		1,309
Total other real property tax items	5,500	5,500	6,809		1,309
Use of money and property:					
Interest and earnings	1,300	1,464	3,076		1,612
Total use of money and property	1,300	1,464	3,076		1,612
Sale of property and compensation for loss:					
Insurance recoveries	-	17,036	67,927		50,891
Total sale of property and compensation for loss	-	17,036	67,927		50,891
Total revenues	1,011,173	1,028,373	1,081,523		53,150
EXPENDITURES					
Public safety:					
Contracts - other	961,307	960,307	960,304	\$ -	3
Electric	49,866	68,606	68,603	-	3
Total public safety	1,011,173	1,028,913	1,028,907	-	6
Total expenditures	1,011,173	1,028,913	1,028,907	\$ -	6
Excess (deficiency) of revenues over (under) expenditures	-	(540)	52,616		53,156
OTHER FINANCING SOURCES					
Appropriated fund balance	-	540	-		(540)
Total other financing sources	-	540	-		(540)
Change in fund balance	\$ -	\$ -	52,616		\$ 52,616
Fund balance, beginning of year			148,304		
Fund balance, end of year			\$ 200,920		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIGHTING DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 562,649	\$ 562,649	\$ 562,649		\$ -
Other real property tax items:					
Other payments in lieu of taxes	2,005	2,005	2,095		90
Total other real property tax items	2,005	2,005	2,095		90
Use of money and property:					
Interest and earnings	5,150	5,150	17,837		12,687
Total use of money and property	5,150	5,150	17,837		12,687
Miscellaneous local sources					
Miscellaneous tax receipts	-	-	13		13
Miscellaneous	-	-	3,919		3,919
Total miscellaneous local sources	-	-	3,932		3,932
Total revenues	<u>569,804</u>	<u>569,804</u>	<u>586,513</u>		<u>16,709</u>
EXPENDITURES					
Transportation:					
Salaries	122,056	114,808	60,021	\$ -	54,787
Overtime	1,000	1,000	-	-	1,000
Severance pay	-	8,180	8,165	-	15
Longevity	5,735	5,735	260	-	5,475
Electric	274,836	273,936	224,664	-	49,272
Repair vehicle	19,900	19,900	9,964	-	9,936
Other	25,400	26,300	21,248	-	5,052
Small equipment (non-capital)	7,800	7,800	-	-	7,800
Total transportation	<u>456,727</u>	<u>457,659</u>	<u>324,322</u>	<u>-</u>	<u>133,337</u>
Employee benefits:					
Employee retirement	18,243	18,379	16,979	-	1,400
FICA tax expense	10,235	10,317	5,126	-	5,191
MTA tax expense	464	473	230	-	243
Worker's compensation	4,882	4,924	4,374	-	550
Medical insurance	36,456	36,456	12,981	-	23,475
Dental and optical	2,635	2,635	1,475	-	1,160
Disability	58	58	-	-	58
Total employee benefits	<u>72,973</u>	<u>73,242</u>	<u>41,165</u>	<u>-</u>	<u>32,077</u>
Debt service:					
Principal	45,935	45,935	45,931	-	4
Interest	5,644	5,644	5,640	-	4
Total debt service	<u>51,579</u>	<u>51,579</u>	<u>51,571</u>	<u>-</u>	<u>8</u>
Total expenditures	<u>581,279</u>	<u>582,480</u>	<u>417,058</u>	<u>\$ -</u>	<u>165,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,475)</u>	<u>(12,676)</u>	<u>169,455</u>		<u>182,131</u>
OTHER FINANCING SOURCES					
Interfund transfers in	-	1,201	1,201		-
Appropriated fund balance	11,475	11,475	-		(11,475)
Total other financing sources	<u>11,475</u>	<u>12,676</u>	<u>1,201</u>		<u>(11,475)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>170,656</u>		<u>\$ 170,656</u>
Fund balance, beginning of year			<u>677,880</u>		
Fund balance, end of year			<u>\$ 848,536</u>		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PUBLIC PARKING DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 119,834	\$ 119,834	\$ 119,834		\$ -
Other real property tax items:					
Other payments in lieu of taxes	190	190	211		21
Total other real property tax items	190	190	211		21
Use of money and property:					
Interest and earnings	1,300	1,300	5,650		4,350
Total use of money and property	1,300	1,300	5,650		4,350
Sale of property and compensation for loss:					
Sales, other	10,000	10,000	16,941		6,941
Total sale of property and compensation for loss	10,000	10,000	16,941		6,941
Total revenues	131,324	131,324	142,636		11,312
EXPENDITURES					
Transportation:					
Contracts	108,800	108,800	81,969	\$ -	26,831
P & R CB Water	15,000	15,000	9,288	-	5,712
Electric	1,200	1,200	657	-	543
Total transportation	125,000	125,000	91,914	-	33,086
Debt service:					
Principal	5,507	5,507	5,507	-	-
Interest	817	817	816	-	1
Total debt service	6,324	6,324	6,323	-	1
Total expenditures	131,324	131,324	98,237	\$ -	33,087
Change in fund balance	\$ -	\$ -	44,399		\$ 44,399
Fund balance, beginning of year			295,093		
Fund balance, end of year			<u>\$ 339,492</u>		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - WATER DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 1,374,662	\$ 1,374,662	\$ 1,374,662		\$ -
Other real property tax items:					
Other payments in lieu of taxes	3,400	3,400	4,305		905
Interest and penalties - real property taxes	4,500	4,500	3,397		(1,103)
Total other real property tax items	7,900	7,900	7,702		(198)
Departmental income:					
Metered water sales	2,226,700	2,226,700	2,273,536		46,836
Total departmental income	2,226,700	2,226,700	2,273,536		46,836
Use of money and property:					
Interest and earnings	17,000	17,000	40,820		23,820
Rentals	325,000	325,000	274,760		(50,240)
Total use of money and property	342,000	342,000	315,580		(26,420)
Sale of property and compensation for loss:					
Insurance recoveries	-	-	1,244		1,244
Total sale of property and compensation for loss	-	-	1,244		1,244
Miscellaneous local sources:					
Refunds of prior years	-	-	55		55
Miscellaneous	-	9,700	26,003		16,303
Total miscellaneous local sources	-	9,700	26,058		16,358
Total revenues	3,951,262	3,960,962	3,998,782		37,820
EXPENDITURES					
Home and community services:					
Cost of water	328,000	328,000	291,312	\$ -	36,688
Salaries	889,020	890,766	888,626	-	2,140
Overtime	1,600	1,600	-	-	1,600
Accumulated sick/personal time	2,710	9	-	-	9
Part time salaries	24,000	23,927	17,983	-	5,944
Longevity	49,661	49,839	49,679	-	160
Cash in lieu of health benefits	8,101	10,802	10,801	-	1
Equipment	67,000	42,000	30,345	-	11,655
Meter settings	50,000	37,664	36,215	-	1,449
Contracts	451,855	444,208	392,683	-	51,525
Gasoline	14,000	10,012	7,956	-	2,056
Electric	273,000	264,810	263,518	-	1,292
Fuel oil	25,000	15,700	13,215	-	2,485
Repair equipment	100,000	162,400	159,513	-	2,887
Vehicle repair	6,500	14,100	11,809	-	2,291
Postage	15,000	15,000	14,628	-	372
Telephone	13,300	5,341	5,340	-	1
Travel, dues and related	4,500	3,782	3,782	-	-
Uniforms	4,000	4,000	4,000	-	-
Other	-	7,990	7,966	-	24
Publicity and public notices	350	350	337	-	13
Small equipment (non capital)	5,000	4,123	4,079	-	44
Office supplies	1,000	1,000	485	-	515
Supplies - other	2,500	2,500	1,257	-	1,243

