

GLEN COVE
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the City of Glen Cove, New York)

ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2021



THE CITY OF GLEN COVE
INDUSTRIAL DEVELOPMENT AGENCY
GLEN COVE, NEW YORK

A COMPONENT UNIT OF
THE CITY OF GLEN COVE, NEW YORK

*ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021*



Glen Cove Industrial Development Agency
(A Component Unit of the City of Glen Cove, New York)
For The Years Ended December 31, 2021 and 2020

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INTRODUCTORY SECTION



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Glen Cove Industrial Development Agency
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PROFILE OF THE AGENCY

The Glen Cove Industrial Development Agency (the “IDA”, “Agency”) is a public benefit corporation, which was created by New York State legislation on May 17, 1974 at the request of the City of Glen Cove (the “City”). The Glen Cove IDA has the authority to help qualified businesses to relocate, expand and build in the City of Glen Cove. Although the Agency is an entity independent of the City government, the Mayor is the Chairman of the Agency and appoints all members of the Agency’s Board of Directors. She and the Executive Director annually direct the Agency to implement development projects on the City’s behalf.

The Agency’s Board of Directors is currently comprised of seven members appointed by the Mayor. The Agency’s Board is responsible for hiring the Agency’s Executive Director, whose responsibility it is to carry out the policies of the Board, to oversee the day-to-day operations of the agency, and to hire the heads of the various departments.

The Agency is considered a discretely presented component unit of the City, because the City Mayor appoints the Agency’s Board of Directors, and the City is obligated for the indebtedness of the Agency.

The Agency’s mission is to improve economic conditions in the City. The Agency operates to attract, retain and expand businesses within its jurisdiction through the provision of financial incentives to private entities. The Agency is legally empowered to buy, sell or lease property and to provide tax exempt financing for approved projects. Real property owned or controlled by IDA is exempt from property and mortgage recording taxes, and the value of these exemptions can be passed through to assisted businesses. Moreover, purchases related to IDA projects can be exempt from State and local sales taxes. While IDA properties are tax exempt, businesses occupying IDA-owned properties typically make

payments in-lieu-of-taxes (PILOTs) that are paid to the City of Glen Cove.

MAJOR INITIATIVES - ACCOMPLISHMENTS

Waterfront Revitalization Project (Garvies Point)

The IDA closed on the **Waterfront Revitalization Project (Garvies Point)** in November 2016 and continues to work with RXR in constructing the Public Amenities and green space for use by the residents of Glen Cove. This project will benefit the City, its residents, and Nassau County by reclaiming blighted industrial waterfront property for public benefit and enjoyment through creating open space, luxury and workforce housing and retail/office space. RXR (developer of Garvies Point waterfront destination) will create more than 460 direct and indirect jobs per year during construction and will support more than 220 jobs post-completion. There will also be new tax revenues and money infused into the Glen Cove economy. Three residential buildings are being developed during phase I of construction. Building H-rentals (177 units) and Building I-rentals (208 units), also known as Harbor Landing is open for occupancy, with Building H resident move-ins that started during fall 2019. Brendel’s Bagels and Building I at Harbor Landing opened in fall 2020. As of 2021, Harbor Landing is fully leased-up. The Building B-condos (167 units known as The Beacon) leasing office opened at the end of 2019, with closings and move-ins which began in early 2020. At the end of 2021, Building B had approximately 65% of the units sold and in contract. In 2021, work on Phase 1 (east of the Ferry Terminal) of the public amenities was substantially completed and opened to the public. The U.S. Army Corp. of Engineers (ACOE) issued its Bulkhead/Marina Permit for the project on August 17, 2018, with subsequent amendments approved in the following years. The old Angler’s Club was removed and replaced with a new building in 2019. The Certificate of Occupancy was issued in early 2020, with a ribbon cutting held thereafter. The Angler’s Club Marina was completed in 2020;

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however, installation of the finger docks had been put on hold pending a waiver request for 20 ft docks to the ACOE (granted in 2021). The longer finger docks are on-site for installation in early 2022. Additional work to stabilize the open cell bulkhead at the Transient Marina was completed in 2021. Public roadway work in Phase I (Dickson Street, Road F and Road G) is complete and open to the public. Phase 2 (west of the ferry terminal) of the public amenities was completed in 2021 and opened to the public; this includes Road D parking adjacent to the ferry terminal and dog park as well as a public parking lot adjacent to Building B and Garvies Point Park. The Deep Roots Farmer's Market is located in the public parking lot near Building B during the summer months. All of the outside furniture has been installed and the Ecology Pier and playground were completed and opened to the public in 2021. The dog park was previously completed and opened to the public in winter 2021. The entire Phase I and Phase II Waterfront Esplanade was completed and opened to the public by the end of 2021. Both gazebos have been constructed and furnished. The public bathrooms on the west of the ferry terminal and boat attendant building (with public bathrooms) at the terminus of Garvies Point Road were completed and opened to the public in 2021. A total of \$70,990,659 has been spent on the Public Amenities at the Waterfront, as of December 31, 2021.

Ferry Terminal

The **Ferry Terminal** Building was completed in December 2015 and full project close-out was completed in 2017 with all grant funding reimbursed. Paving and striping of the Ferry Terminal parking lot was completed in 2021 in coordination with RXR and the public amenities work. The City released an RFP for a Ferry Operator in November 2017. Two respondents submitted proposals. The City accepted the proposal of Hornblower Metro Ferry LLC with the commencement of service targeted for May 2020. The City requested an extension from FHWA and NYSDOT who were the funding agencies for the

project and approval was granted to delay the commencement of ferry service to May 2020, to allow time for the Garvies Point (Phase I), Village Square, and Herb Hill/Garvies Point Road projects to be completed reducing the hazardous construction conditions that would be at and around the ferry terminal site. A detailed action plan with milestones to achieve this goal was developed in 2018 and approved for implementation by the FHWA and NYSDOT during 2019. The IDA assisted the City in the RFP process for operator and the City entered into a letter of intent to contract with Hornblower Metro Ferry, LLC in January 2020. However, due to the Covid-19 pandemic, the NYSDOT and FHWA have agreed to an indefinite postponement of the City's commuter ferry service at this time. The City entered into a one-year agreement with Eastern Star Dinner/Event Cruises in May 2019 for a one-year term at an annual cost of \$15,000.00. Eastern Stars operations were impacted by the Covid-19 pandemic in 2020 and the City and Eastern Star are negotiating terms for a potential future agreement.

Herb Hill/Garvies Point Road Reconstruction

The **Herb Hill/Garvies Point Road Reconstruction** contract was awarded in January 2017. The team worked with NYSDEC to develop an Excavation Work Plan (EWP) approved by NYSDEC in early November 2017. As of late spring 2020, the project was fully completed, transforming the one mile, degraded and inadequate roadway into a corridor for the Waterfront, with new pedestrian sidewalks; sanitary sewer, water, telecommunications, electrical utilities; and stormwater management infrastructure. In addition, the roadway was elevated, with utilities relocated underground, providing resiliency measures for major storm events. Funding for the road project will be provided by NYSDOT, \$6.5 million and \$2.5 million by Empire State Development. The balance of the funding will be paid from bond proceeds totaling \$15,942,847 for the road. Due to escalation caused by project delays and cost increases

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resulting from the requirements imposed by the NYSDOC and water management issues, the City worked with the IDA, GCLEAC, and RXR to make up to approximately \$13.7M available from the Public Amenities account to the City account for the Road project, as needed. This was memorialized in several agreements executed between the parties, including the First Amendment to the Trust Indenture, PIF Agreement, and Road Agreement. As of the end of 2021, approximately \$7,534,194 was transferred to the City account from the Public Amenities account for the road. Approximately \$28,904,142 has been spent on the road construction, with the final payment for construction being held due to a restraining notice and subpoena related to the contractor. NYSDOT has been notified by the IDA of the situation. As of the end of 2021, approximately \$6,667,595 has been reimbursed by NYSDOT for the project. During 2021, ESD Board approval for the grant reimbursement was received; the Grant Disbursement Agreement was reviewed and executed; and the IDA responded to numerous ESD audit requests. The full \$2,500,000 grant reimbursement from ESD was received in December 2021 closing out the grant. The IDA received approval for all project close-out materials for NYSDOT submitted in 2021. Once the final construction payment issue is resolved, the IDA will invoice for the remaining approximately \$425,468 in NYSDOT funding.

