

Glen Cove
Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Financial Statements
and Supplementary Information

December 31, 2023

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

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Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

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Independent Auditors' Report

**The Board of Directors of the
Glen Cove Community Development Agency**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Glen Cove Community Development Agency (a component unit of the City of Glen Cove, New York) ("Agency") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2023 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgment made by a reasonable user based on the financial statements.

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 the risks of material misstatement of the financial statements, 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 Agency'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Other Supplementary Information Audit Requirements for Federal Awards* is presented for purposes of additional analysis is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024 on our consideration of the Agency'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. 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 Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
March 29, 2024

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Management's Discussion and Analysis (MD&A)
December 31, 2023

Introduction

The Community Development Agency ("CDA") ("Agency"), formally known as the Urban Renewal Agency, was established on April 16, 1964 under Title 11-A Section 580-a of the Consolidated Laws of the State of New York. The name change was mandated by State Law Section 580(a) on January 1, 1980. The powers of the Agency are vested in the Mayor, as Chairman, and its six-member Board of Directors. The members are appointed by the Mayor of the City of Glen Cove ("City") subject to the approval of the City Council. Agency obligations are backed by the City.

The Agency's purpose is to plan and implement programs involving the rehabilitation and revitalization of both the residential and commercial sectors of the City, to foster economic growth, to provide assistance to public service organizations, to eliminate blight and to improve opportunities for low and moderate income citizens of the City.

Financial Highlights

Key financial highlights for fiscal year ended 2023 are as follows:

- The Agency has a total net position of \$1,433,511. Of this amount, \$1,832,030 represents governmental activities net position relating to the Community Development Agency Fund and a negative (\$398,519) is business-type activities net position for the Agency's Section 8 – Housing Choice Voucher Program. The governmental activities net position decreased by \$67,680 as compared to 2022. The business-type activities net position decreased by \$46,025 as compared to 2022.
- The Agency is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Agency has recognized substantial liabilities in the government-wide statement of net position for these benefits. As of December 31, 2023, the Agency had liabilities of \$1,970,882 (\$1,015,304 for governmental activities and \$955,578 for business-type activity) for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). In addition, as of December 31, 2023, the Agency had a liability of \$185,560 for its net pension liability – ERS. More detailed information about the Agency's OPEB and pension reporting is presented in Note 4 in the notes to financial statements.

Using This Annual Report

This annual report consists of a series of financial statements that are shown in detail in the sections that follow this MD&A. The statement of net position and the statement of activities provide information about the activities of the Agency as a whole, and in time, information for a longer-term view of the Agency's finances. Fund financial statements show how the General Fund began and ended 2023 and

the level of resources available for future years. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Reporting on the Agency as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the Agency's finances, in a manner similar to a private-sector business. The two statements that best summarize the Agency's finances as a whole are the Statement of Net Position and the Statement of Activities. These two statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. All of the Agency's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Agency's net position and changes in them. Increases or decreases in net position indicate whether the financial position of the Agency is improving or deteriorating. In both statements, the activities of the Agency are divided into two types:

- Governmental activities – these are the CDA's basic home and community services including economic development, commercial and residential rehabilitation, public facilities improvement and culture and recreation. Federal and state aid and program income from the sale of properties or collection of economic development loans finance these activities.
- Business-type activities – these are housing assistance services provided to low income families conducted by the Section 8 - Housing Choice Voucher Program. The program is organized similar to a private-sector company.

Reporting the Agency's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Agency's governmental fund. The Agency's two kinds of funds - governmental and proprietary - use different bases of accounting.

- Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds' financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.
- Proprietary funds - These funds are used to show activities that operate similar to private business enterprises. Because these funds charge fees for services provided, they are known as proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The CDA accounts for its Section 8 - Housing Choice Voucher Program using this type of fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents Supplementary Information on Budgetary planning for the General Fund. The CDA does not have an annual legally adopted budget. The CDA's Board of Directors adopts and amends annual budgets and provides budgetary information as other supplementary information. Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Agency's OPEB obligations and net pension liabilities.

The Agency as Trustee

The Agency's combined net position at the end of 2023 was \$1,433,511. Of this amount, \$1,832,030 was the net position of governmental activities and a negative \$398,519 was the net position of the business-type activities – Section 8 – Housing Choice Voucher Program.

Total assets and deferred outflows of resources were \$4,377,986 at the end of 2023, with capital assets, net of depreciation accounting for \$1,939,149 of this amount. The values of the capital assets are based on historical costs. The Agency uses these capital assets to provide services and therefore these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt. Current assets total \$1,886,649 and consist primarily of cash and equivalents and due from related entities. Deferred outflows of resources amount to \$552,188 and account for the Agency's pension obligations and OPEB.

Total liabilities aggregate \$2,363,089 while deferred inflows of resources aggregate \$581,386. Total liabilities include compensated absences (\$63,096), net pension liability (\$185,560), other post-employment benefits liability (\$1,970,882) that are funded over a number of years and various other accounts payables totaling \$143,551.

Net Position

	December 31, 2023			December 31, 2022		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current Assets	\$ 1,179,924	\$ 706,725	\$ 1,886,649	\$ 1,153,453	\$ 1,066,508	\$ 2,219,961
Net Pension Asset	-	-	-	33,483	-	33,483
Capital Assets, Net	1,937,200	1,949	1,939,149	1,937,200	4,276	1,941,476
Total Assets	3,117,124	708,674	3,825,798	3,124,136	1,070,784	4,194,920
Deferred Outflows of Resources	284,461	267,727	552,188	263,428	247,932	511,360
Current Liabilities	134,063	9,488	143,551	448,432	5,800	454,232
Long-Term Liabilities	1,135,990	1,083,548	2,219,538	909,494	868,733	1,778,227
Total Liabilities	1,270,053	1,093,036	2,363,089	1,357,926	874,533	2,232,459
Deferred Inflows of Resources	299,502	281,884	581,386	477,342	449,263	926,605
Net Position						
Investment in Capital Assets	1,937,200	1,949	1,939,149	1,937,200	4,276	1,941,476
Unrestricted	(105,170)	(400,468)	(505,638)	(37,490) *	(356,770) *	(394,260)
Total Net Position	\$ 1,832,030	\$ (398,519)	\$ 1,433,511	\$ 1,899,710	\$ (352,494)	\$ 1,547,216

* As restated

At December 31, 2023, total assets and deferred outflows of resources of the governmental activities were \$3,401,585 while total liabilities and deferred inflows of resources were \$1,569,555 resulting in net position of \$1,832,030. Investment in capital assets totaled \$1,937,200 while the unrestricted net position totaled (\$105,170).

At December 31, 2023 the total assets of the Business-Type activities (the Section 8 – Housing Choice Voucher Program) were \$708,674, deferred inflows were \$267,727, and its total liabilities and deferred inflows of resources were \$1,093,036 and \$281,884, respectively.

