

TOWN OF SOUTHOLD
PECONIC BAY COMMUNITY PRESERVATION FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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LAND PRESERVATION DEPT
Town of Southold

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
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INDEPENDENT AUDITOR'S REPORT

Southold Town Board
Town of Southold
Southold, New York 11971

We have audited the accompanying financial statements of Town of Southold Peconic Bay Community Preservation Fund which comprise the balance sheet as of December 31, 2019, and the related statement 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

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

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

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

Opinion

In our 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, 2019, and the revenues and expenditures for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Rehn & Maresco

December 13, 2020
East Setauket, New York

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
BALANCE SHEET
DECEMBER 31, 2019**

ASSETS

Restricted cash	\$ 8,589,563
Due from other governments	1,272,461
Accounts receivable	978
Prepaid expense	6,893
Land and development rights	<u>124,149,106</u>
TOTAL ASSETS	<u><u>134,019,001</u></u>

LIABILITIES

Accounts payable	21,228
Bonds payable	<u>18,838,335</u>
TOTAL LIABILITIES	18,859,563

FUND BALANCE

Fund balance - restricted	<u>115,159,438</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 134,019,001</u></u>
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See accompanying notes to financial statements.

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

REVENUES

Community Preservation Fund transfer taxes	\$ 7,666,589
New York State grant	11,714
Interest income	<u>184,120</u>

	TOTAL REVENUES <u>7,862,423</u>
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EXPENDITURES

Land acquisition costs	13,285,836
Stewardship management	4,892
Stewardship supplies	11,139
Administrative management	343,855
Administrative expenses	4,000
Serial bonds, principal	1,490,846
Serial bonds, interest	<u>655,172</u>

	TOTAL EXPENDITURES <u>15,795,740</u>
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EXCESS OF EXPENDITURES OVER REVENUES	<u><u>\$ (7,933,317)</u></u>
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See accompanying notes to financial statements.

**TOWN OF SOUTHOOLD PECONIC BAY COMMUNITY PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

In 1998, the Peconic Bay Community Preservation Fund (the "Fund") was established by voter referendum. The Fund 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 have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash consists of funds deposited in demand accounts and time deposit accounts with maturities of less than three months from the date acquired by the Fund.

NOTE 2 – 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.

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 – BONDS PAYABLE (Continued)

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

		Principal		Interest
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		1,262,892		216,484
2025 and thereafter		<u>8,008,285</u>		<u>525,489</u>
	\$	<u>13,852,129</u>	\$	<u>2,065,139</u>

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	\$	419,947	\$	205,485
2020		419,947		187,100
2021		419,947		166,863
2022		467,297		145,946
2023		504,364		126,843
2024 and thereafter		<u>2,754,704</u>		<u>288,658</u>
	\$	<u>4,986,206</u>	\$	<u>1,120,895</u>

NOTE 3 - SUBSEQUENT EVENTS

The Fund has evaluated all subsequent events through December 13, 2020, the date the financial statements were available to be issued, and determined that, except as discussed below, there were no events which have occurred that would require disclosure or adjustments to the financial statements.