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - WATER DISTRICTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
Home and community services, con'td:					
Safety equipment	\$ 1,800	\$ 1,800	\$ 1,158	\$ -	\$ 642
Diesel fuel	8,000	9,100	6,984	-	2,116
Chemicals	139,550	167,990	154,354	-	13,636
Water analysis	49,000	107,877	98,134	-	9,743
Engineering fees	37,000	29,000	27,414	-	1,586
Wireless telephone	1,800	1,300	1,008	-	292
Landfill charges	3,000	1,759	1,555	-	204
Total home and community services	2,576,247	2,658,749	2,506,136	-	152,613
Employee benefits:					
Employee retirement	142,225	142,505	132,373	-	10,132
FICA tax	80,950	81,106	72,433	-	8,673
MTA tax	3,605	3,612	3,219	-	393
Worker's compensation	85,150	78,756	76,282	-	2,474
Medical insurance	284,328	273,328	271,961	-	1,367
Medical insurance - retiree	80,000	80,000	75,446	-	4,554
Medicare reimbursement - part B	20,000	20,000	12,588	-	7,412
Dental and optical	18,447	18,522	17,461	-	1,061
Disability	461	461	63	-	398
Total employee benefits	715,166	698,290	661,826	-	36,464
Debt service:					
Principal	632,876	632,876	632,876	-	-
Interest	135,635	135,635	135,634	-	1
Total debt service	768,511	768,511	768,510	-	1
Total expenditures	4,059,924	4,125,550	3,936,472	\$ -	189,078
Excess (deficiency) of revenues over (under) expenditures	(108,662)	(164,588)	62,310		226,898
OTHER FINANCING SOURCES (USES)					
Interfund transfer in	-	766,600	766,600		-
Interfund transfer out	-	(705,000)	(705,000)		-
Appropriated fund balance	108,662	102,988	-		(102,988)
Total other financing sources (uses)	108,662	164,588	61,600		(102,988)
Change in fund balance	\$ -	\$ -	123,910		\$ 123,910
Fund balance, beginning of year			3,165,175		
Fund balance, end of year			\$ 3,289,085		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AMBULANCE DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 3,425,358	\$ 3,425,358	\$ 3,335,623		\$ (89,735)
Other real property tax items:					
Other payments in lieu of taxes	8,000	8,000	100,560		92,560
Total other real property tax items	8,000	8,000	100,560		92,560
Use of money and property:					
Interest and earnings	5,500	5,500	20,562		15,062
Total use of money and property	5,500	5,500	20,562		15,062
Total revenues	3,438,858	3,438,858	3,456,745		17,887
EXPENDITURES					
Health:					
Contracts	3,189,042	3,211,942	3,201,042	\$ 950	9,950
Total health	3,189,042	3,211,942	3,201,042	950	9,950
Employee benefits:					
LOSAP	230,740	227,740	194,241	-	33,499
Total employee benefits	230,740	227,740	194,241	-	33,499
Debt service:					
Principal	16,613	16,613	16,613	-	-
Interest	2,463	2,463	2,462	-	1
Total debt service	19,076	19,076	19,075	-	1
Total expenditures	3,438,858	3,458,758	3,414,358	\$ 950	43,450
Excess (deficiency) of revenues over (under) expenditures	-	(19,900)	42,387		61,337
OTHER FINANCING SOURCES					
Appropriated fund balance	-	19,900	-		(19,900)
Total other financing sources	-	19,900	-		(19,900)
Change in fund balance	\$ -	\$ -	42,387		\$ 41,437
Fund balance, beginning of year			326,710		
Fund balance, end of year			\$ 369,097		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COASTAL EROSION DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 2,569,320	\$ 2,569,320	\$ 2,569,320		\$ -
Use of money and property:					
Interest and earnings	10,000	12,400	36,929		24,529
Total use of money and property	10,000	12,400	36,929		24,529
Total revenues	<u>2,579,320</u>	<u>2,581,720</u>	<u>2,606,249</u>		<u>24,529</u>
EXPENDITURES					
Home and community services:					
Other	30,000	31,200	-	\$ -	31,200
Consultants	120,000	168,397	146,000	-	22,397
Total home and community services	<u>150,000</u>	<u>199,597</u>	<u>146,000</u>	<u>-</u>	<u>53,597</u>
Debt service:					
Principal	2,120,000	2,120,000	2,120,000	-	-
Interest	460,350	460,350	460,350	-	-
Total debt service	<u>2,580,350</u>	<u>2,580,350</u>	<u>2,580,350</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,730,350</u>	<u>2,779,947</u>	<u>2,726,350</u>	<u>\$ -</u>	<u>53,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,030)</u>	<u>(198,227)</u>	<u>(120,101)</u>		<u>78,126</u>
OTHER FINANCING SOURCES					
Appropriated fund balance	151,030	198,227	-		(198,227)
Total other financing sources	<u>151,030</u>	<u>198,227</u>	<u>-</u>		<u>(198,227)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(120,101)		<u>\$ (120,101)</u>
Fund balance, beginning of year			900,622		
Fund balance, end of year			<u>\$ 780,521</u>		

TOWN OF SOUTHAMPTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PARKS DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget Amounts		Actual	Year-end Encumbrances	Variance
	Original Budget	Revised Budget			
REVENUES					
Real property taxes	\$ 504,948	\$ 504,948	\$ 504,948		\$ -
Other real property tax items:					
Other payments in lieu of taxes	1,105	1,105	935		(170)
Total other real property tax items	1,105	1,105	935		(170)
Use of money and property:					
Interest and earnings	6,400	6,400	14,037		7,637
Total use of money and property	6,400	6,400	14,037		7,637
Total revenues	512,453	512,453	519,920		7,467
EXPENDITURES					
Culture and recreation:					
Contracts	451,325	451,325	415,930	\$ -	35,395
Building repair	10,000	10,000	6,539	-	3,461
Total culture and recreation	461,325	461,325	422,469	-	38,856
Debt service:					
Principal	37,676	37,676	37,676	-	-
Interest	13,452	13,452	13,451	-	1
Total debt service	51,128	51,128	51,127	-	1
Total expenditures	512,453	512,453	473,596	\$ -	38,857
Change in fund balance	\$ -	\$ -	46,324		\$ 46,324
Fund balance, beginning of the year			630,214		
Fund balance, end of year			\$ 676,538		