The CDA's financial condition improved in 2023, primarily due to an increase in Housing Assistance grants from the U.S Department of Housing and Urban Development ("HUD").

The CDA had total net position of \$1,433,511 at December 31, 2023 from \$1,547,216 at December 31, 2022.

The CDA's net position of governmental activities increased by \$279,737 (18%) from \$1,552,296 in 2022 to \$1,832,030 in 2023 mainly due to a prior period adjustment of \$347,414.

The net position of the business-type activities decreased by \$393,439 from (\$5,080) in 2022 to (\$398,519) in 2023 mainly due to a prior period adjustment of (\$347,414).

Statement of Activities

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes are reported as soon as the change occurs, regardless of the timing of the related cash flows. The Agency's activities are all shown on an accrual basis rather than the modified approach that is traditional in governmental financial statements.

The Agency's program revenues accounted for almost 100% of the revenues in 2023. The total program revenues from operating grants were \$6,222,266 in governmental and business-type activities in 2023. The program revenues from operating grants increased by \$313,360 from \$5,908,906 reported in 2022. The increase was primarily due to an increase in funding from the Section 8- Housing Choice Voucher Program. The general revenues from interest earned were \$5,092 and \$1,210 in 2023 and 2022.

The Section 8 – Housing Choice Voucher Program has net position of (\$398,519) at December 31, 2023. HUD considers the availability of net position in providing additional revenues to the Section 8- Housing Choice Voucher Program. The Section 8 – Housing Choice Voucher Program expenditures and administrative fees are affected by the availability of suitable housing units, the 340 unit limitation on the number of housing units that can be leased and the income levels of the applicants.

Program expenses totaled \$6,341,063, with governmental activities accounting for \$510,936 of that amount and Business-type activities accounting for \$5,830,127. General government support expenses were \$9,303. Culture and recreation expenses totaled \$56,500. Home and community services and housing assistance constituted the largest portion of expenses and were \$6,275,260.

Change in Net Position

	Fiscal Year Ended December 31, 2023			Fiscal Year Ended December 31, 2022		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
REVENUES						
Program Revenues						
Operating Grants and Contributions	\$ 443,114	\$ 5,779,152	\$ 6,222,266	\$ 410,773	\$ 5,498,133	\$ 5,908,906
Unrestricted Use of Money and Property	142	4,950	5,092	59	1,151	1,210
Total Revenues	<u>443,256</u>	<u>5,784,102</u>	<u>6,227,358</u>	<u>410,832</u>	<u>5,499,284</u>	<u>5,910,116</u>
EXPENSES						
General Government Support	52,315	-	52,315	23,343	-	23,343
Culture and Recreation	275,453	-	275,453	77,863	-	77,863
Home and Community Services	183,168	5,830,127	6,013,295	330,034	5,404,612	5,734,646
Interest	-	-	-	308	-	308
Total Expenses	<u>510,936</u>	<u>5,830,127</u>	<u>6,341,063</u>	<u>431,548</u>	<u>5,404,612</u>	<u>5,836,160</u>
Change in Net Position	<u>(67,680)</u>	<u>(46,025)</u>	<u>(113,705)</u>	<u>(20,716)</u>	<u>94,672</u>	<u>73,956</u>
NET POSITION						
Beginning PPA	1,552,296	(5,080)	1,547,216	1,573,012	(99,752)	1,473,260
Ending	<u>\$ 1,832,030</u>	<u>\$ (398,519)</u>	<u>\$ 1,433,511</u>	<u>\$ 1,552,296</u>	<u>\$ (5,080)</u>	<u>\$ 1,547,216</u>

The resulting change in total net position in 2023 was a net decrease of \$113,708. "Governmental Activities" was responsible for a decrease of (\$67,680) in net position, while the Section 8 – Housing Choice Voucher Program representing the business-type activities, decreased net position by (\$46,025). Note: a Prior period adjustment was posted for the Governmental unit for the amount of \$347,414 and the Business Type Unit for (\$347,414).

Revenues and expenses of the CDA’s governmental and business-type activities are detailed in the above chart.

Financial Analysis of the Agency’s Funds

Total assets of the Agency’s General Fund were \$3,117,124 in 2023 as compared to \$3,124,136 in 2022. The decrease of \$7,012 in 2023 is primarily the result of an increase in the cash held at year end and a decrease in the net pension asset.

The total liabilities and deferred inflows of resources in the General Fund decreased from \$1,357,926 in 2022 to \$1,270,053 in 2023.

At December 31, 2023, the amount due from governmental activities to business-type activities was \$13,186. The amount due from governmental activities to business-type activities essentially includes salaries and benefits.

In 2023, the operating revenue of the General Fund was \$443,114 as compared to \$410,773 in 2022. The current expenditures of the General Fund were \$510,936 as compared to \$431,548 in 2022.

Capital Assets

Capital Assets

The Agency’s capital assets had values, net of accumulated depreciation, of \$1,939,149 at the end of 2023.

The following table shows the components of the capital assets for governmental and business-type activities.

Capital Assets December 31, 2023			
Asset	Governmental Activities	Business-type Activities	Total
Land	\$ 1,937,200	\$ -	\$ 1,937,200
Machinery and equipment	14,833	59,278	74,111
Less - Accumulated depreciation	(14,833)	(57,329)	(72,162)
Total (net of depreciation)	<u>\$ 1,937,200</u>	<u>\$ 1,949</u>	<u>\$ 1,939,149</u>

Additional information on the Agency’s capital assets can be found in Note 3 in the notes to financial statements.

**Debt Administration
December 31, 2023**

Liability	Governmental Activities	Business-type Activities	Total
Compensated absences	\$ 25,094	\$ 38,002	\$ 63,096
Net pension liability	95,592	89,968	185,560
Other postemployment benefit liability	1,015,304	955,578	1,970,882
	<u>\$ 1,135,990</u>	<u>\$ 1,083,548</u>	<u>\$ 2,219,538</u>

At December 31, 2023, long term liabilities of the governmental activities were \$1,135,990 and accounted for 90% of the total governmental activities liabilities of \$1,270,053, while long term liabilities of the business-type activities amounted \$1,083,548 and accounted for 99% of the total liabilities of \$1,093,036. Additional information on the Agency’s long-term debt activity can be found in Note 4 in the notes to financial statements.

Federal Aid

The CDA receives financial assistance from HUD. The Community Development Block Grant funds pass through the County of Nassau Office of Community Development. The Section 8 – Housing Choice Voucher Program funds are received directly from HUD.