Village Square

The IDA closed on the **Village Square property** with RXR Glen Cove Village Square Owner LLC, in December 2017 and received administrative fees of \$309,736. This 2.5-acre, five story, mixed use project is located in the Downtown Business Improvement District (BID) and centered on a large public plaza, which will help revitalize the downtown area by creating approximately 146 residential rental housing units, including 13 workforce units, approximately 15,000 square feet of commercial space and, including approximately 1,900 square feet of medical office space and 171 parking spaces on site. The IDA

estimates 15-25 full time jobs will be created from this project as well as 100-150 construction jobs. The City also received a PILOT fee for \$207K. The parking lease agreement entails that RXR rent at least 25 spaces per month in the Brewster Street Garage for \$65 per month and allows up to 75 spots for residents in the garage based on demand. The project began in August of 2017, with RXR starting the demolition of the buildings on the property. Construction continued in 2019 with the majority of vertical and façade work completed. The large public plaza was also substantially completed in 2019. Construction concluded in 2020 with a ribbon cutting held in October of 2020. Additionally, a lottery for the 13 affordable units was held in June of 2020 with the support of the Long Island Housing Partnership. Pre-leasing began in summer 2020, with full lease-up of the residential units in 2021; demand for the units is high. In December 2020, the City and RXR held a dedication ceremony for the public plaza. In 2021, the BID hosted the Downtown Sounds summer musical series in the plaza, with nearby restaurants participating in outdoor dining opportunities. In 2021, the plaza and retail space continued to host the Deep Roots Farmers Market, tree lighting, and Winter Festival during the winter months. During 2021, RXR executed a lease with Chase; Chase relocated their former retail branch on Forest Avenue to a space in the ground floor retail of Village Square. Currently, RXR is negotiating ground level retail leases with a Mexican eatery and smoothie shop, both with anticipated outdoor seating.

The Regency

In 2014, the City created a new corporation the **Glen Cove Local Economic Assistance Corporation**, ("GCLEAC") to assist the National Healthplex, (d/b/a "**The Regency at Glen Cove**"). The ability to refinance their debt has allowed the Regency to: a) increase the assisted living unit count by three units from 96 to 99 units; b) create additional common space and other aesthetic and functional improvements within the building; c) improve the School Street façade and construct a

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new 22 memory care unit (making the total unit count 121). The improvements should significantly enhance the quality of life for the residents. This project began construction in May 2016 and will create 16 new full-time jobs as well as 11 construction phase jobs. The construction of the Alzheimer's units was completed in late 2019 and produced 752 full time equivalent construction and construction related jobs. The Ribbon cutting for the newly named Safe Harbor took place on January 30, 2020.

Fairfield Glen Cove South Owner LLC (formerly Avalon South)

The IDA Board approved the assignment and transfer of the Avalon South PILOT and related documents to Fairfield Glen Cove South Owner LLC in June 2021. IDA staff conducted an on-site visit of the Fairfield South property in October 2021.

The Regency

In July 2021, the IDA closed on the **Breton Hills property** with Arcadia Landing LLC. The IDA Board approved sales tax exemptions for the project in April 2020. Breton Hills is comprised of 72 age-restricted residential units.

135 Glen Cove Avenue Corp (The Villas)

The IDA closed on the property known as **The Villas** with 135 Glen Cove Avenue Corp. in December 2021 and received administrative fees of \$421,238. The project will consist of 6 residential buildings of 176 units aggregating 353,394 sq. ft. of space. 16 of those residential units will be affordable. The IDA Board had approved sales and mortgage recording tax exemptions for the project, in addition to a 10 year PILOT with an option for the PILOT to be extended to 12 years if the following conditions are met: (a) at least 30% of the employees engaged by the Company in the construction of the project are Glen Cove residents earning a prevailing wage; and (b) the Company has made a good faith effort

to fill the anticipated 6 FTEs after completion of the project with Glen Cove residents.

Garvies Point Brewery

In April 2020, the IDA Board approved the addition of the **Garvies Point Brewery** as part of the RXR Garvies Point project at the Waterfront, along with modifications to the original Marina Building #1. RXR sought to activate the east end of the project and public amenities with the addition of the Brewery, with indoor and outdoor dining space, which relocates an existing Waterfront business looking to expand operations to another location across the road. The Brewery building will retain the office space and public restrooms that were envisioned for the original marina building. At this time, the IDA Board also appointed the Garvies Point Master Association, Inc. (HOA) to an initial five-year term to oversee and manage the maintenance of the Public Use Easement Areas and Public Improvements. This requires the HOA to enter into a Maintenance Agreement with the IDA. As of the end of 2021, the Brewery is approximately 60% complete, with a targeted late spring opening.

PUD Amendment

In September 2020, the IDA Board granted an extension of the sales tax benefit at Garvies Point to RXR, consistent with a **PUD Amendment** RXR is seeking approval of from the Planning Board and an updated construction timetable. The IDA Board also consented to RXR's application to the Planning Board for the PUD Amendment and noted special considerations for the Planning Board in their review within the approving resolution. As of the end of 2021, the PUD Amendment is pending Planning Board approval.

Georgica Green Ventures LLC

In August 2020, the IDA granted sales and mortgage tax exemptions to the **Georgica Green Ventures LLC** affordable housing project at Garvies Point. This project will provide 55 units of

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affordable rental housing to the City at the Waterfront. In 2019, the IDA Board consented to the transfer of Block G (part of Garvies Point) from RXR to Georgica Green. The closing on the property occurred in 2021 following IDA Board approval of a PILOT extension with construction approximately 30% complete (foundations, footings, and elevator shafts installed) as of the end of the year.

Budgetary Controls

The objective of budgetary controls maintained by the Agency is to ensure compliance with the budgets approved by the Board of Directors. Activities of the Agency are included in the Agency's annual budgeting process. The annual budget is proposed by the Executive Director and submitted to the Board of Directors for approval.

The budgets can be amended during the year. The Executive Director is authorized to make transfers within administrative budget lines.

All other amendments require approval from the Agency's Board of Directors. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

The Agency's Board of Directors also adopts and uses program budgets, which in total comprise the Agency's financial plan. The program budgets do not expire at the year end and are extended until the programs are completed. The completion of the programs may require several years. The Board may amend the budget as necessary.

Financial Reporting and Compliance

The Audit Committee of the Board oversees the financial reporting activities, results of operations, internal controls, and planned and long-term

commitments. The Audit Committee oversees and monitors the Agency's compliance with current laws and regulations and applicable ethical standards, as well as conflicts of interest and fraud policies. The Audit Committee is composed of the Treasurer and a Board member. The Treasurer is a certified public accountant and also serves as the Vice-Chairman. Meetings are held at least twice a year.

Investments

It is Agency policy that funds must be invested in compliance with the laws of the State of New York governing the investment of public funds. As such, the Agency is only permitted to invest in the obligations of the US Treasury or its agencies, certificates of deposit and other permitted investments. The Agency's investment policy objectives are to minimize credit and interest risks, provide sufficient liquidity to meet all possible cash demands, and attain the maximum yield possible while adhering to the first two objectives.

Contacting the IDA's Financial Management

This financial report is designed to provide the reader with a general overview of the IDA's finances and to demonstrate the IDA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Industrial Development Agency, Executive Director at (516) 676-1625.

BOARD MEMBERS

CHAIRPERSON

Mayor Pamela D. Panzenbeck



BOARD OF DIRECTORS

Vincent C. Hartley, CPA
Vice Chairperson/Treasurer
James J. Cappiello
Grady Farnan
John Fielding
Tom Hopke
Dave Jimenez

