

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

Financial Statements  
and Supplementary Information

December 31, 2025

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

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## Independent Auditors' Report

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

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

#### ***Opinion***

We have audited the financial statements of the Glen Cove Local Economic Assistance Corporation ("Corporation") (A Component Unit of the City of Glen Cove, New York) as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Corporation'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 Corporation 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 Opinions***

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

#### ***Responsibilities of Management for the 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 Corporation'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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 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 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 Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies LLP**

Harrison, New York

March 24, 2026

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

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

The following Management's Discussion and Analysis ("MD&A") of the Glen Cove Local Economic Assistance Corporation ("Corporation") provides an introduction and overview of the financial statements of the Corporation for the year ended December 31, 2025. Management's Discussion and Analysis is Required Supplementary Information specified in the Governmental Accounting Standards Board ("GASB") Statement No. 34. Following this MD&A are the annual financial statements of the Corporation together with the notes to financial statements which are important to understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with the understanding of the Corporation's financial operations.

**Financial Highlights for the Year 2025**

- The Corporation's net position decreased by \$893 from \$93,524 to \$92,631.
- Operating revenues increased by \$55,000 from \$2,000 to \$57,000.
- Operating expenses increased by \$55,149 from \$6,521 to \$61,670.

**Summary of Operations**

	Years Ended December 31,	
	2025	2024
<b>OPERATING REVENUES</b>		
Administrative fees	\$ 57,000	\$ 2,000
<b>OPERATING EXPENSES</b>		
Administrative expenses	61,670	6,521
Loss from Operations	(4,670)	(4,521)
<b>NON-OPERATING REVENUES</b>		
Interest income	3,777	4,137
Change in Net Position	(893)	(384)
<b>NET POSITION</b>		
Beginning of Year	93,524	93,908
End of Year	\$ 92,631	\$ 93,524

**Financial Position Summary**

Net position serves as an indicator of the Corporation's resources to conduct operations. The Corporation's net position was \$92,631 and \$93,524 on December 31, 2025 and 2024, respectively.

For details of the Corporation'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 Corporation 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 to the Corporation's creditors (liabilities). The Statement of Revenues, Expenses and Changes in Net Position identify the Corporation's revenues and expenses for the year ended December 31, 2025. This statement provides information on the Corporation's operations over the past year and can be used to determine whether the Corporation 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 Corporation's financial condition and also indicate that the financial condition of the Corporation has improved or deteriorated during the last year. The Corporation'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 Corporation may issue taxable and tax-exempt revenue bonds. The bonds are non-recourse obligations of the Corporation, and the Corporation 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.

### **Major Initiatives**

In 2014, the City created a new corporation the **Glen Cove Local Economic Assistance Corporation**, ("GCLEAC") to assist the National Healthplex, (d/b/a "The Regency at Glen Cove"). The Glen Cove LDC closed on an existing not-for-profit agency, the National Healthplex; (d/b/a "The Regency at Glen Cove"). The Regency signed an Amended and restated Healthcare Facility Note of \$32,487,700, on April 19, 2016. The Note has an interest rate of 4.20% and the term is for 40 years. The ability to refinance their debt has allowed the Regency to a) increase the assisted living unit count by three units from 96 to 99 units; b) create additional common space and other aesthetic and functional improvements within the building; c) improve the School Street façade and construct 22 memory care units (making the total unit count 121). The improvements should significantly enhance the quality of life for the residents. As a result of the new memory care unit, Safe Harbor, completed in 2019 with ribbon cutting commemorating the official grand opening on January 23, 2020. The original project estimate of 16 jobs to be created has been well exceeded to date. LDC staff receive updates from The Regency at Glen Cove Inter-Agency Council meetings, typically held monthly throughout the year. The Regency reported 81 Full Time

Equivalent (FTE) jobs in 2025. A site visit was last conducted June 2023; site improvements and jobs were validated. An additional site visit was conducted June 2025.

