

INCORPORATED VILLAGE OF SOUTHAMPTON, NEW YORK

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(WITH INDEPENDENT AUDITORS' REPORT)**

For the Year Ended May 31, 2024

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Incorporated Village of Southampton, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Incorporated Village of Southampton, New York ("Village"), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

We draw attention to Note 11 in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 96, "*Subscription-Based Information Technology Arrangements*." Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The schedule of revenues and other financing sources – budget and actual – general fund, schedule of expenditures and other financing uses – budget and actual – general fund, schedule of increases and decreases – capital projects fund, and schedule of increases and decreases – special revenue fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of revenues and other financing sources – budget and actual – general fund, schedule of expenditures and other financing uses – budget and actual – general fund, schedule of increases and decreases – capital projects fund, and schedule of increases and decreases – special revenue fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2025 on our consideration of the Village'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 solely 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 the effectiveness of the Village's 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 Village's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Hauppauge, New York
February 19, 2025

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2024

As management of the Incorporated Village of Southampton (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2024. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- As reflected in the government-wide financial statements, the liabilities and deferred inflows of resources of the Village exceeded its assets and deferred outflows of resources as of May 31, 2024 by \$26,146,444 (net deficit). The components of the net deficit are the Village's net investment in capital assets of \$34,903,956, restricted net position of \$9,335,762, and an unrestricted net deficit of \$70,386,162.
- The Village is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Village has recognized substantial liabilities in the government-wide financial statements for these benefits. As of May 31, 2024, the Village had liabilities of \$50,017,201 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"* ("OPEB"), \$3,273,202 for its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS") and \$5,611,445 for its proportionate share of the net pension liability of the New York State and Local Police and Fire Retirement System ("PFRS") recorded in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions,"* and \$8,868,634 for its length of service award programs ("LOSAP") reported in accordance with GASB Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."* More information about the Village's OPEB and pension reporting is presented in notes 3G, 3H and 3I in the notes to financial statements.
- The Village implemented the provisions of GASB Statement No. 96, *"Subscription-Based Information Technology Arrangements,"* for the year ended May 31, 2024, which established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires the subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. As a result, the Village has reported a cumulative effect of change in accounting principle of \$281,934 for the right-to-use subscription asset, and a \$281,934 liability for subscriptions payable for a net cumulative effect of \$0- to the June 1, 2023 net position of the governmental activities.
- As reflected in the fund financial statements, as of May 31, 2024, the assets of the Village exceeded its liabilities and deferred inflows of resources by \$40,387,666, an increase in overall fund balance of \$7,111,432 from the prior year. The Village's total fund balance of \$40,387,666 includes \$1,171,908 of nonspendable fund balance, \$12,622,578 of restricted fund balance, \$13,598,943 of assigned fund balance, and \$12,994,237 of unassigned fund balance.
- The general fund reported an operating surplus (before transfers) of \$6,436,539 for the year ended May 31, 2024. The general fund reported transfers in of \$160,141 for premiums received on a bond issuance, and transfers out of \$7,850,000 to the capital projects fund to finance capital projects, and \$100,000 to the special revenue fund for maintenance of the Village's World War I memorial, resulting in a net decrease in fund balance of \$1,353,320.

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. These basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements distinguish function and programs of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from programs that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Village include general government support, public safety, health, transportation, culture and recreation, and home and community services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

The Village currently maintains three governmental funds: (1) General Fund, (2) Capital Projects Fund, and (3) Special Revenue Fund. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and as the resources are not available to support the Village's programs, these funds are not reflected in the government-wide financial statements. The Village has one Fiduciary Fund, a Custodial Fund, which primarily accounts for amounts held for others collected through fundraising, as well as amounts due to others for bail.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, this report contains required supplementary information other than management's discussion and analysis, and other supplementary information following the notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Our analysis below focuses on the net position and changes in net position of the Village's governmental activities.

Condensed Statement of Net Position
 Governmental Activities
 as of May 31st,

	2024	2023*
Assets		
Current and other assets	\$ 37,095,901	\$ 31,337,826
Noncurrent assets	7,595,160	6,792,358
Capital assets*	44,687,546	37,829,510
Total Assets	89,378,607	75,959,694
Deferred Outflows of Resources*	16,276,923	19,880,833
Liabilities		
Current and other liabilities	7,242,414	4,749,938
Long-term liabilities*	84,033,541	83,408,765
Total Liabilities	91,275,955	88,158,703
Deferred Inflows of Resources*	40,526,019	42,813,239
Net Position (Deficit)		
Net investment in capital assets	34,903,956	30,898,261
Restricted	9,335,762	7,606,140
Unrestricted deficit	(70,386,162)	(73,635,816)
Total Net Position	\$ (26,146,444)	\$ (35,131,415)

*Balances as of May 31, 2023 reflect a cumulative change in accounting principle (see Note 11). Certain reclassifications were made to conform to the current year presentation.

Total assets increased by \$13,418,913 when compared to the prior year. This increase can be attributed to increases in cash and cash equivalents and LOSAP plan assets, and capital asset acquisitions in excess of depreciation/amortization. Deferred outflows of resources decreased from the prior year by \$3,603,910 due to a decrease in deferred outflows of resources relating pensions and OPEB as a result of changes in the actuarial valuation.

Total liabilities increased by \$3,117,252 when compared to the prior year. This change is primarily related to issuance of a new general obligation bond in the amount of \$6,435,000, offset by current year principal payments, and an increase in the LOSAP liability, offset by a decrease in net pension liability – proportionate share. Deferred inflows of resources decreased from the prior year by \$2,287,220 due to a decrease in deferred inflows of resources relating to the actuarial valuation for the other postemployment benefits, offset by an increase in deferred inflows of resources relating pensions as a result of changes in the actuarial valuation and the addition of deferred inflows of resources relating to a public-private partnership.

Currently, the Village's net position includes \$34,903,956 which reflects its net investment in capital assets (e.g., land, buildings, improvements and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

Condensed Statement of Activities and Changes in Net Position
 Governmental Activities
 For the years ended May 31st,

	2024	2023
Program Revenues		
Charges for services	\$ 7,522,922	\$ 6,928,968
Operating grants and contributions	239,395	229,435
Capital grants and contributions	2,972,839	552,352
Total Program Revenues	10,735,156	7,710,755
General Revenues		
Real property taxes and other real property tax items	26,381,991	25,982,362
Non-property tax items	584,399	632,493
State and federal aid	1,111,884	1,889,424
Other	3,655,330	1,276,020
Total General Revenues	31,733,604	29,780,299
Total Revenues	42,468,760	37,491,054
Program Expenses		
General government support	8,505,497	8,550,793
Public safety	17,097,680	16,803,573
Health	605,729	556,484
Transportation	3,460,917	3,241,629
Culture and recreation	2,886,455	2,501,500
Home and community services	606,600	527,305
Interest on long-term debt	320,911	174,919
Total Expenses	33,483,789	32,356,203
Change in Net Position	\$ 8,984,971	\$ 5,134,851

Program revenues includes charges for services which provide a direct benefit to the purchaser, including fees for the beach access, parking, event fees, building permits, and fire protection services.

Revenue contributions by external governments that are restricted to supporting these types of programs are also classified as program revenues as either operating or capital grants.

General revenues include revenues that are available to fund the overall government and to provide a benefit to all taxpayers in the Village. This includes real property taxes and related items, state and federal aid, and miscellaneous funds that may be generated during the course of the year, such as sales on excess equipment and insurance property loss claims received.

The Village's total revenues increased by \$4,977,706 or 13.3% when compared to the prior year. The Village recognized \$3,024,401 more in program revenues and \$1,953,305 more in general revenues. The increase in program revenues can be attributed to an increase in capital grants and contributions due to a increases in payments from local utility companies to repave roads in the Village that were damaged during utility work, and in grant funded capital projects, as well as an increase in charges for services relating to building inspection fees. The increase in general revenues is due to increases in interest income on cash deposits, and unrealized gains on program assets for the length of service award programs, offset by a decrease in mortgage tax revenues.

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

The Village's total expenses increased by \$1,127,586 or 3.5% from the prior year. This increase was primarily due to increases in public safety, transportation, and culture and recreation

Net Cost of Services
 Governmental Activities
 For the year ended May 31st,

	Total Cost of Services		Program Revenues		Net Revenue (Expense) of Services	
	2024	2023	2024	2023	2024	2023
General government support	\$ 8,505,497	\$ 8,550,793	\$ 527,477	\$ 221,945	\$ (7,978,020)	\$ (8,328,848)
Public safety	17,097,680	16,803,573	5,937,855	5,422,367	(11,159,825)	(11,381,206)
Health	605,729	556,484	285,122	54,056	(320,607)	(502,428)
Transportation	3,460,917	3,241,629	1,542,110	427,540	(1,918,807)	(2,814,089)
Culture and recreation	2,886,455	2,501,500	1,266,086	1,207,646	(1,620,369)	(1,293,854)
Home and community services	606,600	527,305	1,176,506	377,201	569,906	(150,104)
Interest on debt	320,911	174,919			(320,911)	(174,919)
	<u>\$ 33,483,789</u>	<u>\$ 32,356,203</u>	<u>\$ 10,735,156</u>	<u>\$ 7,710,755</u>	<u>\$ (22,748,633)</u>	<u>\$ (24,645,448)</u>

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

General Fund

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the total fund balance of the General Fund was \$23,740,637, a decrease of \$1,353,320 compared to prior year. This was primarily the result of a planned deficit of \$493,159, and additional appropriation of fund balance of \$7,000,000 for transfers to the capital projects fund, \$99,000 for a transfer to the special revenue fund, and \$287,000 to fund a retro pay, offset by budgetary savings of \$272,776 and greater than anticipated revenues and other financing sources of \$5,940,063, primarily in departmental income, interest income, miscellaneous local sources, and State aid. Of the total fund balance, \$1,171,908 was not in spendable form, \$8,769,110 was restricted for reserves, length of service award program assets, and debt service, \$313,000 was assigned for purchase orders, \$492,382 was assigned to fund the subsequent year's budget, and \$12,994,237 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 31.5% of annual expenditures and other uses while total fund balance represents approximately 57.6% of total fund expenditures and other uses.

Capital Projects Fund

Total revenues and other financing sources in the Capital Projects Fund were \$17,325,680, which includes an interfund transfer from the General Fund of \$7,921,000, miscellaneous local sources of \$1,061,824 relating to local reimbursement based grants, \$919,091 in State and federal aid for reimbursement based grants, \$231,200 in intergovernmental charges, \$504,007 for use of money and property, and \$6,688,558 in debt proceeds, subscription proceeds, and premiums. Total expenditures of \$8,749,307 relate to capital projects including road repair, equipment purchases, a water quality project, energy improvement projects, and expenditures for reimbursement based grant projects.

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

Special Revenue Fund

The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The fund balance in the special revenue fund increased by \$48,520 from the prior year, to an ending fund balance of \$918,519. The increase was primarily due to interest income of \$17,715, donations of \$36,050, and a transfer from the general fund of \$100,000, offset by project expenditures of \$34,245 and a transfer to the capital projects fund of \$71,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village's General Fund adopted budget for the fiscal year ended May 31, 2024 was \$33,748,523. After inclusion of prior year encumbrances in the amount of \$378,159, the Village's original budget for the fiscal year ended May 31, 2024 totaled \$34,126,682. The primary sources of funding for the budget were real property taxes of \$25,995,503, departmental income of \$2,702,250, intergovernmental charges of \$1,162,000, and State aid of \$1,813,270.

Actual revenues and other financing sources of \$39,882,701 exceeded the final budget of \$33,942,638, resulting in a positive budget variance of \$5,940,063. This variance was primarily due to higher than anticipated revenues from departmental income, State aid, use of money and property, and miscellaneous local sources.

Actual expenditures and other financing uses for the year were \$41,236,021. The final budget was \$41,821,797, including prior year encumbrances of \$378,159. This resulted in a positive budget variance of \$272,776 which was primarily driven by savings in employee benefits, public safety, culture and general government support.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's capital assets were \$44,687,456 at May 31, 2024 (net of accumulated depreciation/amortization). During the current fiscal year, the Village had additions of \$10,279,816, and recorded depreciation/amortization expense of \$3,421,780.

Capital Assets at May 31st,	2024	2023*
Land	\$ 1,819,893	\$ 1,819,893
Construction in progress	3,902,236	1,149,685
Art collection	404,615	404,615
Buildings	21,909,682	20,828,054
Land improvements	5,499,706	5,394,666
Machinery and equipment	16,914,044	15,494,863
Vehicles	14,541,208	13,446,757
Infrastructure	33,683,462	30,449,913
Right-to-use subscription assets*	430,643	281,934
Total Capital Assets	99,105,489	89,270,380
Less: Accumulated depreciation/ amortization	54,417,943	51,440,870
Total Net Capital Assets	\$ 44,687,546	\$ 37,829,510

*Balance as of May 31, 2023 reflects a cumulative change in accounting principle (see Note 11).