**OTHER
SUPPLEMENTARY
INFORMATION**

**TOWN OF SOUTHAMPTON
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	Town Agency Fund	Town Clerk Agency Fund	Town Receiver of Taxes Agency Fund	Total Agency Funds
ASSETS				
Cash	\$ 2,368,638	\$ 14,790	\$ 82,134,276	\$ 84,517,704
Due from proprietary funds	603	-	-	603
Due from governmental funds	65,867	-	-	65,867
Service award program assets	3,820,686	-	-	3,820,686
	<u>3,820,686</u>	<u>-</u>	<u>-</u>	<u>3,820,686</u>
Total assets	<u>\$ 6,255,794</u>	<u>\$ 14,790</u>	<u>\$ 82,134,276</u>	<u>\$ 88,404,860</u>
LIABILITIES				
Due to governmental funds	\$ 401,402	\$ -	\$ -	\$ 401,402
Due to school districts	-	-	41,067,138	41,067,138
Service award program liabilities	3,820,686	-	-	3,820,686
Other agency liabilities	2,033,706	14,790	41,067,138	43,115,634
	<u>2,033,706</u>	<u>14,790</u>	<u>41,067,138</u>	<u>43,115,634</u>
Total liabilities	<u>\$ 6,255,794</u>	<u>\$ 14,790</u>	<u>\$ 82,134,276</u>	<u>\$ 88,404,860</u>

TOWN OF SOUTHAMPTON
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Town Agency Fund				
Cash	\$ 2,356,280	\$ 474,566,818	\$ 474,554,460	\$ 2,368,638
Due from proprietary funds	818	603	818	603
Due from governmental funds	125,976	65,867	125,976	65,867
Service award program assets	3,208,523	612,163	-	3,820,686
Total assets - Town Agency Fund	5,691,597	475,245,451	474,681,254	6,255,794
Town Clerk Agency Fund				
Cash	21,512	14,790	21,512	14,790
Total assets - Town Clerk Agency Fund	21,512	14,790	21,512	14,790
Town Receiver of Taxes Agency Fund				
Cash	82,907,418	82,134,276	82,907,418	82,134,276
Total assets - Town Receiver of Taxes Agency Fund	82,907,418	82,134,276	82,907,418	82,134,276
Total assets	<u>\$ 88,620,527</u>	<u>\$ 557,394,517</u>	<u>\$ 557,610,184</u>	<u>\$ 88,404,860</u>
LIABILITIES				
Town Agency Fund				
Due to proprietary funds	\$ 177	\$ -	\$ 177	\$ -
Due to governmental funds	-	401,402	-	401,402
Service award program liabilities	3,208,523	612,163	-	3,820,686
Other agency liabilities	2,482,897	474,231,886	474,681,077	2,033,706
Total liabilities - Town Agency Fund	5,691,597	475,245,451	474,681,254	6,255,794
Town Clerk Agency Fund				
Other agency liabilities	21,512	14,790	21,512	14,790
Total liabilities - Town Clerk Agency Fund	21,512	14,790	21,512	14,790
Town Receiver of Taxes Agency Fund				
Due to school districts	41,453,709	41,067,138	41,453,709	41,067,138
Other agency liabilities	41,453,709	41,067,138	41,453,709	41,067,138
Total liabilities - Town Receiver of Taxes Agency Fund	82,907,418	82,134,276	82,907,418	82,134,276
Total liabilities	<u>\$ 88,620,527</u>	<u>\$ 557,394,517</u>	<u>\$ 557,610,184</u>	<u>\$ 88,404,860</u>

STATISTICAL SECTION

TOWN OF SOUTHAMPTON
OBJECTIVES OF STATISTICAL INFORMATION

This comprehensive statistical data for the Town includes, in some cases, statistical information for the villages, school Towns, and special Towns, 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									
	2018	(As Restated) 2017*	(As Restated) 2016**	2015	(As Restated) 2014***	(As Restated) 2013****	2012	2011	2010	2009
GOVERNMENTAL ACTIVITIES:										
Net position -										
Net investment in capital assets	\$ 1,008,090,488	\$ 982,759,871	\$ 936,186,313	\$ 873,900,018	\$ 844,231,835	\$ 654,433,516	\$ 634,405,267	\$ 603,043,978	\$ 581,511,256	\$ 576,456,907
Restricted	124,549,788	96,751,673	93,815,382	113,569,969	95,112,199	87,166,036	62,529,907	74,783,204	55,806,221	42,827,892
Unrestricted	(247,661,150)	(238,648,262)	(58,909,108)	(54,215,358)	(58,433,011)	(62,713,908)	(56,527,123)	(58,103,583)	(16,226,201)	(11,486,346)
Total net position	<u>\$ 884,979,126</u>	<u>\$ 840,863,282</u>	<u>\$ 971,092,587</u>	<u>\$ 933,254,629</u>	<u>\$ 880,911,023</u>	<u>\$ 678,885,644</u>	<u>\$ 640,408,051</u>	<u>\$ 619,723,599</u>	<u>\$ 621,091,276</u>	<u>\$ 607,798,453</u>
BUSINESS-TYPE ACTIVITIES:										
Net position -										
Net investment in capital assets	\$ 15,882,708	\$ 16,448,771	\$ 17,051,685	\$ 16,884,481	\$ 16,682,301	\$ 16,569,181	\$ 14,584,547	\$ 14,506,695	\$ 14,385,599	\$ 16,345,063
Restricted	47,315	52,253	69,333	86,713	104,394	121,358	-	-	-	-
Unrestricted	3,813,522	3,293,050	2,385,069	2,318,523	2,456,476	1,696,425	1,435,967	1,062,184	(3,403,998)	(6,153,916)
Total net position	<u>\$ 19,743,545</u>	<u>\$ 19,794,074</u>	<u>\$ 19,506,087</u>	<u>\$ 19,289,717</u>	<u>\$ 19,243,171</u>	<u>\$ 18,386,964</u>	<u>\$ 16,020,514</u>	<u>\$ 15,568,879</u>	<u>\$ 10,981,601</u>	<u>\$ 10,191,147</u>
PRIMARY GOVERNMENT:										
Net position -										
Net investment in capital assets	\$ 1,023,973,196	\$ 999,208,642	\$ 953,237,998	\$ 890,784,499	\$ 860,914,136	\$ 671,002,697	\$ 648,989,814	\$ 617,550,673	\$ 595,896,855	\$ 592,801,970
Restricted	124,597,103	96,803,926	93,884,715	113,656,682	95,216,593	87,287,394	62,529,907	74,783,204	55,806,221	42,827,892
Unrestricted	(243,847,628)	(235,355,212)	(56,524,039)	(51,896,835)	(55,976,535)	(61,017,483)	(55,091,156)	(57,041,399)	(19,630,199)	(17,640,262)
Total net position	<u>\$ 904,722,671</u>	<u>\$ 860,657,356</u>	<u>\$ 990,598,674</u>	<u>\$ 952,544,346</u>	<u>\$ 900,154,194</u>	<u>\$ 697,272,608</u>	<u>\$ 656,428,565</u>	<u>\$ 635,292,478</u>	<u>\$ 632,072,877</u>	<u>\$ 617,989,600</u>

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

* - 2017 financial statements were restated to reflect the implementation of Governmental Accounting Standards Board other post-employment benefits requirements.

** - 2016 financial statements were restated to reflect the implementation of Governmental Accounting Standards Board service award program requirements.

