

TOWN OF SOUTHOLD

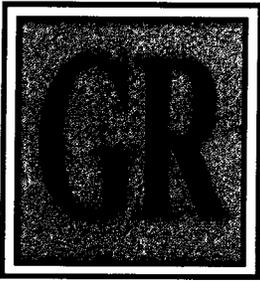
PECONIC BAY COMMUNITY PRESERVATION FUND

FINANCIAL STATEMENT

For the Year Ended December 31, 2015

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

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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, 2015, 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, 2015, 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

April 6, 2016
East Setauket, NY

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
BALANCE SHEET
December 31, 2015

ASSETS:

Restricted cash	\$14,148,808
Due from other governments	674,376
Accounts receivable	712
Land and development rights	<u>97,800,129</u>
TOTAL ASSETS	<u><u>112,624,025</u></u>

LIABILITIES:

Accounts payable	\$26,894
Bonds payable	<u>24,615,544</u>
TOTAL LIABILITIES	<u>24,642,438</u>

FUND BALANCE:

Fund balance - restricted	87,981,587
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$112,624,025</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, 2015

REVENUES:

Community Preservation Fund transfer taxes	\$6,464,184
Government grants	17,743
Interest income	<u>14,879</u>
TOTAL REVENUES	<u>6,496,806</u>

EXPENDITURES:

Land acquisition costs	761,717
Stewardship management	31,021
Stewardship supplies	520
Administrative management	183,700
Administrative expenses	10,000
Serial bonds, principal	1,338,500
Serial bonds, interest	<u>1,006,692</u>
TOTAL EXPENDITURES	<u>3,332,150</u>

EXCESS OF REVENUES OVER EXPENDITURES \$3,164,656

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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 2030. 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 in the capital fund of 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 \$ 9,987,900 are dated April 15, 2007. Denominations are maturing on April 15th each year through 2017. The interest rate is 4.25%. The bond was refinanced with a 2015 serial bond for \$5,847,244. The 2016 and 2017 payments remain.

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

	Principal	Interest
2016	\$ 401,700	\$ 27,508
2017	<u>446,400</u>	<u>9,486</u>
	\$ <u>848,100</u>	\$ <u>36,994</u>

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Serial Bonds for \$7,500,000 are dated May 15, 2008. Denominations are maturing on May 15th each year through 2030. Interest rate is 4% through 2024. It is raised to 4.125% in 2025 and then 4.25% subsequently.

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

	Principal	Interest
2016	\$ 317,800	\$ 217,695
2017	317,800	204,983
2018	339,000	191,847
2019	339,000	178,287
2020	339,000	164,727
2021 and thereafter	<u>3,813,600</u>	<u>819,775</u>
	\$ <u>5,466,200</u>	\$ <u>1,777,314</u>

Serial Bonds for \$5,000,000 are dated March 15, 2010. Denominations are maturing on March 15th each year through 2030. Interest rate is 4% through 2024. It is raised to 4.125% in 2026 and then 4.25% subsequently.

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

	Principal	Interest
2016	\$ 199,000	\$ 163,339
2017	209,000	155,179
2018	219,000	146,619
2019	223,000	137,779
2020	233,000	128,659
2021 and thereafter	<u>2,986,000</u>	<u>674,302</u>
	\$ <u>4,069,000</u>	\$ <u>1,405,877</u>

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Serial Bonds for \$10,000,000 are dated June 29, 2015. Denominations are maturing on August 15th each year through 2030. Interest rate is 2% through 2015, 2.25% for 2016, 2.5% for 2017, 3% through 2020, 3.125% for 2021, 3.25% for 2022, 3.5% for 2023, 3.625% for 2024, 3.75% for 2025, 3.875% for 2026 and 4% thereafter.

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

	Principal	Interest
2016	\$ 445,000	\$ 289,131
2017	460,000	278,006
2018	470,000	264,206
2019	485,000	250,106
2020	500,000	235,556
2021 and thereafter	<u>6,025,000</u>	<u>1,338,259</u>
	\$ <u>8,385,000</u>	\$ <u>2,655,264</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 2016 until 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
2016	\$ 643	\$ 256,286
2017	661	235,351
2018	433,173	231,013
2019	426,560	220,283
2020	419,947	205,485
2021 and thereafter	<u>4,566,260</u>	<u>915,410</u>
	\$ <u>5,847,244</u>	\$ <u>2,063,828</u>