INCORPORATED VILLAGE OF SOUTHAMPTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration

The Village borrows money to finance the acquisition of capital assets, including infrastructure, land/buildings, and equipment. Long-term financing plans are designed to allocate the acquisition costs of capital assets to present and future taxpayers receiving the benefit of the capital assets. The Village pledges its full faith and credit for the payment of principal and interest. The following is a schedule of debt for capital purposes:

	May 31st,	
	2024	2023
General obligation bonds payable *	\$ 12,160,000	\$ 6,290,000
	<u>\$ 12,160,000</u>	<u>\$ 6,290,000</u>

* This does not include the bond premium as presented in the Statement of Net Position.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village has adequate fund balance on hand to finance current operations. The Village is primarily reliant on property tax revenues, along with departmental income, fines/forfeitures, and State aid. The 2025 budgeted appropriations are \$35,870,595, which is an increase of \$2,122,072 from the current year's original budget. The Village's unassigned fund balance is \$12,994,237 as of May 31, 2024, which represents 36.2% of the subsequent year's budget.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions concerning any information provided in this report should be directed to:

Scott A. Russell
Village Administrator
Incorporated Village of Southampton
23 Main Street
Southampton, NY 11968

BASIC FINANCIAL STATEMENTS

INCORPORATED VILLAGE OF SOUTHAMPTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
 May 31, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 31,860,314
Restricted cash	1,944,508
Tax sale certificates	353,748
Accounts receivable	12,868
Leases receivable	77,649
Due from other governments	726,148
Due from State and federal	959,008
Prepays	1,161,658
Total Current Assets	37,095,901
Non-Current Assets:	
Non-depreciable capital assets	6,126,744
Depreciable capital assets, net of depreciation	38,560,802
Leases receivable	431,988
Length of service award programs plan assets	
Cash and cash equivalents	463,592
Investments	6,699,580
Total Non-Current Assets	52,282,706
Total Assets	89,378,607
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	7,036,627
Other postemployment benefits	6,602,242
Length of service award programs	2,638,054
Total Deferred Outflows of Resources	16,276,923
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	1,605,485
Unearned revenue	950,271
Accrued interest payable	205,331
Due to state and local retirement system	496,314
Deposits payable	441,845
Non-current liabilities due within one year	
General obligation bonds payable	680,000
Subscription liabilities	68,604
Compensated absences	1,006,301
Other postemployment benefits payable	1,788,263
Total Current Liabilities	7,242,414
Non-Current Liabilities:	
General obligation bonds payable, inclusive of unamortized premiums	11,865,468
Subscription liabilities	228,735
Compensated absences	5,957,119
Other postemployment benefits payable	48,228,938
Net pension liability - proportionate share	8,884,647
Length of service award programs liability	8,868,634
Total Non-Current Liabilities	84,033,541
Total Liabilities	91,275,955
DEFERRED INFLOWS OF RESOURCES	
Lease related	507,239
Pensions	3,690,142
Other postemployment benefits	32,011,374
Length of service award programs	3,615,551
Public-private partnerships	701,713
Total Deferred Inflows of Resources	40,526,019
NET POSITION (DEFICIT)	
Net investment in capital assets	34,903,956
Restricted for:	
NYS Reserves	1,254,070
Special reserves	918,519
Length of service award programs	7,163,173
Unrestricted (deficit)	(70,386,162)
Total Net Position (Deficit)	\$ (26,146,444)

See notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended May 31, 2024

Function/Program	Expenses	Program Revenues			Net Expense and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government support	\$ 8,505,497	\$ 163,889	\$ 44,858	\$ 318,730	\$ (7,978,020)
Public safety	17,097,680	5,743,318	194,537		(11,159,825)
Health	605,729			285,122	(320,607)
Transportation	3,460,917	183,860		1,358,250	(1,918,807)
Culture and recreation	2,886,455	1,266,086			(1,620,369)
Home and community services	606,600	165,769		1,010,737	569,906
Interest on debt	320,911				(320,911)
Total Governmental Activities	\$ 33,483,789	\$ 7,522,922	\$ 239,395	\$ 2,972,839	(22,748,633)

GENERAL REVENUES

Real property taxes	25,997,155
Other real property tax items	384,836
Non-property tax items	584,399
Interest income	1,996,396
Rental of Village property	106,899
State Aid - unrestricted	1,111,884
AIM Related Payments	417,243
Miscellaneous	1,134,792

Total General Revenues 31,733,604

Change in Net Position 8,984,971

Net Position (Deficit) at Beginning of Year (35,131,415)

Net Position (Deficit) at End of Year \$ (26,146,444)

See notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
GOVERNMENTAL FUNDS
BALANCE SHEET
May 31, 2024

	General	Capital Projects	Special Revenue	Totals
ASSETS				
Cash and cash equivalents	\$ 15,079,735	\$ 16,780,579		\$ 31,860,314
Restricted cash		1,124,872	\$ 819,636	1,944,508
Tax sale certificates	353,748			353,748
Accounts receivable, net	12,868			12,868
Due from other funds	2,064,227		100,000	2,164,227
Leases receivable	509,637			509,637
Due from other governments	201,205	524,943		726,148
Due from State and federal	339,628	619,380		959,008
Prepays	1,161,658			1,161,658
Length of service award programs plan assets:				
Cash and cash equivalents	463,592			463,592
Investments	6,699,580			6,699,580
Total Assets	<u>\$ 26,885,878</u>	<u>\$ 19,049,774</u>	<u>\$ 919,636</u>	<u>\$ 46,855,288</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 917,686	\$ 686,682	\$ 1,117	\$ 1,605,485
Due to other funds		2,164,227		2,164,227
Due to NYS Employee Retirement System	496,314			496,314
Security deposits	8,790	433,055		441,845
Unearned revenue	912,971	37,300		950,271
Total Liabilities	<u>2,335,761</u>	<u>3,321,264</u>	<u>\$ 1,117</u>	<u>5,658,142</u>
DEFERRED INFLOWS OF RESOURCES				
Lease related	507,239			507,239
Tax sale certificates	302,241			302,241
Total Deferred Inflows of Resources	<u>809,480</u>	<u>-0-</u>	<u>-0-</u>	<u>809,480</u>
FUND BALANCE				
Nonspendable	1,171,908			1,171,908
Restricted	8,769,110	2,934,949	918,519	12,622,578
Assigned	805,382	12,793,561		13,598,943
Unassigned	12,994,237			12,994,237
Total Fund Balance	<u>23,740,637</u>	<u>15,728,510</u>	<u>918,519</u>	<u>40,387,666</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 26,885,878</u>	<u>\$ 19,049,774</u>	<u>\$ 919,636</u>	<u>\$ 46,855,288</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
May 31, 2024

Total Fund Balance - Governmental Funds \$ 40,387,666

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

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

Capital assets - non-depreciable/amortizable	\$ 6,126,744	
Capital assets - depreciable/amortizable	92,978,745	
Accumulated depreciation/amortization	<u>(54,417,943)</u>	
		44,687,546

Deferred outflows of resources are included in the Statement of Net Position.

Pensions	7,036,627	
Other postemployment benefits	6,602,242	
Length of service award programs	<u>2,638,054</u>	
		16,276,923

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (205,331)

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

Compensated absences	(6,963,420)	
General obligation bonds payable	(12,160,000)	
Subscription liability	(297,339)	
Other postemployment benefits payable	(50,017,201)	
Net pension liability - proportionate share	(8,884,647)	
Length of service award programs liability	<u>(8,868,634)</u>	
		(87,191,241)

Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Premiums on general obligation bonds	(385,468)
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Deferred inflows of resources are included in the Statement of Net Position

Pensions	(3,690,142)	
Other postemployment benefits	(32,011,374)	
Length of service award programs	(3,615,551)	
Public-private partnerships	<u>(701,713)</u>	
		(40,018,780)

Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>302,241</u>
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Net Position of Governmental Activities	<u><u>\$ (26,146,444)</u></u>
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INCORPORATED VILLAGE OF SOUTHAMPTON
GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended May 31, 2024

	General	Capital Projects	Special Revenue	Totals
REVENUES				
Real property taxes	\$ 26,020,842			\$ 26,020,842
Other real property tax items	384,836			384,836
Non-property tax items	584,399			584,399
Departmental income	5,509,018			5,509,018
Intergovernmental charges	1,095,557	\$ 231,200		1,326,757
Use of money and property	1,581,573	504,007	\$ 17,715	2,103,295
Licenses and permits	311,427			311,427
Fines and forfeitures	596,420			596,420
Sale of property and compensation for loss	228,880			228,880
Miscellaneous local sources	950,769	1,061,824	36,050	2,048,643
State aid	2,334,154	633,969		2,968,123
Federal aid	124,685	285,122		409,807
Total Revenues	<u>39,722,560</u>	<u>2,716,122</u>	<u>53,765</u>	<u>42,492,447</u>
EXPENDITURES				
Current:				
General government support	6,515,233			6,515,233
Public safety	10,290,973			10,290,973
Health	670,737		1,620	672,357
Transportation	2,520,289			2,520,289
Culture and recreation	1,697,714		32,625	1,730,339
Home and community services	577,662			577,662
Employee benefits	10,186,903			10,186,903
Capital outlay		8,749,307		8,749,307
Debt service:				
Principal	643,012			643,012
Interest	183,498			183,498
Total Expenditures	<u>33,286,021</u>	<u>8,749,307</u>	<u>34,245</u>	<u>42,069,573</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>6,436,539</u>	<u>(6,033,185)</u>	<u>19,520</u>	<u>422,874</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,141	7,921,000	100,000	8,181,141
Transfers out	(7,950,000)	(160,141)	(71,000)	(8,181,141)
Debt proceeds		6,435,000		6,435,000
Subscription proceeds		93,417		93,417
Premiums on obligations		160,141		160,141
Total Other Financing Sources	<u>(7,789,859)</u>	<u>14,449,417</u>	<u>29,000</u>	<u>6,688,558</u>
Net Change in Fund Balances	<u>(1,353,320)</u>	<u>8,416,232</u>	<u>48,520</u>	<u>7,111,432</u>
Fund Balances at Beginning of Year	<u>25,093,957</u>	<u>7,312,278</u>	<u>869,999</u>	<u>33,276,234</u>
Fund Balances at End of Year	<u>\$ 23,740,637</u>	<u>\$ 15,728,510</u>	<u>\$ 918,519</u>	<u>\$ 40,387,666</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended May 31, 2024

Net Change in Fund Balance \$ 7,111,432

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

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

Capital outlay	\$ 10,279,816	
Depreciation/amortization expense	(3,421,780)	
	6,858,036	6,858,036

Net change in deferred outflows of resources not reported in the governmental fund statements related to:

Pensions	(822,429)	
Other postemployment benefits	(2,844,020)	
Length of service award programs	62,539	
	(3,603,910)	(3,603,910)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (23,687)

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

Bond proceeds	(6,435,000)	
Repayment of bond principal	565,000	
Premiums received	(160,141)	
Amortization of bond premium	37,780	
Subscription proceeds	(93,417)	
Repayment of subscription liability	78,012	
	(6,007,766)	(6,007,766)

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. This includes:

Due to other governments	108,207	
Compensated absences	49,625	
Other postemployment benefits payable	315,244	
Net pension liability - proportionate share	3,181,699	
Length of service award programs liability	(1,038,009)	
Accrued interest	(167,619)	
	2,449,147	2,449,147

Net change in deferred inflows of resources not reported in the governmental fund statements related to:

Pensions	(3,201,109)	
Other postemployment benefits	5,940,854	
Length of service award programs	163,687	
Public-private partnerships	(701,713)	
	2,201,719	2,201,719

Change in Net Position of Governmental Activities \$ 8,984,971

See notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
 May 31, 2024

		<u>Custodial Fund</u>
ASSETS		
Cash		\$ 99,705
	Total Assets	<u>99,705</u>
LIABILITIES		
Due to Bailees		16,662
	Total Liabilities	<u>16,662</u>
NET POSITION		
Restricted for individuals, organizations, and other governments		<u>83,043</u>
	Total Fiduciary Net Position	<u><u>\$ 83,043</u></u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
 Year Ended May 31, 2024

		<u>Custodial Fund</u>
ADDITIONS		
Donations		\$ 55,084
Bail collections		1,000
Interest Earnings		<u>1,036</u>
		57,120
DEDUCTIONS		
Bail remittances		1,000
Disbursements for various community programs		<u>59,904</u>
	Change in Fiduciary Net Position	<u>(3,784)</u>
Net Position at Beginning of Year		<u>86,827</u>
	Fiduciary Net Position at End of Year	<u><u>\$ 83,043</u></u>

See notes to the financial statements.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies

The Incorporated Village of Southampton, New York ("Village") was established in 1894 and is governed by New York State Village Law and other general municipal laws of the State of New York and various local laws. The Village Board of Trustees is the legislative body responsible for overall operations and consists of the Mayor and four trustees elected for two-year terms. The Mayor serves as the Chief Executive Officer and the Treasurer serves as the Chief Financial Officer. The Village provides a full range of municipal services including police, fire and ambulance protection, justice court, roads and highways, beach, parks and recreation, building department, and general and administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village's significant accounting policies are described below:

A. Financial Reporting Entity

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

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria the Village has no component units, either blended or discretely presented.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the Village as a whole, exclusive of the fiduciary activities.