On November 22, 2016, the LDC closed on a series of four Revenue bonds totaling \$124,562,833. These funds were raised from a Public Bond Offering to assist the Glen Cove IDA in its obligation to provide infrastructure and public amenities for the **Waterfront Revitalization Project (Garvies Point) Garvies Point Project**. The repayment of the bonds is solely from the PILOT payments on the property, payable by the individual property owners. These bonds are nonrecourse to the City and its Agencies. As of December 31, 2020, Phase I and Phase II of the public amenities was 99% complete. The IDA closed on the **Waterfront Revitalization Project (Garvies Point)** in November 2016 and continues to work with RXR Glen Isle Partners LLC (RXR) in constructing the Public Amenities and green space for use by the residents of Glen Cove. Phases 1 and 2 of the public amenities are 99% completed including marina, dog park, esplanade, playground, boat ramp, bathrooms, ferry site parking lot pavement. In 2025, the LDC worked with the Garvies Point Master HOA to finish a section of the esplanade behind the ferry terminal building, providing a direct connection for the public. The Angler's Club docks were complete as of February 2022. This project will benefit the City of Glen Cove, its residents, and Nassau County by reclaiming blighted industrial waterfront property for public benefit and enjoyment through creating open space, luxury and workforce housing and retail/office space. RXR as developer of the Garvies Point waterfront destination created more than 460 direct and indirect jobs per year during construction and will support more than 220 jobs post-completion. There will also be new tax revenues and money infused into the Glen Cove economy. Three residential buildings were developed during Phase I of construction: Building H-rentals (177 units) and Building I-rentals (208 units), also known as Harbor Landing. Building H resident move-ins started during fall 2019. As of 2025, Harbor Landing is fully leased-up. Brendel's Bagels and Building I at Harbor Landing opened in fall 2020. In 2025, Glen Cove Gourmet Deli and Bagel Corp. took over the former Brendel's location. The 167-unit Building B-condos, known as The Beacon, opened their leasing office at the end of 2019, with closings and move-ins beginning in early 2020. At the end of 2025, Building B had approximately 90% of the units sold or under contract. The Garvies Point HOA is managing the boat slips at the Garvies Point Marina, with the oversight of the IDA and City of Glen Cove Department of Public Works (DPW). The City's Department of Youth Services and Recreation as well as the Harbor Patrol are assisting with permits and approvals for the boat slips. In 2023, a kayak/paddleboard launch was installed at the Garvies Point Marina. The Garvies Point Master HOA continued to manage the marina in 2024. Over the past couple of years, the marina has reached near capacity, including a tiki recreational boat and transient slips for the nearby Garvies Point Brewery.

As of the end of 2024, a change in ownership of the Garvies Point Brewery property was pending closing with the IDA. In September 2025, the IDA closed with the new owner of the Brewery property, 45 Glen Cove LLC.

The conveyance of the Block D parcel from the IDA to RXR occurred in summer 2024. In July 2025, the IDA Board consented to a change in equity investment for Blocks D and E, currently owned by RXR Garvies Arden Owner LLC ("Arden Owner"). The closing between RXR, Arden Owner, and the IDA also occurred in late July. Construction at the Arden, which will have 101 market rate rental units and 2,400 sq. ft. of retail once complete, began in fall 2025. As of late 2025, the Arden construction team completed the mass cut of the building site and installed over 400 timber piles. Foundation concrete work, including pile caps and grade beams, was also completed. Foundation walls are underway, and underground electrical and plumbing installations are in progress, along with preparation for the first slab on-grade pours. Construction is anticipated to be completed by summer 2027. IDA staff conducted multiple construction site visits in Q3 and Q4 2025. The Arden reported 5 FTE's.