GOVERNANCE COMMITTEE

Chairperson Pamela D. Panzenbeck
James J. Cappiello
Grady Farnan

AUDIT /FINANCE COMMITTEE

Vincent C. Hartley, CPA- Vice Chairperson/Treasurer
Tom Hopke
John Fielding

EXECUTIVE DIRECTOR/CONTRACTING OFFICER

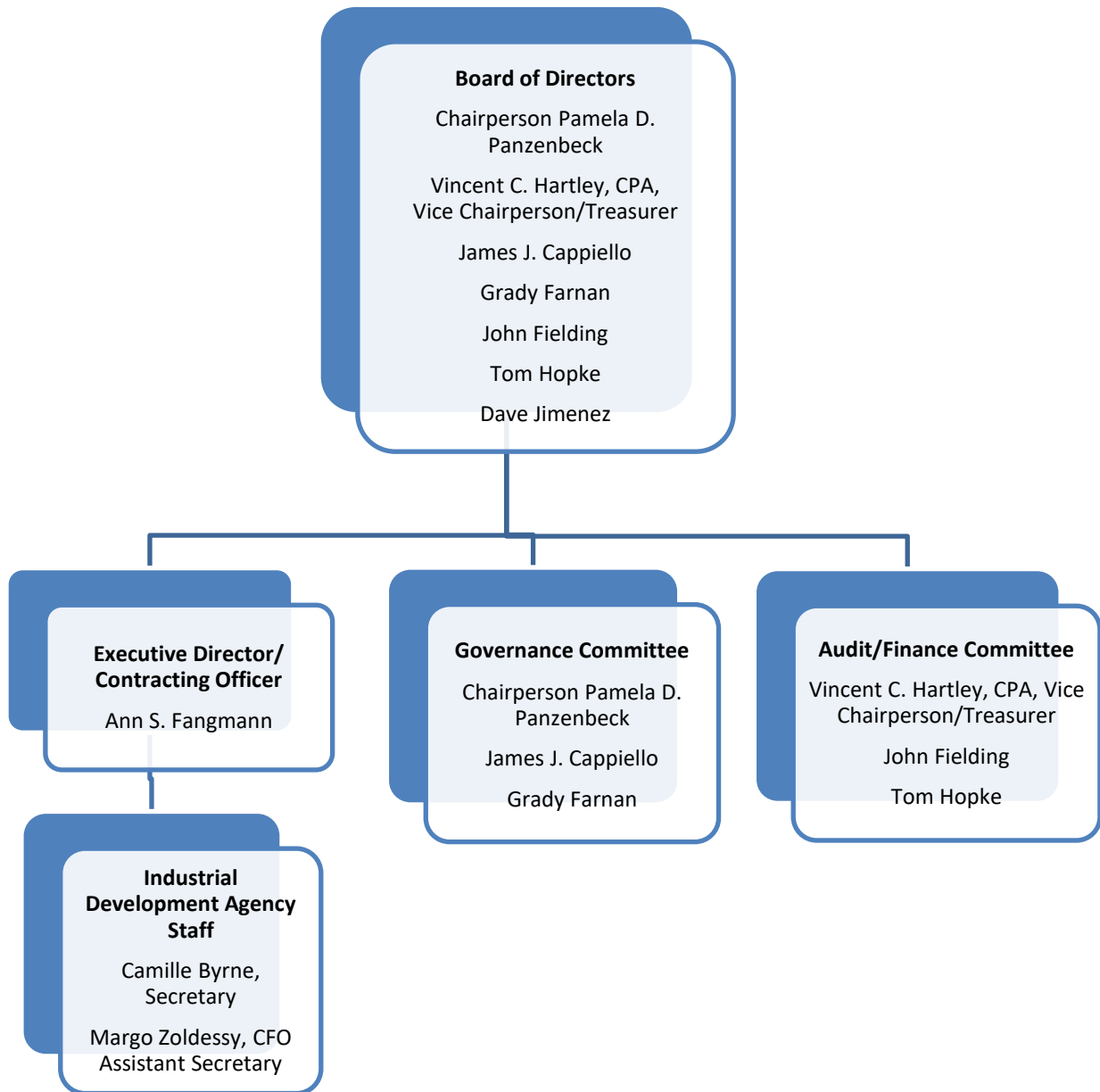
Ann S. Fangmann

INDUSTRIAL DEVELOPMENT AGENCY STAFF

Camille Byrne, Secretary
Margo Zoldessy, CFO - Assistant Secretary

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

ORGANIZATIONAL CHART



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors and Members
Glen Cove Industrial Development Agency
Glen Cove, New York:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Glen Cove Industrial Development Agency (the IDA), as of and for the years ended December 31, 2021 and 2020, and the related notes to financial statements, which collectively comprise the IDA's basic 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 respective financial position of the business-type activities of the IDA, as of December 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 IDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 IDA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 audits.
- 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 IDA'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 IDA'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 audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management

and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 basic financial statements, and other knowledge we obtained during our audits of the basic 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the IDA's basic financial statements. Other supplementary information required under General Municipal Law 859, which is included on pages 34 through 38 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information included on pages 34 through 38 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we express no opinion on it. The introductory section has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2022 on our consideration of the IDA'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 IDA'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 IDA's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Glen Cove Industrial Development Agency (the "IDA", "Agency"), we offer readers of the Agency's basic financial statements this narrative analysis of the Agency's financial performance and an overview of the Agency's financial activities for the years ended December 31, 2021 and 2020. Please read this information in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

In 2021, the IDA had an increase 31% in its administration fees due to more project work completed in the current year. Administrative fees totaled \$659,226 for the year. The following are the financial highlights for 2021:

- Total assets and deferred outflows of resources as of December 31, 2021 were \$1,128,715 and \$297,594 and were less than liabilities and deferred outflows by \$986,384 (i.e. net position.) Net position is comprised of Net Investment in Capital Assets of \$1,901, Restricted Net Position of \$17,920, and Unrestricted Net Position of \$(1,006,205). Total assets increased by \$261,168 (30%) from December 31, 2020 to 2021. This is primarily due to the current gain on operations.
- Net position increased from 2020 to 2021 by \$276,543. This was due to an increase in administrative fees and a decrease in contractual expenses.
- Operating revenues increased by \$155,308 (31%) to \$659,226 in 2021 from \$503,918 in 2020. The increase is primarily due to the increase in administrative fees.
- Total operating expenses decreased by \$244,287 (39%) to \$384,651 in 2021 from \$628,938 in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Agency's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Agency's strategic plan, operating plan, bond covenants and other management tools were used for this analysis.

The financial statements report information about the Agency. The Agency applied full accrual accounting methods as used by similar business activities in the private sector. The statements offer short and long-term financial information.

The financial statements include statements of net position; statements of revenue, expenses and changes in net position; statements of cash flows and notes to financial statements. The statements of net position include all of the Agency's assets and deferred outflows, liabilities and deferred inflows and provide information about the nature and amount of investments.

The statements of revenue, expenses and changes in net position presents the results of the business activities over the course of the year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides information about whether the Agency has successfully recovered its costs through its user fees and other charges, profitability and credit worthiness.

The statements of cash flows present changes in cash and cash equivalents resulting from operating, financing and investing activities. The statements present cash receipts and cash disbursements information, without consideration of the earning events, when an obligation arises or depreciation of capital assets occurs.

The notes to financial statements provide required disclosures and other information that are essential to a full understanding of information presented in the statements. The notes present information about the Agency's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Supplementary information has been included as required for statutory filing under General Municipal Law 859.

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important objectives of financial analysis is to determine if the Agency as a whole is better or worse off as a result of the year's activities. Net position and the statements of revenue, expenses and changes in net position provide useful information in this regard. The statements report the net position of the Agency and changes in net position. The amount of net position, the difference between total assets and deferred outflows and liabilities and deferred inflows, is a significant measure of financial health or financial position. Over time, increases or decreases in the Agency's net position are indicators of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation should be considered in evaluating the financial condition of the Agency.

The following comparative condensed financial statements and other selected information serve as the financial data and

indicators for management's monitoring and planning.

NET POSITION

A summary of the Agency's statements of net position at December 31, 2021, 2020 and 2019 is presented in the following table and Charts 1 and 2 on the following page.

	NET POSITION December 31,		
	2021	2020	2019
Assets			
Current and other assets	\$1,125,319	\$862,674	\$879,741
Capital assets, net	3,396	4,873	6,463
Total assets	1,128,715	867,547	886,204
Deferred outflows	297,594	308,415	79,499
Liabilities			
Long-term liabilities	2,050,461	2,166,139	1,968,386
Current liabilities	64,356	166,477	60,624
Total liabilities	2,114,817	2,332,616	2,029,010
Deferred Inflows	297,876	106,273	80,049
Net position			
Net investment in capital assets	1,901	2,241	2,676
Restricted net position	17,920	17,920	30,720
Unrestricted net position	(1,006,205)	(1,283,088)	(1,176,752)
Total net position	\$(986,384)	\$(1,262,927)	\$(1,143,356)

The amount of current and other assets increased by \$262,645 (30%) from \$862,674, at December 31, 2020 to \$1,125,319, at December 31, 2021. The decrease in 2020 was \$17,067 (2%) from \$879,741, at December 31, 2019 to \$862,674, at December 31, 2020.

In 2021, cash and investments accounted for \$1,039,083 (92%) of the total assets. In 2020, cash and investments accounted for \$630,361 (73%) of the total assets.

Total liabilities decreased in 2021 by \$217,799 (9%) and increased in 2020 by \$303,600 (15%). The IDA's current liabilities decreased by \$102,121 (61%) from \$166,477, at December 31, 2020, to \$64,356, at December 31, 2021. Deferred inflows increased in 2021 by \$191,603 (180%) due to

changes from the net pension liability and other postemployment benefits.

In 2007, the IDA entered into an agreement with the City regarding the interest on the amounts it owed to the City. The agreement provided for a payment of annual interest on the net amount “due to the City” at the end of each year. All amounts due to the CDA and the City are to be reimbursed upon the sale of the Waterfront Property. For the years ended December 31, 2021 and 2020, there was no additional amount of accrued interest.

