

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

Financial Statements  
and Supplementary Information

December 31, 2025

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

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## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the Glen Cove Industrial Development Agency ("Agency") (A Component Unit of the City of Glen Cove, New York) as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2025 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for 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 Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Other Supplementary Information***

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Schedule of Indebtedness - Bonds and Notes, Schedule of Indebtedness - Straight-Lease Transactions and the Schedule of Payments in Lieu of Taxes but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies LLP**

Harrison, New York

March 24, 2026

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

Management's Discussion and Analysis (Unaudited)  
For the year ended December 31, 2025

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**Introduction**

As management of the Glen Cove Industrial Development Agency ("Agency", "IDA"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended December 31, 2025. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Agency's financial performance.

**Financial Highlights**

Key financial highlights for the fiscal year ended December 31, 2025, are as follows:

- The liabilities and deferred inflows of resources of the Agency exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$1,509,682.
- Net position, which reflected an overall deficit increased by \$ 81,561.
- Operating revenues decreased by \$132,723 from \$288,608 to \$155,885, representative of a decrease in administrative fee and escrow fee revenue.
- Operating expenses decreased by \$170,092 from \$430,835 to \$260,743.

**Net Position**

Net position may serve over time as a useful indicator of a government's financial position. For the Agency, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,509,682 at the close of 2025.

|                                | <u>2025</u>           | <u>2024</u>           |
|--------------------------------|-----------------------|-----------------------|
| Current Assets                 | \$ 614,296            | \$ 761,874            |
| Non-current Assets             | <u>468,405</u>        | <u>470,534</u>        |
| Total Assets                   | <u>1,082,701</u>      | <u>1,232,408</u>      |
| Deferred Outflows of Resources | <u>117,883</u>        | <u>177,233</u>        |
| Current Liabilities            | 105,906               | 152,172               |
| Long-Term Liabilities          | <u>2,317,831</u>      | <u>2,400,529</u>      |
| Total Liabilities              | <u>2,423,737</u>      | <u>2,552,701</u>      |
| Deferred Inflows of Resources  | <u>286,529</u>        | <u>285,061</u>        |
| Unrestricted Net Position      | <u>\$ (1,509,682)</u> | <u>\$ (1,428,121)</u> |

Total assets decreased by \$149,707 (12%), from \$1,232,408 at December 31, 2024 to \$1,082,701 at December 31, 2025.

In 2025 cash and equivalents, restricted cash and investments accounted for \$1,028,535 (95%) of total assets. In 2024 cash and equivalents, restricted cash and investments accounted for \$1,156,681 (94%) of total assets.

Total liabilities decreased in 2025 by \$128,964 (5%), to \$2,423,737 from \$2,552,701 in 2024.

### **Summary of Operations - Change in Net Position**

The Agency's statements of revenue, expenses and changes in net position are presented in the table below.

|                                     | <u>2025</u>           | <u>2024</u>           |
|-------------------------------------|-----------------------|-----------------------|
| <b>OPERATING REVENUES</b>           |                       |                       |
| Fees and other revenue              | \$ 155,885            | \$ 288,608            |
| <b>OPERATING EXPENSES</b>           |                       |                       |
| Salaries and benefits               | 147,413               | 194,854               |
| Contractual expenses                | 110,271               | 230,845               |
| Depreciation expense                | -                     | 608                   |
| Redevelopment costs not recoverable | <u>3,059</u>          | <u>4,528</u>          |
| Total Operating Expenses            | <u>260,743</u>        | <u>430,835</u>        |
| Loss from Operations                | (104,858)             | (142,227)             |
| <b>NON-OPERATING REVENUES</b>       |                       |                       |
| Interest income                     | <u>23,297</u>         | <u>29,944</u>         |
| Change in Net Position              | (81,561)              | (112,283)             |
| <b>NET POSITION</b>                 |                       |                       |
| Beginning                           | <u>(1,428,121)</u>    | <u>(1,315,838)</u>    |
| Ending                              | <u>\$ (1,509,682)</u> | <u>\$ (1,428,121)</u> |

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 decreased by \$132,723 from \$288,608 in 2024 to \$155,885 in 2025, while expenses decreased by \$170,092 from 2024 to 2025.

Net position serves as an indicator of the Agency's resources to conduct operations. The Agency's net position was (\$1,509,682) and (\$1,428,121) on December 31, 2025 and 2024.

For details of the Agency's finances, see the accompanying financial statements and notes thereof.

## **Overview of the Financial Statements**

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements, and Other Supplementary Information. The Financial Statements include notes, which explain in detail some of the information included in the basic financial statements.

## **Required Financial Statements**

The Financial Statements of the Agency report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles generally accepted in the United States of America. The Statement of Net Position includes information on the Corporation's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations of the Agency's (liabilities). The Statement of Revenues, Expenses and Changes in Net Position identify the Agency's revenues and expenses for the year ended December 31, 2025. This statement provides information on the Agency's operations over the past year and can be used to determine whether the Agency has operated in a surplus or deficiency.

## **Financial Analysis of the Agency**

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide an indication of the Agency's financial condition and also indicate that the financial condition of the Agency has improved or deteriorated during the last year. The Agency's net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