In the government-wide Statement of Net Position, the Village'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 Village's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functional categories (general government support, public safety, health, transportation, culture and recreation, and home and community services), which are otherwise supported by general government revenues (real property taxes, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide Financial Statements (continued)

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants to produce the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, 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. Sales and purchases of goods and services for a price approximating their external value are not eliminated between the funds in the government-wide financial statements.

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

C. Fund Financial Statements

The accounts of the Village 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 Village 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. Government funds are further classified as major and nonmajor funds.

The Village reports the following major governmental funds:

General Fund - is the principal operating fund of the Village. This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Fund - is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

Fiduciary Funds (Not included in government-wide financial statements) - Fiduciary Funds are used to account for assets held by the Village in a trustee or custodial capacity.

The Village reports the following fiduciary fund:

Custodial Fund - is used to account for amounts due to others collected through fundraising, as well as amounts due to others for bail.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A sixty day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims and judgments, tax certiorari, net pension liabilities, LOSAP liability, and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

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

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances (continued)

Prepays – Prepays in the general fund represent insurance premiums paid for coverage and other vendor prepayments that will benefit the subsequent period.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use assets, which are recorded at net present value upon commencement of the subscription) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Right-to-use assets are amortized over the term of the lease or subscription. Property, plant and equipment, and infrastructure assets of the Village are depreciated using the straight-line method over the following estimated useful lives.

Class	Life in Years
Buildings	20 - 50
Land improvements	20
Machinery and equipment	5 - 20
Vehicles	7 - 20
Infrastructure	10-100
Right-to-use subscription assets	Subscription Term

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues – Unearned revenues arise when assets are received before revenue recognition criteria have been satisfied. In the government-wide financial statements and fund financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Leases Receivable – The Village is a lessor for noncancellable leases of equipment space and a concession area. The Village recognizes a lease receivable and deferred inflow of resources in the financial statements. At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The Village monitors changes in circumstances that would require remeasurement of its leases, and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances (continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In this category, the Village reports amounts related to pensions – New York State and Local Retirement System, which consists of differences between expected and actual experience, changes in assumptions, changes in proportion and differences between the Village’s contributions and proportionate share of contributions and the Village’s contributions made subsequent to the measurement date. The Village also reports amounts related to pensions - Length of Service Award Program, which consists of differences between expected and actual experience, changes in assumptions or other inputs, benefit payments and administrative expenses made subsequent to the measurement date. The Village also reports amounts related to other postemployment benefit obligations reported in the government-wide Statement of Net Position. This represents the differences between expected and actual experience.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. In this category, the Village reports amounts related to pensions – New York State and Local Retirement System, which consists of differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, and changes in proportion and differences between the Village’s contributions and proportionate share of contributions. The Village also reports amounts related to pensions - Length of Service Award Program, which consists of differences between expected and actual experience, and changes in assumptions or other inputs. The Village also reports amounts related to other postemployment benefit obligations reported in the government-wide Statement of Net Position. This represents changes in assumptions or other inputs. In addition, the Village reports deferred inflows of resources related to leases receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease. The Village also reports deferred inflows of resources related to public-private partnerships. These amounts are deferred and are amortized to rental of Village property revenue in a systematic and rational manner over the term of the agreement.

On the governmental funds Balance Sheet, the unavailable revenue relates to real property taxes which were not collected within the period of availability. These revenues are deferred in the governmental funds and will be recognized as an inflow of resources in the period that the amounts become available. On the government-wide Statement of Activities, these revenues are recognized as revenues in the period they are earned.

Long-Term Obligations – The liabilities for long-term obligations consisting of general obligation bonds payable, subscription liabilities, compensated absences, other postemployment benefits payable, net pension liability - proportionate share, and length of service award program liability are recognized in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances (continued)

Long-Term Obligations (continued)

In the fund statements, long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures. Debt related to installment purchases are reported as other financing sources and expenditures in the governmental funds.

Subscription-Based Information Technology Arrangements

The Village has entered into subscription-based information technology arrangements ("SBITA's") with various vendors. SBITA's are defined as arrangements in which a government entity contracts with a vendor to access and use software applications and related data posted by the vendor on the vendor's servers. The Village recognizes right-to-use subscription assets associated with its SBITA agreements and discloses the total amount of subscription assets and related accumulated amortization, disclosed separately from other capital assets. The Village also discloses any payments not included in the measurement of the subscription assets.

NET POSITION AND FUND BALANCE CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are (a) nonspendable, (b) restricted, (c) committed, (d) assigned, or (e) unassigned.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances (continued)

NET POSITION AND FUND BALANCE CLASSIFICATIONS (continued)

- a) Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (i.e. prepaid items or inventories), or (b) will not convert to cash within the current period (i.e. long-term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- b) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision-making authority. The Village's highest decision-making authority is the Village Board, who by adoption of a Village ordinance prior to year-end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Village Board removes or changes the specified use by taking the same type of action imposing the commitment.
- d) Assigned fund balance reflects the amounts constrained by the Village's "intent" to be used for specific purposes but are neither restricted nor committed. The Village Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.
- e) Unassigned fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources in the government-wide financial statements, it is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

When both restricted and unrestricted resources are available for use in the fund level financial statements, it is the Village's policy to use restricted resources first, and then unrestricted resources - committed, assigned and unassigned - in order as needed.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

F. REVENUES AND EXPENDITURES

Property Taxes – Village real property taxes and special assessments are levied on May 15 and are due in an annual installment on June 1. Payments must be received on or before July 1. Penalties are imposed thereafter at the rate of 5% for the first month and 1% per month thereafter. Unpaid taxes become a lien during the second week in February in the ensuing year. Property tax bills that relate to the ensuing fiscal year are recorded as deferred inflows of resources.

Interfund Transactions – Interfund transactions have been eliminated from the government-wide financial statements. In the fund statements interfund transactions include transfers. Transfers represent primarily the funding of capital projects.

Compensated Absences – Village 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 and unused compensatory absences 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 noncurrent obligations in the government-wide statements. The current portion of this debt is estimated based on historical trends. The compensated absence liability and expenditure is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

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

Other Postemployment Benefits – In addition to providing pension benefits, the Village provides certain health insurance coverage and survivor benefits for retired employees and their survivors. The Village recognizes the cost of providing these benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid.

In addition, the Village provides life insurance benefits for volunteer firefighters. The benefits provide the fire fighters with either \$10,000 or \$20,000 in life insurance depending on the firefighter's age and vesting status. The Village is self-insured for these benefits and recognizes the cost of providing these benefits by recording the actual cost of the life insurance benefit as an expenditure in the governmental funds in the year paid.

The liability for these other postemployment benefits payable is recorded as a long-term liability in the government-wide statements.

New York State and Local Employees' Retirement Plan – The Village, as a participant in the New York State and Local Employees' Retirement System, recognizes the proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources in the government-wide financial statements, using the accrual basis of accounting, regardless of the amount recognized as pension expenditures in the fund financial statements. The amounts recognized have been determined on the same basis as reported by the System, utilizing the year end of March 31st.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purpose, is employed in the governmental funds. Encumbrances are reported as restrictions, commitments, or assignments of 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.

H. USE OF 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 amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The Village implemented the provisions of GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*," for the year ended May 31, 2024, which established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires the subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. As a result, the Village has reported a cumulative effect of change in accounting principle of \$281,934 for the right-to-use subscription asset, and a \$281,934 liability for subscriptions payable for a net cumulative effect of \$-0- to the June 1, 2023 net position of the governmental activities.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through February 19, 2025, which is the date the financial statements were available to be issued.

Note 2 – Stewardship, Compliance and Accountability

A. BUDGETARY INFORMATION

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

- a) No later than March 31st, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the proposed means of financing for the general and library fund.
- b) After public hearings are conducted to obtain taxpayer comments, no later than May 1st, the Board of Trustees adopts the budget.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 2 – Stewardship, Compliance and Accountability (continued)

A. BUDGETARY INFORMATION (continued)

- c) All modifications of the budget must be approved by the Board of Trustees.
- d) Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2.00% property tax cap for municipalities, however there are permitted exceptions and adjustments that can increase the property tax cap percentage. Beginning in 2012, no local government is authorized to increase its property tax levy by more than the calculated property tax cap; however, local governments can exceed the property tax cap limit by a 60% vote of the governing body and annually adopting a local law. In 2023-2024, the Village did not override the tax cap.

B. NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets is reported in the governmental activities. It consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$34,903,956 included as part of the governmental activities net position is calculated as follows:

Capital assets, net of depreciation/amortization	\$44,687,546
General obligation bonds payable	(12,160,000)
Unamortized premiums	(385,468)
Unspent debt proceeds	3,745,899
Subscriptions payable	(297,339)
Capital related accounts payable	<u>(686,682)</u>
Net investment in capital assets	<u>\$34,903,956</u>

C. FUND EQUITY

The fund balance section of the balance sheets of the governmental funds focus on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The components of fund balance include the following items, as needed:

- (1) nonspendable, (2) restricted, (3) committed, (4) assigned, or (5) unassigned.

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted, and assigned fund balance, if applicable. The unassigned fund balance is also shown.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

C. FUND EQUITY (continued)

	General Fund	Capital Projects Fund	Special Revenue Fund	Total
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 1,171,908			\$ 1,171,908
Total Nonspendable	<u>1,171,908</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>1,171,908</u>
Restricted for:				
Grantor restrictions				
Health			9,419	9,419
Transportation			13,749	13,749
Culture and recreation			412,894	412,894
Home and community			482,457	482,457
NYS Reserves				
Insurance reserve	50,181			50,181
Tax stabilization reserve	275,000			275,000
Employee benefit reserve	928,889			928,889
Debt service	351,867			351,867
Service award program	7,163,173			7,163,173
Unspent bond proceeds		2,934,949		2,934,949
Total Restricted	<u>8,769,110</u>	<u>2,934,949</u>	<u>918,519</u>	<u>12,622,578</u>
Assigned to:				
Subsequent year's budget	492,382			492,382
Purchases on order	313,000			313,000
Capital projects		12,793,561		12,793,561
Total Assigned	<u>805,382</u>	<u>12,793,561</u>	<u>-0-</u>	<u>13,598,943</u>
Unassigned, reported in				
General fund	12,994,237			12,994,237
Total Unassigned	<u>12,994,237</u>	<u>-0-</u>	<u>-0-</u>	<u>12,994,237</u>
Total Fund Balance	<u>\$ 23,740,637</u>	<u>\$ 15,728,510</u>	<u>\$ 918,519</u>	<u>\$ 40,387,666</u>

D. DEFICIT FUND BALANCE

The capital projects fund reported a deficit fund balance for the ambulance building project and the capital grant projects of \$23,501 and \$287,339 respectively. These deficits will be eliminated when permanent financing is obtained.

Note 3 – Detailed Notes on All Funds

A. CASH AND CASH EQUIVALENTS

The Village investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks and trust companies located within the state. The Village is authorized to use certificates of deposit, savings, time, demand, and money market accounts. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

A. CASH AND CASH EQUIVALENTS (continued)

Collateral is required for all bank or trust company accounts and certificate of deposit amounts in excess of amounts covered by federal deposit insurance. The collateral shall be delivered to the Village or a custodial bank with which the Village has entered into a custodial agreement. 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 unable to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are 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 Village's name.

None of the Village's bank balances that were not covered by Federal deposit insurance were exposed to custodial credit risk as described above.