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 will provide 55 units of affordable rental housing to the City at the Waterfront. In 2019, the IDA Board consented to the transfer of Block G (part of Garvies Point) from RXR to GGV. The closing on the property occurred in 2021 following IDA Board approval of a PILOT extension. A site visit was conducted in May 2023 to observe construction jobs and improvements. 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, CDA/IDA, Nassau County local and State officials, and many others. The units are 95% leased, with the developer's management company working off of a wait list. The CDA's Housing Choice Voucher Program Office was able to relocate or accommodate from its wait list 20+ voucher holders. 40 units at 60% AMI; 6 units at 100% AMI and 8 units reserved for Section 8 Project Based. The Garvies Point Workforce rentals are also the recipient of HOME funding. In 2023, the IDA Board approved sales and mortgage recording tax exemptions for Block F for GGV, who are planning to acquire the site from RXR for affordable homeownership units. IDA staff and legal counsel worked with GGV on issues related to the closing on Block F throughout 2025, including the regulatory and intercreditor agreements related to the project, as well as coordinating the New York State Department of Homes and Community Renewal (NYS DHCR) PILOT tax schedule with the Garvies Point Bonds Trustee, Trustee's counsel, and bondholders, with consent expected in early 2026. GGV reported 215 construction jobs in 2023. GGV reported 1 FTE in 2024 and 1 FTE in 2025.

Public roadway work in Phase I (Dickson Street, Road F and Road G) is complete and open to the public. Phase 2 (west of the Ferry Terminal) of the public amenities was completed in 2021 and opened to the public; this includes Road D parking adjacent to the ferry terminal and dog park as well as a public parking lot adjacent to Building B and Garvies Point Park. The Deep Roots Farmer's Market is located in the public parking lot near Building B during the summer months. All of the outside furniture has been installed and the Ecology Pier and playground were completed and opened to the public in 2021. The dog park was previously completed and opened to the public in winter 2021. The entire Phase I and Phase II Waterfront Esplanade was completed and opened to the public by the end of 2021. Both gazebos have been constructed and furnished. The public bathrooms to the west of the ferry terminal and boat attendant building (with public bathrooms) at the terminus of Garvies Point Road were completed and opened to the public in 2021. In February 2022, an agreement between RXR acting as agent to the IDA and Terry Contracting & Materials, Inc. (Terry) was reached to stabilize and reconstruct a portion of bulkhead located on Block J adjacent to the Brewery. In order to accomplish this work, an easement agreement between the current property owner of the bulkhead (47 Herb Hill LCC), RXR and the IDA was executed in July 2022. The four (4) properties that currently make up Block J are the subject of Phase III, the final phase of the public amenities work. As of 2025, the purchase agreements for two (2) of those properties with 47 Herb Hill LLC and Windsor Oil with RXR have expired to the IDA's knowledge. RXR owns the remaining Block J properties. A total of ~\$72,026,404.57 has been spent on the Public Amenities at the Waterfront, as of December 31, 2025.

The Waterfront Revitalization Project (Garvies Point) reported 147 FTEs in 2023, with 75 retained and 72 created. In 2024, the Garvies Point project reported a total of 115 FTEs. In 2025, the Garvies Point Project reported 55.5 FTE's Retained; 42.5 FTE's Created with a total of 98 FTE's. All PILOT revenue received in 2025 by the Garvies Point Bond Trustee was used to pay bond expenses, in accordance with the indenture. No Pilot revenue was received by the Affected Taxing Jurisdictions in 2025. The IDA Board consented to a change in Trustee for the Garvies Point Bonds, requested by a majority of the bondholders in 2024, from Bank of NY Mellon (former Trustee) to UMB Bank (current Trustee).

In December 2017, the City signed an Agreement with the **School for Language and Communication Development (SLCD)**. Subsequently SLCD changed its name to **Tiegerman Schools** and purchased a 1.89-acre portion of the former Coles School property, including the

former elementary school building. The Tiegerman School completed its renovation of the school and surrounding grounds in July 2019 and a ribbon cutting was held in September 2019. The CEO participated in the ribbon cutting and toured the renovated facilities at that time. The newly renovated school contains Tiegerman Middle School, which was relocated from a site in Queens. The nonprofit serves children with language and autistic-related disorders. In June 2018, Tiegerman School closed on Series 2018 Revenue A & B Bonds in the amount of \$8,315,000. The Corporation received an admin fee of \$54,617 for providing financial assistance in the form of tax-exempt and taxable bond financing and an exemption from mortgage tax recording tax. The estimated combined jobs to be created for the new Tiegerman School (Middle School) and the existing Tiegerman School (High School) in Glen Cove is Year 1, 255, Year 2, 256 and Year 3, 257. The CEO receives updates from Tiegerman Schools at Glen Cove Inter-Agency Council meetings, typically held monthly throughout the year. Tiegerman School reported 68 FTE's in 2025.