*** - 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									
	2018	2017	2016	2015	(As Restated) 2014*	(As Restated) 2013**	2012	2011	2010	2009
EXPENSES:										
Governmental activities:										
General governmental support	\$ 27,606,745	\$ 31,505,422	\$ 33,700,867	\$ 24,266,171	\$ 28,458,103	\$ 23,891,061	\$ 23,735,945	\$ 26,940,594	\$ 25,074,740	\$ 23,697,473
Public safety	52,396,830	49,981,090	46,553,861	42,493,599	41,732,622	35,628,311	32,672,478	39,135,250	31,543,786	29,768,091
Health	3,201,042	3,129,142	3,067,786	2,989,335	2,943,708	2,895,640	2,742,820	2,606,820	2,471,220	2,507,258
Transportation	12,399,397	13,268,204	12,428,053	12,740,333	12,747,929	24,374,926	23,067,768	25,946,066	23,815,305	24,024,518
Economic assistance and opportunity	5,523,552	5,431,458	5,824,936	5,877,403	5,030,414	4,667,705	4,194,245	4,493,983	3,126,172	3,660,663
Culture and recreation	5,665,045	5,560,779	4,831,447	4,536,438	4,692,914	5,638,303	6,375,416	8,779,126	7,438,142	7,471,413
Home and community services	16,138,172	17,458,105	15,894,394	14,686,485	15,385,752	14,790,555	13,857,100	16,478,801	15,196,972	17,378,146
Interest on debt	2,843,540	3,159,095	3,191,968	3,597,585	3,903,364	3,963,461	3,984,822	4,331,456	5,265,610	4,370,036
Total governmental activities	<u>125,774,323</u>	<u>129,493,295</u>	<u>125,493,312</u>	<u>111,187,349</u>	<u>114,894,806</u>	<u>115,849,962</u>	<u>110,630,594</u>	<u>128,712,096</u>	<u>113,931,947</u>	<u>112,877,598</u>
Business-type activities:										
Beaches and marinas	1,938,923	1,930,722	1,764,282	1,762,423	1,715,613	1,748,321	1,720,275	1,792,497	1,750,434	1,719,639
Waste management	2,441,617	2,463,066	2,399,762	2,246,507	2,060,833	2,438,130	2,401,370	2,478,696	2,476,343	2,312,930
Golf course	86,251	49,756	48,132	79,019	41,867	636,375	712,872	629,314	650,647	633,436
Total business-type activities	<u>4,466,791</u>	<u>4,443,544</u>	<u>4,212,176</u>	<u>4,087,949</u>	<u>3,818,313</u>	<u>4,822,826</u>	<u>4,834,517</u>	<u>4,900,507</u>	<u>4,877,424</u>	<u>4,666,005</u>
Total expenses	<u>130,241,114</u>	<u>133,936,839</u>	<u>129,705,488</u>	<u>115,275,298</u>	<u>118,713,119</u>	<u>120,672,788</u>	<u>115,465,111</u>	<u>133,612,603</u>	<u>118,809,371</u>	<u>117,543,603</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services -										
General governmental support	1,083,762	1,004,372	1,323,093	821,385	826,664	910,917	2,390,682	1,410,236	1,255,590	1,163,085
Public safety	2,068,401	2,348,271	2,588,626	2,690,072	2,576,095	2,946,557	2,679,889	395,909	182,601	206,739
Transportation	1,095,150	1,064,444	1,026,561	1,017,836	1,043,920	1,006,871	864,140	874,274	684,058	622,237
Economic assistance and opportunity	985,849	985,621	938,368	934,721	847,723	880,127	-	-	-	-
Culture and recreation	33,737	22,730	20,055	37,170	40,061	55,938	57,502	51,209	62,559	81,834
Home and community services	7,741,402	7,547,677	7,334,205	7,181,918	7,163,186	5,706,851	6,206,789	5,738,767	5,721,557	5,451,000
Operating grants and contributions	59,664,615	61,882,374	62,112,570	66,401,212	70,647,232	64,285,558	44,489,319	46,193,967	42,090,351	31,720,088
Capital grants and contributions	5,366,999	2,200,128	2,767,546	2,453,459	1,819,374	3,568,519	831,877	1,045,638	235,547	495,052
Total governmental activities	<u>78,039,915</u>	<u>77,055,617</u>	<u>78,111,024</u>	<u>81,537,773</u>	<u>84,964,255</u>	<u>79,361,338</u>	<u>57,520,198</u>	<u>55,710,000</u>	<u>50,232,263</u>	<u>39,740,035</u>
Business-type activities:										
Charges for services -										
Beaches and marinas	2,102,048	2,091,578	2,105,931	2,180,432	1,809,694	1,693,806	1,833,090	1,702,160	1,633,128	1,569,862
Waste management	2,354,834	2,253,543	2,208,632	1,969,182	1,919,588	1,859,264	2,018,483	2,131,435	2,210,232	1,791,992
Golf course	355,202	187,420	190,571	145,042	134,532	655,867	670,047	618,645	547,325	729,464
Operating grants and contributions	15,324	-	31,546	31,109	782,905	207,864	265,849	53,642	54,563	30,655
Total business-type activities	<u>4,827,408</u>	<u>4,532,541</u>	<u>4,536,680</u>	<u>4,325,765</u>	<u>4,646,719</u>	<u>4,416,801</u>	<u>4,787,469</u>	<u>4,505,882</u>	<u>4,445,248</u>	<u>4,121,973</u>
Total program revenues	<u>82,867,323</u>	<u>81,588,158</u>	<u>82,647,704</u>	<u>85,863,538</u>	<u>89,610,974</u>	<u>83,778,139</u>	<u>62,307,667</u>	<u>60,215,882</u>	<u>54,677,511</u>	<u>43,862,008</u>
Net (expense)/revenue	<u>\$ (47,373,791)</u>	<u>\$ (52,348,681)</u>	<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>