Investment Pool - The Village participates in the Cooperative Liquid Assets Securities System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11. The Village had \$30,951,276 invested in NYCLASS accounts as of May 31, 2024. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

See Note 3.I. for information on the Restricted Length of Service Award Program (LOSAP) investments.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

B. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Interfund receivable and payable balances for the Village at May 31, 2024 primarily represent temporary borrowings that will be reimbursed subsequent to year end and are composed of the following:

	Amount Receivable	Amount Payable
General fund	\$ 2,064,227	
Capital projects fund		\$ 2,164,227
Special revenue fund	100,000	
Total	\$ 2,164,227	\$ 2,164,227

Interfund transfers from the general fund and special revenue fund to the capital projects fund represent funding for capital projects. The transfer from the general fund to the special revenue fund represents funding maintenance of a memorial located in the Village. The transfer from the capital projects fund to the general fund represents bond premiums restricted for debt service.

	Transfers In	Transfers Out
General fund	\$ 160,141	\$ 7,950,000
Capital projects fund	7,921,000	160,141
Special Revenue fund	100,000	71,000
Total	\$ 8,181,141	\$ 8,181,141

C. LEASES RECEIVABLE

The Village has entered into two separate agreements to lease its buildings and concession area to others for equipment storage and sales of concessions. The Village recognizes lease receivables and deferred inflows of resources – lease related in the government-wide and fund financial statements. The Village expects to renew these leases for all renewable periods. The lease terms are 343 months and 34 months, respectively. During the year ended May 31, 2024, the Village recognized \$0 in lease revenue, and \$0 in interest income.

The following table is the amortization schedule for the lease receivables:

	Principal	Interest	Total
Years ending May 31, 2025	\$ 77,649	\$ 10,213	\$ 87,862
2026	80,738	7,381	88,119
2027	8,727	4,654	13,381
2028	9,115	4,534	13,649
2029	9,512	4,410	13,922
2030 - 2034	53,915	19,986	73,901
2035 - 2039	65,594	15,998	81,592
2040 - 2044	78,908	11,176	90,084
2045 - 2049	94,058	5,401	99,459
2050 - 2051	31,421	335	31,756
Total	\$ 509,637	\$ 84,088	\$ 593,725

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

D. CAPITAL ASSETS

A summary of changes within the governmental capital assets for the year ended May 31, 2024 are as follows:

	Balance 6/1/23*	Additions	Deletions / Reclassifications	Balance 5/31/24
Capital assets not being depreciated/amortized:				
Land	\$ 1,819,893			\$ 1,819,893
Construction in progress	1,149,685	\$ 4,718,656	\$ (1,966,105)	3,902,236
Art collection	404,615			404,615
Total capital assets not being depreciated/amortized	<u>3,374,193</u>	<u>4,718,656</u>	<u>\$ (1,966,105)</u>	<u>6,126,744</u>
Depreciable/amortizable capital assets:				
Buildings	20,828,054	1,081,628		21,909,682
Land improvements	5,394,666	105,040		5,499,706
Machinery and equipment	15,494,863	1,419,181		16,914,044
Vehicles	13,446,757	1,539,158	(444,707)	14,541,208
Infrastructure	30,449,913	3,233,549		33,683,462
Right-to-use subscription assets*	281,934	148,709		430,643
Total depreciable/amortizable capital assets	<u>85,896,187</u>	<u>7,527,265</u>	<u>(444,707)</u>	<u>92,978,745</u>
Less accumulated depreciation/amortization:				
Buildings	5,905,871	502,534		6,408,405
Land improvements	3,912,515	140,057		4,052,572
Machinery and equipment	11,556,033	950,609		12,506,642
Vehicles	9,801,549	648,067	(444,707)	10,004,909
Infrastructure	20,264,902	1,104,093		21,368,995
Right-to-use subscription assets		76,420		76,420
Total accumulated depreciation/amortization	<u>\$51,440,870</u>	<u>\$ 3,421,780</u>	<u>\$ (444,707)</u>	<u>54,417,943</u>
Total net depreciable/amortizable capital assets				<u>38,560,802</u>
Total net capital assets				<u>\$44,687,546</u>
Depreciation/amortization expense was charged to governmental functions as follows:				
General government support				\$ 330,598
Public safety				1,540,101
Transportation				1,331,473
Culture and recreation				219,608
Total governmental activities depreciation/amortization expense:				<u>\$ 3,421,780</u>

*Balances as of June 1, 2023 reflect the cumulative change in an accounting principal. See note 11.

Depreciation/amortization is recorded on the straight-line basis over the estimated useful lives, in years, of the respective assets.

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of capital assets has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. At May 31, 2024, the Village has not recorded any such impairment losses.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

E. PUBLIC PRIVATE PARTNERSHIPS

On December 18, 2020, the Village entered into an agreement with the Heart of the Hamptons (the “Operator”) to operate a food bank out of facilities owned by the Village. The Village has reported this agreement in accordance with GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. In lieu of rent, the agreement required the Operator to make certain improvements to the facilities. During the year ended May 31, 2024, the Operator completed the improvements to the facilities totaling \$701,713. The Village has reported these improvements as capital asset additions.

In accordance with GASB Statement No. 94, the Village has recorded a deferred inflow of resources relating to these improvements, which is being amortized over the term of the agreement. The Village reported a deferred inflow of resources as of May 31, 2024 of \$701,713.

F. INDEBTEDNESS

LONG-TERM DEBT

The following is a summary of changes in long-term debt liabilities for the year ended May 31, 2024:

	Balance 6/1/23*	Increases	Reductions	Balance 5/31/24	Non-Current Liabilities Due within One Year	Non-Current Liabilities
General obligation bonds	\$ 6,290,000	\$ 6,435,000	\$ 565,000	\$ 12,160,000	\$ 680,000	\$ 11,480,000
Premium on issuance	263,107	160,141	37,780	385,468		385,468
	6,553,107	6,595,141	602,780	12,545,468	680,000	11,865,468
Subscription liability*	281,934	93,417	78,012	297,339	68,604	228,735
Compensated absences	7,013,045		49,625	6,963,420	1,006,301	5,957,119
Due to State and Local Retirement System	108,207		108,207	-0-		
Net pension liability - proportionate share - ERS	5,176,364		1,903,162	3,273,202		3,273,202
Net pension liability - proportionate share - PFRS	6,889,982		1,278,537	5,611,445		5,611,445
Length of Service Award Programs	7,830,625	1,449,745	411,736	8,868,634		8,868,634
Other postemployment benefits payable	50,332,445	3,717,668	4,032,912	50,017,201	1,788,263	48,228,938
Totals	\$ 84,185,709	\$ 11,855,971	\$ 8,464,971	\$ 87,576,709	\$ 3,543,168	\$ 84,033,541

*Balances as of June 1, 2023 reflect the cumulative change in an accounting principal. See note 11.

The liabilities for long-term obligations consisting of general obligation bonds payable, subscription liability, compensated absences, due to state and local retirement system, other postemployment benefits payable, net pension liability - proportionate share and length of service award programs are liquidated through future budgetary appropriations in the general fund.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

F. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds Payable

The Village borrows money in order to finance capital improvements. This enables the cost of capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are direct obligations backed by the full faith and credit of the Village, are recorded as a governmental activity in the government-wide financial statements. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

The following is a summary of general obligation bonds:

Description	Original Date Issued	Original Amount	Interest Rate (%)	Final Maturity Date	Outstanding 5/31/24
Public Improvements - Refunding	3/14/2019	\$ 3,430,000	2.0%-5.0%	4/1/2030	\$ 2,075,000
Public Improvements	3/8/2016	5,650,000	2.0%-3.0%	3/1/2036	3,650,000
Public Improvements	11/8/2023	6,435,000	4.0%-6.0%	9/1/2043	6,435,000
Total General Obligation Bonds					<u>\$ 12,160,000</u>

Future principal and interest payments for general obligation bonds are as follows:

	Principal	Interest	Total
Years ending May 31, 2025	\$ 680,000	\$ 551,051	\$ 1,231,051
2026	810,000	426,544	1,236,544
2027	850,000	391,794	1,241,794
2028	875,000	365,544	1,240,544
2029	900,000	336,881	1,236,881
2030 - 2034	3,395,000	1,245,612	4,640,612
2035 - 2039	2,460,000	685,234	3,145,234
2040 - 2044	2,190,000	245,628	2,435,628
Total	<u>\$ 12,160,000</u>	<u>\$ 4,248,288</u>	<u>\$ 16,408,288</u>

Prior Year Defeasance of Debt

In prior years, the Village defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's financial statements. At May 31, 2024, \$2,195,000 of bonds outstanding are considered defeased.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

F. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

Subscription Liability

Subscriptions payable at May 31, 2024 are composed of the following arrangements:

Purpose	Original Date Issued	Original Issue Amount	Interest Rate (%)	Final Maturity Date	Outstanding 5/31/24
Intellishift	6/1/2023	\$ 129,635	2.310%	1/27/1936	\$ 120,637
Command Central Aware	6/1/2023	27,999	2.430%	8/3/2025	13,890
Questica	6/1/2023	80,307	2.230%	12/10/2027	61,167
Command Central Evidence	6/1/2023	15,182	2.260%	10/28/2027	11,363
Evidence Management	6/1/2023	10,280	2.310%	9/12/2026	6,819
DPW Vonage	6/1/2023	10,539	2.230%	4/16/2028	8,398
Enterprise Assessment & Tax	8/1/2023	68,038	2.656%	7/31/2028	55,038
M500 In-Car Video	10/12/2023	9,542	3.451%	10/11/2028	7,502
Video Manager EL Cloud	1/18/2024	15,837	2.280%	1/17/2029	12,525
Total subscription liability					<u>\$ 297,339</u>

Future principal and interest payments for subscription liabilities are as follows:

	Subscriptions		
	Principal	Interest	Total
Years ending May 31, 2025	\$ 68,604	\$ 6,963	\$ 75,567
2026	57,325	5,381	62,706
2027	56,524	3,978	60,502
2028	32,333	2,601	34,934
2029	10,082	1,791	11,873
2030 - 2034	54,027	5,340	59,367
2035 - 2036	18,444	356	18,800
Total	<u>\$ 297,339</u>	<u>\$ 26,410</u>	<u>\$ 323,749</u>

Compensated Absences

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts, the terms of which must comply with the current collective bargaining agreements. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, personal leave and sick leave at various rates subject to certain maximum limitations.

Estimated vacation, sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the 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.

INCORPORATED VILLAGE OF SOUTHAMPTON

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

G. RETIREMENT SYSTEM

New York State and Local Retirement System

The Village 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 ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York 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. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). 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 Village also participates in the Public Employees' Group Life Insurance Plan, 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, including information with regard to benefits provided 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.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2024 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	14.8%
	4 A15	14.8
	5 A15	12.8
	6 A15	9.4
	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	2 384D	30.9%
	5 384D	26.6
	6 384D	21.4

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

G. RETIREMENT SYSTEM (continued)

At May 31, 2024, the Village reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	Measurement Date	Net Pension Liability	Employer Allocation Percentage	Change in Employer Allocation Percentage Since Prior Measurement Date
ERS	March 31, 2024	\$ 3,273,202	0.0222303%	-0.0019087%
PFRS	March 31, 2024	\$ 5,611,445	0.1183144%	-0.0067199%

The net pension asset (liability) was measured as of March 31, 2024 and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended May 31, 2024, the Village recognized its proportionate share of pension expense in the government-wide financial statements of \$1,394,187 for ERS, and \$2,023,005 for PFRS. Pension expenditures of \$962,879 for ERS and \$1,729,716 for PFRS were recorded in the fund financial statements and were charged to the general fund.

At May 31, 2024, the Village reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	ERS	PFRS	Total	ERS	PFRS	Total
Differences between expected and actual experience	\$ 1,054,296	\$ 1,728,811	\$ 2,783,107	\$ 89,252	\$ -0-	\$ 89,252
Changes of assumptions	1,237,524	2,116,642	3,354,166	-0-	-0-	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	-0-	-0-	1,598,942	1,523,237	\$ 3,122,179
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	39,708	363,332	403,040	157,616	321,095	478,711
Village's contribution subsequent to the measurement date	202,912	293,402	496,314	-0-	-0-	-0-
Total	\$ 2,534,440	\$ 4,502,187	\$ 7,036,627	\$ 1,845,810	\$ 1,844,332	\$ 3,690,142

The Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

G. RETIREMENT SYSTEM (continued)

	Governmental Activities	
	ERS	PFRS
Plan years ending March 31, 2025	\$ (632,537)	\$ (339,491)
2026	587,934	1,664,576
2027	912,906	946,800
2028	(382,585)	(159,479)
2029	252,047	252,047
	\$ 485,718	\$ 2,364,453

The total pension liability for the ERS and PFRS as of the measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2024	March 31, 2024
Actuarial valuation date	April 1, 2023	April 1, 2023
Interest rate	5.9%	5.9%
Salary increases	4.4%	6.2%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.9%	2.9%

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the valuation are based on the result of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

G. RETIREMENT SYSTEM (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.0%	4.00%
International equity	15.0%	6.65%
Private equity	10.0%	7.25%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real assets	3.0%	5.79%
Fixed income	23.0%	1.50%
Cash and cash equivalents	1.0%	0.25%
	<u>100.0%</u>	

The real rate of return is net of the long-term inflation assumption of 2.9%.

