



**SOUTHOLD LOCAL DEVELOPMENT CORPORATION**

SCHEDULE OF CASH AND INVESTMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

**SOUTHOLD LOCAL DEVELOPMENT CORPORATION**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Southold Local Development Corporation  
Southold, New York

### Report on the Audit of the Schedule of Cash and Investments

#### *Opinion*

We have audited the Schedule of Cash and Investments (the "Schedule") of the Southold Local Development Corporation (the Corporation), as of December 31, 2023 and 2022, and the related notes.

In our opinion, the accompanying Schedule of Cash and Investments and related notes referred to above presents fairly, in all material respects, the cash and investments of the Corporation as of December 31, 2023 and 2022, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule. We are required to be independent of the Corporation, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management for the Schedule*

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibilities of the Audit of the Schedule*

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is no absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GASS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance with respect to the Schedule.

*Jones, Little + Co, CPAs, LLP*

Hampton Bays, New York  
February 19, 2024

**SOUTHOLD LOCAL DEVELOPMENT CORPORATION**  
**SCHEDULE OF CASH AND INVESTMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	<u>\$ 161,432</u>	<u>\$ 168,051</u>

**SOUTHOLD LOCAL DEVELOPMENT CORPORATION**  
**NOTES TO SCHEDULE OF CASH AND INVESTMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1: ORGANIZATION**

The Southold Local Development Corporation (the Corporation) is a not-for-profit corporation incorporated on June 27, 2014 under New York Law. The Corporation's purpose is to promote and conduct economic development activities in the Town of Southold and to finance facilities for not-for-profit corporations so that they may acquire, improve, maintain, equip, and furnish such projects. Although the Town of Southold is not financially accountable for the Corporation, it does appoint the Board and as such is considered a related party to the Corporation.

The Corporation uses the Town of Southold (the Town) facilities; there is no written agreement for this arrangement. Also, the Town provided necessary insurance coverage to the Corporation for the years ended December 31, 2023 and 2022.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Generally, cash equivalents are defined as short-term highly liquid investments and includes unrestricted and restricted cash. Cash equivalents are carried at amortized costs which approximates fair value.

**NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash and cash equivalents consist of funds deposited in demand accounts.

The Corporation's deposits and investments are governed by a formal investment policy. The Corporation's monies must be deposited in commercial banks or trust companies, which are members of the Federal Deposit Insurance Corporation and located within New York State.

The Corporation is authorized to use certificates of deposit and money market deposit accounts. Permissible investments include certificates of deposit and United States Treasuries with a maturity no longer than one year.

Collateral is required for demand deposits and time deposit accounts of all deposits not covered by federal deposit insurance. Obligation that may be pledged as collateral include letters of credit, as well as obligations of the United States and its agencies and obligations of the State and its municipalities. The Corporation's collateral agreements are based on the Corporation's available balance.

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of a failure of a depository financial institution, a government, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Corporation's name

**SOUTHOLD LOCAL DEVELOPMENT CORPORATION**  
**NOTES TO SCHEDULE OF CASH AND INVESTMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS** *(continued)*

At December 31, 2023, the carrying amount of the Corporation's cash and cash equivalents totaled \$161,432. The bank balances totaled \$161,432, all of which was covered by the Federal Deposit Insurance Corporation. At December 31, 2022, the carrying amount of the Corporation's cash and cash equivalents totaled \$168,051.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF CASH AND INVESTMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Southold Local Development Corporation  
Southold, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Cash and Investments of the Southold Local Development Corporation (the Corporation), as of December 31, 2023 and 2022, and the related notes to the Schedule of Cash and Investments, and have issued our report thereon dated February 19, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Schedule of Cash and Investments, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Cash and Investments, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's Schedule of Cash and Investments will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's Schedule of Cash and Investments are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule of Cash and Investments. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Jones, Little & Co, CPAs, LLP*

Hampton Bays, New York  
February 19, 2024