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									
	2018	2017	2016	2015	(As Restated) 2014*	(As Restated) 2013**	2012	2011	2010	2009
NET (EXPENSE)/REVENUE:										
Governmental activities	\$ (47,734,408)	\$ (52,437,678)	\$ (47,382,288)	\$ (29,649,576)	\$ (29,930,551)	\$ (36,488,624)	\$ (53,110,396)	\$ (73,002,096)	\$ (63,699,684)	\$ (73,137,563)
Business-type activities	360,617	88,997	324,504	237,816	828,406	(406,025)	(47,048)	(394,625)	(432,176)	(544,032)
Net (expense)/revenue	<u>\$ (47,373,791)</u>	<u>\$ (52,348,681)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Real property taxes	\$ 73,419,542	\$ 70,404,024	\$ 68,141,179	\$ 66,242,804	\$ 65,501,711	\$ 62,863,930	\$ 63,259,796	\$ 61,685,290	\$ 62,263,733	\$ 59,192,549
Other real property tax items	584,630	725,072	606,740	617,813	599,919	577,961	536,486	569,203	536,037	65,223
Non-property tax items	1,898,978	1,907,161	1,846,425	1,700,658	1,643,124	1,530,975	1,431,473	1,424,315	1,350,747	1,013,649
Interest earnings	3,371,457	1,610,440	1,111,137	1,034,392	685,415	580,245	617,034	687,758	720,489	568,086
State aid-unrestricted	11,432,391	12,511,102	12,173,071	11,908,460	10,477,475	10,418,900	7,893,931	8,193,369	8,053,994	7,301,340
Sale of property and compensation for loss	406,399	494,235	881,314	107,062	73,160	137,893	-	-	-	-
Miscellaneous	47,059	-	45,380	38,132	90,962	15,044	76,214	2,720,844	4,295,472	4,420,251
Transfers	689,796	300,000	415,000	343,861	500,000	(250,728)	(20,086)	(3,646,360)	(427,733)	-
Total governmental activities	<u>91,850,252</u>	<u>87,952,034</u>	<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>
Business-type activities:										
Real property taxes	250,195	101,162	296,415	142,807	523,037	475,640	476,900	1,333,287	492,017	-
Interest earnings	28,455	17,013	10,451	9,784	9,457	4,080	1,697	2,256	3,200	5,664
Transfer of capital assets	-	-	-	-	-	2,042,027	-	-	-	-
Transfers	(689,796)	(300,000)	(415,000)	(343,861)	(500,000)	250,728	20,086	3,646,360	427,733	-
Total business-type activities	<u>(411,146)</u>	<u>(181,825)</u>	<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>
Total general revenues and other changes in net position	<u>\$ 91,439,106</u>	<u>\$ 87,770,209</u>	<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>
CHANGE IN NET POSITION:										
Governmental activities	\$ 44,115,844	\$ 35,514,356	\$ 37,837,958	\$ 52,343,606	\$ 49,641,215	\$ 39,385,596	\$ 20,684,452	\$ (1,367,677)	\$ 13,093,055	\$ (576,465)
Business-type activities	(50,529)	(92,828)	216,370	46,546	860,900	2,366,450	451,635	4,587,278	490,774	(538,368)
Total change in net position	<u>\$ 44,065,315</u>	<u>\$ 35,421,528</u>	<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>\$ (1,114,833)</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									
	2018	2017	2016	2015	2014	(As Restated) 2013*	2012	2011**	2010	2009
GENERAL FUND:										
Nonspendable	\$ 2,307,574	\$ 2,175,894	\$ 1,924,365	\$ 1,890,447	\$ 1,934,210	\$ 1,420,951	\$ 1,317,335	\$ 1,318,259		
Restricted	4,749,806	4,667,487	4,486,637	4,388,779	4,505,755	7,131,432	6,405,740	6,529,348		
Assigned	644,055	618,353	551,490	576,131	381,197	766,818	1,064,819	465,926		
Unassigned	15,462,885	14,955,858	13,306,619	9,762,190	7,503,015	4,650,750	5,786,071	4,635,599		
Total general fund	<u>\$ 23,164,320</u>	<u>\$ 22,417,592</u>	<u>\$ 20,269,111</u>	<u>\$ 16,617,547</u>	<u>\$ 14,324,177</u>	<u>\$ 13,969,951</u>	<u>\$ 14,573,965</u>	<u>\$ 12,949,132</u>		
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable	\$ 1,945,337	\$ 1,945,701	\$ 1,780,237	\$ 1,782,849	\$ 1,850,522	\$ 1,437,253	\$ 1,383,478	\$ 1,529,744		
Restricted	119,799,982	92,084,186	89,328,745	109,181,190	90,606,444	78,877,301	56,124,167	68,253,856		
Committed	55,000	760,000	1,000,000	-	-	-	-	-		
Assigned	12,910,795	12,934,065	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	<u>\$ 134,711,114</u>	<u>\$ 107,723,952</u>	<u>\$ 104,692,459</u>	<u>\$ 122,442,213</u>	<u>\$ 103,234,803</u>	<u>\$ 90,864,011</u>	<u>\$ 63,254,962</u>	<u>\$ 73,701,684</u>		
GENERAL FUND:										
Reserved									\$ 5,725,525	\$ 7,019,673
Unreserved									8,280,158	4,486,611
Total general fund									<u>\$ 14,005,683</u>	<u>\$ 11,506,284</u>
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved									\$ 50,448,390	\$ 35,838,615
Unreserved reported in:										
Other major funds									1,652,707	(302,242)
Special revenue funds									10,379,095	8,027,797
Capital projects funds									334,683	(14,404,950)
Total all other governmental funds									<u>\$ 62,814,875</u>	<u>\$ 29,159,220</u>

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.
**- 2011 financial statements adopted Governmental Accounting Standards Board Statement No. 54