The discount rate used to calculate the total pension liability was 5.9%. 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 determined. Based upon those 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.

The following presents the Village’s proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the Village’s proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS	\$ 10,291,282	\$ 3,273,202	\$ 2,588,351
PFRS	13,115,264	5,611,445	(587,805)

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

G. RETIREMENT SYSTEM (continued)

The components of the collective net pension liability as of the March 31, 2024 measurement date were as follows:

	(Dollars in Thousands)	
	ERS	PFRS
Valuation date	April 1, 2023	April 1, 2023
Employers' total pension liability	\$ 240,696,851	\$ 46,137,717
Plan fiduciary net position	225,972,800	41,394,895
Employers' net pension (asset)/liability	\$ 14,724,051	\$ 4,742,822
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%	89.72%

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Accrued retirement contributions as of May 31, 2024 represent the employer contribution for the period of April 1, 2024 through May 31, 2024 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS were \$202,912 and \$293,402 respectively as of May 31, 2024.

H. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

Plan Description

The Village sponsors a single employer health care plan that provides postemployment medical benefits for eligible retirees and their spouses through the New York State Health Insurance Plan (NYSHIP) (the "Plan"). Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The Village does not issue a publicly available financial report for the Plan, however, the financial activities of NYSHIP are included with the statements of the State of New York.

Benefits Provided

The Village contributes 100% of the cost of premiums for eligible retired plan members hired prior to January 1995. For those hired after January 1995, plan members will contribute 50% of the premium if they have less than 10 years of service, 30% if they have between 10 and 19 years of service, and 20% if they have 20 or more years of service. Upon the death of the employee, surviving spouses must pay 100% of the premium. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) (continued)

Employees Covered by Benefit Terms

The number of participants as of June 1, 2022, the effective date of the OPEB valuation, is as follows:

Active employees	114
Inactive employees or beneficiaries	
currently receiving benefits	91
Total	205

There have been no significant changes in the number of participants or the type of coverage since the last published valuation.

Total OPEB Liability

The Village’s total OPEB liability of \$50,017,201 was measured as of May 31, 2024 and was determined by an actuarial valuation as of June 1, 2022, with update procedures used to rollforward the OPEB liability to the measurement date.

Funding Policy

The Village currently pays for other postemployment benefits on a pay-as-you-go basis.

Actuarial Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

The total OPEB liability in the June 1, 2022 valuation was determined using the following actuarial assumptions and other inputs:

Salary increases	2.5%
Discount rate	4.2%
Healthcare cost trend rates	
Pre-65	5.60% for January 1, 2024, decreasing per year to an ultimate rate of 4.5% in 2031
Post-65	4.90% for January 1, 2024, decreasing per year to an ultimate rate of 4.5% in 2031

The discount rate was based on the 20 Year AA Municipal GO Bond Rate Index as of June 1, 2022 for June 1, 2022. The discount rate as of May 31, 2024 was based on the same index as of May 31, 2024.

Mortality rates were based on the SOA RP-2014 Total Dataset. Mortality improvements are projected using SOA Scale MP-2021.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) (continued)

Actuarial Assumptions and Other Inputs (continued)

The decrement tables used for this valuation are based on the New York State Employees’ Retirement System (ERS) and the New York State Police and Fire Retirement System (PFRS).

The actuarial assumptions used in the June 1, 2022 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable.

Changes in the Total OPEB Liability

The following table shows the components of the Village’s other postemployment benefits liability:

Other Postemployment Liability at the Beginning of Year	\$ 50,332,445
Changes for the Year:	
Service Cost	1,787,725
Interest	1,929,943
Changes of Assumptions and Other Inputs	(2,339,481)
Benefit Payments	<u>(1,693,431)</u>
Net Change	<u>(315,244)</u>
Other Postemployment Liability at the End of Year	<u>\$ 50,017,201</u>

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

The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.2%) or 1-percentage-point higher (5.2%) than the current discount rate:

	<u>1% Decrease (3.2%)</u>	<u>Current Discount Rate (4.2%)</u>	<u>1% Increase (5.2%)</u>
Total OPEB Liability	\$ 58,523,927	\$ 50,017,201	\$ 43,300,528

The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease (4.60% to 3.50%)</u>	<u>Health Care Cost Trend Rates</u>	<u>1% Increase (6.60% to 5.50%)</u>
Total OPEB Liability	\$ 42,013,352	\$ 50,017,201	\$ 60,379,914

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

H. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) (continued)

OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended May 31, 2024, the Village recognized OPEB expense (benefit) of (\$1,718,647). At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB as shown below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,235,452	\$ 8,997,120
Changes of assumptions or other inputs	\$ 4,366,790	23,014,254
Totals	\$ 6,602,242	\$ 32,011,374

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the years ending May 31, 2025	\$ (5,436,318)
2026	(6,401,225)
2027	(6,401,223)
2028	(6,780,455)
2029	(389,911)
	\$ (25,409,132)

I. LENGTH OF SERVICE AWARD PROGRAMS – Firefighters and Volunteer Ambulance Workers

The Village established defined benefit plans, Length of Service Awards Programs (“LOSAP/Plans/Programs”), for the active volunteer firefighters of the Village of Southampton Volunteer Fire Department and active volunteer ambulance workers.

Firefighters

The Village established a LOSAP for active volunteer firefighters of the Village of Southampton Volunteer Fire Department. The Program took effect on July 1, 1991. The Program was established pursuant to Article 11-A of the General Municipal Law. The Program provides municipally funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the Program, and the program administrator.

Volunteer Ambulance Workers

The Village established a LOSAP for active volunteer ambulance workers. The Program took effect on January 1, 1997. The Program was established pursuant to Article 11-AA of the General Municipal Law. The Program provides municipally funded deferred compensation to volunteer ambulance workers to facilitate the recruitment and retention of active volunteer ambulance workers. The Village is the sponsor of the Program, and the program administrator.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

I. LENGTH OF SERVICE AWARD PROGRAMS – Firefighters and Volunteer Ambulance Workers (continued)

Program Description

Participation, Vesting and Service Credit

Active volunteer firefighters and volunteer ambulance workers who have reached the age of 18 and who have completed the sponsor's required probationary period are eligible to participate in their respective program. Participants acquire a non forfeitable right to a service award after being credited with 5 years of service or upon attaining their program's entitlement age. Each program's entitlement age is age is 65 with 1 year of plan participation. In general, an active volunteer firefighter or volunteer ambulance worker is credited with a year of service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of 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.

Participants

As of December 31, 2023, the measurement date, the following participants were covered by the benefit terms:

	Firefighters	Volunteer Ambulance Workers
Inactive participants currently receiving benefit payments	35	9
Inactive participants entitled to but not yet receiving benefit payments	24	37
Active participants	111	61
	170	107

Benefits

A participant's service award is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals the accrual rate multiplied by the total number of years of service credit earned by the participant.

Firefighters - the accrual rate is \$30 for service credit earned in 2006 and later and \$20 for service credit earned prior to 2006. The maximum number of years of service credit a participant may earn under the program is 40 years.

Ambulance workers - the accrual rate is \$30 for service credit earned in 2014 and later and \$20 for service credit earned prior to 2014. The maximum number of years of service credit a participant may earn under the program is 40 years.

Currently, there are no other forms of payment of a volunteer's earned service award under the program.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

H. LENGTH OF SERVICE AWARD PROGRAMS – Firefighters and Volunteer Ambulance Workers (continued)

Program Description (continued)

Benefits (continued)

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn service credit and, thereby, increase their service award payments. The pre-entitlement age death and disability benefit is equal to the actuarial value of the participant's earned service award at the time of death or disablement. All death and disability benefits are self-insured by the plans. The programs do not provide extra line-of-duty death or disability benefits.

Fiduciary Investment and Control

Authority to invest the Program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Board of Trustees.

The Board of Trustees is required to retain an actuary to determine the amount of the Village's contributions to the program. The actuarial firm retained by the Village for this purpose is Penflex, Inc. Portions of the following information are derived from the January 1, 2021 Annual Report prepared by Penflex, Inc. The actuary also provided additional calculations for the length of service program liability under GASB Statement No. 73.

Plan Financial Condition

Investments by fair value level	Assets Available for Benefits			
<u>Assets Available for Benefits</u>	<u>May 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 463,592	\$ 463,592		
Debt securities	2,579,487	2,579,487		
Equity securities	2,826,948	2,826,948		
Share of pooled investment	1,293,145		\$ 1,293,145	
Total Assets Available for Benefits	\$ 7,163,172	\$ 5,870,027	\$ 1,293,145	\$ -0-

The Village categorizes the fair value measurements into the fair value hierarchy established by GASB Statement No. 72. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access.
- Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

I. LENGTH OF SERVICE AWARD PROGRAMS – Firefighters and Volunteer Ambulance Workers (continued)

Plan Financial Condition (continued)

Level 3 - Significant unobservable inputs that reflect the Village’s own assumptions about the assumptions that market participants would use in pricing an asset.

The fair value measurement level within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Custodial Credit Risk - LOSAP Investments

Credit Risk - State law limit investments to those authorized by State statutes. The Village currently does not have a written investment policy for the LOSAP Plan Assets.

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

Receipts and Disbursements

	<u>Firefighters</u>	<u>Volunteer Ambulance Workers</u>
Plan Assets, beginning of year	\$ 5,197,123	\$ 1,084,948
Changes during the year:		
Plan contributions	224,598	68,147
Investment income (loss)	695,569	181,391
Benefits paid/payable	(247,263)	(31,689)
Administrative expense	(9,652)	(9,652)
Plan assets, end of year	<u>\$ 5,870,027</u>	<u>\$ 1,293,145</u>

Contributions

New York State General Municipal Law Section 219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarial cost method used to determine the required contribution was the Entry Age Normal Method.

The amount of the Village’s contribution recommended by the actuary for the year ended December 31, 2023 was \$199,151 for the firefighters LOSAP, and \$68,147 for the volunteer ambulance workers LOSAP.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

I. LENGTH OF SERVICE AWARD PROGRAMS – Firefighters and Volunteer Ambulance Workers (continued)

Plan Financial Condition (continued)

Program Expense and Administration Fees

	Firefighters	Volunteer Ambulance Workers
Service cost	\$ 161,453	\$ 71,608
Interest on total pension liability	225,537	38,824
Changes of assumptions or other inputs	169,489	32,160
Differences between expected and actual experience	(887)	(4,044)
Pension plan administrative expenses	1,473	4,264
	<u>\$ 557,065</u>	<u>\$ 142,812</u>

Program Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Program

	Firefighters	Volunteer Ambulance Workers
Service cost	\$ 155,765	\$ 84,662
Interest	287,329	55,310
Changes of assumptions or other inputs	274,682	69,352
Differences between expected and actual experience	(90,079)	(79,289)
Changes of benefit terms	522,645	
Benefits payments	(210,679)	(31,689)
	<u>939,663</u>	<u>98,346</u>
Net change in total LOSAP liabilities	939,663	98,346
Total LOSAP liabilities, beginning of year	6,616,148	1,214,477
	<u>\$ 7,555,811</u>	<u>\$ 1,312,823</u>

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Firefighters	Volunteer Ambulance Workers	Firefighters	Volunteer Ambulance Workers
Differences between expected and actual experience	\$ 226,897	\$ 59,335	\$ 252,869	\$ 237,670
Changes of assumptions or other inputs	1,798,645	444,360	2,455,206	669,806
Benefit payments and administrative expenses subsequent to the measurement date	95,613	13,204	-0-	-0-
	<u>\$ 2,121,155</u>	<u>\$ 516,899</u>	<u>\$ 2,708,075</u>	<u>\$ 907,476</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the total LOSAP pension liability in the year ended May 31, 2025.