CHART 1

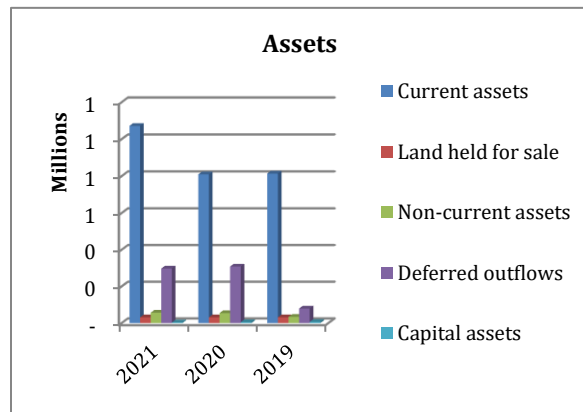
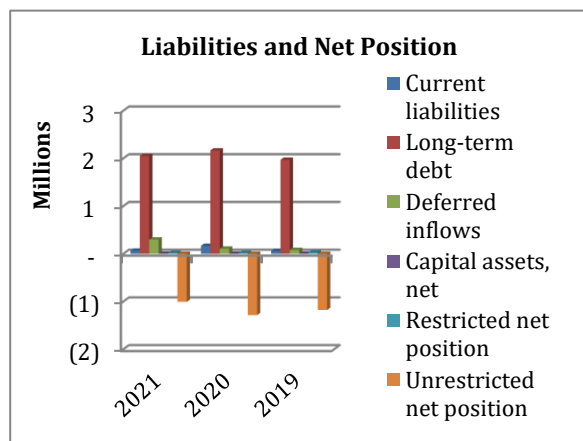


CHART 2



OPERATING RESULTS

The Agency’s condensed statements of revenue, expenses and changes in net position are presented in the table below and Chart 3.

REVENUE, EXPENSES AND CHANGES IN NET POSITION			
	2021	2020	2019
Revenue			
Fees and other income	\$659,226	\$503,918	\$323,360
Interest	1,968	5,449	17,429
Total revenue	661,194	509,367	340,789
Operating Expenses			
Salaries and benefits	219,998	288,584	384,542
Contractual and other	162,446	333,444	231,814
Redevelopment costs	2,207	6,910	4,787
Total expenses	384,651	628,938	621,143
Increase (decrease) in net position	\$276,543	\$(119,571)	\$(280,354)

The majority of the Agency’s revenues are derived from administrative fees on taxable bonds funded through the Agency, and a straight lease fee. Additionally, the Agency imposes a closing fee on bond issuances.

Total revenues increased by \$151,827 from \$509,367 in 2020 to \$661,194 in 2021.

CHART 3

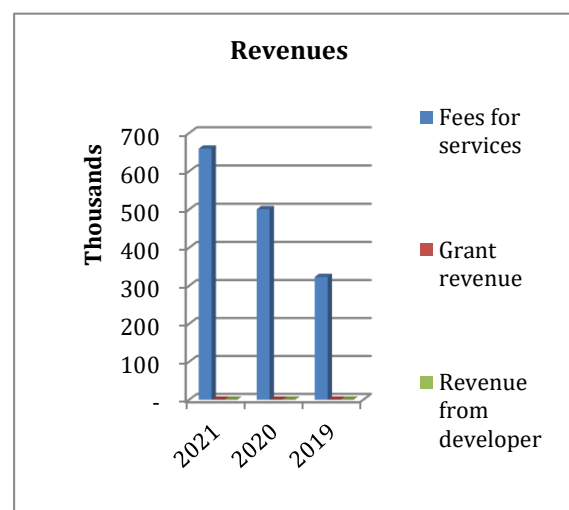
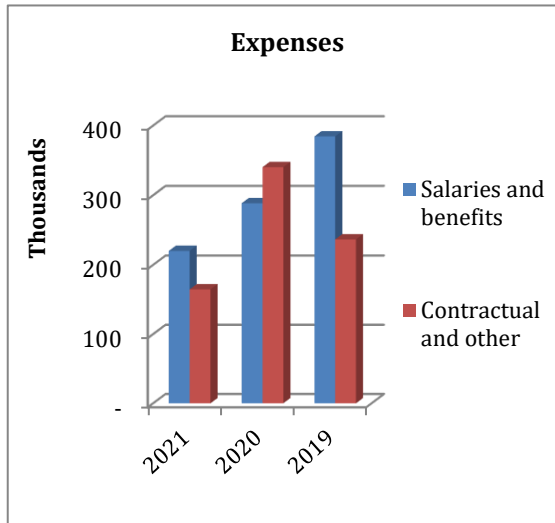


CHART 4



Debt Management

The Agency may issue industrial development revenue bonds that are secured by property, which is leased to companies who had received the bond proceeds. The bonds are retired by lease payments collected from these companies.

The bonds are not obligations of the Agency and the Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts. Its primary function is to arrange financing between the borrowing companies and the bond and note holders. Trustees or banks acting as fiscal agents control funds arising from these transactions. The Agency monitors the compliance of the organizations with the provisions of the bond contracts. At the end of the year, the Agency had no revenue bonds.

At the December 31, 2017 year end the IDA repaid the City in full \$6,489,958 and also repaid the CDA \$2,017,580. The CDA may pay payroll expenses on behalf of the IDA and then charges the Agency. The CDA funds are obtained from Community Development Block Grant (CDBG). Also the City may provide loans to the Agency, and pay for personnel and interest expenses pertaining to projects on

behalf of the Agency, and charge the Agency for these payments.

The indebtedness to the City and CDA was paid from the proceeds of the sale of Waterfront properties. More information on long-term debt activity can be found in Note 7, "Amounts due to or from the City and CDA."

Contacting the IDA's Financial Management

This financial report is designed to provide the reader with a general overview of the IDA's finances and to demonstrate the IDA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Industrial Development Agency, Executive Director at (516) 676-1625.

BASIC FINANCIAL STATEMENTS



GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the City of Glen Cove)
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets		
Cash and cash equivalents	\$ 503,991	\$ 96,989
Investments	517,172	515,452
Accounts receivable	<u>50,663</u>	<u>200,663</u>
Total current assets	<u>1,071,826</u>	<u>813,104</u>
Noncurrent assets		
Land held for sale/resale	31,650	31,650
Restricted cash	17,920	17,920
Prepaid expense	3,923	-
Capital assets, net	<u>3,396</u>	<u>4,873</u>
Total noncurrent assets	<u>56,889</u>	<u>54,443</u>
Total assets	<u>1,128,715</u>	<u>867,547</u>
Deferred outflows of resources		
Pensions	110,849	89,748
Other postemployment benefits	<u>186,745</u>	<u>218,667</u>
Total deferred outflows of resources	<u>297,594</u>	<u>308,415</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities		
Capital lease	1,138	1,138
Accounts payable and accrued expenses	<u>63,218</u>	<u>165,339</u>
Total current liabilities	<u>64,356</u>	<u>166,477</u>
Noncurrent liabilities		
Escrow deposits	17,920	17,920
Compensated absences	19,834	19,631
Other postemployment benefits	1,061,039	1,066,075
Net pension liability - proportionate share	468	118,230
Capital lease obligations	357	1,494
Due to the City of Glen Cove		
Community Development Agency (CDA)	<u>950,843</u>	<u>942,789</u>
Total noncurrent liabilities	<u>2,050,461</u>	<u>2,166,139</u>
Total liabilities	<u>2,114,817</u>	<u>2,332,616</u>
Deferred inflows of resources		
Pensions	142,455	7,690
Other postemployment benefits	134,421	98,583
Deferred revenue	<u>21,000</u>	<u>-</u>
Total deferred inflows of resources	<u>297,876</u>	<u>106,273</u>
Net position		
Net investment in capital assets	1,901	2,241
Restricted net position	17,920	17,920
Unrestricted net position	<u>(1,006,205)</u>	<u>(1,283,088)</u>
Total net position	\$ <u>(986,384)</u>	\$ <u>(1,262,927)</u>

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

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the City of Glen Cove)
STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue - fees and other revenue	\$ <u>659,226</u>	\$ <u>503,918</u>
Operating Expenses:		
Salaries and benefits	219,998	288,584
Contractual expenses	160,969	331,854
Depreciation expense	1,477	1,590
Redevelopment costs not recoverable	<u>2,207</u>	<u>6,910</u>
Total operating expenses	<u>384,651</u>	<u>628,938</u>
Operating gain (loss)	274,575	(125,020)
Interest income	<u>1,968</u>	<u>5,449</u>
Change in net position	276,543	(119,571)
Net position, January 1	<u>(1,262,927)</u>	<u>(1,143,356)</u>
Net position, December 31	\$ <u><u>(986,384)</u></u>	\$ <u><u>(1,262,927)</u></u>

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

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the City of Glen Cove)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Fees received for services and other revenue	\$ 809,226	\$ 363,774
Payment of salaries and benefits	(144,092)	(218,073)
Cash payments to suppliers of goods and services	<u>(257,243)</u>	<u>(290,859)</u>
Net cash provided by (used in) operating activities	<u>407,891</u>	<u>(145,158)</u>
Cash flows from investing activities:		
Interest income	1,968	5,449
Purchase of investments	(517,172)	(515,452)
Sale of investments	<u>515,452</u>	<u>510,525</u>
Net cash provided by investing activities	<u>248</u>	<u>522</u>
Cash flows from financing activities:		
Payments on capital leases	<u>(1,137)</u>	<u>(1,155)</u>
Net change in cash and cash equivalents	407,002	(145,791)
Cash and cash equivalents, beginning of year	<u>96,989</u>	<u>242,780</u>
Cash and cash equivalents, end of year	\$ <u><u>503,991</u></u>	\$ <u><u>96,989</u></u>