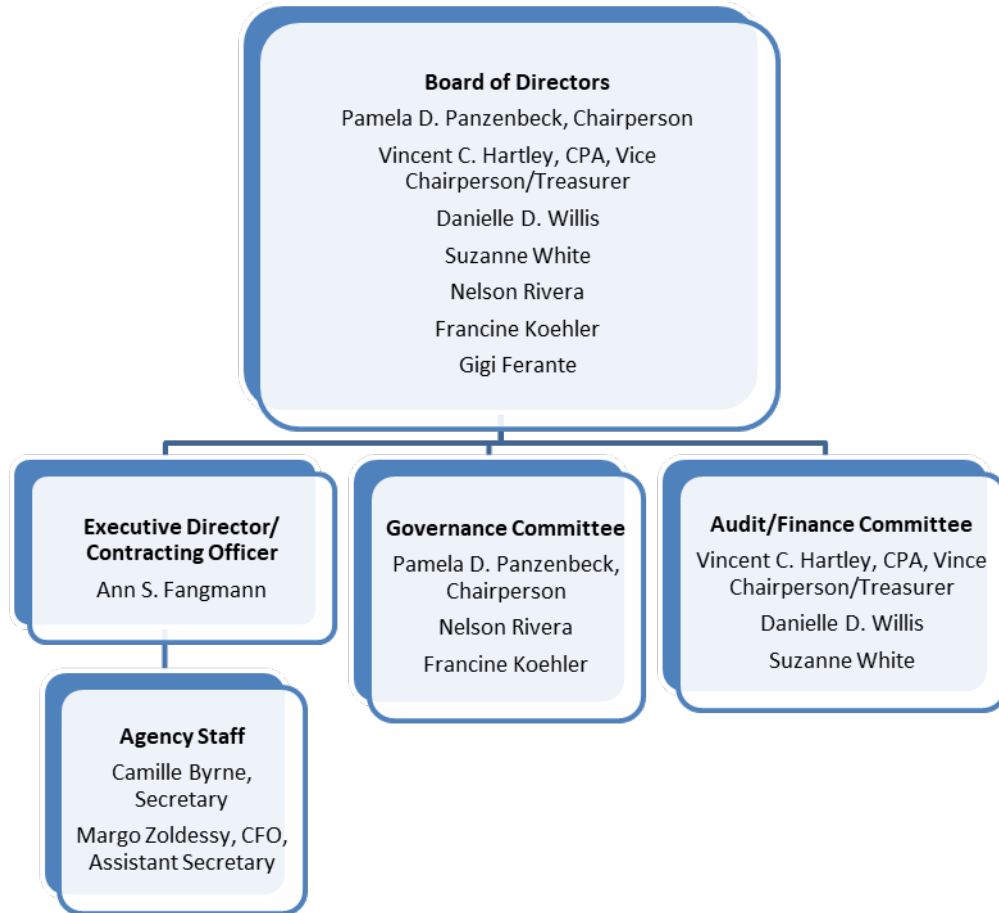
Contacting the Agency’s Financial Management

This report is intended to provide a broad overview of the Agency’s finances and to demonstrate the CDA’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Community Development Agency, Executive Director at (516) 676-1625.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Organizational Chart

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
ORGANIZATIONAL CHART**



Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 18,274	\$ 573,703	\$ 591,977
Accounts receivable	210,288	114,993	325,281
Prepaid expenses	5,145	4,843	9,988
Due from the Glen Cove Industrial Development Agency ("IDA")	946,217	-	946,217
Due from the Glen Cove Community Development Agency ("CDA")	-	13,186	13,186
Capital assets			
Not being depreciated	1,937,200	-	1,937,200
Being depreciated, net	-	1,949	1,949
Total Assets	3,117,124	708,674	3,825,798
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	70,453	66,308	136,761
OPEB related	214,008	201,419	415,427
Total Deferred Outflows of Resources	284,461	267,727	552,188
LIABILITIES			
Accounts payable	120,877	9,488	130,365
Due to the Glen Cove Section 8 - Housing Choice Voucher Program	13,186	-	13,186
Non-current liabilities			
Due within one year	2,500	3,800	6,300
Due in more than one year	1,133,490	1,079,748	2,213,238
Total Liabilities	1,270,053	1,093,036	2,363,089
DEFERRED INFLOWS OF RESOURCES			
Pension related	13,221	12,443	25,664
OPEB related	286,281	269,441	555,722
Total Deferred Inflows of Resources	299,502	281,884	581,386
NET POSITION			
Investment in capital assets	1,937,200	1,949	1,939,149
Unrestricted	(105,170)	(400,468)	(505,638)
Total Net Position	\$ 1,832,030	\$ (398,519)	\$ 1,433,511

The notes to the financial statements are an integral part of this statement.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenue	Net (Expense) Revenues and Changes in Net Position		
		Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities					
General government support	\$ 52,315	\$ -	\$ (52,315)	\$ -	\$ (52,315)
Culture and recreation	275,453	56,500	(218,953)	-	(218,953)
Home and community services	183,168	386,614	203,446	-	203,446
Total Governmental Activities	510,936	443,114	(67,822)	-	(67,822)
Business-type activities					
Housing assistance	5,830,127	5,779,152	-	(50,975)	(50,975)
Total	<u>\$ 6,341,063</u>	<u>\$ 6,222,266</u>	<u>(67,822)</u>	<u>(50,975)</u>	<u>(118,797)</u>
General revenues					
Interest			100	-	100
Miscellaneous income			42	4,950	4,992
Total General Revenues			142	4,950	5,092
Change in Net Position			(67,680)	(46,025)	(113,705)
NET POSITION					
Beginning			1,552,296	(5,080)	1,547,216
Prior Period Adjustment			347,414	(347,414)	-
Beginning, as restated			1,899,710	(352,494)	1,547,216
Ending			<u>\$ 1,832,030</u>	<u>\$ (398,519)</u>	<u>\$ 1,433,511</u>

The notes to the financial statements are an integral part of this statement.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Total Fund Balances - Governmental Funds	<u>\$ 103,072</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets non-depreciable	1,937,200
Capital assets depreciable	14,833
Accumulated depreciation	<u>(14,833)</u>
	<u>1,937,200</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	70,453
Deferred outflows - OPEB related	214,008
Deferred inflows - pension related	(13,221)
Deferred inflows - OPEB related	<u>(286,281)</u>
	<u>(15,041)</u>
Other long-term assets that are not available to pay for current period expenditures, therefore, are either deferred or not reported in the funds	
Deferred inflows - Investments in and advances to the Glen Cove Industrial Development Agency	<u>942,789</u>
Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(25,094)
Net pension liability	(95,592)
Total OPEB liability	<u>(1,015,304)</u>
	<u>(1,135,990)</u>
Net Position of Governmental Activities	<u><u>\$ 1,832,030</u></u>