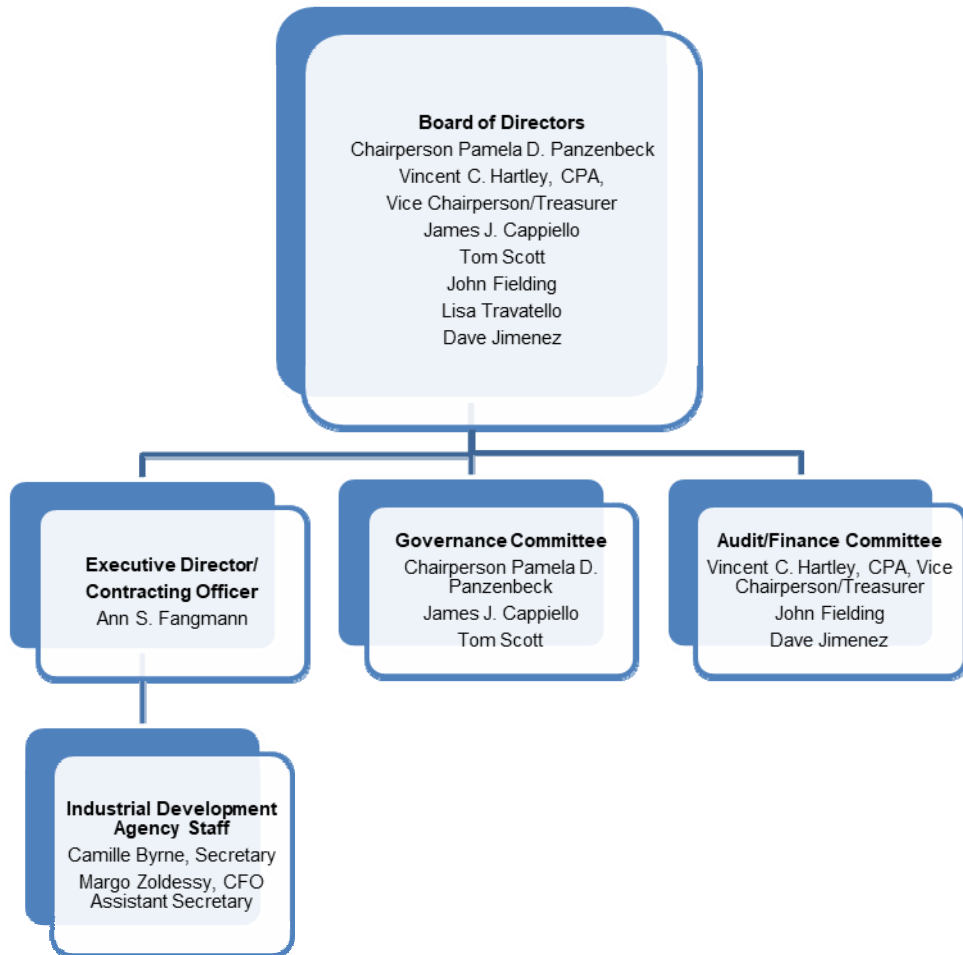
## **Debt Management**

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 conduit financing between the borrowing entities and the bond and note holders. Typically, 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.

**Organizational Chart**

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***GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY  
ORGANIZATIONAL CHART***



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

Statement of Net Position  
December 31, 2025

**ASSETS**

|                             |                  |
|-----------------------------|------------------|
| Cash and equivalents        | \$ 43,771        |
| Investments                 | 548,009          |
| Accounts receivable         | 18,950           |
| Prepaid expenses            | <u>3,566</u>     |
| Total Current Assets        | <u>614,296</u>   |
| Non-current assets          |                  |
| Land held for sale / resale | 31,650           |
| Restricted cash             | <u>436,755</u>   |
| Total Non-Current Assets    | <u>468,405</u>   |
| Total Assets                | <u>1,082,701</u> |

**DEFERRED OUTFLOWS OF RESOURCES**

|                                      |                |
|--------------------------------------|----------------|
| Pension related                      | 45,181         |
| OPEB related                         | <u>72,702</u>  |
| Total Deferred Outflows of Resources | <u>117,883</u> |

**LIABILITIES**

|   |                  |
|---|------------------|
| Accounts payable  | 33,406           |
| Accrued expenses  | 12,500           |
| Compensated absences (short-term)                         | 3,000            |
| Other post employment benefit liability (short-term)      | 44,000           |
| Unearned revenues   | 13,000           |
| Non-current liabilities                                   |                  |
| Escrow deposits   | 8,220            |
| Capital improvements deposits                             | 428,535          |
| Due to the Glen Cove Community Development Agency ("CDA") | 953,710          |
| Compensated absences                                      | 25,397           |
| Net pension liability                                     | 64,849           |
| Other post employment benefit liability                   | <u>837,120</u>   |
| Total Liabilities   | <u>2,423,737</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |                |
|-------------------------------------|----------------|
| Pension related                     | 8,052          |
| OPEB related                        | <u>278,477</u> |
| Total Deferred Inflows of Resources | <u>286,529</u> |

**NET POSITION**

|              |                       |
|--------------|-----------------------|
| Unrestricted | <u>\$ (1,509,682)</u> |
|--------------|-----------------------|

See notes to financial statements.

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

Statement of Revenues, Expenses and Change in Net Position  
Year Ended December 31, 2025

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**OPERATING REVENUES**

Fees and other revenue \$ 155,885

**OPERATING EXPENSES**

Salaries and benefits 147,413

Contractual expenses 110,271

Redevelopment costs not recoverable 3,059

Total Operating Expenses 260,743

Loss from Operations (104,858)

**NON-OPERATING REVENUES**

Interest income 23,297

Change in Net Position (81,561)

**NET POSITION**

Beginning of Year (1,428,121)

End of Year \$ (1,509,682)

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

Statement of Cash Flows  
Year Ended December 31, 2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Cash received from fees and other revenue         | \$ 181,825       |
| Cash paid for salaries and benefits               | (167,164)        |
| Cash paid for contractual expenses                | (160,916)        |
| Cash paid for redevelopment costs not recoverable | (3,059)          |
|   | <u>(149,314)</u> |
| Net Cash from Operating Activities                | <u>(149,314)</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|                               |                |
|-------------------------------|----------------|
| Capital improvements deposits | <u>(2,129)</u> |
|-------------------------------|----------------|

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                    |               |
|------------------------------------|---------------|
| Interest income                    | 23,297        |
| Purchase of investments            | (1,301,239)   |
| Sale of investments                | 1,359,066     |
|                                    | <u>81,124</u> |
| Net Cash from Investing Activities | <u>81,124</u> |
| Net Change in Cash and Equivalents | (70,319)      |

**CASH AND EQUIVALENTS**

|                   |                   |
|-------------------|-------------------|
| Beginning of year | <u>550,845</u>    |
| End of year       | <u>\$ 480,526</u> |

**RECONCILIATION OF CASH AND EQUIVALENTS  
TO THE STATEMENT OF NET POSITION**

|                            |                   |
|----------------------------|-------------------|
| Cash and equivalents       | \$ 43,771         |
| Restricted cash            | <u>436,755</u>    |
| Total Cash and Equivalents | <u>\$ 480,526</u> |

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

|  |                     |
|--|---------------------|
| Loss from operations   | \$ (104,858)        |
| Adjustments to reconcile loss from operations<br>to net cash from operating activities |                     |
| Accounts receivable  | 19,940              |
| Due from the Glen Cove Community Development Agency ("CDA")                            | 6,957               |
| Prepaid expenses   | 1,621               |
| Deferred outflows of resources - pension   | 8,849               |
| Deferred outflows of resources - OPEB  | 50,501              |
| Accounts payable   | (52,766)            |
| Accrued expenses   | 500                 |
| Unearned revenues  | 6,000               |
| Compensated absences   | (280)               |
| Other post employment benefit liability  | (97,758)            |
| Net pension liability  | 10,512              |
| Deferred inflows of resources - pension  | (31,643)            |
| Deferred inflows of resources - OPEB   | <u>33,111</u>       |
| Net Cash from Operating Activities   | <u>\$ (149,314)</u> |

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

Notes to Financial Statements  
December 31, 2025

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**Note 1 - Organization and Purpose**

The Glen Cove Industrial Development Agency (“Agency”) (“IDA”) 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 (“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.