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

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the City of Glen Cove)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

	<u>2021</u>	<u>2020</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating gain (loss)	\$ 274,575	\$ (125,020)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expenses	1,477	1,590
Changes in:		
Accounts receivable	150,000	(140,144)
Prepaid expense	(3,923)	3,547
Deferred outflows of resources - pension (noncash)	(21,101)	(51,609)
Deferred outflows of resources - OPEB	31,922	(177,307)
Accounts payable and accrued expenses	(102,121)	105,853
Other postemployment benefits	(5,036)	185,509
Compensated absences	203	3,482
Net pension liability (non-cash)	(117,762)	84,212
Due to City of Glen Cove CDA	8,054	(61,495)
Deferred inflows of resources - pension (noncash)	134,765	(9,934)
Deferred inflows of resources - OPEB	35,838	48,839
Deferred inflows of resources - deferred revenue	<u>21,000</u>	<u>(12,681)</u>
Net cash provided by (used in) operating activities	\$ <u>407,891</u>	\$ <u>(145,158)</u>

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

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of the City of Glen Cove)
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Glen Cove Industrial Development Agency's (the "IDA", "Agency") accompanying financial statements are prepared on the accrual basis in accordance with U.S. generally accepted accounting principles, as set forth by the Governmental Accounting Standards Board ("GASB"). Revenues and expenses are recognized when earned and incurred, not when received or paid.

Capital assets, except land and construction in process, are depreciated over their estimated useful lives.

A. Reporting Entity

The Agency was created by a special act of the New York State Legislature on May 17, 1974. Under the provisions of Chapter 374 of the 1974 Laws of New York State, the purpose of the Agency is to encourage economic growth in the City of Glen Cove (the "City"). The Agency is exempt from federal, state and local income taxes. The Agency's principal activity and source of revenue has been the issuance of Industrial and Civic Revenue Bonds and Straight Lease Agreements. The fees received from the issuance of the bonds and straight lease agreements have been expended for legal services, the development of the Glen Cove Waterfront, and infrastructure.

All significant activities have been included in the Agency's general-purpose financial statements for the years ended December 31, 2021 and 2020. The City exercises oversight responsibility over the Agency. As such, the Agency is a component unit of the City. The following criteria regarding the manifestation of oversight were considered by the Agency in its evaluation of the Agency activities:

- Financial interdependency - The Agency is responsible for its debts and is entitled to surpluses. The City is not responsible for the Agency's debt or entitled to surplus. The Agency does not receive financial benefit nor does it impose financial burden on the City with the exception that the IDA is covered against personal injury, workers' compensation and other risks under the City's self-insurance program.
- Appointment of Government Authority - the City, the primary government, appoints all members of the organization's governing body, the Board of Directors. The governing board is exclusively responsible for all decisions.
- Appointment of management - The officers of the Agency are appointed by the Board of Directors. The activities under the purview of management are within the scope of the reporting entity and management is responsible to the Board of Directors.
- The ability to significantly influence operations - The City can significantly influence the Agency's operations. This authority includes, but is not limited to, adoption of program budgets, control over assets, including facilities and properties, short term borrowing, signing contracts, and developing new programs.
- Accountability for fiscal matters - The responsibility and accountability over the Agency's fund is vested in the Agency's management and Board of Directors.

B. Basis of Accounting and Measurement Focus

The Agency 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.

C. Cash and Cash Equivalents

The Agency has adopted GASB Statement No. 9 *"Reporting Cash Flows of Proprietary and Nonexpendable Trust funds and Governmental Entities that Use Proprietary Fund Accounting."* For purposes of reporting cash flows, all liquid investments (including restricted assets) with original maturity of three months or less are considered cash equivalents.

D. 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 Agency did not have any doubtful accounts at December 31, 2021 or 2020.

E. Capital Assets and Long-Term Liabilities

Capital Assets

As a proprietary fund, the 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. Contributed assets are recorded at fair market value at the date received. 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. The Agency has capitalized the interest expenses related to amounts owed for the Waterfront Development Project. These were considered in connection with the evaluation of the impairment of the property.

F. Net Position

Unrestricted Net Position

Unrestricted net position represents the amounts available for general use.

G. Operating and Nonoperating Revenues and Expenses

Operating revenues generally result from providing goods and services to individuals or entities separate from the Agency. Operating revenues and expenses are related to operating transactions. The operating transactions are those other than capital and related financing activities, noncapital financing activities, investing activities and non-exchange revenues. Operating revenues of the Agency includes administrative fees charged by the Agency and reimbursement of operating expenses.

Nonoperating revenues - Nonoperating revenues are those revenues that do not meet the definition of operating revenues. Nonoperating revenues include gifts, investment income and insurance reimbursement revenue. Grants, entitlements, or shared revenues received for operations and/or operations or capital acquisitions, sales or construction are reported as "nonoperating" revenues. Operating expenses include depreciation on all fixed assets, salaries and benefits, contractual expenses, and redevelopment costs not recoverable.

H. Compensated Absences - Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred. At December 31, 2021 and 2020, the Agency had a deferred compensation liability for accumulated unpaid vacation and sick pay of \$19,834 and \$19,631, respectively. During 2021 and 2020, the changes in liabilities for compensated absences were as follows:

COMPENSATED ABSENCES		
	2021	2020
Liability for compensated absences, January 1	\$19,631	\$16,149
Change	203	3,482
Liability for compensated absences, December 31	\$19,834	\$19,631

I. Land held for Sale/Resale

The Agency may acquire properties to redevelop and resell. The property values will be carried at the lower cost or estimated realizable value. Properties are periodically reviewed or appraised for impairment and the carrying values are adjusted as necessary.

J. Application of Restricted and Unrestricted Resources

The Agency's policy is to first apply an expense against restricted resources then towards unrestricted resources, when both restricted and unrestricted resources are available to pay an expense.

K. Post-Employment Benefits

In addition to providing pension benefits, the Agency provides health insurance coverage and survivor benefits for employees and their survivors. Substantially all of the Agency's employees may become eligible for these benefits if they reach normal retirement age while working for the Agency. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

During the year, the Agency provided health care coverage for five retired employees covered under the City of Glen Cove Community Development Agency (the "CDA").

L. Standards Issued Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

NOTE 2. CASH AND CASH EQUIVALENTS

The Agency's aggregate bank balances of \$545,935 and \$150,862 at December 31, 2021 and 2020, respectively, are secured by deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC) of \$250,000 for checking and money market accounts each; and with securities held by the pledging financial institution's trust department or agent in the Agency's name. Additionally, the Agency had balances of \$517,172 and \$515,452 at December 31, 2021 and 2020, respectively, which were invested in certificates of deposit with original terms of 6 to 12 months, and paying interest rates from 0.25% to 1.65%. The Agency earned interest in the amount of \$1,968 and \$5,449 during the years ended December 31, 2021 and 2020, respectively.

The Agency's cash management and investment policy are as follows:

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy that incorporates the State regulations. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The investment officer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, and obligations of New York State or its localities.

Interest rate risk. It is the risk that changes in market interest rates will adversely affect the fair value of the investment. Generally, the fair values of investments with longer maturities are more sensitive to changes in market interest rates. In accordance with its cash management and investment policy, the Agency manages its exposure to declines in fair values by investing its excess cash in money market accounts or certificate of deposits with maturities of less than one year.

Custodial and credit risk. The Agency's bank balances of deposits were either entirely insured by the FDIC or collateralized with securities pledged in third party custodial accounts of the pledging financial institutions in the Agency's name.

The collateral amounts are as required to be held according to the Agency's custodial bank agreement at 105%. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Periodically, the Agency determines that the collateral or underlying securities have an adequate market value and have been segregated.

NOTE 3. ACCOUNTS RECEIVABLE

At December 31, 2021 and 2020, the IDA had \$50,663 and \$200,663, respectively, in accounts receivable. All receivables were due for admin fees.

NOTE 4. LAND HELD FOR SALE/RESALE

The IDA owns a parking lot and an area located between the RXR Village Square and the post office which is maintained by the City. The carrying value of this asset is \$31,650 as of December 31, 2021 and 2020.

On November 22, 2016, the IDA sold the Waterfront Properties to RXR Glen Isle Partners, LLC for the Purchase price of \$15M less advances of \$2,401,048 and a receivable of \$2.36M, for net cash received of \$10,238,952. These funds were used to repay the debt owed by the IDA and CDA, to HUD, EPA, Nassau County and the City. The IDA also entered into a Master Tax Agreement, PILOT, with the Redeveloper and received an administrative fee of \$10M.

On November 22, 2016, the IDA and the Glen Cove Local Economic Assistance Corporation, (the "Corporation") entered into a Loan Agreement, whereby the IDA borrowed \$124,562,833 from the Corporation. These funds were raised from a Public Bond Offering of the Corporation, and are being used by the IDA to fund its infrastructure and public amenities obligations, related to the Garvies Point Project. The repayment of the bonds is from the PILOT payments on the property, by the property owners. These Bonds are non-recourse to the City and its Agencies, and are treated as conduit debt by the IDA. After closing, in November 2016, the amount of \$122,515,088, (\$124,562,833 less OID of \$2,047,745) was deposited into Bank of NY Mellon.