The notes to the financial statements are an integral part of this statement.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Net Pension are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (10,774)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(3,731)
Changes in pension liabilities and related deferred outflows and inflows of resources	(18,156)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(35,019)</u>
	<u>(56,906)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (67,680)</u></u>

The notes to the financial statements are an integral part of this statement.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Community Development Agency - General Fund
Balance Sheet
December 31, 2023

ASSETS

Cash and equivalents	\$ 18,274
Accounts receivable	210,288
Due from the Glen Cove Industrial Development Agency ("IDA")	946,217
Prepaid expenditures	<u>5,145</u>
 Total Assets	 <u><u>\$ 1,179,924</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 120,877
Due to the Glen Cove Section 8 - Housing Choice Voucher Program	<u>13,186</u>
 Total Liabilities	 134,063
Deferred inflows of resources	
Investments in and advances to the Glen Cove Industrial Development Agency ("IDA")	<u>942,789</u>
 Total Liabilities and Deferred Inflows of Resources	 1,076,852
Fund Balance	
Unassigned	<u>103,072</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u><u>\$ 1,179,924</u></u>

See independent auditors' report.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Community Development Agency
Schedule of Revenues, Expenditures and
Changes in Fund Balance
Year Ended December 31, 2023

REVENUES

Federal aid	\$ 443,114
Use of money and property	100
Miscellaneous	<u>42</u>
Total Revenues	<u>443,256</u>

EXPENDITURES

Current	
General government support	52,315
Culture and recreation	275,453
Home and community service	<u>126,262</u>
Total Expenditures	<u>454,030</u>

Net Change in Fund Balance	<u>(10,774)</u>
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FUND BALANCE (DEFICIT)

Beginning of Year, as reported	(233,568)
Prior Period Adjustment (Note 2)	<u>347,414</u>
Beginning of Year, as restated	<u>113,846</u>
End of Year	<u><u>\$ 103,072</u></u>

See independent auditors' report.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Community Development Agency
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget And Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Federal aid	\$ 482,550	\$ 482,550	\$ 443,114	\$ (39,436)
Use of money and property	-	-	100	100
Miscellaneous	-	-	42	42
Total Revenues	<u>482,550</u>	<u>482,550</u>	<u>443,256</u>	<u>(39,294)</u>
EXPENDITURES				
Current				
General government support	60,000	60,000	52,315	7,685
Culture and recreation	251,442	251,442	275,453	(24,011)
Home and community service	170,000	170,000	126,262	43,738
Debt service				
Interest	667	667	-	667
Total Expenditures	<u>482,109</u>	<u>482,109</u>	<u>454,030</u>	<u>28,079</u>
Net Change in Fund Balance	441	441	(10,774)	(11,215)
FUND BALANCE				
Beginning of Year, as restated	<u>(441)</u>	<u>(441)</u>	<u>113,846</u>	<u>114,287</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,072</u>	<u>\$ 103,072</u>

See independent auditors' report.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Section 8 - Housing Choice Voucher Program
Statement of Net Position
December 31, 2023

ASSETS

Cash and equivalents	\$ 573,703
Accounts receivable, net of allowance for uncollectible amounts of \$22,748 at December 31, 2023	114,993
Due from the Glen Cove Community Development Agency ("CDA")	13,186
Prepaid expenses	<u>4,843</u>

Total Current Assets	<u>706,725</u>
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Non-current assets	
Capital assets being depreciated, net	<u>1,949</u>

Total Assets	<u>708,674</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension related	66,308
OPEB related	<u>201,419</u>

Total Deferred Outflows of Resources	<u>267,727</u>
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LIABILITIES

Accounts payable	9,488
Compensated absences	3,800
Non-current liabilities	
Compensated absences	34,202
Net pension liability	89,968
Other post employment benefit liability	<u>955,578</u>

Total Liabilities	<u>1,093,036</u>
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DEFERRED INFLOWS OF RESOURCES

Pension related	12,443
OPEB related	<u>269,441</u>

Total Deferred Inflows of Resources	<u>281,884</u>
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NET POSITION

Net investment in capital assets	1,949
Unrestricted	<u>(400,468)</u>

Total Net Position	<u>\$ (398,519)</u>
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See notes to financial statements.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Section 8 - Housing Choice Voucher Program
Statement of Revenue, Expenses and Change in Net Position
Year Ended December 31, 2023

OPERATING REVENUES

Administration fees earned	\$ 461,097
Housing and Urban Development Operating Grant Housing Assistance	<u>5,318,055</u>
Total Operating Revenues	<u>5,779,152</u>

OPERATING EXPENSES

Housing assistance payments	5,343,843
Salaries and benefits	399,442
Administrative expenditures	76,123
Bad debt expense	8,392
Depreciation expense	<u>2,327</u>
Total Operating Expenses	<u>5,830,127</u>

Loss from Operations (50,975)

NON-OPERATING REVENUES

Interest income	<u>4,950</u>
Change in Net Position	<u>(46,025)</u>

NET POSITION

Beginning of Year, as reported	(5,080)
Prior Period Adjustment (Note 2)	<u>(347,414)</u>
Beginning of Year, as restated	<u>(352,494)</u>
End of Year	<u><u>\$ (398,519)</u></u>

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Section 8 - Housing Choice Voucher Program
Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from Housing and Urban Development Grant	\$ 5,318,055
Cash paid for housing assistance	(5,343,843)
Cash received from administrative fees	469,910
Cash paid for salaries and benefits	(344,522)
Cash paid for suppliers for goods and services	(72,435)
	<hr/>
Net Cash from Operating Activities	27,165

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<hr/> 4,950
Net Change in Cash and Equivalents	32,115

CASH AND EQUIVALENTS

Beginning of year	<hr/> 541,588
End of year	<u><u>\$ 573,703</u></u>

**RECONCILIATION OF LOSS FROM OPERATIONS
TO NET CASH FROM OPERATING ACTIVITIES**

Loss from operations	\$ (50,975)
Adjustments to reconcile income from operations to net cash from operating activities	
Depreciation	2,327
Accounts receivable	17,205
Prepaid expenses	731
Due from the Glen Cove Community Development Agency ("CDA")	(4,965)
Deferred outflows of resources - pension	718
Deferred outflows of resources - OPEB	(20,513)
Accounts payable	3,688
Compensated absences	9,110
Other post employment benefit liability	115,737
Net pension asset	31,513
Net pension liability	89,968
Deferred inflows of resources - pension	(105,112)
Deferred inflows of resources - OPEB	(62,267)
	<hr/>
Net Cash from Operating Activities	<u><u>\$ 27,165</u></u>

See notes to financial statements.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements
December 31, 2023

Note 1 - Organization and Purpose

The Community Development Agency (“CDA”), formally known as the Urban Renewal Agency, was established on April 16, 1964 under Title 11-A Section 580-a of the Consolidated Laws of the State of New York. The name change was mandated by State Law Section 580(a) on January 1, 1980. The powers of the Agency are vested in the Mayor, as Chairman, and its six-member Board of Directors. The members are appointed by the Mayor of the City of Glen Cove (“City”) subject to the approval of the City Council. Agency obligations are backed by the City.

