

**Glen Cove Local Economic
Assistance Corporation**
(A Component Unit of the City of Glen Cove, New York)

Schedule of Cash and Investments

Year Ended December 31, 2023

Glen Cove Local Economic Assistance Corporation
(A Component Unit of the City of Glen Cove, New York)

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Independent Auditors' Report

**The Board of Directors of the
Glen Cove Local Economic Assistance Corporation**

Report on the Schedule of Cash and Investments

Opinion

We have audited the Schedule of Cash and Investments ("Schedule") of the Glen Cove Local Economic Assistance Corporation ("Corporation") (A Component Unit of the City of Glen Cove, New York) as of and for the year ended December 31, 2023 and the related notes to the Schedule.

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

Basis for Opinion

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

Responsibilities of Management for the Schedule

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

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is 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 Schedule.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 29, 2024

Glen Cove Local Economic Assistance Corporation
(A Component Unit of the City of Glen Cove, New York)

Schedule of Cash and Investments
December 31, 2023

Cash and equivalents	\$	10,286
Investments		<u>89,122</u>
Total Cash and equivalents and Investments	\$	<u>99,408</u>

See accompanying notes.

Glen Cove Local Economic Assistance Corporation
(A Component Unit of the City of Glen Cove, New York)

Notes to Schedule of Cash and Investments
Year Ended December 31, 2023

Note 1 - Organization and Purpose

The Glen Cove Local Economic Assistance Corporation (“Corporation”) was established on July 24, 2014 under the Not-for-Profit Corporation Law and as a local development corporation pursuant to Section 1411 of the Not-for-Profit Corporation Law. The City of Glen Cove is the sole member of the Corporation.

The mission and public purpose of the Corporation is to support and promote economic development efforts in the City of Glen Cove, New York (“City”) and for the public purpose and charitable purpose of benefiting and furthering the activities of the City of Glen Cove, New York, by serving as a conduit financing entity issuing taxable and tax-exempt revenue debt and providing other financial assistance to support the growth, expansion, on-going operations and continued viability of the non-profit sector in the City. The Corporation supports and promotes economic development in the City by efforts to attract new non-profits to the City and by assisting existing non-profits in their efforts to reduce costs.

The powers of the Corporation are vested in its (maximum 7-members no fewer than 3-members), Board of Directors. The Mayor serves as the Chairman of the Board of Directors. The Board Members are appointed by the City of Glen Cove Council. The officers of the Corporation are appointed by the Board of Directors and are responsible for the accountability for all fiscal matters of the Corporation. The Corporation currently has no employees. Pursuant to an Inter-Municipal Agreement, the Corporation may and does share resources of the Glen Cove Industrial Development Agency (“IDA”).

The Corporation is responsible for its own debts and entitled surpluses. The City of Glen Cove is not responsible for any debts of the Corporation.

Note 2 - Summary of Significant Accounting Policies

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

The Corporation follows the provisions of GASB Statement No. 72, “*Fair Value Measurement and Application*”, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs

Glen Cove Local Economic Assistance Corporation
(A Component Unit of the City of Glen Cove, New York)

Notes to Schedule of Cash and Investments (Concluded)
Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments consist of certificate of deposit accounts with initial maturities of greater than three months.

The Corporation was invested only in the above mentioned obligations and, accordingly, was not exposed to significant interest rate or credit risk.

Risk Disclosure

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

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

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

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

Glen Cove Local Economic Assistance Corporation
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Notes to Schedule of Cash and Investments (Concluded)
Year Ended December 31, 2023

Note 3 - Investments

Investments held by the Agency at December 31, 2023 consisted of the following:

<u>Investment Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount</u>
Certificate of deposit	July 27, 2023	January 27, 2024	<u>\$ 89,122</u>

Certificates of deposit are not subject to provisions of fair value measurements as they are recorded at cost.



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

Independent Auditors' Report

**The Board of Directors of the
Glen Cove Local Economic Assistance Corporation**

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 Schedule of Cash and Investments ("Schedule") of the Glen Cove Local Economic Assistance Corporation ("Corporation") as of December 31, 2022 and the related notes to the Schedule.

Report Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 29, 2024