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 Agency'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.

**Financial Reporting Entity**

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

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

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

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.

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

**Cash and Equivalents, Investments and Risk Disclosure**

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

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

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

**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.

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

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

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

**Risk Disclosure**

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

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the Agency’s deposits may not be returned to it. GASB Statement No. 40, “*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*”, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution’s trust department but not in the Agency’s name. The Agency’s aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025.

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

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

**Accounts Receivable**

Accounts receivable balances are reflected net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Agency’s best estimate of the probable losses in the existing accounts receivable balance. The Agency did not have any doubtful accounts at December 31, 2025.

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**Due From/To Other Funds** - During the course of its operations, the Agency has numerous transactions between related organizations to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2025, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Prepaid Expenses**

Prepaid items represent payments made by the Agency for which benefits extend beyond year end. These items reflect costs applicable to future accounting periods and are recorded as prepaid at the time of purchase and as an expense in the year the goods or services are consumed.

**Land held for Sale/Resale**

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

**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. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. There are no reversionary interests by the grantor in any of the assets, the date of donation in the case of gifts. The Agency capitalizes assets whose cost exceeds \$500.

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

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

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

**Unearned Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. Unearned revenues consist of amounts received in advance and/or grants received before the eligibility requirements have been met.

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

The Agency has reported unearned revenues of \$13,000 for fees received in advance.

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Agency has reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the statement of net position. These amounts are detailed in the discussion of the Agency's pension and other postemployment benefit liabilities in Note 7.

**Long-Term Liabilities**

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

**Capital Improvement Deposits**

The Garvies Point Master Homeowners Association ("HOA") is responsible for setting aside money for future capital repairs and replacement for the public amenities at the waterfront. As the Agency has oversight over the HOA's management of the public amenities, budgeted amounts have been deposited by the HOA and held by the Agency for these future capital repairs.

**Net Pension Liability (Asset)**

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

**Other Postemployment Benefit Liability ("OPEB")**

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

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**Compensated Absences**

The liability for compensated absences includes salary related payments, which have been earned for services previously rendered by employees in accordance with the Agency's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent years and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The Agency utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the Statement of Net Position as current and long-term liabilities.

**Net Position**

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

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

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

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

**Application of Restricted and Unrestricted Resources**

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

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**Use of Estimates**

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

**Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 24, 2026.

**Note 3 - Stewardship, Compliance and Accountability**

**New Accounting Pronouncement**

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the Agency's fiscal year ended December 31, 2025. The Agency has identified a concentration of activity related to the Garvies Point waterfront redevelopment project. A significant portion of the Agency's operational activities, including project oversight responsibilities and payment-in-lieu-of-tax (PILOT) arrangements, are associated with this redevelopment initiative. During the fiscal year ended December 31, 2025, an event occurred related to this concentration. Funds were utilized to make a scheduled debt service payment due January 1, 2025. Subsequent review determined that corrective transfers were required in accordance with the applicable bond indenture, resulting in the full utilization of a stabilization fund. Although the related bonds constitute conduit debt issued for the benefit of the redevelopment project and are not obligations of the Agency, adverse changes in the financial performance or cash flows of the redevelopment project could affect the Agency's administrative responsibilities and future operations. Management has evaluated this concentration and related events and determined that, as of the date the financial statements were issued, no additional events have occurred, have begun to occur, or are more likely than not to occur within 12 months that would cause a substantial impact to the Agency's financial position.

**Glen Cove Industrial Development Agency**  
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Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 4 - Investments**

Investments held in the Agency at December 31, 2025 consisted of the following:

| <u>Investment Type</u> | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Amount</u> |
|------------------------|-------------------|----------------------|---------------|
| Certificate of deposit | October 8, 2025   | April 8, 2026        | \$ 548,009    |

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

**Note 5 - 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, 2025.

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 \$2.36 M, for net cash received of \$10,238,952. These funds were used to repay the debt owed by the IDA and the Glen Cove Community Development Agency ("CDA"), to the Housing and Urban Development ("HUD"), Environmental Protection Agency ("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 ("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, 2025, the Trustee made interest payments in aggregate of \$7,978,875. The outstanding balance of the conduit debt obligations totaled \$165,466,842 at December 31, 2025.

**Note 6 - Restricted Cash**

Restricted cash consists of funds held in escrow by the Agency for various projects and activities. Funds are released as authorized invoices are presented for payment or reimbursement. The balance of these restricted escrow deposits at December 31, 2025 was \$8,220. In addition, at December 31, 2025, the Agency is holding \$428,535 in restricted cash on behalf of the Garvies Point Homeowners Association for future capital improvements as the Agency has oversight over the management of the public amenities.

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

Notes to Financial Statements (Continued)  
December 31, 2025

**Note 7 - Long-Term Liabilities**

The following table summarizes changes in the Agency’s long-term liabilities for the year ended December 31, 2025:

|   | Balance<br>January 1,<br>2025 | New Issues/<br>Additions | Maturities<br>and/or<br>Payments | Balance<br>December 31,<br>2025 | Due Within<br>One Year |
|---|-------------------------------|--------------------------|----------------------------------|---------------------------------|------------------------|
| Escrow deposits (Note 6)                                  | \$ 8,220                      | \$ -                     | \$ -                             | \$ 8,220                        | \$ -                   |
| Capital improvements deposits (Note 6)                    | 430,664                       | 13,719                   | 15,848                           | 428,535                         | -                      |
| Due to the Glen Cove Community Development Agency ("CDA") | 946,753                       | 6,957                    | -                                | 953,710                         | -                      |
| Compensated absences                                      | 28,677                        | -                        | 280 *                            | 28,397                          | 3,000                  |
| Net pension liability                                     | 54,337                        | 10,512                   | -                                | 64,849                          | -                      |
| Other post employment benefit obligations payable         | 978,878                       | 71,515                   | 169,273                          | 881,120                         | 44,000                 |
| Long-Term Liabilities                                     | <u>\$ 2,447,529</u>           | <u>\$ 102,703</u>        | <u>\$ 185,401</u>                | <u>\$ 2,364,831</u>             | <u>\$ 47,000</u>       |

\* The change in the compensated absences liability is presented as a net change.

**Compensated Absences**

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued when incurred. At December 31, 2025, the Agency had a compensated absences liability for accumulated unpaid vacation and sick pay of \$28,397.