During the year ended December 31, 2021, the Trustee made interest payments in aggregate of \$1,553,125. The outstanding balance of the conduit debt obligations totaled \$155,876,918 at December 31, 2021.

NOTE 5. CAPITAL ASSETS

As of December 31, 2021 and 2020, the capital assets of the IDA were as follows:

CAPITAL ASSETS		
	2021	2020
Equipment	\$ 14,721	\$ 14,721
Less: accumulated depreciation	(11,325)	(9,848)
Total capital assets	<u>\$ 3,396</u>	<u>\$ 4,873</u>

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At December 31, 2021, accounts payable and accrued expenses totaled \$63,218 and were composed of professional fees for ongoing projects of \$52,237, accrued expenses for payroll and taxes, escrow accounts and amounts due to other governments of \$10,981.

At December 31, 2020, accounts payable and accrued expenses totaled \$165,339 and were composed of professional fees for ongoing projects of \$142,146, accrued expenses for payroll and taxes, escrow accounts and amounts due to other governments of \$23,193.

NOTE 7. AMOUNTS DUE TO OR FROM THE CITY AND CDA

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, 2021 and 2020, the following amounts were due to the CDA:

	<u>2021</u>	<u>2020</u>
Due to the CDA for the Waterfront Development expenditures financed by:		
CDA's CDBG and other grants	\$950,843	\$1,004,284
Less: Additional allocation of payroll	-	(61,495)
Total due to the CDA	<u>\$950,843</u>	<u>\$942,789</u>

The amount due to CDA was increased by \$8,054.

NOTE 8. PENSION PLANS

(a) Plan Descriptions and Benefits Provided

The IDA participates in the New York State and Local Employees' Retirement System ("ERS" or the "System"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System 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, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 4.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. 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.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2021	\$15,457
2020	\$16,186
2019	\$15,688

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the IDA reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The IDA's proportionate share of the net pension liability was based on a projection of the IDA's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Agency.

Measurement date	3/31/2021	3/31/2020
Net pension liability	\$468	\$118,230
District's proportion of the District's net pension liability	0.0004702%	0.0004465%

At December 31, 2021, the IDA's proportion was 0.0004702%, which was an increase of 0.0000237 from its proportion as of December 31, 2020. At December 31, 2020, the IDA's proportion was 0.0004465%, which was a decrease of 0.0000336 from its proportion as of December 31, 2019.

For the year ended December 31, 2021 and 2020, the IDA recognized pension expense of \$11,692 and \$38,855, respectively, for ERS. At December 31, 2021 and 2020 the amounts allocable to the IDA based upon the IDA's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$5,717	-	\$6,958	-
Changes of assumptions	86,077	1,624	2,381	2,056
Net difference between projected and actual earnings on pension plan investments	-	134,480	60,610	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	7,283	6,351	8,058	5,634
District's contributions subsequent to the measurement date	11,772	-	11,741	-
Total	\$110,849	142,455	\$89,748	7,690

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2021 will be recognized in pension expense as follows:

Year ending	ERS
2022	\$ (6,982)
2023	(2,123)
2024	(8,248)
2025	(26,025)
2026	-
Thereafter	-
Total	<u>\$(43,378)</u>

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Interest rate	5.9%
Salary scale	4.4% Average
Decrement tables	April 1, 2015 - March 31, 2020
	System's Experience
Inflation rate	2.7%
Cost-of-living adjustment	1.4% annually

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term 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 returns net of investment expense 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in

the target asset allocation are summarized below:

Measurement date	March 31, 2021	
	Long-term expected real rate of return*	Target allocation
Asset type:		
Domestic equity	4.05%	32.0%
International equity	6.30%	15.0%
Private equity	6.75%	10.0%
Real estate	4.95%	9.0%
Credit	3.63%	4.0%
Opportunistic/ARS portfolio	4.50%	3.0%
Real assets	5.95%	3.0%
Fixed income	0.00%	23.0%
Cash	0.50%	1.0%

*The real rate of return is net of the long-term inflation assumption of 2.0%.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The discount rate for 2020 was 6.8%. 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. Based upon the assumptions, the System'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.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the IDA's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Fund's proportionate share of the net pension liability 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 Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	<u>\$(129,940)</u>	<u>(468)</u>	<u>(118,935)</u>

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
Measurement date	3/31/2021	3/31/2020
Employers' total pension liability	\$(220,680)	\$(194,596)
Plan net position	220,580	168,115
Employers' net pension liability	<u>\$(100)</u>	<u>\$(26,481)</u>
Ratio of plan net position to the Employers' total pension liability	99.9%	86.4%

(g) Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2021 and 2020 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022 and April 1, 2020 through March 31, 2021, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. These amounts have been recorded as prepaid expenses in the year ended December 31, 2021 and as accrued expenses in the year ended December 31, 2020.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Agency's retiree medical/drug and dental insurance plans are fully insured with the Empire Plan offered through New York State Health Insurance program and Group Health Incorporated. Employees are eligible for these benefits, once they have reached the age of 55 and are hired before July 1, 1973 or either have reached the age of 55 and have 10 years of qualified employment or have 30 years of qualified employment if hired after July 1, 1973. The Agency has agreed to pay the full cost of coverage for such retirees as well as the retiree's spouse and unmarried children. Survivors are covered at full cost for 10 years after the death of the retiree.

The number of participants as of December 31, 2021 was as follows:

Current retirees	8
Active employees	7
	<u>15</u>

Total OPEB Liability

The Agency's total OPEB liability of \$1,061,039 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.30% on average
Discount rate	2.25%
Healthcare cost trend rates	5.50% for 2021, decreasing to an ultimate rate of 4.50% by 2025

The discount rate was based on the 20 Year Municipal Bond Yield.

Mortality rates used are from the RP-2014 Headcount-Weighted Healthy Mortality Tables with White Collar Adjustments, projected Generationally with Scale MP-2020.

Changes in the Total OPEB Liability

Total OPEB liability as of January 1, 2021	\$ 1,066,075
Changes for the year:	
Service cost	62,362
Interest	21,029
Changes in assumptions	(57,620)
Benefit payments	<u>(30,807)</u>
Total changes	<u>(5,036)</u>
Total OPEB liability as of December 31, 2021	<u>\$ 1,061,039</u>

Total OPEB liability as of January 1, 2020	\$880,566
Changes for the year:	
Service cost	43,868
Interest	30,026
Differences between expected and actual experience	(17,726)
Changes in assumptions	158,662
Benefit payments	<u>(29,321)</u>
Total changes	<u>185,509</u>
Total OPEB liability as of December 31, 2020	<u>\$1,066,075</u>

Sensitivity of the total OPEB liability to changes in the discount rate

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 (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	\$1,255,564	1,061,039	908,302

Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

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 different healthcare cost trend rate that is 1-percent lower or 1-percent higher than the current healthcare cost trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$872,986	1,061,039	1,308,596

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2021 and 2020, the Agency recognized OPEB expense of \$93,530 and \$86,362, respectively. At December 31, 2021 and 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2021</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$25,191	(40,332)
Changes in assumptions	161,554	(94,089)
	<u>\$186,745</u>	<u>(134,421)</u>

	<u>2020</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,069	(46,654)
Changes in assumptions	189,598	(51,929)
	<u>\$218,667</u>	<u>(98,583)</u>

Amounts reported as deferred inflows of resources related to other postemployment benefits will be recognized as follows:

<u>Year ending</u>	
2022	\$10,001
2023	10,001
2024	10,001
2025	4,219
2026	10,435
Thereafter	<u>7,667</u>
Total	<u>\$52,324</u>

NOTE 10. ESCROW ACCOUNTS

The IDA held \$17,920 in escrow funds for three different projects at December 31, 2021 and 2020.

NOTE 11. RISK FINANCING

The Agency is exposed to various risks of losses related to torts; theft, damages to and destruction of assets; omissions; injuries to employees, and natural disasters. The Agency had no such losses in 2021 and 2020. The potential losses in excess of the Agency's resources are covered under the City's policy of self-insurance. The Agency reports claims, expenses and liabilities when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

NOTE 12. SUBSEQUENT EVENTS

The Agency has evaluated the subsequent events and transactions from December 31, 2021 through the date that the financial statements were available to be issued and have determined there are no subsequent events that require disclosure.

NOTE 13. RISKS AND UNCERTAINTIES

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Agency and its future results and financial position is not presently determinable.

NOTE 14. GOING CONCERN

The City is committed to ensuring the long-term viability of the Agency. As such, it will continue to provide sufficient resources to ensure that the Agency maintains the ability to honor its obligations as they become due, thus ensuring its ability to continue as a going concern.