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
 May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

I. LENGTH OF SERVICE AWARD PROGRAMS – Firefighters and Volunteer Ambulance Workers (continued)

Program Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Program (continued)

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:

Plan Financial Condition (continued)

	Firefighters	Volunteer Ambulance Workers
Years ended May 31, 2024	\$ (27,699)	\$ (9,428)
2025	(27,699)	(9,428)
2026	(27,699)	(9,428)
2027	(27,699)	(9,428)
2028	(27,699)	(9,428)
Thereafter	(544,038)	(356,641)
	<u>\$ (682,533)</u>	<u>\$ (403,781)</u>

Funding Methodology and Actuarial Assumptions

Measurement date	December 31, 2023
Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry Age Normal
Salary scale	None assumed
Inflation rate	2.25%
Discount rate	4.00%

Mortality rates for the firefighters LOSAP were based on the RP-2014 Male Mortality Table without projection for improvement.

Mortality rates for the volunteer ambulance workers LOSAP were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with scale MP2020.

Sensitivity of the Total LOSAP Pension Liability

	1% Decrease (3.00%)	Current Assumption (4.00%)	1% Increase (5.00%)
Firefighters	\$ 8,665,471	\$ 7,555,811	\$ 6,632,037
Volunteer ambulance workers	1,576,180	1,312,823	1,106,384

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 3 – Detailed Notes on All Funds (continued)

J. COMPENSATED ABSENCES

Village 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 Village 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 May 31, 2024, the value of the accumulated vacation time and sick leave was \$6,963,420.

Note 4 – Commitments and Contingencies

A. GRANTS

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

B. LITIGATION

The Village is involved in lawsuits arising from the normal conduct of its affairs. Management believes the outcome of any matters will not have a material affect on these financial statements.

C. ENCUMBRANCES

At May 31, 2024, the Village encumbered the following amounts, all of which are included in assigned fund balance in the respective funds:

Capital Projects Fund:	
Capital projects	<u>\$4,635,896</u>
General Fund:	
General government support	176,861
Public safety	84,678
Health	39,753
Transportation	9,597
Culture and recreation	2,111
	<u>313,000</u>
Total Encumbrances	<u><u>\$4,948,896</u></u>

INCORPORATED VILLAGE OF SOUTHAMPTON
NOTES TO FINANCIAL STATEMENTS
May 31, 2024

Note 5 – New Pronouncements

The following statements have been issued by the GASB and are to have the most impact in future years:

GASB Statement No. 99, “*Omnibus 2022*”, was issued to enhance comparability in accounting and financial reporting and consistency of authoritative language on various topics. The requirements of this Statement are effective for certain requirements effective for reporting periods beginning after June 15, 2022. The remaining requirements are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, “*Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*”, this Statement has been issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 101, “*Compensated Absences*”, this Statement has been issued to update the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, “*Certain Risk Disclosures*”, this Statement has been issued to disclose within governmental financial statements risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103, “*Financial Reporting Model Improvements*”, has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104, “*Disclosure of Certain Capital Assets*”, has been issued to improve disclosures about certain types of capital assets by requiring additional disclosures for capital assets held for resale (historical cost and accumulated depreciation and carrying amount of debt for which capital asset is pledged as collateral) as well as requiring certain types of assets to be disclosed separately in the capital asset footnote (such as right to use assets recognized from lease liabilities, subscription liabilities and public-private and public-public partnerships and availability payment arrangements). The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Village believes will most impact its financial statements. The Village will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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

Notes to Required Supplementary Information

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceeded budgeted amounts, additional budgetary appropriations may be made. The capital projects are budgeted on a per project basis.

INCORPORATED VILLAGE OF SOUTHAMPTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 25,995,503	\$ 25,995,503	\$ 26,020,842		\$ 25,339
Other real property tax items	297,000	297,000	384,836		87,836
Non-property tax items	500,000	500,000	584,399		84,399
Departmental income	2,702,250	2,818,522	5,509,018		2,690,496
Intergovernmental charges	1,162,000	1,162,000	1,095,557		(66,443)
Use of money and property	310,000	310,000	1,581,573		1,271,573
Licenses and permits	296,000	296,000	311,427		15,427
Fines and forfeitures	435,000	461,343	596,420		135,077
Sale of property and compensation for loss	90,000	170,000	228,880		58,880
Miscellaneous local sources	16,500	84,000	950,769		866,769
State aid	1,813,270	1,813,270	2,334,154		520,884
Federal aid	16,000	35,000	124,685		89,685
Total Revenues	<u>33,633,523</u>	<u>33,942,638</u>	<u>39,722,560</u>		<u>5,779,922</u>
EXPENDITURES					
Current:					
General government support	6,125,431	6,747,049	6,515,233	\$ 176,861	54,955
Public safety	9,964,616	10,441,109	10,290,973	84,678	65,458
Health	760,509	733,237	670,737	39,753	22,747
Transportation	2,781,619	2,563,290	2,520,289	9,597	33,404
Culture and recreation	1,604,370	1,718,870	1,697,714	2,111	19,045
Home and community services	368,500	587,662	577,662		10,000
Employee benefits	11,002,668	10,254,070	10,186,903		67,167
Debt service					
Principal	565,000	643,012	643,012		-0-
Interest	178,969	183,498	183,498		-0-
Total Expenditures	<u>33,351,682</u>	<u>33,871,797</u>	<u>33,286,021</u>	<u>313,000</u>	<u>272,776</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>281,841</u>	<u>70,841</u>	<u>6,436,539</u>	<u>(313,000)</u>	<u>6,052,698</u>
OTHER FINANCING SOURCES (USES)					
Transfers in			160,141		160,141
Transfers out	(775,000)	(7,950,000)	(7,950,000)		-0-
Total Other Financing Sources (Uses)	<u>(775,000)</u>	<u>(7,950,000)</u>	<u>(7,789,859)</u>	<u>-0-</u>	<u>160,141</u>
Net Change in Fund Balance	<u>\$ (493,159)</u>	<u>\$ (7,879,159)</u>	<u>(1,353,320)</u>	<u>\$ (313,000)</u>	<u>\$ 6,212,839</u>
Fund Balance at Beginning of Year			<u>25,093,957</u>		
Fund Balance at End of Year			<u>\$ 23,740,637</u>		

INCORPORATED VILLAGE OF SOUTHAMPTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS (OPEB)
 May 31, 2024

<u>OPEB</u>	<u>May 31, 2024</u>	<u>May 31, 2023</u>	<u>May 31, 2022</u>	<u>May 31, 2021</u>	<u>May 31, 2020</u>	<u>May 31, 2019</u>
Other postemployment benefit liability at the beginning of the year	\$ 50,332,445	\$ 68,460,284	\$ 85,142,134	\$ 79,011,145	\$ 75,419,013	\$ 65,347,512
Service cost	1,787,725	1,959,218	4,028,780	3,292,686	2,633,156	2,633,156
Interest	1,929,943	2,298,300	1,685,403	1,953,160	2,397,323	2,323,008
Differences between expected and actual experience	-0-	(13,495,680)	-0-	5,216,052	-0-	-0-
Changes in benefit terms	-0-	(17,391)	-0-	-0-	-0-	-0-
Changes in assumptions and other inputs	(2,339,481)	(7,145,842)	(20,652,029)	(2,561,419)	-0-	6,754,367
Benefit payments	(1,693,431)	(1,726,444)	(1,744,004)	(1,769,490)	(1,438,347)	(1,639,030)
Net Changes	(315,244)	(18,127,839)	(16,681,850)	6,130,989	3,592,132	10,071,501
Other postemployment benefit liability at the end of the year	\$ 50,017,201	\$ 50,332,445	\$ 68,460,284	\$ 85,142,134	\$ 79,011,145	\$ 75,419,013
Covered employee payroll	\$ 10,811,152	\$ 10,811,152	\$ 10,755,363	\$ 10,755,363	\$ 10,297,076	\$ 10,297,076
Total other postemployment benefit liability as a percentage of covered employee payroll	462.64%	465.56%	636.52%	791.62%	767.32%	732.43%

Note: This schedule is intended to show information for 10 years. Since 2019 is the first year for this presentation, no data prior to 2019 is available. However, additional years will be included as they become available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay other postemployment benefits (OPEB).

The Village currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Differences Between Expected and Actual Experience

In fiscal years ended May 31, 2021 and May 31, 2023, updated census data was provided to the Village's actuary, resulting in recognition of differences between expected and actual experience.

Changes in Benefit Terms

Beginning in fiscal year ended May 31, 2023, department heads must attain 10 years of service with the Village to become eligible for OPEB. In prior year valuations, only 5 years of service was required for department heads to be eligible for OPEB.

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2024	4.2%
2023	3.9%
2022	3.4%
2021	2.0%
2020	3.1%
2019	3.1%
2018	3.6%

INCORPORATED VILLAGE OF SOUTHAMPTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - PENSION PLAN
May 31, 2024

	NYSERS									
	Years Ended May 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 962,879	\$ 826,533	\$ 1,050,671	\$ 977,275	\$ 968,844	\$ 938,963	\$ 957,247	\$ 970,446	\$ 1,076,226	\$ 1,115,759
Contributions in relation to the contractually required contribution	962,879	826,533	1,050,671	977,275	968,844	938,963	957,247	970,446	1,076,226	1,115,759
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Village's covered-employee payroll	\$ 8,357,756	\$ 7,413,207	\$ 7,356,678	\$ 7,084,479	\$ 6,946,181	\$ 6,629,915	\$ 6,514,783	\$ 6,383,825	\$ 5,687,269	\$ 5,464,400
Contributions as a percentage of covered-employee payroll	11.52%	11.15%	14.28%	13.79%	13.95%	14.16%	14.69%	15.20%	18.92%	20.42%

	NYSPPFRS									
	For the Years Ended May 31,									
	2023	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,729,716	\$ 1,577,573	\$ 1,720,289	\$ 1,304,166	\$ 1,244,236	\$ 1,105,866	\$ 1,090,770	\$ 1,117,236	\$ 1,044,190	\$ 1,095,368
Contributions in relation to the contractually required contribution	1,729,716	1,577,573	1,720,289	1,304,166	1,244,236	1,105,866	1,090,770	1,117,236	1,044,190	1,095,368
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Village's covered-employee payroll	\$ 5,537,858	\$ 5,446,170	\$ 5,283,649	\$ 5,491,993	\$ 5,029,441	\$ 4,915,428	\$ 4,685,828	\$ 4,533,316	\$ 4,128,292	\$ 4,017,601
Contributions as a percentage of covered-employee payroll	31.23%	28.97%	32.56%	23.75%	24.74%	22.50%	23.28%	24.65%	25.29%	27.26%

Notes:

The amounts presented for each year are determined as of the year ending May 31st and the contractually required contributions are based on the amounts invoiced by the New York State Local Retirement System.

INCORPORATED VILLAGE OF SOUTHAMPTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY - PENSION PLAN
May 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
NYSERS									
Village's proportion of the collective net pension asset/(liability)	0.0222303%	0.0241390%	0.0243480%	0.0242973%	0.0240164%	0.0237508%	0.0236014%	0.0243149%	0.0222587%
Village's proportionate share of the net collective pension asset/(liability)	\$ 3,273,202	\$ 5,176,364	\$ (1,990,346)	\$ 24,194	\$ 6,359,679	\$ 1,682,817	\$ 761,721	\$ 2,284,684	\$ 3,572,582
Village's covered-employee payroll	\$ 8,109,912	\$ 7,336,863	\$ 7,290,942	\$ 7,081,106	\$ 6,946,181	\$ 6,629,915	\$ 6,514,483	\$ 6,383,825	\$ 5,687,269
Village's proportionate share of the net collective pension asset/(liability) as a percentage of its covered-employee payroll	40.36%	70.55%	27.30%	0.34%	91.56%	25.38%	11.69%	35.79%	62.82%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
NYSPPRS									
Village's proportion of the collective net pension asset/(liability)	0.1183144%	0.1250343%	0.1379991%	0.1343322%	0.1374981%	0.1377316%	0.1396923%	0.1383003%	0.1366116%
Village's proportionate share of the net collective pension asset/(liability)	\$ 5,611,445	\$ 6,889,982	\$ 783,896	\$ 2,332,378	\$ 7,349,188	\$ 2,309,847	\$ 1,411,949	\$ 2,866,484	\$ 4,044,779
Village's covered-employee payroll	\$ 5,366,235	\$ 5,420,695	\$ 5,326,851	\$ 5,450,395	\$ 5,029,441	\$ 4,915,428	4,685,828	\$ 4,533,316	\$ 4,128,292
Village's proportionate share of the net collective pension asset/(liability) as a percentage of its covered-employee payroll	104.57%	127.11%	14.72%	42.79%	146.12%	46.99%	30.13%	63.23%	97.98%
Plan fiduciary net position as a percentage of the total pension liability coming from plan	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%

Notes:

Amounts presented above were determined as of the Systems' measurement date of March 31st.

There were no significant changes in benefits for the years presented above.

