



May 11, 2022

The Honorable Supervisor and Town Board
Town of Riverhead Peconic Bay Community Preservation Fund
Riverhead, New York

AU-C SECTION 260B THE AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of the Town of Riverhead Peconic Bay Community Preservation Fund (Community Preservation Fund) for the year ended December 31, 2021, and have issued our report thereon dated May 11, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our audit engagement letter to you dated February 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Community Preservation Fund are described in detail in Note 1 of the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Community Preservation Fund during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates and Note Disclosures

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimate in the financial statements is the amount due from other governments.

Note disclosures are an integral part of your financial statements and significant to the presentation of financial information for financial statements users. The most significant financial statement disclosures relate to the basis of accounting used to prepare the fund financial statements.

Financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There are no known passed adjustments.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements of the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

Your Chief Financial Administrator, in his capacity as your Community Preservation Fund's Chief Financial Officer, serves as the management level person who possesses the skills, knowledge, and experience to accept responsibility for the financial statements. Your Chief Financial Administrator has provided us with certain representations related to the financial statements, the information provided to us and your Community Preservation Fund's operations in a letter dated May 11, 2022. A copy of this letter is to be kept on file at the Community Preservation Fund's offices and is available for your review and inspection.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Community Preservation Fund's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Community Preservation Fund's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the Schedule of Real Estate Purchases and Schedule of Related Outstanding Debt which accompanies the financial statements but is not Required Supplementary Information (RSI). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods for preparing the information to determine that the information complies with the basis of accounting as described in Note 1 to the financial statements. We validated that the method of preparing this supplemental information has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

In planning and performing our audit of the financial statements of the Community Preservation Fund for the year ended December 31, 2021, we considered your internal control structures in order to help us determine the nature, timing and extent of our audit procedures. These procedures were designed to allow us to formulate an expression of our audit opinion as to the fairness of your financial statement presentation and disclosures in accordance with the basis of accounting described in Note 1 of the financial statements. Our work in this regard was not designed for, nor intended to provide you with assurances on your internal controls.

Management is responsible for establishing and maintaining internal controls, which include the preparation of the financial statements and related disclosures. Management has requested that we assist in the preparation of draft financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in an organization of your size and is a service that we typically provide. Because of the skills, knowledge and experience of your internal accountant, and the fact that he has reviewed the statements with governing body and management has taken responsibility for their presentation, we believe the Community Preservation Fund has effectively met its responsibilities to maintain controls over financial statement preparation.

The Honorable Supervisor and Council Members

May 11, 2022

Page 3 of 3

Closing and Restriction on Use

We would like to take this opportunity to re-emphasize the conditions noted herein that were considered in the nature, timing and extent of our audit testing and would not necessarily disclose all matters involving internal control that might be control deficiencies. Accordingly, our work would not necessarily disclose all significant deficiencies that are considered material weaknesses as defined by the AICPA. Also, of significance to note is that any internal control system is subject to inherent limitations in its design and operation, this means that non-compliance, errors or frauds could occur and not be detected by such controls.

This report is considered an AU-C Section 260B communication; it is intended solely for the use of the Town Board, and Management of the Community Preservation Fund and the Office of the Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Craig, Fitzsimmons & Meyer, LLP".

Craig, Fitzsimmons & Meyer, LLP
Robert R. Craig, Engagement Partner