The CDA has a separate department that manages its Section 8 Program and assists in the provision of housing to qualified low income individuals in accordance with rules and regulations prescribed by the United States Department of Housing and Urban Development (HUD).

A Section 8 rental subsidy is a federal payment to a landlord on behalf of an individual tenant. The federal government pays the difference between 30 percent of the household income and the set “fair market” rent of a unit. The Section 8 Program funds are received from HUD. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

The Section 8 - Housing Choice Voucher Program places the choice of housing in the hands of the individual family. A low-income family selected by the Program to participate is encouraged to consider several housing choices to secure the best housing for the family’s needs. A housing voucher holder is advised of the unit size for which it is eligible based on family size and composition.

The housing unit selected by the family must meet an acceptable level of health and safety before the Program can approve the unit. When the voucher holder finds an acceptable unit, the Section 8 - Housing Choice Voucher Program must inspect the dwellings and determine that the rent requested is reasonable.

Under the Section 8 - Housing Choice Voucher Program, new voucher holders may choose a unit anywhere in the United States if the family lived in the jurisdiction of the Program issuing the voucher when the family first applied for assistance. Those new voucher-holders not living in the jurisdiction of the Program at the time the family applied for housing assistance must initially lease a unit within that jurisdiction for the first twelve months of assistance. A family that wishes to move to another Program's jurisdiction must consult with the Program that currently administers its housing assistance to verify the procedures for maintaining their assistance subsequent to the move.

Financial Reporting Entity

The Agency has been identified as a component unit of the City. In accordance with the criteria enumerated in Governmental Accounting Standards Board (“GASB”) Statement No. 61, “*The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*”, the Agency's financial statements have been discretely presented in the City's financial statements.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The CDA General Fund is accounted for under the Government activities. The Agency's Section 8 – Housing Choice Voucher Program uses an enterprise fund (proprietary fund) to account for its activities. The measurement focus of the proprietary fund is the flow of economic resources. With this measurement focus, all assets and liabilities associated with the operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

As a proprietary fund, the Agency uses the accrual basis of accounting, and economic resources measurement focus. Under this method, revenues are recognized when earned and expenses are recognized when incurred. The Agency's unbilled receivables are recognized as revenues at year-end.

The Agency distinguishes operating revenues and expenses from non-operating items. The Operating transactions are those other than capital and related financing activities, noncapital financing activities, investing activities and non-exchange revenues. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operation. The principal operating revenues of the Agency are administrative fees charged by the Agency and reimbursement of operating expenses. Operating expenses include salaries and benefits, contractual expenses, depreciation and redevelopment costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

Collateral is required for these deposits at 102% of all deposits not covered by Federal deposit insurance. The Agency has entered into a custodial agreement with its depository which holds its deposits. This agreement authorizes the obligations that may be pledged as collateral. Such obligations include among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The Agency's deposit and investment policies are governed by State statutes. The Agency has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposits, time deposit accounts and certificates of deposit.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

The Agency follows the provisions of GASB Statement No. 72, “*Fair Value Measurement and Application*”, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the entity will incur losses in fair value caused by changing interest rates. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Agency does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency’s deposits may not be returned to it. GASB Statement No. 40, “*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*”, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution’s trust department but not in the Agency’s name. The Agency’s aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity’s complete failure. The Agency does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of an entity’s investments in a single issuer. The Agency’s investment policy limits the amount on deposit at each of its banking institutions.

Accounts Receivable

Accounts receivable balances are reflected net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Agency’s best estimate of the probable losses in the existing accounts receivable balance. The CDA had accounts receivable of \$210,288 and Section 8 - Housing Choice Voucher Program of \$114,993 net of allowance for doubtful accounts of \$22,748 at December 31, 2023.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Prepaid Expenses/Expenditures

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. The CDA reported prepaid expenditures of \$5,145 and the Section 8 - Housing Choice Voucher Program reported prepaid expenses of \$4,843.

Due From/To Other Funds

During the course of its operations, the Agency has numerous transactions between related organizations to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Capital Assets

Capital assets and long-term liabilities of the Agency are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activities are included in net position. As a proprietary fund, the operating statements of the Agency present increases (revenues) and decreases (expenses) in net position.

Capital assets acquired by the Agency are stated at cost (or estimated historical cost) including interest capitalized during construction, where applicable. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. There are no reversionary interests by the grantor in any of the assets, the date of donation in the case of gifts. The Agency capitalizes assets whose cost exceeds \$500.

Depreciation of all exhaustible fixed assets used by the Agency is charged as an expense against its operations. Accumulated depreciation is reported in net position. Depreciation is provided over the estimated useful lives of the assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3-5 years for equipment.

The Agency's measurement focus on income determination and capital maintenance requires the net amount of interest cost for qualifying assets to be capitalized during the period of construction.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. In 2023, the CDA has reported deferred inflows of resources of \$942,789 for the amounts due from the IDA for Waterfront Development expenditures and payroll related items financed by the CA's community Development Block Grant. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Agency has reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the statement of net position. These amounts are detailed in the discussion of the Agency's pension and other postemployment benefit liabilities in Note 4.

Long-Term Liabilities

In the statement of net position, long-term debt and other long-term obligations are reported as liabilities.

Net Pension Liability (Asset)

The net pension liability (asset) represents the CDA's and Section 8 - Housing Choice Voucher Programs proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68.*"

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the Agency provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the Statement of Net Position as current and long-term liabilities. The liability for compensated absences includes salary related payments, where applicable.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Application of Restricted and Unrestricted Resources

In order to calculate the amounts to report as restricted and unrestricted fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expense incurred, it is the Agency's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Agency's policy to use fund balance in the following order: committed, assigned and unassigned.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 29, 2024.

New Accounting Pronouncement

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of GASB Statement No. 96 are effective for the Agency's fiscal year ended December 31, 2023. The Agency has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Prior Period Adjustment

The Agency has continued to pay additional grant funds to the Program reporting a non-current payable resulting from Agency transfers for salaries and benefits related to other post-employment benefits (“OPEB”) and compensated absences. These amounts were set up to cover Section 8 administrative expenses in excess of the HUD provided funding and were to be received by the program as they are paid. Since the amounts were not deemed due and payable, a prior period adjustment of \$347,414 was recorded to the December 31, 2022 fund balance. The adjustment was to remove all long-term amounts from OPEB, compensated absences and miscellaneous amounts due from the Program. The prior period adjustment had no impact on the Agency’s overall net position.