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

	Fiscal Year									
	2018	2017	2016	2015	2014	(As Restated)* 2013	2012	2011	2010	2009
Revenues:										
Real property taxes	\$ 73,419,542	\$ 70,404,024	\$ 68,141,179	\$ 66,242,804	\$ 65,501,711	\$ 62,863,930	\$ 63,259,796	\$ 61,685,290	\$ 62,263,733	\$ 59,192,549
Other real property tax items	584,630	725,072	606,740	617,813	599,919	577,961	536,486	569,203	536,037	65,223
Non-property tax items	55,838,647	58,447,259	56,929,890	62,361,375	66,753,241	59,589,487	39,496,331	40,642,767	35,576,544	25,819,137
Special assessments	13,063	13,063	33,153	37,170	40,061	47,335	47,332	51,209	62,559	81,834
Departmental income	5,760,587	5,513,435	5,770,294	5,546,890	8,561,846	7,211,022	7,693,286	6,692,946	6,702,258	3,368,812
Intergovernmental charges	1,062,687	1,032,581	973,208	1,000,083	1,031,520	1,006,871	864,140	987,806	684,058	622,237
Use of money and property	3,371,457	1,610,440	1,111,137	1,034,392	685,415	580,245	617,034	687,758	720,489	568,086
License and permits	4,049,498	4,061,752	3,923,764	3,501,659	428,117	548,264	415,965	346,345	288,217	38,250
Fines and forfeitures	1,136,616	1,366,663	1,592,122	1,662,579	1,588,383	1,813,642	1,857,009	1,784,553	1,835,927	1,617,193
Sale of property and compensation for loss	406,399	494,235	881,314	107,062	73,160	164,755	19,186	34,872	262,688	15,399
Miscellaneous local sources	2,809,302	1,188,104	1,846,152	2,137,411	1,824,346	2,256,831	2,418,601	1,492,190	3,985,516	2,213,889
State aid	15,400,987	15,949,205	15,064,146	13,842,477	12,196,339	10,535,956	9,238,136	10,769,638	8,955,588	8,753,181
Federal aid	5,291,905	4,400,586	5,738,549	5,103,507	5,097,358	7,153,799	4,843,167	4,726,149	5,143,552	4,328,606
Total revenues	169,145,320	165,206,419	162,611,648	163,195,222	164,381,416	154,350,098	131,306,469	130,470,726	127,017,166	106,684,396
Expenditures:										
Current:										
General governmental support	37,974,011	64,216,649	82,462,576	48,711,714	56,863,297	45,197,974	54,379,864	41,188,029	24,779,811	33,896,121
Public safety	24,298,516	22,247,878	21,805,311	21,016,582	20,041,887	19,315,488	19,406,028	18,527,638	19,067,239	18,287,036
Health	3,201,042	3,129,142	3,067,786	2,989,335	2,943,708	2,895,640	2,742,820	2,606,820	2,471,220	2,505,122
Transportation	8,471,095	8,489,390	8,165,615	8,174,330	8,035,861	7,100,595	6,366,143	7,087,272	7,444,043	6,860,470
Economic assistance and opportunity	3,335,913	2,838,758	3,391,014	3,503,342	2,721,431	2,967,560	3,123,002	2,692,752	2,107,374	2,607,405
Culture and recreation	3,181,592	3,115,441	2,780,523	2,680,457	2,886,959	3,155,588	4,141,028	4,241,038	4,375,822	4,110,850
Home and community service	10,832,074	10,968,872	10,689,641	10,299,975	15,175,424	28,560,085	10,393,391	10,390,084	10,236,731	8,688,200
Employee benefits	27,444,712	26,063,269	24,616,712	23,871,365	23,813,336	26,958,754	20,363,214	20,122,235	17,218,161	15,616,014
Capital outlay	14,563,444	8,299,668	10,768,144	7,754,713	5,436,843	4,905,920	6,004,465	9,695,990	6,878,197	9,753,807
Debt service :										
Principal	14,808,120	14,215,372	13,985,390	13,944,153	14,100,073	12,399,576	11,080,636	10,549,825	11,687,500	12,833,040
Interest	3,296,880	3,619,544	3,861,048	4,111,638	4,400,806	4,032,820	4,286,344	4,274,478	4,833,281	4,370,036
Total expenditures	151,407,399	167,203,983	185,593,760	147,057,604	156,419,625	157,490,000	142,286,935	131,376,161	111,099,379	119,528,101
Excess (deficiency) of revenues over (under) expenditures	17,737,921	(1,997,564)	(22,982,112)	16,137,618	7,961,791	(3,139,902)	(10,980,466)	(905,435)	15,917,787	(12,843,705)
Other financing sources (uses):										
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	8,876,000	6,818,000	8,320,000	4,873,500	4,200,000	29,350,000	2,150,000	-	-	-
Premium on obligations	245,173	59,538	148,922	417,300	1,042,092	1,008,668	2,149,687	376,128	1,070,569	5,159
Interfund transfers in	11,886,420	6,032,405	2,359,627	5,220,901	4,087,066	4,851,356	2,393,500	2,422,820	3,615,996	9,991,492
Interfund transfers out	(11,196,624)	(5,732,405)	(1,944,627)	(4,877,040)	(3,587,066)	(5,102,084)	(2,413,586)	(6,069,180)	(4,043,729)	(9,991,492)
Proceeds from issuance of refunding bond	-	-	-	-	-	-	14,418,530	-	9,430,000	2,720,000
Debt proceeds (bonds or installment)	-	-	-	-	-	-	-	13,862,000	20,345,000	40,000,000
Bond anticipation notes redeemed from appropriations	185,000	-	-	-	-	945,000	-	143,925	70,000	-
Total other financing sources (uses)	9,995,969	7,177,538	8,883,922	5,363,162	4,763,227	31,052,940	2,158,577	10,735,693	19,987,267	42,725,159
Net change in fund balances	\$ 27,733,890	\$ 5,179,974	\$ (14,098,190)	\$ 21,500,780	\$ 12,725,018	\$ 27,913,038	\$ (8,821,889)	\$ 9,830,258	\$ 35,905,054	\$ 29,881,454
Debt service as a percentage of noncapital expenditures	15.86%	15.87%	15.96%	17.12%	16.99%	15.32%	15.65%	15.57%	17.39%	18.59%

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*
2018	\$ 57,719,930,156	\$ 652,362,554	\$ 355,714,183	\$ 2,484,309,994	\$ 63,690,793,873	100.00%	\$ 63,690,793,873	1.39
2017	56,292,610,956	652,837,263	342,192,033	2,243,590,101	60,685,008,854	100.00%	60,685,008,854	1.42
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

* 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)

Fiscal Year	Total Effective Tax Rate*	Overlapping Rates			
		School Districts and Libraries - Range			Suffolk County
2018	1.39	0.03	-	23.56	0.19
2017	1.42	0.03	-	23.22	0.20
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

* 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 NINE YEARS AGO

2018

Name	Type	Assessed Valuation	Percentage of Total Taxable Assessed Valuation
Blue Turtles, Inc.	Estate	\$ 248,684,000	0.39%
PSEG Long Island	Utility	230,142,189	0.36%
Old Town SH Associates, LLC	Comercial	90,058,800	0.14%
National Grid	Utility	80,540,274	0.13%
Leon D Black	Estate	67,414,900	0.11%
Yumi & The Kids LLC	Comercial	62,548,000	0.10%
Hampton Center Realty, LLC	Comercial	55,465,000	0.09%
Stem Partners, LLC	Comercial	54,679,100	0.09%
650 Meadow Lane LLC	Estate	53,572,800	0.08%
Stephen Perlbinder	Estate	51,097,400	0.08%

2009

Name	Type	Assessed Valuation	Percentage of Total Taxable Assessed Valuation
Blue Turtles, Inc.	Estate	\$ 218,906,800	0.43%
Long Island Power Authority	Utility	125,054,674	0.25%
Suffolk County	Various	101,234,065	0.20%
Keyspan Energy Corp.	Utility	70,921,740	0.14%
Verizon New York Inc.	Utility	61,999,339	0.12%
Leon D Black	Estate	61,715,500	0.12%
Payton Lane Nursing Home, Inc.	Commercial	54,948,800	0.11%
Keyspan Energy Corp.	Utility	51,521,012	0.10%
Yumi & The Kids LLC	Comercial	49,884,200	0.10%
Permelynn of Bridgehampton Inc.	Estate	47,872,800	0.10%

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

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tax Levy:										
General Town	\$ 24,509,869	\$ 22,914,270	\$ 21,796,989	\$ 21,007,380	\$ 21,416,522	\$ 21,907,868	\$ 22,048,728	\$ 24,288,157	\$ 23,471,265	\$ 22,557,464
Police	22,847,542	22,097,741	21,618,749	20,966,728	20,238,896	19,717,477	19,510,509	18,787,061	19,122,882	19,792,258
Emergency Dispatching - E911	2,538,324	2,337,186	2,174,475	2,142,364	2,059,311	2,056,667	2,154,216	2,163,471	2,163,032	1,628,786
Zoning	1,330,773	1,249,150	1,327,298	1,854,200	2,130,885	2,170,133	1,757,858	907,216	1,591,613	450,560
Highway	12,986,612	12,697,210	12,422,647	11,571,887	11,059,879	11,048,231	11,458,980	10,757,440	10,203,992	8,805,492
Fire and Fire Protection Districts	15,574,785	14,568,468	14,436,406	13,566,410	12,744,610	12,548,005	12,111,213	12,302,370	12,282,939	12,039,733
Lighting District	563,153	563,580	558,919	571,833	602,374	575,831	556,046	564,747	553,783	543,516
Water Districts	1,375,036	1,282,789	1,250,684	1,126,131	1,181,369	1,122,575	1,132,073	1,082,775	1,111,611	1,391,341
Miscellaneous Special Districts	7,283,346	6,465,925	6,392,002	6,996,235	6,506,283	5,616,172	4,484,099	4,337,653	4,302,159	3,736,414
School and Library Districts	261,267,169	254,759,973	249,613,770	245,197,938	242,270,737	230,856,616	230,672,394	221,311,943	212,480,335	197,196,966
County of Suffolk	14,621,325	18,966,500	17,270,445	19,994,927	18,384,417	19,211,414	15,869,036	16,688,892	14,148,089	15,602,231
Other Items	601,604	1,759,381	1,655,959	905,306	1,890,029	819,935	991,121	714,871	518,619	566,523
Total tax levy	\$ 365,499,538	\$ 359,662,173	\$ 350,518,343	\$ 345,901,339	\$ 340,485,312	\$ 327,650,924	\$ 322,746,273	\$ 313,906,596	\$ 301,950,319	\$ 284,311,284
Amount Collected	\$ 351,610,634	\$ 341,855,504	\$ 326,724,516	\$ 324,507,864	\$ 315,005,317	\$ 307,538,277	\$ 297,658,185	\$ 286,195,281	\$ 271,663,915	\$ 251,805,335
Percentage Collected	96.20%	95.05%	93.21%	93.82%	92.52%	93.86%	92.23%	91.17%	89.97%	88.57%
Amount Uncollected	\$ 13,888,904	\$ 17,806,669	\$ 23,793,827	\$ 21,393,475	\$ 25,479,995	\$ 20,112,647	\$ 25,088,088	\$ 27,711,315	\$ 30,286,404	\$ 32,505,949
Percent Uncollected	3.80%	4.95%	6.79%	6.18%	7.48%	6.14%	7.77%	8.83%	10.03%	11.43%

