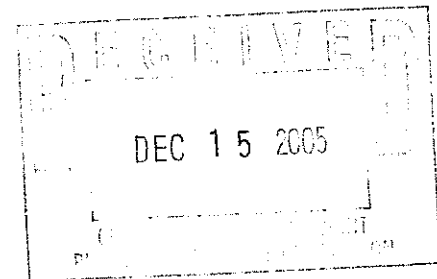


FINANCIAL STATEMENT (CASH BASIS)

Central Pine Barrens Joint Planning and Policy Commission

Year ended March 31, 2005

 **ERNST & YOUNG**



Central Pine Barrens Joint Planning and Policy Commission

Financial Statement
(Cash Basis)

Year ended March 31, 2005

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Report of Independent Auditors

To the Members of
Central Pine Barrens Joint Planning and Policy Commission

We have audited the accompanying statement of cash receipts and cash disbursements of the Central Pine Barrens Joint Planning and Policy Commission (the "Pine Barrens") for the year ended March 31, 2005. This financial statement is the responsibility of the Pine Barrens' management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Pine Barrens' internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pine Barrens' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the statement of cash receipts and cash disbursements presents a summary of cash activity and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States.

In our opinion, the statement referred to above presents fairly, in all material respects, the cash receipts and cash disbursements of the Central Pine Barrens Joint Planning and Policy Commission for the year ended March 31, 2005 on the basis of accounting described in Note 1.

Ernst & Young LLP

September 12, 2005

Central Pine Barrens Joint Planning and Policy Commission

Statement of Cash Receipts and Cash Disbursements
(Cash Basis)

Year ended March 31, 2005

Receipts

Grants from USFS	\$ 5,655
Environment benefit fund legal settlement	175,000
Interest	331
Miscellaneous receipts	4,441
Total receipts	<u>185,427</u>

Disbursements

Salaries	651,403
General and administrative expenses	121,625
Administrative fee	38,551
Total disbursements	<u>811,579</u>

Transfer to restricted account (175,000)

Balance due to Suffolk County Water Authority at March 31, 2005 \$ (801,152)

See accompanying note.

Central Pine Barrens Joint Planning and Policy Commission

Note to Financial Statement (Cash Basis)

March 31, 2005

1. Significant Accounting Policy and Other Information

The Central Pine Barrens Joint Planning and Policy Commission (the "Pine Barrens") uses the cash basis of accounting. Revenue is recognized when deposited in the bank rather than when earned and expenses are recognized when paid rather than when incurred. Therefore, the statement of cash receipts and cash disbursements is not intended to be a presentation in conformity with accounting principles generally accepted in the United States.

The Pine Barrens was created by the Long Island Pine Barrens Protection Act of 1993, an amendment to the New York Environment Conservation Law Article 57, for the purpose of crafting and implementing a comprehensive land use and management plan for the Central Pine Barrens region of Suffolk County.

The Pine Barrens has an agreement with the Suffolk County Water Authority (the "Authority") to administer the funds of the Pine Barrens. The costs incurred by the Authority for this work are reimbursed by New York State through budget appropriations. The Authority receives an administrative fee for this work.

Restricted Account

In February 2005 the Pine Barrens received \$175,000 in connection with an environmental budget fund settlement. These funds are restricted for the purpose of supporting the Pine Barrens Law Enforcement Council and were part of a settlement of several Environmental Conservation Law violations, but not Environmental Conservation Law Article 57 violations. These funds have been deposited in a separate restricted account and will be used for the specific purpose of the Pine Barrens Law Enforcement Council. These funds are not part of the amount owed to the Suffolk County Water Authority at March 31, 2005.