Note 3 - Capital Assets

Changes in the Agency’s capital assets are as follows:

	Balance January 1, 2023	Additions	Balance December 31, 2023
	<u> </u>	<u> </u>	<u> </u>
Business-type Activities:			
Capital Assets, being depreciated			
Machinery and equipment	\$ 59,278	\$ -	\$ 59,278
Less Accumulated Depreciation for			
Machinery and equipment	<u>55,002</u>	<u>2,327</u>	<u>57,329</u>
Total Capital Assets, being			
depreciated, net	<u>\$ 4,276</u>	<u>\$ (2,327)</u>	<u>\$ 1,949</u>
Capital Assets, net	<u>\$ 4,276</u>	<u>\$ (2,327)</u>	<u>\$ 1,949</u>
Governmental Activities:			
Capital Assets, not being depreciated			
Land	<u>\$ 1,937,200</u>	<u>\$ -</u>	<u>\$ 1,937,200</u>
Capital Assets, being depreciated			
Machinery and equipment	\$ 14,833	\$ -	\$ 14,833
Less Accumulated Depreciation for			
Machinery and equipment	<u>14,833</u>	<u>-</u>	<u>14,833</u>
Total Capital Assets, being			
depreciated, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets, net	<u>\$ 1,937,200</u>	<u>\$ -</u>	<u>\$ 1,937,200</u>

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities

The following table summarizes changes in the Agency’s long-term liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 21,363	\$ 5,831	\$ 2,100	\$ 25,094	\$ 2,500
Net pension liability	-	95,592	-	95,592	-
Other post employment benefit obligations payable	892,331	117,245	(5,728)	1,015,304	-
	<u>\$ 913,694</u>	<u>\$ 218,668</u>	<u>\$ (3,628)</u>	<u>\$ 1,135,990</u>	<u>\$ 2,500</u>
Long-term Liabilities					
	<u>\$ 913,694</u>	<u>\$ 218,668</u>	<u>\$ (3,628)</u>	<u>\$ 1,135,990</u>	<u>\$ 2,500</u>
	<u>\$ 913,694</u>	<u>\$ 218,668</u>	<u>\$ (3,628)</u>	<u>\$ 1,135,990</u>	<u>\$ 2,500</u>
Business-Type Activities:					
Compensated absences	\$ 28,892	\$ 12,010	\$ 2,900	\$ 38,002	\$ 3,800
Net pension liability	-	89,968	-	89,968	-
Other post employment benefit obligations payable	839,841	110,348	(5,389)	955,578	-
	<u>\$ 868,733</u>	<u>\$ 212,326</u>	<u>\$ (2,489)</u>	<u>\$ 1,083,548</u>	<u>\$ 3,800</u>
Long-term Liabilities					
	<u>\$ 868,733</u>	<u>\$ 212,326</u>	<u>\$ (2,489)</u>	<u>\$ 1,083,548</u>	<u>\$ 3,800</u>

Compensated Absences

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred. At December 31, 2023, the Agency reported compensated absences liabilities for accumulated unpaid vacation and sick pay of \$25,094 for the CDA and \$38,002 for the Section 8 - Housing Choice Voucher Program.

Pension Plans

Employee’s Retirement System

The Agency participates in the New York State and Local Employees’ Retirement System (“ERS”) (“System”). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan

Glen Cove Community Development Agency
 (A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
 December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2023 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	14.8 %
6 A15	9.4

At December 31, 2023, the Agency reported the following for its proportionate share of the net pension liability for ERS:

Governmental Activities:	
Measurement date	March 31, 2023
Net pension liability	\$ 95,592
Agency's proportion of the net pension liability	0.0004458 %
Change in proportion since the prior measurement date	0.0000362 %
Business-Type Activities:	
Measurement date	March 31, 2023
Net pension liability	\$ 89,968
Agency's proportion of the net pension liability	0.0004196 %
Change in proportion since the prior measurement date	(0.0000570) %

The net pension liability was measured as of March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

For the year ended December 31, 2023, the CDA recognized its proportionate pension expense of \$34,048 and the Section 8 - Housing Choice Voucher Program of \$32,044.

At December 31, 2023, the Agency reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,181	\$ 2,685	\$ 9,583	\$ 2,526	\$ 19,764	\$ 5,211
Changes of assumptions	46,426	513	43,694	483	90,120	996
Net difference between projected and actual earnings on pension plan investments	-	562	-	528	-	1,090
Changes in proportion and differences between Agency contributions and proportionate share of contributions	2,621	9,461	2,466	8,906	5,087	18,367
Agency contributions subsequent to the measurement date	11,225	-	10,565	-	21,790	-
	<u>\$ 70,453</u>	<u>\$ 13,221</u>	<u>\$ 66,308</u>	<u>\$ 12,443</u>	<u>\$ 136,761</u>	<u>\$ 25,664</u>

CDA reported \$11,525 and Section 8 - Housing Choice Voucher Program reported \$10,565 as deferred outflows of resources related to ERS resulting from the Agency's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year Ended March 31,	Governmental Activities	Business-type Activities
2024	\$ 9,719	\$ 9,146
2025	(7,094)	(6,676)
2026	17,583	16,549
2027	25,799	24,282
2028	-	-
Thereafter	-	-
	<u>\$ 46,007</u>	<u>\$ 43,301</u>

The total pension liability for the March 31, 2023 measurement date was determined by using an actuarial valuation as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.9%
Cost of living adjustments	1.5%

*Compounded annually, net of pension plan investment expenses, including inflation.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

Annuitant mortality rates are based on the System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32 %	4.30 %
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Assets	3	5.84
Fixed Income	23	1.50
Cash	<u>1</u>	-
	<u><u>100 %</u></u>	

The real rate of return is net of the long-term inflation assumption of 2.9%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

The following presents the Agency’s proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Agency’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
	<u> </u>	<u> </u>	<u> </u>
Governmental Activities proportionate share of the net pension liability (asset)	\$ 231,004	\$ 95,592	\$ (17,561)
Business-type Activities proportionate share of the net pension liability (asset)	\$ 217,416	\$ 89,968	\$ (16,528)

The components of the collective net pension liability of ERS as of the March 31, 2023 measurement date were as follows:

	<u>ERS</u>
Total pension liability	\$ 232,627,259,000
Fiduciary net position	<u>211,183,223,000</u>
Employers' net pension liability (asset)	<u>\$ 21,444,036,000</u>
Fiduciary net position as a percentage of total pension liability (asset)	<u>90.78%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the ERS’s fiscal year, which is March 31st. Retirement contributions as of December 31, 2023 represent the projected employer contribution for the period of April 1, 2023 through December 31, 2023 based on prior year ERS wages multiplied by the employers’ contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2023 were \$11,225 for CDA and \$10,565 for Section 8 - Housing Choice Voucher Program.