**Pension Plans**

*New York State and Local Employee’s Retirement System*

The Agency participates in the New York State and Local Employees’ Retirement System (“ERS”) (“System”). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service.

**Glen Cove Industrial Development Agency**  
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Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 7 - Long-Term Liabilities** (Continued)

Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ended March 31, 2025 are as follows:

| <u>Tier/Plan</u> | <u>Rate</u> |
|------------------|-------------|
| 4 A15            | 17.6 %      |
| 6 A15            | 11.2        |

At December 31, 2025, the Agency reported the following for its proportionate share of the net pension liability for ERS:

| <u>Measurement date</u>                               | <u>March 31, 2025</u> |
|---|-----------------------|
| Net pension liability                                 | \$ 64,849             |
| Agency's proportion of the net pension liability      | 0.0003782 %           |
| Change in proportion since the prior measurement date | 0.0000092 %           |

The net pension liability was measured as of March 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2025, the Agency recognized its proportionate pension expense of \$11,735.

At December 31, 2025, the Agency reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience  | \$ 16,096                             | \$ 759                               |
| Changes of assumptions  | 2,720                                 | -                                    |
| Net difference between projected and actual earnings on pension plan investments                            | 5,088                                 | -                                    |
| Changes in proportion and differences between Agency contributions and proportionate share of contributions | 2,447                                 | 7,293                                |
| Agency contributions subsequent to the measurement date   | <u>18,830</u>                         | <u>-</u>                             |
|   | <u>\$ 45,181</u>                      | <u>\$ 8,052</u>                      |

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

Notes to Financial Statements (Continued)  
 December 31, 2025

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**Note 7 - Long-Term Liabilities** (Continued)

\$18,830 reported as deferred outflows of resources related to ERS resulting from the Agency’s accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

| Year Ended<br>March 31, |           |               |
|-------------------------|-----------|---------------|
| 2026                    | \$        | 8,237         |
| 2027                    |           | 15,470        |
| 2028                    |           | (6,389)       |
| 2029                    |           | 981           |
| 2030                    |           | -             |
| Thereafter              |           | -             |
|                         | <u>\$</u> | <u>18,299</u> |

The total pension liability for the March 31, 2025 measurement date was determined by using an actuarial valuation as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

|                            |                |
|----------------------------|----------------|
| Measurement date           | March 31, 2025 |
| Actuarial valuation date   | April 1, 2024  |
| Investment rate of return  | 5.9%           |
| Salary scale               | 4.3%           |
| Inflation rate             | 2.9%           |
| Cost of living adjustments | 1.5%           |

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

Annuitant mortality rates are based on the System experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020.

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

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

**Glen Cove Industrial Development Agency**  
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Notes to Financial Statements (Continued)  
December 31, 2025

**Note 7 - Long-Term Liabilities** (Continued)

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

| Asset Type                  | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Domestic Equity             | 25 %              | 3.54 %                                 |
| International Equity        | 14                | 6.57                                   |
| Private Equity              | 15                | 7.25                                   |
| Real Estate                 | 12                | 4.95                                   |
| Opportunistic/ARS Portfolio | 3                 | 5.25                                   |
| Credit                      | 4                 | 5.40                                   |
| Real Assets                 | 4                 | 5.55                                   |
| Fixed Income                | 22                | 2.00                                   |
| Cash                        | 1                 | 0.25                                   |
|                             | <u>100 %</u>      |  |

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

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

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

|   | 1%<br>Decrease<br>(4.9%) | Current<br>Discount Rate<br>(5.9%) | 1%<br>Increase<br>(6.9%) |
|---|--------------------------|------------------------------------|--------------------------|
| Agency's proportionate share of the net pension liability (asset) | <u>\$ 187,682</u>        | <u>\$ 64,849</u>                   | <u>\$ (37,716)</u>       |

**Glen Cove Industrial Development Agency**  
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Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 7 - Long-Term Liabilities** (Continued)

The components of the collective net pension liability of ERS as of the March 31, 2025 measurement date were as follows:

|  | <u>ERS</u>               |
|--|--------------------------|
| Total pension liability  | \$ 247,600,239,000       |
| Fiduciary net position   | <u>230,454,512,000</u>   |
| Employers' net pension liability                                     | <u>\$ 17,145,727,000</u> |
| Fiduciary net position as a<br>percentage of total pension liability | <u>93.08%</u>            |

Employer contributions to ERS are paid annually and cover the period through the end of the ERS's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2025 represent the projected employer contribution for the period of April 1, 2025 through December 31, 2025 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2025 were \$18,830.

*Voluntary Defined Contribution Plan*

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

**Other Postemployment Benefit Liability ("OPEB")**

In addition to providing pension benefits, the Agency provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Agency may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Agency and the retired employee as noted below. Substantially all of the Agency's employees may become eligible for those benefits if they reach normal retirement age while working for the Agency. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2025, the following employees were covered by the benefit terms:

|                   |           |
|-------------------|-----------|
| Active employees  | 7         |
| Retired employees | <u>7</u>  |
|                   | <u>14</u> |

**Glen Cove Industrial Development Agency**  
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Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 7 - Long-Term Liabilities** (Continued)

The Agency’s total OPEB liability of \$881,120 was measured as of December 31, 2025, and was determined by an actuarial valuation as of December 31, 2025.

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |  |
|--|--|
| Inflation                                | 3.30%  |
| Salary increases                         | 3.30%  |
| Discount rate                            | 4.43%  |
| Healthcare cost trend rates              | 4.75% for 2025, decreasing by up to .5% per year to an ultimate rate of 4.5% |
| Retirees' share of benefit-related costs | Varies depending on applicable retirement year and bargaining unit           |

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

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

The actuarial assumptions used in the December 31, 2022 valuation for turnover and retirement for ERS was based on the April 1, 2015 to March 31, 2020 experience study released by the Retirement Systems Actuary and published in their August 2020 report.