Changes in assumptions were as follows:

- a) The discount rate used to calculate the total pension liability stayed consistent at 5.9% for both ERS and PFRS effective with the March 31, 2023 measurement date.

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

The change in the Village's proportionate share of the net pension asset/(liability) in 2021 and 2022 is mainly attributable to the increase in the plan fiduciary net position due to investment gains.

The change in the Village's proportionate share of the net pension asset/(liability) in 2022 and 2023 is mainly attributable to the decrease in the plan fiduciary net position due to investment losses.

INCORPORATED VILLAGE OF SOUTHAMPTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE LENGTH OF SERVICE AWARD PROGRAM -
TOTAL PENSION LIABILITY
May 31, 2024

Measurement date as of December 31,	Firefighters						
	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 155,765	\$ 246,642	\$ 238,888	\$ 161,453	\$ 161,842	\$ 229,749	\$ 194,450
Interest	287,329	199,743	171,138	225,537	228,523	206,583	213,305
Change of benefit terms	522,645						
Changes of assumptions or other inputs	274,682	(2,232,613)	(418,189)	1,602,306	375,217	(463,516)	501,999
Differences between expected and actual experience	(90,079)	(152,422)	257,238	44,965	5,421	(40,452)	(36,325)
Benefit payments	(210,679)	(231,345)	(182,464)	(143,199)	(117,573)	(130,009)	(111,486)
Net Change in Total LOSAP Pension Liability	939,663	(2,169,995)	66,611	1,891,062	653,430	(197,645)	761,943
Total LOSAP Pension Liability - beginning of year	6,616,148	8,786,143	8,719,532	6,828,470	6,175,040	6,372,685	5,610,742
Total LOSAP Pension Liability - end of year	<u>\$ 7,555,811</u>	<u>\$ 6,616,148</u>	<u>\$ 8,786,143</u>	<u>\$ 8,719,532</u>	<u>\$ 6,828,470</u>	<u>\$ 6,175,040</u>	<u>\$ 6,372,685</u>

Measurement date as of December 31,	Volunteer Ambulance Workers						
	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 84,662	\$ 165,436	\$ 148,023	\$ 71,608	\$ 66,860	\$ 77,869	\$ 57,273
Interest	55,310	41,760	34,308	38,824	39,538	36,651	35,823
Changes of assumptions or other inputs	69,352	(572,418)	(110,718)	380,391	77,400	(97,753)	103,653
Differences between expected and actual experience	(79,289)	(103,860)	27,717	48,445	(55,901)	(53,220)	1,224
Benefit payments	(31,689)	(30,609)	(29,529)	(28,450)	(27,369)	(25,029)	(23,529)
Net Change in Total LOSAP Pension Liability	98,346	(499,691)	69,801	510,818	100,528	(61,482)	174,444
Total LOSAP Pension Liability - beginning of year	1,214,477	1,714,168	1,644,367	1,133,549	1,033,021	1,094,503	920,059
Total LOSAP Pension Liability - end of year	<u>\$ 1,312,823</u>	<u>\$ 1,214,477</u>	<u>\$ 1,714,168</u>	<u>\$ 1,644,367</u>	<u>\$ 1,133,549</u>	<u>\$ 1,033,021</u>	<u>\$ 1,094,503</u>

Notes:

The above information was not available prior to December 31, 2017 measurement date. Additional years will be included as the information becomes available.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

Covered-employee payroll is not applicable to the above LOSAP plan since the participants are volunteer firefighters and volunteer ambulance workers.

Benefits are determined based on service credits earned.

Beginning in plan year ended December 31, 2023, the maximum allowable service credits for firefighters was increased from 30 years to 40 years.

Changes of assumptions or other inputs. The discount rates used to measure the total LOSAP 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, 2023	4.00%
December 31, 2022	4.31%
December 31, 2021	2.24%
December 31, 2020	1.93%
December 31, 2019	3.26%
December 31, 2018	3.64%
December 31, 2017	3.16%
December 31, 2016	3.71%

OTHER SUPPLEMENTARY INFORMATION

Notes to Other Supplementary Information

The budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceeded budgeted amounts, additional budgetary appropriations are made. The capital projects are budgeted on a per project basis.

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Real Property Tax Items:				
Real property taxes - current	\$ 25,995,503	\$ 25,995,503	\$ 26,020,842	\$ 25,339
Total Real Property Tax Items	<u>25,995,503</u>	<u>25,995,503</u>	<u>26,020,842</u>	<u>25,339</u>
Other Real Property Tax Items:				
Interest and penalties on real property taxes	175,000	175,000	262,895	87,895
Payments in lieu of taxes	122,000	122,000	121,941	(59)
Total Other Real Property Tax Items	<u>297,000</u>	<u>297,000</u>	<u>384,836</u>	<u>87,836</u>
Non-Property Tax Items:				
Utilities gross receipts tax	500,000	500,000	584,399	84,399
Total Non-Property Tax Items	<u>500,000</u>	<u>500,000</u>	<u>584,399</u>	<u>84,399</u>
Departmental Income:				
Charges for tax redemption			1,125	1,125
Public safety - fees	1,510,000	1,594,384	4,022,490	2,428,106
Public health fees (Certificates)	35,000	35,000	35,198	198
Park and recreational charges	1,025,000	1,056,888	1,262,196	205,308
Zoning fees	35,000	35,000	24,570	(10,430)
Planning fees	67,250	67,250	141,199	73,949
Impound storage fees	20,000	20,000	19,065	(935)
Towing fees	10,000	10,000	3,175	(6,825)
Total Departmental Income	<u>2,702,250</u>	<u>2,818,522</u>	<u>5,509,018</u>	<u>2,690,496</u>
Intergovernmental Charges:				
Burglar alarm - other governments	80,000	80,000	45,345	(34,655)
Public safety dispatch - other governments	203,000	203,000	209,019	6,019
Fire protection services - other governments	879,000	879,000	841,193	(37,807)
Total Intergovernmental Charges	<u>1,162,000</u>	<u>1,162,000</u>	<u>1,095,557</u>	<u>(66,443)</u>
Use of Money and Property:				
Interest earnings	250,000	250,000	1,474,674	1,224,674
Rental of real property	60,000	60,000	106,899	46,899
Total Use of Money and Property	<u>310,000</u>	<u>310,000</u>	<u>1,581,573</u>	<u>1,271,573</u>
Licenses and Permits:				
Heliport fees	216,000	216,000	183,860	(32,140)
Permits	80,000	80,000	127,567	47,567
Total Licenses and Permits	<u>296,000</u>	<u>296,000</u>	<u>311,427</u>	<u>15,427</u>
Fines and Forfeitures:				
Fines and forfeited bail	435,000	461,343	596,420	135,077
Total Fines and Forfeitures	<u>435,000</u>	<u>461,343</u>	<u>596,420</u>	<u>135,077</u>

See paragraph on Other Supplementary Information Included in Auditors' Report

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues (continued)				
Sale of Property and Compensation for Loss:				
Sales of equipment	\$ 40,000	\$ 120,000	\$ 119,047	\$ (953)
Sales of garbage bags			22	22
Insurance recoveries	50,000	50,000	109,811	59,811
Total Sale of Property and Compensation for Loss	<u>90,000</u>	<u>170,000</u>	<u>228,880</u>	<u>58,880</u>
Miscellaneous Local Sources:				
Refund of prior year expenditures	4,500	44,500	2,463	(42,037)
Gifts and donations	12,000	39,000	44,858	5,858
Other unclassified revenues		500	903,448	902,948
Total Miscellaneous Local Sources	<u>16,500</u>	<u>84,000</u>	<u>950,769</u>	<u>866,769</u>
State Aid:				
Mortgage tax	975,000	975,000	1,111,884	136,884
AIM related payment (includes County Sales Tax)	311,884	311,884	417,243	105,359
Consolidated highway aid	335,886	335,886	610,490	274,604
Other	190,500	190,500	194,537	4,037
Total State Aid	<u>1,813,270</u>	<u>1,813,270</u>	<u>2,334,154</u>	<u>520,884</u>
Federal Aid:				
Home and Community	16,000	35,000	25,000	(10,000)
Emergency disaster assistance			99,685	99,685
Total Federal Aid	<u>16,000</u>	<u>35,000</u>	<u>124,685</u>	<u>89,685</u>
Total Revenues	<u>33,633,523</u>	<u>33,942,638</u>	<u>39,722,560</u>	<u>5,779,922</u>
Other Financing Sources:				
Transfers in			160,141	160,141
Total Other Financing Sources	<u>-0-</u>	<u>-0-</u>	<u>160,141</u>	<u>160,141</u>
Total Revenues and Other Financing Sources	<u>\$ 33,633,523</u>	<u>\$ 33,942,638</u>	<u>\$ 39,882,701</u>	<u>\$ 5,940,063</u>

See paragraph on Other Supplementary Information Included in Auditors' Report

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures					
<u>General Government Support</u>					
Legislative (Board of trustees):					
Personal services	\$ 62,000	\$ 72,170	\$ 72,170		\$ -0-
Contract expenditures	794,507	748,674	565,110	\$ 172,355	11,209
Total Legislative	<u>856,507</u>	<u>820,844</u>	<u>637,280</u>	<u>172,355</u>	<u>11,209</u>
Judicial (Village justice):					
Personal services	266,074	272,299	272,299		-0-
Contract expenditures	71,300	98,041	96,386		1,655
Total Judicial	<u>337,374</u>	<u>370,340</u>	<u>368,685</u>	<u>-0-</u>	<u>1,655</u>
Executive (Mayor):					
Personal services	143,640	125,997	125,997		-0-
Equipment and capital outlay	2,500	2,271	2,271		-0-
Contract expenditures	20,000	20,435	20,435		-0-
Total Executive	<u>166,140</u>	<u>148,703</u>	<u>148,703</u>	<u>-0-</u>	<u>-0-</u>
Treasurer:					
Personal services	534,982	701,142	701,142		-0-
Equipment and capital outlay	3,650	2,215	2,215		-0-
Contract expenditures	60,551	58,514	58,514		-0-
Total Executive	<u>599,183</u>	<u>761,871</u>	<u>761,871</u>	<u>-0-</u>	<u>-0-</u>
Finance:					
Assessment:					
Personal services	27,810	28,944	28,944		-0-
Clerk:					
Personal services	303,864	363,883	363,883		-0-
Equipment and capital outlay	2,500	1,740	1,740		-0-
Contract expenditures	41,425	126,180	126,180		-0-
Grant writer	50,000	59,085	59,085		-0-
Auditing fees	59,000	55,350	55,350		-0-
Total Finance	<u>484,599</u>	<u>635,182</u>	<u>635,182</u>	<u>-0-</u>	<u>-0-</u>
Staff:					
Law:					
Personal services	35,000	138,181	138,181		-0-
Contract expenditures	275,000	385,888	385,888		-0-
Election fees	16,560	7,410	7,403		7
DPW:					
Personal services	270,533	241,574	241,574		-0-
Equipment and capital outlay	2,000	38,000	36,446		1,554
Contract expenditures	17,800	21,800	18,772		3,028
Total Staff	<u>616,893</u>	<u>832,853</u>	<u>828,264</u>	<u>-0-</u>	<u>4,589</u>
Shared Services:					
Operation of Plant (Buildings):					
Personal services	982,992	986,143	986,143		-0-
Equipment and capital outlay	10,000	15,000	9,710		5,290
Contract expenditures	421,538	564,069	549,310	3,156	11,603
Central garage:					
Personal services	410,705	425,013	424,895		118
Equipment and capital outlay	16,000	16,000	13,195		2,805
Contract expenditures	301,000	291,000	272,011	1,350	17,639
Total Shared Services	<u>2,142,235</u>	<u>2,297,225</u>	<u>2,255,264</u>	<u>4,506</u>	<u>37,455</u>