### **Request for Information**

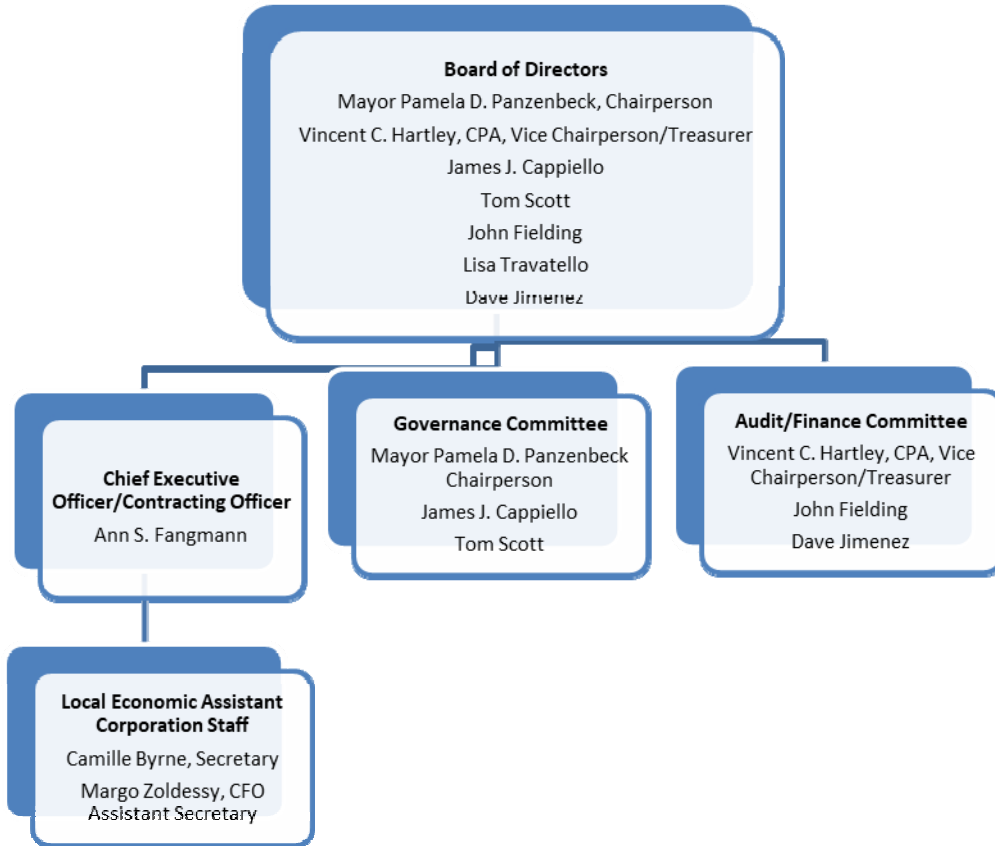
This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation's finances. Questions and comments concerning any information provided in this report or requests for additional information, contact the Local Economic Assistance Corporation, Chief Executive Officer at (516) 676-1625.

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

Organizational Chart

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***GLEN COVE LOCAL ECONOMIC ASSISTANCE CORPORATION***  
***ORGANIZATIONAL CHART***



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

Statement of Net Position  
December 31, 2025

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**ASSETS**

Cash and equivalents	\$	1,299
Investments		<u>96,982</u>
Total Assets		<u>98,281</u>

**LIABILITIES**

Accrued expenses		3,650
Unearned revenues		<u>2,000</u>
Total Liabilities		<u>5,650</u>

**NET POSITION**

Unrestricted	\$	<u><u>92,631</u></u>
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See notes to financial statements.

