

**TOWN OF RIVERHEAD**

**PECONIC BAY COMMUNITY PRESERVATION FUND**

**FINANCIAL STATEMENT**

**For the Year Ended December 31, 2011**

**TOWN OF RIVERHEAD PECONIC BAY**  
**COMMUNITY PRESERVATION FUND**  
**TABLE OF CONTENTS**  
**December 31, 2011**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	1
 <b>FINANCIAL STATEMENT</b>	
Statement of Revenues and Expenditures.....	2
Notes to Financial Statement .....	3

## INDEPENDENT AUDITOR'S REPORT

Riverhead Town Board  
Town of Riverhead Peconic Bay Community Preservation Fund  
200 Howell Avenue  
Riverhead, New York 11901

I have audited the accompanying statement of revenues and expenditures of Town of Riverhead Peconic Bay Community Preservation Fund for the year ended December 31, 2011. This financial statement is the responsibility of the Town of Riverhead Peconic Bay Community Preservation Fund management. 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 statements of revenues and expenditures are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and expenditures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and expenditures. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statement referred to in the first paragraph presents fairly, in all material aspects, the revenues and expenditures of Town of Riverhead Peconic Bay Community Preservation Fund for the year ended December 31, 2011. The Community Preservation Fund is being administered consistent with the provisions of the state law.

*George R. Rehn*  
Certified Public Accountant

East Setauket, NY  
May 16, 2012

**TOWN OF RIVERHEAD PECONIC BAY COMMUNITY PRESERVATION FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**For the Year Ended December 31, 2011**

**REVENUES:**

Peconic Bay Community Preservation Funds transfer taxes	\$1,937,241
Interest income	<u>24,613</u>
TOTAL REVENUES	<u>1,961,854</u>

**EXPENDITURES:**

Land acquisition and development rights costs	<u>491,946</u>
TOTAL EXPENDITURES	<u>491,946</u>

**EXCESS OF REVENUES OVER REVENUES** \$1,469,908

**TOWN OF RIVERHEAD PECONIC BAY**  
**COMMUNITY PRESERVATION FUND**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2011**

**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.

**Basis of Accounting**

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

**Use of Estimates in the Preparation of Financial Statement**

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- EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 16, 2012, the date which the financial statements were available to be issued.

May 16, 2012

George R. Rehn, CPA  
286 Main Street  
East Setauket, NY 11733

We are providing this letter in connection with your audit of the statement of revenues and expenditures of Town of Riverhead Peconic Bay Community Preservation Fund (CPF) as of December 31, 2011 for the purpose of expressing an opinion as to whether the financial statement present fairly, in all material respects, the revenues and expenditures, of Town of Riverhead CPF in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the financial statement. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm to the best of our knowledge and belief, as of May 16, 2012, the following representations made to you during your audit:

1. The financial statement referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
2. We have made available to you all financial records and related data
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, other than as previously disclosed regarding the New York State Comptroller's audit.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statement.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the Town of Riverhead CPF involving:
  - A. Management,
  - B. Employees who have significant roles in internal control, or
  - C. Others where the fraud could have a material effect on the financial statement

7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town of Riverhead CPF received in communications from employees, former employees, grantors, regulators, or others.
8. The Organization has no plans or intentions that may materially affect the carrying value.
9. The following, if any, have been properly recorded or disclosed in the financial statement:
  - A. Related party transactions, including revenues, expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties.
  - B. Guarantees, whether written or oral, under which the Organization is contingently liable.
  - C. All accounting estimates that could be material to the financial statement, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
10. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statement. We understand that *near term* means the period within one year of the date of the financial statement. In addition, we have no knowledge of concentrations existing at the date of the financial statement that make the organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statement.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
12. There are no:
  - A. Violations or possible violations of laws and regulations and provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statement or as a basis for recording a loss contingency.
  - B. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*.
  - C. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
  - D. Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statement.

13. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
14. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statement in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

No events have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in, the financial statement.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_