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	Installment Purchase Debt	General Obligation Bonds, Net				
2018	\$ 100,370,325	\$ 939,246	\$ -	\$ 6,881,846	\$ 108,191,417	3.96%	\$ 1,865	
2017	107,279,726	54,366	-	5,950,011	113,284,103	4.18%	1,960	
2016	115,117,251	67,486	-	5,950,126	121,134,863	4.83%	2,098	
2015	121,160,890	100,077	-	6,402,941	127,663,908	5.18%	2,233	
2014	130,246,420	133,289	3,072,700	6,970,455	140,422,864	5.58%	2,456	
2013	136,937,548	171,711	6,572,700	7,525,740	151,207,699	5.29%	2,655	
2012	119,044,624	169,211	10,072,700	7,846,164	137,132,699	5.61%	2,415	
2011	129,537,011	202,031	13,572,700	8,600,958	151,912,700	4.92%	2,675	
2010	126,399,762	246,638	-	8,573,600	135,220,000	4.27%	2,229	
2009	118,249,320	314,900	-	6,720,780	125,285,000	4.27%	2,088	

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

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Taxable Assessed Valuation</u>	<u>Gross Bonded Debt</u>	<u>Net Bonded Debt</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2018	58,024	\$ 63,690,793,873	\$ 108,191,417	\$ 105,355,000	0.17%	\$ 1,816
2017	57,803	60,685,008,854	113,284,103	106,227,324	0.18%	1,906
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

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, 2018

Governmental Unit		Gross Indebtedness	Estimated Exclusions	Net Indebtedness	Percentage Applicable	Applicable Net Indebtedness
Town of Southampton	12/31/2018	\$ 101,309,571	\$ 4,385,129	\$ 96,924,442	100.00%	\$ 96,924,442
Total direct debt						96,924,442
County of Suffolk	12/6/2018	1,843,179,208	446,160,219	1,397,018,989	22.04%	307,902,985
Villages:						
Quogue	5/31/2018	635,000	-	635,000	100.00%	635,000
Sagaponack	5/31/2018	535,000	-	535,000	100.00%	535,000
Sag Harbor	5/31/2018	2,034,587	-	2,034,587	30.00%	610,376
Southampton	5/31/2018	10,045,000	-	10,045,000	100.00%	10,045,000
Westhampton Beach	5/31/2018	1,750,000	-	1,750,000	100.00%	1,750,000
Westhampton Dunes	5/31/2018	1,220,000	-	1,220,000	100.00%	1,220,000
School Districts:						
Bridgehampton	6/30/2018	1,480,000	148,000	1,332,000	100.00%	1,332,000
East Quogue	6/30/2018	505,000	50,500	454,500	100.00%	454,500
Eastport-South Manor	6/30/2018	119,656,711	92,733,950	26,922,761	14.48%	3,898,416
Hampton Bays	6/30/2018	44,776,586	4,477,659	40,298,927	100.00%	40,298,927
Riverhead	6/30/2018	78,562,079	27,025,355	51,536,724	15.50%	7,988,192
Sag Harbor	6/30/2018	14,780,000	1,478,000	13,302,000	88.51%	11,773,600
Southampton	6/30/2018	33,129,457	3,312,946	29,816,511	100.00%	29,816,511
Tuckahoe	6/30/2018	412,218	41,222	370,996	100.00%	370,996
Wainscott	6/30/2018	450,000	45,000	405,000	4.79%	19,400
Westhampton Beach	6/30/2018	22,527,711	2,252,771	20,274,940	100.00%	20,274,940
Fire Districts:						
Bridgehampton	12/31/2018	3,888,910	-	3,888,910	100.00%	3,888,910
Eastport	12/31/2018	80,000	-	80,000	100.00%	80,000
Flanders	12/31/2018	621,473	-	621,473	100.00%	621,473
Riverhead	12/31/2018	8,070,000	-	8,070,000	4.46%	359,922
Westhampton Beach	12/31/2018	14,565,000	-	14,565,000	100.00%	14,565,000
Total overlapping debt						458,441,148
Total direct and overlapping debt		\$ 2,304,213,511	\$ 582,110,751	\$ 1,722,102,760		\$ 555,365,590
Per Capita						\$ 9,571

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, 2018

	Years Ended December 31,	Assessed Valuation	State Equalization Rate	Full Valuation	
	2018	\$ 63,690,793,873	100.00%	\$ 63,690,793,873	
	2017	60,685,008,854	100.00%	60,685,008,854	
	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	
Total Five Year Full Valuation				292,810,911,423	
Average Five Year Full Valuation				58,562,182,285	
Debt Limit - 7% of Average Full Valuation				\$ 4,099,352,760	(a)
Inclusions:					
Outstanding Bonds				\$ 108,191,417	
Bond Anticipation Notes				1,605,000	
Total Inclusions				109,796,417	
Exclusions:					
Water Debt				4,385,129	
Total Exclusions				4,385,129	
Total Net Indebtedness Subject to the Debt Limit				\$ 105,411,288	(b)
Net Debt Contracting Margin				\$ 3,993,941,472	(a) - (b)
Percent of Debt Limit Exhausted				2.57%	(b)/(a)