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

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

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**OPERATING REVENUES**

Administrative fees \$ 57,000

**OPERATING EXPENSES**

Administrative expenses 61,670

Loss from Operations (4,670)

**NON-OPERATING REVENUES**

Interest income 3,777

Change in Net Position (893)

**NET POSITION**

Beginning of Year 93,524

End of Year \$ 92,631

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

Statement of Cash Flows  
Year Ended December 31, 2025

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from administrative fees	\$ 57,000
Cash payments for administrative expenses	<u>(61,770)</u>
Net Cash from Operating Activities	<u>(4,770)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	3,777
Purchase of investments	(182,143)
Sale of investments	<u>178,377</u>
Net Cash from Investing Activities	<u>11</u>
Net Change in Cash and Equivalents	(4,759)

**CASH AND EQUIVALENTS**

Beginning of year	<u>6,058</u>
End of year	<u><u>\$ 1,299</u></u>

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

Loss from operations	\$ (4,670)
Adjustments to reconcile loss from operations to net cash from operating activities	
Accrued expenses	150
Accounts payable	<u>(250)</u>
Net Cash from Operating Activities	<u><u>\$ (4,770)</u></u>

See notes to financial statements.

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

Notes to Financial Statements  
Year Ended December 31, 2025

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**Note 1 - Organization and Purpose**

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

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

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

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

**Financial Reporting Entity**

The Corporation 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 Corporation's financial statements have been discretely presented in the City's financial statements.

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

**Basis of Accounting**

The accounting policies of the Corporation 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 Corporation 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 Corporation 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 Corporation's principal ongoing operation. The principal operating revenues of the Corporation are administrative fees charged by the Corporation and reimbursement of operating expenses. Operating expenses include administrative expenses. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

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

Notes to Financial Statements (Continued)  
Year Ended December 31, 2025

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

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

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

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

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

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

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

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

**Risk Disclosure**

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

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

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

Notes to Financial Statements (Continued)  
Year Ended December 31, 2025

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

but not in the Corporation's name. The Corporation's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 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 Corporation does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

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

**Revenue Recognition**

The Corporation recognizes revenue annually in the period services are performed. Revenue is recognized for administrative services performed and applications related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

**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. The Corporation has no net investment in capital assets at December 31, 2025.

*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 Corporation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation has no restricted net position at December 31, 2025.

*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.

**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.

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

Notes to Financial Statements (Continued)  
Year Ended December 31, 2025

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

**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 Corporation's fiscal year ended December 31, 2025. Concentrations considered included significant inflows of resources such as administration fees and investment income, and constraints considered included legal, contractual, and regulatory limitations on the use of resources. Management has determined that no events 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.

**Note 4 - Investments**

Investments held in the Corporation 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	July 27, 2025	January 27, 2026	<u>\$ 96,982</u>

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

**Note 5 - Conduit Debt Obligations**

The Corporation issued four Revenue Bonds for the purpose of construction of certain public improvements in connection with the Garvies Point Waterfront Redevelopment Project during the year ended December 31, 2016. These funds were borrowed by the IDA to fulfill its obligations for the infrastructure, and public amenities of the Garvies Point Project. These bonds are secured by the PILOT payments from the project and are payable solely from such payments.

Neither the Corporation, the IDA, nor the City or any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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

Notes to Financial Statements (Continued)  
Year Ended December 31, 2025

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**Note 5 - Conduit Debt Obligations (Continued)**

The Corporation issued three Series 2016 Revenue Bonds totaling \$24,000,000 during the year ended December 31, 2016 in connection with the Regency at Glen Cove Project. The three Series 2016 Revenue Bonds were issued for the purpose of restructuring NHI Holdings LLC and the construction of an Alzheimer unit.

The Corporation issued three Series 2018 Revenue Bonds for the purpose of the acquisition, renovation and equipping of an approximate 26,000 square foot school building (Tiergerman School Project) during the year ended December 31, 2018.

**Note 6 - Related Parties**

**Administrative Fee**

The operations of the Corporation are administered by the IDA. A fee of \$2,000 was paid to the IDA for the services provided in 2025.

**Note 7 - Pension Plan and Other Postemployment Benefit Liabilities**

The Corporation does not have any paid employees and, therefore does not participate in a pension plan and does not provide health care benefits for retired employees.