The Agency’s change in the total OPEB liability for the year ended December 31, 2025 is as follows:

|  |    |                 |
|--|----|-----------------|
| Total OPEB Liability - Beginning of Year           | \$ | 978,878         |
| Service cost                                       |    | 34,000          |
| Interest   |    | 37,515          |
| Changes of benefit terms                           |    | -               |
| Differences between expected and actual experience |    | (106,837)       |
| Changes in assumptions or other inputs             |    | (18,384)        |
| Benefit payments                                   |    | <u>(44,052)</u> |
| Total OPEB Liability - End of Year                 | \$ | <u>881,120</u>  |

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.43%) or 1 percentage point higher (5.43%) than the current discount rate:

|                      | 1%<br>Decrease<br>(3.43%)   | Current<br>Discount Rate<br>(4.43%) | 1%<br>Increase<br>(5.43%)   |
|----------------------|-----------------------------|-------------------------------------|-----------------------------|
|                      | <u>                    </u> | <u>                    </u>         | <u>                    </u> |
| Total OPEB Liability | \$ 1,015,881                | \$ 881,120                          | \$ 772,403                  |

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

Notes to Financial Statements (Continued)  
December 31, 2025

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**Note 7 - Long-Term Liabilities** (Continued)

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.75% decreasing to 3.50%) or 1 percentage point higher (5.75% decreasing to 5.50%) than the current healthcare cost trend rates:

|                      | 1%<br>Decrease<br>(3.75% decreasing<br>to 3.50%) | Current<br>Healthcare<br>Cost Trend<br>Rates<br>(4.75% decreasing<br>to 4.50%) | 1%<br>Increase<br>(5.75% decreasing<br>to 5.50%) |
|----------------------|--|--|--|
| Total OPEB Liability | \$ 742,119                                       | \$ 881,120   | \$ 1,059,783                                     |

For the year ended December 31, 2025, the Agency recognized OPEB expense of \$32,221. At December 31, 2025, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes of assumptions or other inputs             | \$ 30,138                            | \$ 235,185                          |
| Differences between expected and actual experience | 42,564                               | 43,292                              |
|  | <u>\$ 72,702</u>                     | <u>\$ 278,477</u>                   |

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

| Year Ended<br>December 31, |                     |
|----------------------------|---------------------|
| 2026                       | \$ (33,077)         |
| 2027                       | (33,077)            |
| 2028                       | (44,487)            |
| 2029                       | (38,766)            |
| 2030                       | (22,481)            |
| Thereafter                 | <u>(33,887)</u>     |
|                            | <u>\$ (205,775)</u> |

**Glen Cove Industrial Development Agency**  
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Notes to Financial Statements (Concluded)  
December 31, 2025

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**Note 8 - Related Parties**

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

As of December 31, 2025, \$953,710 was due to the CDA for the Waterfront Development expenditures financed by the CDA's Community Development Block Grant and other grants.

**Administrative Fee**

The operations of the Glen Cove Local Economic Assistance Corporation are administered by the Agency. A fee amounting to \$2,000 was received by the Agency for the services provided in 2025.

**Note 9 - Commitments and Contingencies**

**Litigation**

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

**Note 10 - Risk Management**

The Agency has conventional liability insurance coverage through the City and also purchases insurance coverage for employees, directors and officers.

**Note 11 - Recently Issued GASB Pronouncements**

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", has been issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 105, "*Subsequent Events*", has been issued to improve the financial reporting requirements for subsequent events (recognized/nonrecognized), thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods between after June 15, 2026.

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

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

Required Supplementary Information

December 31, 2025

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

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

|  | <u>2025</u>       | <u>2024</u>       | <u>2023</u>         | <u>2022</u>       |
|--|-------------------|-------------------|---------------------|-------------------|
| Total OPEB Liability:  |                   |                   |                     |                   |
| Service cost   | \$ 34,000         | \$ 39,889         | \$ 42,900           | \$ 66,855         |
| Interest   | 37,515            | 38,776            | 40,658              | 24,921            |
| Changes of benefit terms   | -                 | -                 | -                   | -                 |
| Differences between expected and actual experience               | (106,837)         | (32,586)          | 33,687              | 36,821            |
| Changes of assumptions or other inputs *                         | (18,384)          | (39,114)          | 43,002              | (263,585) (4)     |
| Benefit payments   | <u>(44,052)</u>   | <u>(43,391)</u>   | <u>(37,274)</u>     | <u>(33,720)</u>   |
| Net Change in Total OPEB Liability                               | (97,758)          | (36,426)          | 122,973             | (168,708)         |
| Total OPEB Liability – Beginning of Year                         | <u>978,878</u>    | <u>1,015,304</u>  | <u>892,331</u>      | <u>1,061,039</u>  |
| Total OPEB Liability – End of Year                               | <u>\$ 881,120</u> | <u>\$ 978,878</u> | <u>\$ 1,015,304</u> | <u>\$ 892,331</u> |
| City's covered-employee payroll                                  | <u>\$ 141,260</u> | <u>\$ 136,820</u> | <u>\$ 125,322</u>   | <u>\$ 124,377</u> |
| Total OPEB liability as a percentage of covered-employee payroll | <u>623.76%</u>    | <u>715.45%</u>    | <u>810.16%</u>      | <u>717.44%</u>    |
| * Discount Rate  | <u>4.43%</u>      | <u>4.28%</u>      | <u>4.00%</u>        | <u>4.31%</u>      |

Notes to Schedule:

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

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

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

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

See independent auditors' report.

| <u>2021</u>         | <u>2020</u>         | <u>2019</u>       | <u>2018</u>        |
|---------------------|---------------------|-------------------|--------------------|
| \$ 62,362           | \$ 43,868           | \$ 39,114         | \$ 38,115          |
| 21,029              | 30,026              | 28,336            | 23,020             |
| -                   | -                   | -                 | -                  |
| -                   | (17,726)            | -                 | -                  |
| (57,620)            | 158,662             | 187,725           | (53,759)           |
| <u>(30,807)</u>     | <u>(29,321)</u>     | <u>(28,082)</u>   | <u>(23,542)</u>    |
| (5,036)             | 185,509             | 227,093           | (16,166)           |
| <u>1,066,075</u>    | <u>880,566</u>      | <u>653,473</u>    | <u>669,639</u> (3) |
| <u>\$ 1,061,039</u> | <u>\$ 1,066,075</u> | <u>\$ 880,566</u> | <u>\$ 653,473</u>  |
| <u>\$ 120,940</u>   | <u>\$ 113,768</u>   | <u>\$ 116,109</u> | <u>\$ 88,803</u>   |
| <u>877.33%</u>      | <u>937.06%</u>      | <u>758.40%</u>    | <u>735.87%</u>     |
| <u>2.25%</u>        | <u>1.93%</u>        | <u>3.26%</u>      | <u>3.64%</u>       |

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

Required Supplementary Information  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years

Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset) (1)

|  | 2025 (4)   | 2024 (3)   | 2023 (4)   | 2022 (3)    |
|--|------------|------------|------------|-------------|
| Agency's proportion of the net pension liability (asset)   | 0.0003782% | 0.0003690% | 0.0004458% | 0.0004096%  |
| Agency's proportionate share of the net pension liability (asset)  | \$ 64,849  | \$ 54,337  | \$ 95,592  | \$ (33,483) |
| Agency's covered payroll   | \$ 99,616  | \$ 99,312  | \$ 87,253  | \$ 86,137   |
| Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 65.10%     | 54.71%     | 109.56%    | (38.87%)    |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                       | 93.08%     | 93.88%     | 90.78%     | 103.65%     |
| Discount Rate  | 5.90%      | 5.90%      | 5.90%      | 5.90%       |

Schedule of Contributions

|  | 2025       | 2024       | 2023      | 2022      |
|--|------------|------------|-----------|-----------|
| Contractually required contribution                                  | \$ 18,534  | \$ 14,966  | \$ 11,718 | \$ 15,693 |
| Contributions in relation to the contractually required contribution | (18,534)   | (14,966)   | (11,718)  | (15,693)  |
| Contribution excess  | \$ -       | \$ -       | \$ -      | \$ -      |
| Agency's covered payroll   | \$ 101,152 | \$ 102,773 | \$ 98,571 | \$ 86,310 |
| Contributions as a percentage of covered payroll                     | 18.32%     | 14.56%     | 11.89%    | 18.18%    |

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

(2) Increase in the Agency's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses, and by a decrease in the discount rate from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

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

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

See independent auditors' report.

| <u>2021 (3)</u>   | <u>2020 (2)</u>   | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       | <u>2016</u>       |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>0.0004702%</u> | <u>0.0004465%</u> | <u>0.0004801%</u> | <u>0.0002401%</u> | <u>0.0002710%</u> | <u>0.0002276%</u> |
| <u>\$ 468</u>     | <u>\$ 118,230</u> | <u>\$ 34,018</u>  | <u>\$ 3,465</u>   | <u>\$ 18,926</u>  | <u>\$ 36,534</u>  |
| <u>\$ 116,270</u> | <u>\$ 117,776</u> | <u>\$ 117,399</u> | <u>\$ 45,574</u>  | <u>\$ 70,647</u>  | <u>\$ 55,390</u>  |
| <u>0.40%</u>      | <u>100.39%</u>    | <u>28.98%</u>     | <u>7.60%</u>      | <u>26.79%</u>     | <u>65.96%</u>     |
| <u>99.95%</u>     | <u>86.39%</u>     | <u>96.27%</u>     | <u>98.24%</u>     | <u>94.70%</u>     | <u>90.70%</u>     |
| <u>5.90%</u>      | <u>6.80%</u>      | <u>7.00%</u>      | <u>7.00%</u>      | <u>7.00%</u>      | <u>7.00%</u>      |

| <u>2021</u>       | <u>2020</u>       | <u>2019</u>       | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      |
|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| <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>(15,457)</u>   | <u>(16,186)</u>   | <u>(15,688)</u>   | <u>(13,664)</u>  | <u>(12,038)</u>  | <u>(7,028)</u>   |
| <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| <u>\$ 116,270</u> | <u>\$ 117,776</u> | <u>\$ 117,399</u> | <u>\$ 45,574</u> | <u>\$ 70,647</u> | <u>\$ 55,390</u> |
| <u>13.29%</u>     | <u>13.74%</u>     | <u>13.36%</u>     | <u>29.98%</u>    | <u>17.04%</u>    | <u>12.69%</u>    |

## 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.

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**  
(A Component Unit of the City of Glen Cove, New York)

Other Supplementary Information  
Schedule of Indebtedness - Bonds and Notes  
December 31, 2025

| <u>Project Name<br/>Owner Name and Address</u> | <u>Issue<br/>Date</u> | <u>Maturity<br/>Date</u> | <u>Interest<br/>Rate</u> | <u>Original<br/>Issue</u> | <u>Balance at<br/>January 1,<br/>2025</u> |
|--|-----------------------|--------------------------|--------------------------|---------------------------|---|
| RXR - Garvies Point (GCLEAC)                   | 11/16                 | 1/56                     | 5.00%                    | \$ 27,020,000             | \$ 27,020,000                             |
| 625 RXR Plaza                                  | 11/16                 | 1/29                     | 6.00%                    | 22,531,396                | 33,034,332                                |
| Uniondale, NY 11556                            | 11/16                 | 1/32                     | 5.63%                    | 71,336,437                | 105,820,000                               |
|  | 11/16                 | 1/56                     | 5.50%                    | <u>3,675,000</u>          | <u>-</u>                                  |
| Totals   |                       |                          |                          | <u>\$ 124,562,833</u>     | <u>\$ 165,874,332</u>                     |

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

| Retired in<br>2025  | Accreted<br>Interest | Balance at<br>December 31,<br>2025 |
|---------------------|----------------------|------------------------------------|
| \$ -                | \$ -                 | \$ 27,020,000                      |
| 1,636,465           | 1,228,975            | 32,626,842                         |
| -                   | -                    | 105,820,000                        |
| -                   | -                    | -                                  |
| <u>\$ 1,636,465</u> | <u>\$ 1,228,975</u>  | <u>\$ 165,466,842</u>              |

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

Other Supplementary Information  
Schedule of Indebtedness - Straight-Lease Transactions  
December 31, 2025

| <u>Project Name<br/>Owner Name and Address</u>                                   | <u>Total<br/>Amount of<br/>Lease</u> | <u>Project<br/>Purpose<br/>Code</u> | <u>Original<br/>Estimate of<br/>Jobs to be<br/>Created</u> | <u>Original<br/>Estimate of<br/>Jobs to be<br/>Retained</u> |
|--|--------------------------------------|-------------------------------------|--|---|
| <b>Fairfield Glen Cove South</b><br>538 Broadhollow Road<br>Melville, NY 11747   | \$ 67,836,474                        | 6                                   | 8  | 0   |
| <b>Glen Cove TDG</b><br>7600 Jericho Turnpike Suite<br>110<br>Woodbury, NY 11797 | 5,523,135                            | 6                                   | 8  | 8   |
| <b>Fair Housing</b><br>33 Front Street<br>Hempstead, NY 11550                    | 50,000                               | 6                                   | 0  | 1   |
| <b>Samuel Pierce</b><br>1551 Franklin Avenue (1st Fl)<br>Mineola, NY 11501       | 347,301                              | 6                                   | 2  | 1   |
| <b>RXR Village Square</b><br>625 RXR Plaza<br>Uniondale, NY 11556                | 48,831,467                           | 6                                   | 10   | 0   |
| <b>Georgica Green</b><br>50 Quadrangle (Suite 118)<br>Jericho, NY 11753          | 31,713,518                           | 2                                   | 2  | 0   |