Voluntary Defined Contribution Plan

The Agency can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Agency will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the Agency provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Agency may vary according to length of service. The cost of providing postemployment health care

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

benefits is shared between the Agency and the retired employee as noted below. Substantially all of the Agency's employees may become eligible for those benefits if they reach normal retirement age while working for the Agency. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2023, the following employees were covered by the benefit terms:

Active employees	7	
Retired Employees	7	
		14

The CDA's total OPEB liability of \$1,015,304 and Section 8 - Housing Choice Voucher Program of \$955,578 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.30%
Salary increases	3.30%
Discount rate	4.00%
Healthcare cost trend rates	5.25% for 2023, decreasing by up to .5% per year to an ultimate rate of 4.5%
Retirees' share of benefit-related costs	Varies depending on applicable retirement year and bargaining unit

The discount rate was based on the 20-year Municipal Bond Rate.

Mortality rates were based on the RP-2014 Headcount-Weighted Healthy Mortality Tables with White Collar adjustments, projected generationally with Scale MP-2020.

The Agency's change in the total OPEB liability for the year ended December 31, 2023 is as follows:

	Governmental Activities	Business-Type Activities	Total
Total OPEB Liability - Beginning of Year	\$ 892,331	\$ 839,841	\$ 1,732,172
Service cost	42,900	40,376	83,276
Interest	40,658	38,266	78,924
Changes of benefit terms	-	-	-
Differences between expected and actual experience	33,687	31,706	65,393
Changes in assumptions or other inputs	43,002	40,470	83,472
Benefit payments	(37,274)	(35,081)	(72,355)
Total OPEB Liability - End of Year	\$ 1,015,304	\$ 955,578	\$ 1,970,882

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current discount rate:

	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Governmental Activities			
Total OPEB Liability	\$ 1,176,194	\$ 1,015,304	\$ 886,368
Business-type Activities			
Total OPEB Liability	\$ 1,107,003	\$ 955,578	\$ 834,227

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.25% decreasing to 3.50%) or 1 percentage point higher (6.25% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (4.25% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (5.25% decreasing to 4.50%)	1% Increase (6.25% decreasing to 5.50%)
Governmental Activities			
Total OPEB Liability	\$ 850,616	\$ 1,015,304	\$ 1,228,902
Business-type Activities			
Total OPEB Liability	\$ 800,512	\$ 995,578	\$ 1,156,616

For the year ended December 31, 2023, the CDA recognized OPEB expense of \$74,840 and Section 8 - Housing Choice Voucher Program of \$70,438. At December 31, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 140,832	\$ 258,895	\$ 132,548	\$ 243,665	\$ 273,380	\$ 502,560
Differences between expected and actual experience	73,176	27,386	68,871	25,776	142,047	53,162
	<u>\$ 214,008</u>	<u>\$ 286,281</u>	<u>\$ 201,419</u>	<u>\$ 269,441</u>	<u>\$ 415,427</u>	<u>\$ 555,722</u>

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Continued)
December 31, 2023

Note 4 - Long-Term Liabilities (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2024	\$ (8,718)	\$ (8,205)
2025	(14,500)	(13,647)
2026	(8,284)	(7,797)
2027	(8,284)	(7,797)
2028	(21,679)	(20,404)
Thereafter	<u>(10,808)</u>	<u>(10,172)</u>
	<u>\$ (72,273)</u>	<u>\$ (68,022)</u>

Note 5 - Related Parties

During 2004, the City, CDA and IDA entered a Tri-party Municipal Cooperation Agreement, regarding sharing of resources between the City and the Agencies.

As of December 31, 2023, \$942,789 was due to the CDA for the Waterfront Development expenditures and payroll related items financed by the CDA’s Community Development Block Grant and other grants.

Note 6 - Commitments and Contingencies

Litigation

In the normal course of business there are a number of actions against the Agency that involve personal injury and/or contractual disputes between the plaintiff’s and the project beneficiary. In each case, the Agency has been indemnified by the project beneficiary and, in the opinion of the Agency’s management, the project beneficiary has insurance in place to mitigate any losses that may ultimately result from the resolution of such litigation. While the Agency has been named in many of these actions, in the opinion of management based on consultation with legal counsel, the ultimate resolution of such litigation matters should not result in any liability to the Agency.

Note 7 - Recently Issued GASB Pronouncements

GASB Statement No. 101, “*Compensated Absences*”, provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Financial Statements (Concluded)
December 31, 2023

Note 7 - Recently Issued GASB Pronouncements (Continued)

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Agency believes will most impact its financial statements. The Agency will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Glen Cove
Community Development Agency
(A Component Unit of the City of Glen Cove)

Required Supplementary Information

December 31, 2023

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Required Supplementary Information Community Development Agency - Schedule of Changes in the
Agency's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	2023 (4)	2022	2021
Total OPEB Liability:			
Service cost	\$ 42,900	\$ 66,855	\$ 62,362
Interest	40,658	24,921	21,029
Changes of benefit terms	-	-	-
Differences between expected and actual experience	33,687	36,821	-
Changes of assumptions or other inputs *	43,002	(263,585)	(57,620)
Benefit payments	(37,274)	(33,720)	(30,807)
Net Change in Total OPEB Liability	122,973	(168,708)	(5,036)
Total OPEB Liability – Beginning of Year	892,331	1,061,039	1,066,075
Total OPEB Liability – End of Year	\$ 1,015,304	\$ 892,331	\$ 1,061,039
Agency's covered-employee payroll	\$ 125,322	\$ 124,377	\$ 120,940
Total OPEB liability as a percentage of covered-employee payroll	810.16%	717.44%	877.33%
* Discount Rate	4.00%	4.31%	2.25%

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Increase in liability is due to change in discount rate since the prior year reporting.

See independent auditors report.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	43,868	\$ 39,114	\$ 50,366
	30,026	28,336	30,420
	-	-	-
	(17,726)	-	-
	158,662	(20,809)	(71,038)
	<u>(29,321)</u>	<u>(28,082)</u>	<u>(31,110)</u>
	185,509	18,559	(21,362)
	<u>880,566</u>	<u>862,007</u>	<u>883,369</u> (3)
\$	<u>1,066,075</u>	<u>\$ 880,566</u>	<u>\$ 862,007</u>
\$	<u>113,768</u>	<u>\$ 116,109</u>	<u>\$ 117,347</u>
	<u>937.06%</u>	<u>758.40%</u>	<u>734.58%</u>
	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>