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Adopted Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Admin fees	\$ 176,000	176,000	521,841	345,841
Interest	9,000	9,000	1,968	(7,032)
Revenues from developer	450,000	450,000	137,385	(312,615)
Total revenues	635,000	635,000	661,194	26,194
Expenses				
Salaries and benefits				
Salaries	95,702	95,702	177,304	81,602
Benefits	69,001	69,001	42,694	(26,307)
Total salaries and benefits	164,703	164,703	219,998	55,295
Professional fees				
Audit services	7,800	7,800	7,900	100
Engineering and other consultants	30,000	30,000	41,083	11,083
Legal fees - escrow	450,000	450,000	111,986	(338,014)
Total professional fees	487,800	487,800	160,969	(326,831)
Administrative expense				
Office expense	3,876	3,876	2,207	(1,669)
Depreciation	-	-	1,477	1,477
Total administrative expenses	3,876	3,876	3,684	(192)
Total expenses	656,379	656,379	384,651	(271,728)
Change in net position	(21,379)	(21,379)	276,543	297,922
Net position, January 1, 2021	(1,143,356)	(1,143,356)	(1,262,927)	(119,571)
Net position, December 31, 2021	<u>\$ (1,164,735)</u>	<u>(1,164,735)</u>	<u>(986,384)</u>	<u>178,351</u>

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AGENCY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 62,362	\$ 43,868	\$ 39,114	\$ 38,115
Interest	21,029	30,026	28,336	23,020
Differences between expected and actual experience	-	(17,726)	-	-
Changes in assumptions	(57,620)	158,662	187,725	(53,759)
Benefit payments	<u>(30,807)</u>	<u>(29,321)</u>	<u>(28,082)</u>	<u>(23,542)</u>
Net change in total OPEB liability	(5,036)	185,509	227,093	(16,166)
Total OPEB liability - beginning	<u>1,066,075</u>	<u>880,566</u>	<u>653,473</u>	<u>669,639</u>
Total OPEB liability - ending	\$ <u>1,061,039</u>	\$ <u>1,066,075</u>	\$ <u>880,566</u>	\$ <u>653,473</u>
Covered payroll	\$ 120,940	\$ 113,768	\$ 116,109	\$ 88,803
Total OPEB liability as a percentage of covered payroll	877.33%	937.06%	758.40%	753.87%

Notes to Schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each

2018	3.69%
2019	3.26%
2020	1.93%
2021	2.25%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Agency's proportion of the net pension liability	0.0004702%	0.0004465%	0.0480100%	0.0002401%	0.0002710%	0.0002276%	0.0001230%	0.0003443%
Agency's proportionate share of the net pension liability	\$ 468	118,230	34,018	3,465	18,926	36,534	11,629	15,555
Agency's covered payroll	\$ 116,270	117,776	117,399	45,574	70,647	55,390	88,566	124,849
Agency's proportion of the net pension liability as a percentage of its covered - payroll	0.40%	100.39%	28.98%	7.60%	26.79%	65.96%	13.13%	12.46%
Plan's fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.20%	97.40%	90.70%	98.00%	97.20%

This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

**GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENCY'S EMPLOYER PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 15,457	16,186	15,688	13,664	12,038	7,028	10,749	15,555
Contributions in relation to the contractually required contribution	<u>15,457</u>	<u>16,186</u>	<u>15,688</u>	<u>13,664</u>	<u>12,038</u>	<u>7,028</u>	<u>10,749</u>	<u>15,555</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Agency's covered payroll	\$ 116,270	117,776	117,399	45,574	70,647	55,390	88,566	124,849
Contributions as a percentage of covered payroll	13.29%	13.74%	13.36%	29.98%	17.04%	12.69%	12.14%	12.46%

This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

OTHER SUPPLEMENTARY INFORMATION



The following are not required supplementary information (RSI), under the accounting principles generally accepted in the United States of America and are provided for the purpose of additional analysis as required by required for statutory filing, under State of New York General Municipal Law 859.

This other supplementary information is provided to meet the General Municipal Law 859, the disclosures regarding the Agency's Straight-lease and industrial and civic facilities revenue bonds and notes projects.

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY OTHER SUPPLEMENTARY INFORMATION

Certain industrial development revenue bonds issued by the Agency are secured by property, which is leased to companies and is retired by lease payments. The bonds are not obligations of the Agency, City or State. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts. Its primary function is to arrange financing between the borrowing companies and the bond and note holders. Trustees or banks acting as fiscal agents control funds arising from these transactions.

The Agency receives bond administration fees from the borrowing companies for providing this service. Such administrative fee income is recognized immediately upon the issuance of the bonds and notes.

A. National Healthplex (Regency of Glen Cove) - Bonds

The 1992 Series A Bonds, Series B Bonds and the Series B Note, were defeased when the Regency reorganized its debt on April 19, 2016. The Glen Cove Local Economic Assistance Corporation issued \$24M of Tax Exempt Bonds and The Regency also received a \$15.5M loan from Municipal Capital Appreciation Partners III (VA), L.P. for a new Alzheimer unit.

On December 15, 2013, the IDA entered into a PILOT agreement with the Regency (Project code 2801-13-02). The term is for 40 years beginning in 2014 and expires December 31, 2049. The IDA received an admin fee of \$118,750. The total projects costs are \$15,500,000 for a new Alzheimer unit which was to be completed in May 2019. In 2016, the Regency paid an additional admin fee \$150,000 for an extension of the PILOT to run concurrently with the bond issuance. The Regency paid a total PILOT of \$439,104 in 2021 and \$419,793 in 2020, and reported 71 FTE's and no Construction jobs in 2021. The

corporate address for the National Healthplex is 94 School Street, Glen Cove, NY 11542.

The following chart depicts the PILOT payments and tax exemptions for 2021:

PAYMENTS MADE BY THE GC REGENCY		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$44,138	\$56,170
Local	113,555	144,508
School	281,411	358,117
Total	<u>\$439,104</u>	<u>\$558,795</u>

STRAIGHT LEASE AGREEMENTS

A. Avalon Bay Communities, Inc.

In November 2001, the IDA and Avalon Bay Communities, Inc. (the "Company") entered a straight lease agreement (Code Number 2801-01-01). Through the lease agreement, the Agency takes title to the property and the machinery and equipment and provides property and sales tax relief to the Company. Under the lease contract, the Company agreed to acquire an approximately 3.5 acre site located at Pratt Boulevard, in the City to construct an approximately 333,000 square foot luxury rental building together with 188,000 square foot enclosed parking facility. The IDA agreed to buy the building from the Company and lease it back to the Company. Thus, the Company was exempt from sales and use taxes, real property transfer taxes, and real estate taxes. The Company agreed to make payments in lieu of taxes.

The cost of the planning, development, acquisition, construction, and installation of the project facilities is estimated to be about \$50,170,000. The Company paid an administrative fee of \$303,000 to the IDA.

As a part of the agreement, the Company, purchased from the City a property located at Glen Street, Phase II, for \$1,100,000 and paid an option premium of \$900,000. The Company has exercised the option. Nonpayment of fees constitutes default under the agreement.

In June 2003, Avalon Bay Communities, Inc. exercised its option and purchased the Glen Street Parcel for \$2,000,000, (2801-06-1). Avalon Bay had already paid \$900,000 and agreed to pay the balance by December 31, 2003. It was further agreed that:

1. The construction plan had to be completed by March 30, 2004; construction had to commence by October 1, 2004 and be completed by June 30, 2006.
2. All building permits and other fees had to be paid by the later of June 1, 2004 or ten days after the invoices are submitted.
3. Payment in lieu of taxes began on January 1, 2006.
4. In lieu of \$50,000 payment required by the Preliminary Agreement, Avalon Bay shall pay the IDA, \$107,224. The Agency will use these funds in cooperation with the City to upgrade Pratt Boulevard Municipal Parking lot.

In 2021, the payments made by Fairfield and the amount of tax exemptions were as follows:

PAYMENTS MADE BY Fairfield Glen Cove South		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$72,597	\$137,221
Local	467,157	883,005
School	<u>1,207,935</u>	<u>2,283,198</u>
Total	<u>\$1,747,689</u>	<u>\$3,303,424</u>

Please note that while the original estimate of jobs to be created for Avalon North and Avalon South is listed on the PARIS system as 14 and 20 respectfully, the correct number of jobs per Avalon's agreements with the IDA are 6 for Avalon North and 8 for Avalon South. Avalon

met these FTE requirements in 2020 with 7 FTEs for Avalon North and 10 FTEs for Avalon South. The original FTE information listed in PARIS is unable to be changed. The corporate address for Fairfield Glen Cove South LLC is 538 Broadhollow Road, Melville, New York 11747.

The IDA Board approved the assignment and transfer of the Avalon South PILOT and related documents to Fairfield Glen Cove South Owner LLC in June 2021. IDA staff conducted an on-site visit of the Fairfield South property in October 2021. 10 FTEs were reported.