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| Tax Exemptions |                   |              |           |                    |                  |  |
|----------------|-------------------|--------------|-----------|--------------------|------------------|--|
| County         | Real Property Tax |              | Sales Tax | Mortgage Recording | Total Exemptions |  |
|                | Local             | School       |           |                    |                  |  |
| \$ 103,348     | \$ 655,120        | \$ 1,707,931 | \$ -      | \$ -               | \$ 2,466,399     |  |
| 22,755         | 33,205            | 98,835       | -         | -                  | 154,795          |  |
| 26,884         | 40,855            | 108,503      | -         | -                  | 176,242          |  |
| 12,877         | 81,114            | 219,090      | -         | -                  | 313,081          |  |
| 17,173         | 256,571           | 693,002      | -         | -                  | 966,746          |  |
| 29,579         | 77,445            | 209,167      | -         | -                  | 316,191          |  |

(Continued)

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

Other Supplementary Information  
Schedule of Indebtedness - Straight-Lease Transactions (Continued)  
December 31, 2025

| <u>Project Name<br/>Owner Name and Address</u>                   | <u>Total<br/>Amount of<br/>Lease</u> | <u>Project<br/>Purpose<br/>Code</u> | <u>Original<br/>Estimate of<br/>Jobs to be<br/>Created</u> | <u>Original<br/>Estimate of<br/>Jobs to be<br/>Retained</u> |
|--|--------------------------------------|-------------------------------------|--|---|
| <b>RXR Garvies Point</b><br>625 RXR Plaza<br>Uniondale, NY 11556 | 1,000,000,000                        | 6                                   | 222  | 0   |
| <b>The Regency</b><br>94 School Street<br>Glen Cove, NY 11542    | 15,500,000                           | 2                                   | 16   | 0   |

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

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| Tax Exemptions |                   |              |           |                    |                  |
|----------------|-------------------|--------------|-----------|--------------------|------------------|
| County         | Real Property Tax |              | Sales Tax | Mortgage Recording | Total Exemptions |
|                | Local             | School       |           |                    |                  |
| \$ 754,315     | \$ 2,303,151      | \$ 5,574,169 | \$ 5,155  | \$ -               | \$ 8,636,790     |
| 85,805         | 107,213           | 298,201      | -         | -                  | 491,219          |

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

Other Supplementary Information  
Schedule of Payments in Lieu of Taxes  
December 31, 2025

| Project   | Total PILOT         | County            | Local               | School              |
|---|---------------------|-------------------|---------------------|---------------------|
| The Regency   | \$ 525,646          | \$ 91,819         | \$ 114,727          | \$ 319,100          |
| Fairfield Glen Cove South                               | 1,747,689           | 73,232            | 464,218             | 1,210,239           |
| TDG Glen Cove LLC                                       | 79,235              | 11,648            | 16,997              | 50,590              |
| Fair Housing  | 76,409              | 11,656            | 17,712              | 47,041              |
| RXR Garvies*  | 4,516,285           | 73,387            | 1,717,700           | 2,725,198           |
| Puntillo  | 61,957              | 2,548             | 16,052              | 43,357              |
| RXR Village Square                                      | 172,286             | 3,060             | 45,724              | 123,502             |
| Georgica Green*   | 64,441              | 1,047             | 24,509              | 38,885              |
| 145 Glen Cove Owner LLC -<br>The Villas at Glen Cove ** | 161,499             | 18,213            | 38,717              | 104,569             |
| <b>Totals</b>   | <b>\$ 7,405,447</b> | <b>\$ 286,610</b> | <b>\$ 2,456,356</b> | <b>\$ 4,662,481</b> |

\*All actual PILOT revenue received paid for Bond expense. No PILOT revenue was received by affected jurisdictions.

Schedule of Exemptions

|   |                      |                     |                     |                     |
|---|----------------------|---------------------|---------------------|---------------------|
| The Regency   | \$ 491,219           | \$ 85,805           | \$ 107,213          | \$ 298,201          |
| Fairfield Glen Cove South                               | 2,466,399            | 103,348             | 655,120             | 1,707,931           |
| TDG Glen Cove LLC                                       | 154,795              | 22,755              | 33,205              | 98,835              |
| Fair Housing  | 176,242              | 26,884              | 40,855              | 108,503             |
| RXR Garvies   | 8,631,635            | 754,315             | 2,303,151           | 5,574,169           |
| Puntillo  | 313,081              | 12,877              | 81,114              | 219,090             |
| RXR Village Square                                      | 966,746              | 17,173              | 256,571             | 693,002             |
| Georgica Green  | 316,191              | 29,579              | 77,445              | 209,167             |
| 145 Glen Cove Owner LLC -<br>The Villas at Glen Cove ** | 140,693              | 15,867              | 33,729              | 91,097              |
| <b>Totals</b>   | <b>\$ 13,657,001</b> | <b>\$ 1,068,603</b> | <b>\$ 3,588,403</b> | <b>\$ 8,999,995</b> |

\*\* The PILOT was terminated in March 2025 and the amount shown reflects the PILOTS and taxes paid in 2025. The 2025 PILOT amount was the same as the base taxes for the property.

See independent auditors' report.

**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.

**National Healthplex (Glen Cove Regency) - 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 \$525,646 in 2025 and reported 81 FTEs. 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 2025:

**PAYMENTS MADE BY THE GC REGENCY**

|              | <u>PILOT</u>      | <u>EXEMPTIONS</u> |
|--------------|-------------------|-------------------|
| County       | \$ 91,819         | \$ 85,805         |
| Local        | 114,727           | 107,213           |
| School       | 319,100           | 298,201           |
| <b>Total</b> | <b>\$ 525,646</b> | <b>\$ 491,219</b> |

**Fairfield Glen Cove South Owner LLC**

In 2025, 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       | \$ 73,232           | \$ 103,348          |
| Local        | 464,218             | 655,120             |
| School       | 1,210,239           | 1,707,931           |
| <b>Total</b> | <b>\$ 1,747,689</b> | <b>\$ 2,466,399</b> |

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.

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. PILOT Payments of \$1,747,689 were paid in 2025. IDA staff conducted an on- site visit of the Fairfield South property in October 2022. In 2025, 15.25 total FTEs were reported, with 6.25 retained and 7.5 FTE’s created.

