

TOWN OF SOUTHOLD

PECONIC BAY COMMUNITY PRESERVATION FUND

FINANCIAL STATEMENT

For the Year Ended December 31, 2018

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
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George R. Rehn Certified Public Accountant

286 Main Street • East Setauket • New York 11733
(631) 751-3886 • Fax (631) 751-2740

INDEPENDENT AUDITOR'S REPORT

Southold Town Board
Town of Southold
Southold, New York 11971

I have audited the accompanying financial statements of Town of Southold Peconic Bay Community Preservation Fund which comprise the balance sheet as of December 31, 2018, and the related statements of revenues and expenditures for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet of Town of Southold Peconic Bay Community Preservation Fund as of December 31, 2018, and the revenues and expenditures for the year then ended in accordance with accounting principles generally accepted in the United States of America.

George R. Rehn
Certified Public Accountant

May 3, 2019
East Setauket, NY

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
BALANCE SHEET
December 31, 2018

ASSETS:

Restricted cash	\$16,972,519
Due from other governments	834,841
Accounts receivable	7,878
Prepaid expense	6,749
Land and development rights	<u>110,863,270</u>
TOTAL ASSETS	<u><u>\$128,685,257</u></u>

LIABILITIES:

Accounts payable	40,002
Bonds payable	<u>20,329,181</u>
TOTAL LIABILITIES	<u>20,369,183</u>

FUND BALANCE:

Fund balance - restricted	108,316,074
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$128,685,257</u></u>
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TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
STATEMENTS OF REVENUES AND EXPENDITURES
For the Year Ended December 31, 2018

REVENUES:

Community Preservation Fund transfer taxes	\$8,097,019
New York State grant	40,147
Interest income	99,012
TOTAL REVENUES	<u>8,236,178</u>

EXPENDITURES:

Land acquisition costs	5,380,126
Stewardship management	37,737
Stewardship supplies	15,044
Administrative management	272,280
Administrative expenses	4,000
Serial bonds, principal	1,473,913
Serial bonds, interest	708,003
TOTAL EXPENDITURES	<u>7,891,103</u>

EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$345,075</u></u>
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TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History

In 1998, the Peconic Bay Community Preservation Fund was started. It is financed by a 2% real estate transfer tax through 2050. The overall goal is to preserve open land and farm land by purchasing open space and environmentally sensitive lands. Funds are also allowed to be used for management and stewardship of the acquired properties. The Peconic Bay Community Preservation Fund is accounted for as a major fund in the Town of Southold, New York financial statements.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates in the Preparation of Financial Statements

Management of the organization uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affected the reported revenues and expenditures. Actual results could vary from the estimates that management uses.

NOTE B- BONDS PAYABLE

Serial Bonds for \$17,023,243 are dated October 4, 2016. Denominations are maturing on February 15th each year through 2030. Interest rate is 4% through 2020. It is 3% in 2021 and then 4% from 2022 to 2025, 2% in 2026 to 2028, 2.125% in 2029, and 2.25% in 2030.

The maturities of the bonds for the next five years are as follows:

		Principal		Interest
2019	\$	1,064,286	\$	434,889
2020		1,088,708		391,830
2021		1,137,599		352,991
2022		1,160,426		312,719
2023		1,194,219		265,626
2024 and thereafter		<u>9,271,176</u>		<u>741,972</u>
	\$	<u>14,916,414</u>	\$	<u>2,500,027</u>

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
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December 31, 2018

Serial Bonds for \$5,847,244 are dated July 29, 2015. Denominations are maturing on March 1st each year through 2030. Interest rate varies from 2% for 2018, 3% for 2019, 4% for 2020, 4.76% for 2021, 4.88% for 2022, 4.57% for 2023, 5% for 2024 until 2027, and 3% for 2028 until 2030.

The maturities of the bonds for the next five years are as follows:

	Principal	Interest
2019	\$ 426,560	\$ 220,283
2020	419,947	205,485
2021	419,947	187,100
2022	419,947	166,863
2023	467,297	145,946
2024 and thereafter	<u>3,259,069</u>	<u>415,501</u>
	\$ <u>5,412,767</u>	\$ <u>1,341,178</u>