See independent auditors report.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Required Supplementary Information Section 8 - Housing Choice Voucher Program -
Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	<u>2023 (4)</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability:			
Service cost	\$ 40,376	\$ 62,923	\$ 58,693
Interest	38,266	23,455	19,792
Changes of benefit terms	-	-	-
Differences between expected and actual experience	31,706	34,655	-
Changes of assumptions or other inputs *	40,470	(248,080)	(54,230)
Benefit payments	<u>(35,081)</u>	<u>(31,737)</u>	<u>(28,995)</u>
Net Change in Total OPEB Liability	115,737	(158,784)	(4,740)
Total OPEB Liability – Beginning of Year	<u>839,841</u>	<u>998,625</u>	<u>1,003,365</u>
Total OPEB Liability – End of Year	<u>\$ 955,578</u>	<u>\$ 839,841</u>	<u>\$ 998,625</u>
Agency's covered-employee payroll	<u>\$ 117,650</u>	<u>\$ 117,060</u>	<u>\$ 113,826</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>812.22%</u>	<u>717.44%</u>	<u>877.33%</u>
* Discount Rate	<u>4.00%</u>	<u>4.31%</u>	<u>2.25%</u>

Notes to Schedule:

- (1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.
- (3) Restated for the implementation of the provisions of GASB Statement No. 75.
- (4) Increase in liability is due to change in discount rate since the prior year reporting.

See independent auditors report.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	41,288	\$ 36,813	\$ 47,644
	28,260	26,669	28,775
	-	-	-
	(16,683)	-	-
	149,328	(23,696)	(67,198)
	<u>(27,596)</u>	<u>(26,430)</u>	<u>(29,428)</u>
	174,597	13,356	(20,207)
	<u>828,768</u>	<u>815,412</u>	<u>835,619 (3)</u>
\$	<u>1,003,365</u>	<u>\$ 828,768</u>	<u>\$ 815,412</u>
\$	<u>107,076</u>	<u>\$ 109,279</u>	<u>\$ 111,004</u>
	<u>937.06%</u>	<u>758.40%</u>	<u>734.58%</u>
	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>

See independent auditors report.

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Required Supplementary Information - Community Development Agency
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset)(2)

	Governmental Activities - Community Development Agency						
	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017
Agency's proportion of the net pension liability (asset)	0.0004458%	0.0004096%	0.0004702%	0.0004465%	0.0004801%	0.0003807%	0.0002195%
Agency's proportionate share of the net pension liability (asset)	\$ 95,592	\$ (33,483)	\$ 468	\$ 118,230	\$ 34,018	\$ 12,288	\$ 27,749
Agency's covered payroll	\$ 115,865	\$ 109,190	\$ 116,270	\$ 117,776	\$ 117,399	\$ 102,541	\$ 63,811
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	82.50%	-30.66%	0.40%	100.39%	28.98%	11.98%	43.49%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 14,966	\$ 15,693	\$ 15,791	\$ 16,186	\$ 15,687	\$ 13,665	\$ 10,873
Contributions in relation to the contractually required contribution	(14,966)	(15,693)	(15,791)	(16,186)	(15,687)	(13,665)	(10,873)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 118,205	\$ 114,424	\$ 116,270	\$ 117,766	\$ 117,399	\$ 102,541	\$ 63,811
Contributions as a percentage of covered payroll	12.66%	13.71%	13.58%	13.74%	13.36%	13.33%	17.04%

Business-Type Activities - Section 8 - Housing Choice Voucher Program

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017
Agency's proportion of the net pension liability (asset)	0.0004196%	0.0003855%	0.0004425%	0.0004202%	0.0004519%	0.0002740%	0.0003215%
Agency's proportionate share of the net pension liability (asset)	\$ 89,968	\$ (31,513)	\$ 441	\$ 111,275	\$ 32,303	\$ 8,844	\$ 27,004
Agency's covered payroll	\$ 171,829	\$ 154,768	\$ 109,431	\$ 110,839	\$ 110,493	\$ 120,445	\$ 93,437
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(20.36%)	(20.36%)	0.40%	100.39%	29.24%	7.34%	28.90%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 14,086	\$ 14,770	\$ 14,862	\$ 15,234	\$ 14,766	\$ 16,050	\$ 15,921
Contributions in relation to the contractually required contribution	(14,086)	(14,770)	(14,862)	(15,234)	(14,766)	(16,050)	(15,921)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 167,231	\$ 171,246	\$ 109,431	\$ 110,839	\$ 110,493	\$ 120,445	\$ 93,437
Contributions as a percentage of covered payroll	8.42%	8.63%	13.58%	13.74%	13.36%	13.33%	17.04%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the Agency's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the Agency's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

2016	2015
0.0002357%	0.0003566%
\$ 43,654	\$ 17,860
\$ 57,368	\$ 121,283
76.09%	14.73%
90.70%	97.95%
7.00%	7.50%

2016	2015
\$ 9,705	\$ 25,937
(9,705)	(25,937)
\$ -	\$ -
\$ 57,368	\$ 121,283
16.92%	21.39%

2016	2015
0.0003495%	0.0005287%
\$ 50,292	\$ 12,045
\$ 85,063	\$ 179,833
59.12%	6.70%
90.70%	97.95%
7.00%	7.50%

2016	2015
\$ 14,391	\$ 17,492
(14,391)	(17,492)
\$ -	\$ -
\$ 85,063	\$ 179,833
16.92%	9.73%

See independent auditors' report.



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

The Board of Directors of the Glen Cove Community Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Glen Cove Community Development Agency (a component unit of the City of Glen Cove, New York) ("Agency") which comprise the statement of net position as of December 31, 2023 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements 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 was not designed to 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Agency'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 29, 2024



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

**The Board of Directors of the
Glen Cove Community Development Agency**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Glen Cove Community Development Agency ("Agency") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2023. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with 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 on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 29, 2024

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- recipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs				
Housing Voucher Cluster				
Section 8 Housing Choice Voucher Program	14.871	N/A	\$ -	\$ 5,343,843
Indirect Program				
Passed through Nassau County				
CDBG Entitlement Grants Cluster				
Community Development Block Grant Program	14.218	CQHI21000063 CQHI21000026 CQHI22000032	-	437,899
			-	437,899
Total U.S. Department of Housing and Urban Development			-	5,781,742
Total			<u>\$ -</u>	<u>\$ 5,781,742</u>

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (“Schedule”) includes the federal award activity of the Glen Cove Community Development Agency (“Agency”) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position or changes in net position of the Agency.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Glen Cove Community Development Agency
 (A Component Unit of the City of Glen Cove, New York)

Schedule of Findings and Questioned Costs
 Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified

___ Yes X No
 ___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal Control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
 ___ Yes X None reported

Type of auditor's report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ Yes X No

Identification of major federal programs:

Assistance

Listing Number

Name of Federal Program or Cluster

14.871

Housing Voucher Cluster
 Section 8 Housing Choice Voucher Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Schedule of Findings and Questioned Cost (Concluded)
Year Ended December 31, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Glen Cove Community Development Agency
(A Component Unit of the City of Glen Cove, New York)

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023

None