**TDG Glen Cove LLC**

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 \$79,235 in tax payments in 2025 and reported 30 FTEs. 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 | \$ 11,648        | \$ 22,755         |
| Local  | 16,997           | 33,205            |
| School | <u>50,590</u>    | <u>98,835</u>     |
| Total  | <u>\$ 79,235</u> | <u>\$ 154,795</u> |

## Fair Housing Development Fund Corporation

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 2025 a PILOT payment of \$181,409 was paid and reported 3 FTE’s. The corporate address of JMI Management Co. Inc 1983 Marcus Ave Suite 137 Lake Success, NY 11042. The following are the real property tax payments and tax exemptions:

### PAYMENTS MADE BY FAIR HOUSING

|              | PILOT             | EXEMPTIONS        |
|--------------|-------------------|-------------------|
| County       | \$ 116,656        | \$ 26,884         |
| Local        | 17,712            | 40,855            |
| School       | 47,041            | 108,503           |
| <b>Total</b> | <b>\$ 181,409</b> | <b>\$ 176,242</b> |

## RXR Garvies

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 \$4,828,310 in PILOT payments for the Garvies Point Project. All revenue was used to pay bond expense and the taxing jurisdictions received \$0 in PILOT Project Code (2801- 01A-2016). In 2025, \$62,950 was also paid to MuniCap, the administrator for the bonds, and **UMB Bank N.A**, the Bond Trustee, for fees. The original Bond Trustee of the **Bank of NY Mellon** was replaced in 2024. ~\$1,506,087 had originally been drawn from the Debt Service Reserve Fund (DSRF) to pay off debt service requirements that were due on the bonds as of January 1, 2025. A Significant Event Notice detailing this transfer was posted on EMMA January 6th. Subsequently, it was determined that the Stabilization Fund, which held ~7.5M, should have first been used to pay off the interest due on the bonds and then go to the Turbo Redemption Fund (TRF) to partially pay off principal on the Series 2016B Bonds as outlined in the Indenture. Thus, ~\$1,506,087 was transferred from Stabilization back to the DSRF and the remaining \$5,310,000 was transferred from Stabilization to the TRF to partially pay off the Series B Bonds. The Stabilization Fund is now completely expended. This was a one-time event.

RXR reported 46 construction jobs with a total of 55.5 FTEs retained and 42.5 FTEs created for a total of 98 FTEs. 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 | \$ 73,387           | \$ 754,315          |
| Local  | 1,717,700           | 2,303,151           |
| School | <u>2,725,198</u>    | <u>5,574,169</u>    |
| Total  | <u>\$ 4,516,285</u> | <u>\$ 8,631,635</u> |

Pursuant to the bond indenture associated with the Garvies Point project, PILOT payments are pledged to the repayment of project debt. Accordingly, all PILOT revenue received during the year was applied to bond-related expenses and no amounts were distributed to affected taxing jurisdictions.

**Michael S. Puntillo Development Company**

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. PILOT Payments of \$61,957 were paid in 2025. In 2025, 4 FTEs 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 2025, 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 | \$ 2,548         | \$ 12,877         |
| Local  | 16,052           | 81,114            |
| School | <u>43,357</u>    | <u>219,090</u>    |
| Total  | <u>\$ 61,957</u> | <u>\$ 313,081</u> |

**RXR Village Square Owner LLC**

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 \$172,286 in 2025 and reported 49 FTEs created and 8 retained for a total of 57 FTEs in 2025. 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 VILLAGE SQUARE**

|        | <u>PILOT</u>      | <u>EXEMPTIONS</u> |
|--------|-------------------|-------------------|
| County | \$ 3,060          | \$ 17,173         |
| Local  | 45,724            | 256,571           |
| School | <u>123,502</u>    | <u>693,002</u>    |
| Total  | <u>\$ 172,286</u> | <u>\$ 966,746</u> |

**145 Glen Cove Owner LLC - The Villas at Glen Cove**

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

Following an additional forbearance period in early 2025, a Notice of Termination was issued to the project owner on March 17, 2025, documenting the Agency’s intent to terminate the sublease and other related documents as of the same date. Following this termination, the property owner, who is joining with another entity as 145 Glen Cove Owner (OZ), LLC submitted a new application for financial assistance to the IDA Board in September 2025. On November 25, 2025, the IDA Board approved a Preliminary Resolution for that application and began due diligence. The City Council approved another extension of the Building Permit to December 4, 2026.

PILOT and tax payments of \$161,499 were paid in 2025. The company reported 81 construction jobs in 2024. The PILOT was terminated as of March 2025. The corporate address of 135 Glen Cove Ave 2188 Kirby Lane Muttontown, NY 11791.

**PAYMENTS MADE BY 145 GLEN COVE OWNER LLC**

|        | <u>PILOT</u>      | <u>EXEMPTIONS</u> |
|--------|-------------------|-------------------|
| County | \$ 18,213         | \$ 15,867         |
| Local  | 38,717            | 33,729            |
| School | <u>104,569</u>    | <u>91,097</u>     |
| Total  | <u>\$ 161,499</u> | <u>\$ 140,693</u> |

**Georgica Green Ventures LLC**

In August 2020, the IDA granted sales and mortgage tax exemptions to the Georgica Green Ventures LLC (GGV) affordable housing project at Garvies Point. This project provides 55 units of affordable rental housing 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 Payment in Lieu of Taxes (PILOT) extension. Block G, now known as The Green, was completed in 2023, with the housing lottery held in early 2023. A ribbon cutting was held in November 2023, attended by the Mayor’s Office, Glen Cove Community Development Agency/Industrial Development Agency (CDA/IDA), Nassau County local and State officials, and many others. The units are fully leased, with the developer’s management company working off a wait list. The CDA’s Housing Choice Voucher Program Office was able to relocate or accommodate 20+ voucher holders from its wait

list. Forty units are available to residents earning up to 60% of the area median income (AMI), six units to residents earning up to 100% AMI, and eight units are reserved for Section 8 Project Based Vouchers.

In 2025 1.5 FTE retained jobs was reported and \$0 reported in sales tax exemption. Bond expenses of \$24,842 were reported in 2025. PILOT payments of \$64,441 were paid in 2025. The corporate address of Georgica Green is 50 Quadrangle, Suite 118, Jericho, New York 11753. The project is now completed and occupied.

PAYMENTS MADE BY GEORGICA GREEN

|        | <u>PILOT</u>     | <u>EXEMPTIONS</u> |
|--------|------------------|-------------------|
| County | \$ 1,047         | \$ 29,579         |
| Local  | 24,509           | 77,445            |
| School | <u>38,885</u>    | <u>209,167</u>    |
| Total  | <u>\$ 64,441</u> | <u>\$ 316,191</u> |

All actual PILOT revenue received paid for bond expense. No PILOT revenue was received by affected jurisdictions.



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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Glen Cove Industrial Development Agency ("Agency") which comprise the statement of net position as of December 31, 2025 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2026.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency'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 24, 2026