Last Ten Years

Year	Constitutional Debt Limit	Outstanding Indebtedness December 31	Less: Exclusions	Indebtedness Subject to Debt Limit	Net Contracting Margin	Net Contracting Margin	Percent of Net Debt Contracting Margin Available
2018	\$ 4,099,352,760	\$ 109,796,417	\$ 4,385,129	\$ 105,411,288	\$ 3,993,941,472	\$ 3,993,941,472	97.43%
2017	3,989,749,526	115,074,103	5,018,005	110,056,098	3,879,693,428	3,879,693,428	97.24%
2016	3,922,206,768	120,751,640	5,636,300	115,115,340	3,810,283,068	3,810,283,068	97.15%
2015	3,922,206,768	126,999,140	5,473,275	121,525,865	3,800,680,903	3,800,680,903	96.90%
2014	3,876,438,635	133,359,998	14,715,450	118,644,548	3,757,794,087	3,757,794,087	96.94%
2013	3,835,961,478	144,634,999	14,443,755	130,191,244	3,705,770,234	3,705,770,234	96.61%
2012	3,851,036,642	127,059,999	7,349,903	119,710,096	3,731,326,546	3,731,326,546	96.89%
2011	3,753,800,763	138,340,000	15,493,460	122,846,540	3,630,954,223	3,630,954,223	96.73%
2010	3,458,274,451	135,220,000	5,235,245	129,984,755	3,328,289,696	3,328,289,696	96.24%
2009	3,179,332,190	125,285,000	5,473,500	119,811,500	3,059,520,690	3,059,520,690	96.23%

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)
2018	58,024	\$ 2,729	\$ 47,032	4.40%	21,204	2.55	413.87
2017	57,803	2,710	46,883	4.60%	21,983	2.62	412.29
2016	57,730	2,710	46,943	4.60%	21,735	2.46	411.77
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

(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 NINE YEARS AGO**

2018

Rank	Name	Headquarters	Type of Business	Number of Employees	Percentage of Total Town's Employment
1	Southampton Hospital	Southampton	Hospital	1,200	1.31%
2	Town of Southampton	Southampton	Municipality	528	0.88%
3	Southampton Union Free School District	Southampton	School District	424	0.68%
4	Corcoran Group	Bridgethampston	Real Estate	350	0.68%
5	Bridgethampston National Bank	Hampton Bays	Commercial Banks	245	0.59%
6	Dunn Engineering	Bridgethampston	Engineering	100	0.41%
7	Maran Corporate Risk Associates	Westhampston Beach	Insurance	93	0.17%
8	Southampton Inn	Westhampston Beach	Hospitality	90	0.16%
9	Southampton Press	Southampton/East Hampton	Newspaper	50	0.08%
10	Hampton Coach	Southampton	Limousine Service	50	0.08%
				3,130	5.03%

2009

Rank	Name	Headquarters	Type of Business	Number of Employees	Percentage of Total Town's Employment
1	Southampton Hospital	Southampton	Hospital	650	1.09%
2	Town of Southampton	Southampton	Municipality	552	1.00%
3	Corcoran Group	Bridgethampston	Real Estate	400	0.67%
4	Bridgethampston National Bank	Bridgethampston	Bank	190	0.32%
5	Dominican Sisters Family Health Services	Hampton Bays	Home Health Agency	96	0.16%
6	Southampton Press	Westhampston Beach	Newspaper	74	0.12%
7	Dunn Engineering	Southampton	Engineering	72	0.12%
8	Storms Motors	Southampton	Automotive Dealership	65	0.11%
9	Maran Corporate Risk Associates	Southampton	Insurance	53	0.09%
10	Hampton Coach	Southampton	Limousine Service	40	0.07%
				2,192	3.75%

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

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

Fiscal Year

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function:										
General Government	220	225	221	204	212	221	219	219	224	234
Justice and Law Enforcement	161	167	165	158	158	135	132	140	145	142
Public Works	61	64	67	62	61	99	99	104	104	112
Environment, Parks and Education	31	23	27	24	26	18	16	18	20	19
Health and Human Services	40	38	39	38	37	39	40	42	47	45
Total	<u>513</u>	<u>517</u>	<u>519</u>	<u>486</u>	<u>494</u>	<u>512</u>	<u>506</u>	<u>523</u>	<u>540</u>	<u>552</u>

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

TOWN OF SOUTHAMPTON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function:										
Public Safety -										
Building										
Residential building permits issued	6,869	6,864	6,526	6,294	6,232	5,588	4,979	4,526	3,765	3,203
Commercial building permits issued	75	44	44	45	70	35	40	48	55	38
Police										
Physical arrests	1,893	2,142	1,039	1,813	2,125	2,141	2,172	2,512	2,588	2,341
Traffic and parking violations	13,653	15,680	15,558	14,640	13,530	16,390	17,631	19,479	20,383	20,401
Fire										
Number of fire protection districts	3	3	3	3	3	3	3	3	3	3
Number of calls answered	5,713	5,844	5,847	4,826	5,265	5,030	5,207	4,997	5,017	4,863
Inspections	2,014	1,527	1,467	1,355	1,458	1,029	1,144	1,238	1,275	1,736
Health -										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
Transportation -										
Highway and streets										
Street resurfacing (miles)	18	17	19	15	20	23	24	22	23	22
Culture and recreation -										
Beach permits issued	41,656	42,662	43,774	45,775	43,666	41,282	43,609	42,828	42,340	39,892
Registration for summer programs	1,755	1,820	1,994	2,006	2,126	2,335	2,502	3,024	2,989	2,331
Home and Community Service -										
Sanitation										
Refuse collected (tons/day)	19.50	20.20	20.95	19.62	19.05	18.48	18.03	18.54	18.36	18.70
Recyclables collected (tons/day)	10.40	10.75	10.98	11.08	11.04	10.95	11.23	11.83	11.50	11.50
Water										
Average daily consumption (thousands of gallons)	3,004	2,958	3,200	3,300	2,800	2,700	2,500	2,300	2,600	2,100

Source: Various departments of the Town of Southampton.

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function:										
Public Safety -										
Municipal buildings	35	35	30	30	30	30	29	29	29	29
Preserved acreage	4,435	4,380	4,246	3,886	3,795	3,643	3,500	3,197	3,006	2,946
Public Safety -										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	105	105	99	93	93	90	104	104	104	104
Health -										
Number of ambulance districts	4	4	4	4	4	4	4	4	4	4
Transportation -										
Highways and streets										
Number of street lighting districts	9	9	9	9	9	9	9	9	9	9
Streets (miles)	456	456	456	456	456	456	456	455	453	452
Streetlights	2,578	2,734	2,729	2,727	2,727	2,724	2,714	2,714	2,714	2,714
Traffic signals (1)	36	36	36	32	32	31	31	31	31	29
Culture and recreation -										
Number of park districts	3	3	3	3	3	3	3	3	3	3
Parks and open space	4,009	4,009	4,009	4,009	4,009	4,009	4,009	4,009	4,009	4,009
Beaches	8	8	8	8	8	8	8	8	8	8
Marinas	4	4	3	3	3	3	3	2	2	2
Boat basin slips	89	89	80	80	80	80	80	66	66	66
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	3	3	3	3	3	3	3	3	3	3
Home and Community Services -										
Sanitation										
Transfer stations	4	4	4	4	4	4	4	4	4	4
Vehicles	50	48	48	45	45	42	43	47	46	46
Water										
Water mains (miles)	100	100	100	105	105	101	100	98	96	94
Total yearly pumpage (in millions of gallons)	10,966	11,080	11,902	12,345	10,251	9,939	9,649	8,491	9,760	7,631
Fire hydrants	540	525	524	525	525	525	515	505	500	490

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)