B. Straight Lease Agreement with Men on the Move – Glen Cove Storage, LLC ("MOTM") PHR Glen Cove Storage, LLC

On August 1, 2011, the IDA entered into a straight Lease Agreement, ("Pilot Agreement") with MOTM Code # (2801-11-01), regarding the property located at 88-90 Hazel Street, City of Glen Cove. The total cost of the project was approximately \$7,553,000. MOTM/PRGC is required by the contract to create at least 3 new full- time jobs within one year after the scheduled completion date and maintain these jobs throughout the term of the lease. The IDA collects a \$1,000 annual admin fee from MOTM/PRGC. MOTM paid an administrative fee of \$60,148 to the IDA. The PILOT commenced in the tax year 2012-2013 and will last for 10 years. In December 2013, MOTM sold to PR Glen Cove Storage LLC, ("PRGC") Code # (2801-13-01). The IDA received and admin fee of \$70,375. PRGC beginning in 2014 and are also required to employee 3 full time equivalents. The received an admin fee of \$70,375. PRGC beginning in 2014 and are also required to employee 3 full time equivalents. The total purchase price was \$18,100,000. PRGC in is required under the lease contract and payments in lieu of taxes agreement to make the following future real property taxes payments. PRGC paid a PILOT payment of \$314,535 in 2021, \$291,211 in 2020 and reported 3 FTE's. PRGC's corporate address is c/o Self Storage Management, LLC, 3050 Peachtree Road NW, Suite 300, Atlanta GA 30305.

PAYMENTS MADE BY GC STORAGE		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$24,801	\$30,965
Local	132,848	165,865
School	156,886	195,876
Total	<u>\$314,535</u>	<u>\$392,706</u>

C. Straight Lease Agreement with TDG Glen Cove LLC ("TDG") "Glen Cove Movie Theatre"

On December 27, 2013, the IDA entered into a PILOT Agreement with TDG. (Project code # 2801-12-03). The purchase price was \$5,523,135. The PILOT term is for 15 years and began in 2014. During construction 25 jobs were created and 8 full time positions post construction in the first year. In the second and third years 6 and 7 full time positions, are required respectively, per the lease agreement. The Movie theatre opened in April 2014. TDG paid \$73,201 in tax payments for 2021 and reported 35 FTE's. The corporate office is located at The DiNoto Group TDG Glen Cove, LLC, 7600 Jericho Tpke, Suite 110, Woodbury, New York 11797. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY GC TDG		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$7,411	\$18,067
Local	17,833	43,476
School	47,957	116,919
Total	<u>\$73,201</u>	<u>\$178,462</u>

In December 2014, the IDA closed on a PILOT agreement with Fair Housing Development Corp. ("Stanley Park") Project Code (2801-01-2014). Stanley Park, an existing Low Income Housing project in Glen Cove, completed a 40 year HUD PILOT in 2013 and requested a PILOT for 7 years from the IDA to allow it to repay real estate taxes owed to the City as well as to prevent a substantial rent increase to its existing tenants. The PILOT for Stanley Park began in 2016 and the IDA received a \$5,000 administrative fee. In 2021, a PILOT payment of \$58,000 was paid and reported 2 FTE's. The

corporate address of Stanan Management Corp. is located at 33 Front Street, Hempstead, NY 11550. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY FAIR HOUSING		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$9,940	\$34,644
Local	15,597	54,361
School	32,463	113,149
Total	<u>\$58,000</u>	<u>\$202,154</u>

In December 2015, the IDA entered into a lease agreement with 50 Glen Partners LLC. Project code (2801-15-01). The PILOT will begin in the 2016-2017 tax year. The IDA received a fee of \$1,000. In 2021 Glen Street Partners reported 73 FTE's. The corporate office is located at 91 Carmen Avenue, Suite 500, Cedarhurst, NY 11516. The following are the real property tax payments and tax exemptions:

PAYMENTS MADE 50 GLEN PARTNERS		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$5,973	\$9,907
Local	27,791	46,098
School	74,739	123,972
Total	<u>\$108,503</u>	<u>\$179,977</u>

The IDA closed on the Waterfront Revitalization Project in November 2016 for \$15M less debt payments paid by RXR on the IDA's behalf of \$2.4M for a net sales price of \$12.6M. These funds went to the repayment of loans for the waterfront. The IDA entered into a PILOT agreement with RXR and received an administrative fee of \$10M. The PILOT began in 2017 and will benefit the City, its citizens and Nassau County by reclaiming blighted industrial waterfront property for public benefit and enjoyment through creating open space, luxury and workforce housing and retail/office space. RXR's ("redeveloper") Garvies Point waterfront destination will bring 460 new jobs during the construction phase of 5-6 years, and 545 jobs post-completion. There will also be new tax

revenues and new money infused into the Glen Cove economy.

RXR, their entities and the Beacon Condominium Owners was invoiced and paid \$4,621,321 for their 2021 PILOT for the Garvies Point project. Project Code (2801-01A-2016). Priority payments of \$2,182,532 were paid to the authorized tax jurisdictions, \$1,190,483 was paid to the school and library and \$27,487 was paid to Nassau County and \$964,562 was paid to the City, \$2,396,138 was supplied to bond expenses. \$50,870 was also paid to MuniCap, the administrator for the bonds, and Bank of New York Mellon, the Bond Trustee, for fees. The remainder of the funds was deposited into a Stabilization fund. These funds will be invested until January 1, 2025. At this time these funds will be used for turbo redemption of the bonds. RXR reported \$93,922 in sales tax exemptions and 80 construction jobs retained; 52 FTE's reported were created in 2021. RXR's corporate address is 625 RXR Plaza, Uniondale, NY 11556 for both projects.

The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY RXR GARVIES		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$27,487	\$18,790
Local	964,562	3,351,030
School	1,190,483	8,240,780
Total	<u>\$2,182,532</u>	<u>\$11,610,600</u>

On December 28, 2016, the IDA entered into a PILOT agreement with Michael S. Puntillo Development Company, LLC. ("Samuel Pierce") The PILOT began in 2017 and the IDA received an administrative fee of \$40,000. In 2021, 12 FTE's were reported by the management company. The corporate address is A-1 Realty Management, Inc., 1551 Franklin Avenue, 1st Floor, Mineola, New York 11501, Attention: Peter Alizo.

In 2021, the payments made by Samuel Pierce, PILOT and the amount of tax exemptions were as follows:

PAYMENTS MADE BY SAMUEL PIERCE		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$2,647	\$19,158
Local	15,105	109,329
School	40,623	294,019
Total	<u>\$58,375</u>	<u>\$422,506</u>

In December 2017, the IDA entered into a PILOT agreement with RXR Village Square. ("RXR VS") Project code (2081-1-2017). The IDA received a fee of \$306,236. The PILOT began in 2019. RXR VS made a PILOT payment of \$183,062 and reported 18 FTE's. RXR Village Square's corporate address is 625 RXR Plaza, Uniondale, NY 11556.

The following are the real property tax payments and tax exemptions:

PAYMENTS MADE BY RXR VS		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$1,114	\$7,810
Local	49,318	345,819
School	132,630	930,008
Total	<u>\$183,062</u>	<u>\$1,283,637</u>

135 Glen Cove Ave Corp ("Livingston") - The Villas at Glen Cove

The IDA closed on the property known as The Villas with 135 Glen Cove Avenue Corp. in December 2021.

No PILOT payments have been made in 2021, as the PILOT is scheduled to begin in 2024. The corporate address of 135 Glen Cove Avenue Corp. is 162-20 77th Road, Flushing New York 11366.

Arcadia Landing LLC - Breton Hills Condominium

In July 2021, the IDA closed on the Breton Hills property with Arcadia Landing LLC. The IDA Board approved sales tax exemptions for the project in April 2020. Sales Tax Exemptions reported amounted to \$22,883. Full time equivalent employees amounted to 6 Full time jobs created at the project location; 55 construction jobs created. The project is not receiving a PILOT. The corporate address for Arcadia Landing LLC is 772 W. Beech Street, Long Beach, New York 11561.

Georgica Green

In August 2020, the IDA granted sales and mortgage tax exemptions to the Georgica Green Ventures LLC affordable housing project at Garvies Point. 56 construction jobs were reported and sales tax exemptions of \$159,957. A mortgage tax abatement was also reported, estimated value of \$136,925. Bond expenses of \$45,939 and PILOT payments of \$42,661 were paid in 2021. The corporate address of Georgica Green is 50 Quadrangle, Suite 118, Jericho, New York 11753.

PAYMENTS MADE BY GEORGICA GREEN		
	<u>PILOT</u>	<u>Exemptions</u>
County	\$537	*\$13,165
Local	18,854	20,364
School	23,270	50,078
Total	<u>\$42,661</u>	<u>\$83,607</u>

COMPLIANCE SECTION

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 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**

Board of Directors and Members
Glen Cove Industrial Development Agency
Glen Cove, New York:

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 Industrial Development Agency (the IDA), as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the IDA's basic financial statements, and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the IDA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the IDA'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 IDA'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IDA'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 IDA'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 IDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 30, 2022