

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY PRESERVATION
FUND**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY
PRESERVATION FUND
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DECEMBER 31, 2020**

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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, 2020, 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, 2020, and the revenues and expenditures for the year then ended in accordance with accounting principles generally accepted in the United States of America.



November 9, 2021
East Setauket, New York

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY
PRESERVATION FUND**

BALANCE SHEET

DECEMBER 31, 2020

ASSETS

Restricted cash	\$ 15,208,541
Due from other governments	2,630,520
Accounts receivable	86,272
Prepaid expense	7,689
Land and development rights	<u>124,549,940</u>

TOTAL ASSETS 142,482,962

LIABILITIES

Accounts payable	10,112
Due to other funds	22,815
Accrued expenses	760
Bonds payable	<u>17,329,679</u>

TOTAL LIABILITIES 17,363,366

FUND BALANCE

Fund balance - restricted	<u>125,119,596</u>
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TOTAL LIABILITIES AND FUND BALANCE \$ 142,482,962

See accompanying notes to financial statements.

**TOWN OF SOUTHD PECONIC BAY COMMUNITY
PRESERVATION FUND**

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES

Community Preservation Fund transfer taxes	\$ 10,828,223
Interest income	47,698
Other income	<u>1,009</u>
TOTAL REVENUES	<u>10,876,930</u>

EXPENDITURES

Land acquisition costs	400,834
Stewardship management	7,350
Stewardship supplies	5,912
Administrative management	302,196
Administrative expenses	4,000
Serial bonds, principal	1,508,655
Serial bonds, interest	<u>597,314</u>
TOTAL EXPENDITURES	<u>2,826,261</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>\$ 8,050,669</u>

See accompanying notes to financial statements.

**TOWN OF SOUTHOLD PECONIC BAY COMMUNITY
PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - NATURE OF ACTIVITIES

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Concentration of Credit Risk

Financial instruments that potentially subject the Fund to concentrations of credit risk consist of demand deposits with a financial institution. At December 31, 2020 there are no balances exceeding FIC insurance of \$250,000. The Fund believes there is minimal credit risk relative to its cash and investment accounts.

TOWN OF SOUTHOLD PECONIC BAY COMMUNITY
PRESERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 – BONDS PAYABLE

Bond payable - in yearly variable installments, including variable interest rates at 4% in 2020, 3% in 2021, 4% through February 2025, and 2%, thereafter. \$ 12,763,419

Bond payable - in yearly variable installments, including variable interest rates at 4% through March 2023, 5% through March 2027, and 3% thereafter. 4,566,260

17,329,679

Less: Current maturities 1,557,545

Long-term debt \$ 15,772,134

Aggregate maturities of long-term debt are as follows:

Years ending December 31:

2021	\$ 1,557,546
2022	1,580,373
2023	1,661,516
2024	1,730,189
2025	1,767,250
Thereafter	<u>9,032,805</u>

\$ 17,329,679

NOTE 3 - SUBSEQUENT EVENTS

The Fund has evaluated all subsequent events through November 9, 2021, 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.