**Note 8 - Commitments and Contingencies**

**Litigation**

In the normal course of business there are a number of actions against the Corporation that involve personal injury and/or contractual disputes between the plaintiff's and the project beneficiary. In each case, the Corporation has been indemnified by the project beneficiary and, in the opinion of the Corporation'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 Corporation 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 Corporation.

**Note 9 - Risk Management**

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

**Note 10 - 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.

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

Notes to Financial Statements (Concluded)  
Year Ended December 31, 2025

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**Note 10 - Recently Issued GASB Pronouncements (Continued)**

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 beginning after June 15, 2026.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Corporation believes will most impact its financial statements. The Corporation 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 Local Economic  
Assistance Corporation**  
(A Component Unit of the City of Glen Cove)

Other Supplementary Information

December 31, 2025

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

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

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2025	Retired in 2025	Accreted Interest	Balance at 12/31/2025
Garvies Point Project 625 RXR Plaza Uniondale, NY 11556 Current Interest Revenue Bonds	11/16	1/56	5.00%	\$ 27,020,000	\$ 27,020,000	\$ -	\$ -	\$ 27,020,000
Capital Appreciation Revenue Bonds	11/16	1/29	6.00%	22,531,396	33,034,332	1,636,465	1,228,975	32,626,842
Convertible Capital Appreciation Revenue Bonds	11/16	1/32	5.63%	71,336,437	105,820,000	-	-	105,820,000
Current Interest Taxable Revenue Bonds	11/16	1/56	5.50%	3,675,000	-	-	-	-
<b>The Regency at Glen Cove Project</b> 94 School Street Glen Cove, NY 11542 Revenue Bonds	4/16	4/57	7.00%	5,000,000	5,000,000	-	-	5,000,000
Revenue Bonds	4/16	4/57	7.75%	14,000,000	14,000,000	-	-	14,000,000
Revenue Bonds	4/16	10/57	9.50%	5,000,000	5,000,000	-	-	5,000,000
The Tiegerman School Project 100 Glen Cove Ave Glen Cove, NY 11542 Current Interest Revenue Bonds	6/18	11/28	4.75%	1,570,000	925,000	215,000	-	710,000
Current Interest Revenue Bonds	6/18	1/44	5.50%	6,460,000	6,460,000	-	-	6,460,000
Current Interest Taxable Revenue Bonds	6/18	1/23	6.00%	285,000	-	-	-	-
				<u>\$ 156,877,833</u>	<u>\$ 197,259,332</u>	<u>\$ 1,851,465</u>	<u>\$ 1,228,975</u>	<u>\$ 196,636,842</u>

\* PILOT information is recorded on City of Glen Cove Industrial Development Agency financial statements.

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.

Project Purpose Code	Federal Tax Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Tax Exemptions					
				Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions
				County	Local	School			
2	Taxable & Exempt	222	-	\$ 754,315	\$ 2,303,151	\$ 5,574,169	\$ 5,155	\$ -	\$ 8,631,635
2	Taxable & Exempt	-	-	-	-	-	-	-	-
2	Taxable & Exempt	-	-	-	-	-	-	-	-
2	Taxable & Exempt	-	-	-	-	-	-	-	-
		16	-	85,805	107,213	298,201	-	-	491,219
2	Exempt	-	-	-	-	-	-	-	-
2	Exempt	-	-	-	-	-	-	-	-
2	Exempt	-	-	-	-	-	-	-	-
2	Exempt	-	-	-	-	-	-	-	-
2	Exempt	-	-	-	-	-	-	-	-
2	Taxable	-	-	-	-	-	-	-	-
				<u>\$ 840,120</u>	<u>\$ 2,410,364</u>	<u>\$ 5,872,370</u>	<u>\$ 5,155</u>	<u>\$ -</u>	<u>\$ 9,122,854</u>



**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 Local Economic Assistance Corporation**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Glen Cove Local Economic Assistance Corporation ("Corporation") (A Component Unit of the City of Glen Cove, New York) which comprise the statement of net position as of December 31, 2025 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2026.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's 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 Corporation'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 Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies LLP**

Harrison, New York

March 24, 2026