See paragraph on Other Supplementary Information Included in Auditors' Report

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures (continued)					
<u>General Government Support (continued)</u>					
Special Items:					
Unallocated insurance	\$ 595,000	\$ 658,008	\$ 658,008		\$ -0-
Municipal association dues	2,500	2,500	2,453		47
Judgments and claims	125,000	169,164	169,164		-0-
MTA tax	50,000	50,359	50,359		-0-
Contingency	150,000				-0-
Total Special Items	<u>922,500</u>	<u>880,031</u>	<u>879,984</u>	<u>\$ -0-</u>	<u>47</u>
Total General Government Support	<u>6,125,431</u>	<u>6,747,049</u>	<u>6,515,233</u>	<u>176,861</u>	<u>54,955</u>
<u>Public Safety</u>					
Police:					
Personal services	6,198,707	6,068,346	6,064,218		4,128
Equipment and capital outlay	94,824	109,805	73,371	25,171	11,263
Contract expenditures	491,944	390,215	341,285	16,015	32,915
Total Police	<u>6,785,475</u>	<u>6,568,366</u>	<u>6,478,874</u>	<u>41,186</u>	<u>48,306</u>
Radio Operators:					
Personal services	1,471,867	1,947,023	1,946,726		297
Total Radio Operators	<u>1,471,867</u>	<u>1,947,023</u>	<u>1,946,726</u>	<u>-0-</u>	<u>297</u>
Jail:					
Personal services	1,500	2,635	2,480		155
Contract expenditures	1,000				-0-
Total Jail	<u>2,500</u>	<u>2,635</u>	<u>2,480</u>	<u>-0-</u>	<u>155</u>
Traffic Control:					
Contract expenditures	77,000	87,578	86,042		1,536
Total Traffic Control	<u>77,000</u>	<u>87,578</u>	<u>86,042</u>	<u>-0-</u>	<u>1,536</u>
Fire Department:					
Personal services	104,113	108,784	108,784		-0-
Equipment and capital outlay	208,873	188,943	150,196	38,235	512
Contract expenditures	592,040	672,856	658,021	5,257	9,578
Total Fire Department	<u>905,026</u>	<u>970,583</u>	<u>917,001</u>	<u>43,492</u>	<u>10,090</u>
Safety Inspection:					
Personal services	661,948	657,982	655,625		2,357
Equipment and capital outlay	1,000				-0-
Contract expenditures	45,500	42,316	41,510		806
Total Safety Inspection	<u>708,448</u>	<u>700,298</u>	<u>697,135</u>	<u>-0-</u>	<u>3,163</u>
Ocean Rescue:					
Equipment and capital outlay	5,061	1,370	1,370		-0-
Contract expenditures	9,239	15,787	15,417		370
Total Ocean Rescue	<u>14,300</u>	<u>17,157</u>	<u>16,787</u>	<u>-0-</u>	<u>370</u>
Public Safety - Other:					
Personal services		136,219	135,107		1,112
Contract expenditures		11,250	10,821		429
Total Public Safety - Other	<u>-0-</u>	<u>147,469</u>	<u>145,928</u>	<u>-0-</u>	<u>1,541</u>
Total Public Safety	<u>9,964,616</u>	<u>10,441,109</u>	<u>10,290,973</u>	<u>84,678</u>	<u>65,458</u>

See paragraph on Other Supplementary Information Included in Auditors' Report

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures - (continued)					
<u>Health</u>					
Ambulance:					
Personal services	\$ 349,159	\$ 370,309	\$ 369,343		\$ 966
Equipment and capital outlay	123,254	123,255	93,057	\$ 23,073	7,125
Contract expenditures	288,096	239,673	208,337	16,680	14,656
Total Ambulance	<u>760,509</u>	<u>733,237</u>	<u>670,737</u>	<u>39,753</u>	<u>22,747</u>
Total Health	<u>760,509</u>	<u>733,237</u>	<u>670,737</u>	<u>39,753</u>	<u>22,747</u>
<u>Transportation</u>					
Street Maintenance:					
Personal services	1,054,599	972,286	972,286		-0-
Equipment and capital outlay	9,000	9,000			9,000
Contract expenditures	1,567,870	1,462,871	1,442,113	9,597	11,161
Total Street Maintenance	<u>2,631,469</u>	<u>2,444,157</u>	<u>2,414,399</u>	<u>9,597</u>	<u>20,161</u>
Street Lighting:					
Equipment and capital outlay	10,000	10,000	2,739		7,261
Contract expenditures	140,150	109,133	103,151		5,982
Total Street Lighting	<u>150,150</u>	<u>119,133</u>	<u>105,890</u>	<u>-0-</u>	<u>13,243</u>
Total Transportation	<u>2,781,619</u>	<u>2,563,290</u>	<u>2,520,289</u>	<u>9,597</u>	<u>33,404</u>
<u>Culture and Recreation</u>					
Parks:					
Personal services	924,555	963,501	962,452		1,049
Equipment and capital outlay	10,800	11,786	11,786		-0-
Contract expenditures	275,575	284,666	272,971	2,111	9,584
Total Parks	<u>1,210,930</u>	<u>1,259,953</u>	<u>1,247,209</u>	<u>2,111</u>	<u>10,633</u>
Coopers Beach:					
Personal services	235,500	263,478	263,478		-0-
Equipment and capital outlay	24,987	23,837	23,404		433
Contract expenditures	32,200	49,167	45,548		3,619
Total Coopers Beach	<u>292,687</u>	<u>336,482</u>	<u>332,430</u>	<u>-0-</u>	<u>4,052</u>
Human Services:					
Contract expenditures	4,000	4,000	2,140		1,860
Total Human Services	<u>4,000</u>	<u>4,000</u>	<u>2,140</u>	<u>-0-</u>	<u>1,860</u>
Culture					
Personal services	94,253	115,935	115,935		-0-
Total Culture	<u>94,253</u>	<u>115,935</u>	<u>115,935</u>	<u>-0-</u>	<u>-0-</u>
Celebrations					
Contract expenditures	2,500	2,500			2,500
Total Celebrations	<u>2,500</u>	<u>2,500</u>	<u>-0-</u>	<u>-0-</u>	<u>2,500</u>
Total Culture and Recreation	<u>1,604,370</u>	<u>1,718,870</u>	<u>1,697,714</u>	<u>2,111</u>	<u>19,045</u>
<u>Home and Community Services</u>					
Zoning:					
Personal services	22,000	22,000	22,000		-0-
Contract expenditures	52,000	150,864	150,864		-0-
Total Zoning	<u>74,000</u>	<u>172,864</u>	<u>172,864</u>	<u>-0-</u>	<u>-0-</u>
Planning Board:					
Personal services	25,000	21,417	21,417		-0-
Contract expenditures	80,000	118,262	118,262		-0-
Total Planning Board	<u>105,000</u>	<u>139,679</u>	<u>139,679</u>	<u>-0-</u>	<u>-0-</u>

See paragraph on Other Supplementary Information Included in Auditors' Report

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2024

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget
Expenditures - (continued)					
<u>Home and Community Services (continued)</u>					
ARB:					
Personal services	\$ 18,500	\$ 21,833	\$ 21,833		\$ -0-
Contract expenditures	46,000	135,605	135,605		-0-
Total ARB	64,500	157,438	157,438	\$ -0-	-0-
Planning Commission:					
Personal services	40,000	21,167	21,167		
Contract expenditures	6,000	8,605	8,605		-0-
Total Planning Commission	46,000	29,772	29,772	-0-	-0-
Shade Trees:					
Equipment and capital outlay	18,000	18,809	18,809		-0-
Contract expenditures	45,000	34,100	34,100		-0-
Total Shade Trees	63,000	52,909	52,909	-0-	-0-
Community Development:					
Contract expenditures	16,000	35,000	25,000		10,000
Total Community Development	16,000	35,000	25,000	-0-	10,000
Total Home and Community Services	368,500	587,662	577,662	-0-	10,000
<u>Employee Benefits</u>					
State retirement	1,023,410	962,882	962,879		3
Police retirement	1,636,868	1,729,716	1,729,716		-0-
Social security	1,079,225	1,052,666	1,046,127		6,539
Workers' compensation	756,046	601,247	601,247		-0-
Unemployment insurance	20,000	25,500	23,217		2,283
Hospital and medical insurance	5,830,078	5,537,802	5,531,226		6,576
Severance payments (compensated absences)	300,000	100,486	84,415		16,071
Service award programs	357,041	243,771	208,076		35,695
Total Employee Benefits	11,002,668	10,254,070	10,186,903	-0-	67,167
<u>Debt Service</u>					
Serial bonds:					
Principal	565,000	643,012	643,012		-0-
Interest	178,969	183,498	183,498		-0-
Total Debt Service	743,969	826,510	826,510	-0-	-0-
Total Expenditures	33,351,682	33,871,797	33,286,021	313,000	272,776
<u>Other Financing Uses</u>					
Transfers out	775,000	7,950,000	7,950,000		-0-
Total Other Financing Uses	775,000	7,950,000	7,950,000	-0-	-0-
Total Expenditures and Other Financing Uses	\$ 34,126,682	\$ 41,821,797	\$ 41,236,021	\$ 313,000	\$ 272,776

See paragraph on Other Supplementary Information Included in Auditors' Report

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF INCREASES AND DECREASES
CAPITAL PROJECTS FUND
For the year ended May 31, 2024

	Fire Facility	ADA	Office Equipment	Facilities Acquisition	Fire Truck	Fire Equipment	Ambulance Building	Major Equipment	Beach	Not Allocated	Water Quality Rec	Rogers Mansion Restoration	Energy Efficiency Projects	Capital Grant Projects	Total
Increases:															
Interest earnings	\$ -0-	\$ 396	\$ 132	\$ 52,659	\$ 23,797	\$ 29,442	\$ -0-	\$ 140,700	\$ 352	\$ -0-	\$ 256,524	\$ -0-	\$ 5	\$ -0-	\$ 504,007
Local sources											87,530			226,534	314,064
State grants														633,969	633,969
Federal Grants								285,122							285,122
Intergovernmental charges										231,200					231,200
Debt proceeds													6,435,000		6,435,000
Interfund transfers				755,100	886,037	30,715		1,721,569	20,000	4,507,579					7,921,000
Total increases	-0-	396	132	807,759	909,834	60,157	-0-	2,147,391	20,352	4,738,779	344,054	-0-	6,435,005	860,503	16,324,362
Decreases:															
Project expenditures			2,908	449,470	586,800	167,223		1,973,602	18,361		119,339		3,500,056	1,090,371	7,908,130
Total Decreases	-0-	-0-	2,908	449,470	586,800	167,223	-0-	1,973,602	18,361	-0-	119,339	-0-	3,500,056	1,090,371	7,908,130
Excess (deficiency) of increases over decreases	-0-	396	(2,776)	358,289	323,034	(107,066)	-0-	173,789	1,991	4,738,779	224,715	-0-	2,934,949	(229,868)	8,416,232
Balances at beginning of year	1	5,335	3,237	557,881	270,335	474,905	(23,501)	1,856,849	3,932	-0-	3,521,775	699,000	-0-	(57,471)	7,312,278
Balances at end of year	\$ 1	\$ 5,731	\$ 461	\$ 916,170	\$ 593,369	\$ 367,839	\$ (23,501)	\$ 2,030,638	\$ 5,923	\$ 4,738,779	\$ 3,746,490	\$ 699,000	\$ 2,934,949	\$ (287,339)	\$ 15,728,510

INCORPORATED VILLAGE OF SOUTHAMPTON
SCHEDULE OF INCREASES AND DECREASES
SPECIAL REVENUE FUND
For the year ended May 31, 2024

	Parkland Deposits	Dog Park Reserve	WWI Memorial	Ambulance Facility	Comm for the Arts	Off Street Parking	Access for Handicap	Children's Fund	Street Lighting	Handicap Parking	Agwan Brick Program	CPF/ African American Museum	Munn Point	Affordable Housing Fund	Total
Increases:															
Interest earnings	\$ 342	\$ 259	\$ 2,248	\$ 204	\$ 575	\$ 194	\$ 12	\$ 3,227	\$ 64	\$ 27	\$ 73	\$ -0-	\$ 63	\$ 10,427	\$ 17,715
Donations		8,500	25,550		2,000										36,050
Interfund transfers			100,000												100,000
Total Increases	342	8,759	127,798	204	2,575	194	12	3,227	64	27	73	-0-	63	10,427	153,765
Decreases:															
Project expenditures		4,016					1,620	28,609							34,245
Transfers out to projects									71,000						71,000
Total Decreases	-0-	4,016	-0-	-0-	-0-	-0-	1,620	28,609	71,000	-0-	-0-	-0-	-0-	-0-	105,245
Excess (deficiency) of increases over decreases	342	4,743	127,798	204	2,575	194	(1,608)	(25,382)	(70,936)	27	73	-0-	63	10,427	48,520
Balances at beginning of year	15,470	6,053	76,199	9,215	24,061	8,790	2,164	174,724	73,908	1,210	3,305	6	2,863	472,031	869,999
Balances at end of year	\$ 15,812	\$ 10,796	\$ 203,997	\$ 9,419	\$ 26,636	\$ 8,984	\$ 556	\$ 149,342	\$ 2,972	\$ 1,237	\$ 3,378	\$ 6	\$ 2,926	\$ 482,458	\$ 918,519

OTHER REPORTS

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Incorporated Village of Southampton, New York**

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Incorporated Village of Southampton, New York ("Village") as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Hauppauge, New York
February 19, 2025