

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



FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

**THE CITY OF GLEN COVE
COMMUNITY DEVELOPMENT AGENCY
GLEN COVE, NEW YORK**

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

*FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020*



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

Financial Statements
For The Year Ended December 31, 2020

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INTRODUCTORY SECTION



MAJOR INITIATIVES

Waterfront Development Project

In 2020, the CDA on behalf of the City continued implementation of projects with funding from state and federal agencies as follows:

Western Gateway Climate Vulnerability Assessment and Adaptation Strategies

Overview: The City has a \$50,000 NYSDEC Climate Smart Communities (CSC) grant for the Western Gateway project - a study to assess hazards and plan for the impacts of climate change on the south side of Glen Cove Creek. The grant has a 50% local match totaling \$50,000, with \$31,940 in City salaries and \$18,060 in donated professional services by the CDA and City Attorney.

Status: GZA GeoEnvironmental of New York is providing professional planning and environmental consulting services for the Western Gateway project. A virtual Advisory Committee meeting to review the existing conditions / hazard characterization / climate vulnerability assessment report was held on December 3, 2020. CDA emailed NYSDEC GZA's latest deliverable (along with quarterly report) on October 28, 2020. GZA is now authorized to begin working on Task 3 (public meetings) and Task 4 (climate adaptation strategies).

Loop Bus

Overview: Through its Grants for Buses and Bus Facilities program (49 U.S.C. 5339), the FTA awarded the City funding to purchase a new Loop Bus vehicle. The grant totals \$70,000, with a federal share of \$59,500 (85%) and a local share of \$10,500 (15%). NYSDOT provides half of the local share.

Status: As of September 26, 2019, the grant agreement between the FTA and City of Glen Cove had been fully executed. The grant agreement award end date (period of performance

end date) was extended from March 12, 2020 to September 30, 2020 based on a budget revision approved by FTA on February 12, 2020. Capital borrowing was approved at the February 11, 2020 Council meeting. With funding in place, the City proceeded with procurement: on March 24, 2020, NYSDOT sent a letter to the City approving purchase of the bus from Shepard Brothers off the State contract. Council approved entering into a contract with Shepard Brothers for purchase of the new vehicle at the May 12, 2020 meeting. A plexiglass door has been included for protection of the driver/passengers due to the Covid-19 pandemic. The grant agreement award end date (period of performance end date) was extended again from September 30, 2020 to December 31, 2020 based on a second budget revision approved by FTA on September 2, 2020 (caused by a COVID-19-related vehicle production delay). Shepard Brothers delivered vehicle to DPW Yard on December 21, 2020. CDA submitted 2020 FFR and MPR reports in TrAMS on October 22, 2020. CDA will prepare ECHO-Web payment request to receive reimbursement from the grant.

Downtown BID Pedestrian Improvements

Overview: The project - funded by a Transportation Alternatives Program (TAP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) grant from FHWA administered by NYSDOT - includes replacement/upgrades to 28 curb ramps and 16 crosswalks, and installation of 2 new curb ramps and 1 new crosswalk, all located on Bridge, Glen, and School Streets in the Downtown BID. The total amount of the grant is \$513,760, with a federal share of \$362,208 (originally 80%) and a local share of \$90,552 (20%) plus \$61,000 (Engineer's Estimate overage) (note: local share now totals \$151,552).

Status: During 2020, the project completed the Detailed Design phase with the approval of the Design Approval Document and permission to bid from NYSDOT. The CDA worked with the Project Engineer (LKMA) and DPW to finalize the bidding documents. Supplemental Agreement for Construction Phases was fully

executed as of December 31, 2020. Release of bid for the construction contractor occurred on November 12, 2020 and bid opening occurred on December 16, 2020. Macedo is low bidder. LKMA is working on bid analysis for NYSDOT and CDA is assembling award checklist items for LKMA. Award anticipated by early spring.

Lead Service Line Replacement Program (LSLRP)

Overview: NYSDOH awarded Glen Cove a LSLRP grant in August 2019 totaling \$627,327. The State is awarding the grants to municipalities across New York State as part of an initiative to replace residential drinking water lead service lines.

Status: Grant contract between NYSDOH and City of Glen Cove finalized/approved by NYS on August 3, 2020. Council resolution authorizing Mayor to enter into contract with Walden Engineering for professional engineering and inspection services passed at December 8, 2020 Council meeting. Kickoff meeting held with Walden on January 8, 2021. Water Department will mail fliers to residents. CDA submitted MWBE Utilization Plan to NYSDOH on September 24, 2020; updated Utilization Plan with information for subconsultants BCS and KEC submitted on January 6, 2021. Second voucher submitted to NYSDOH on December 16, 2020.

Downtown Parking Connections

Overview: Through the Empire State Development (ESD) Strategic Planning and Feasibility Study Program, the City has been awarded a grant to conduct a study to determine the feasibility of creating a new vehicular and pedestrian connection between the Brewster Street Garage and School Street (Glen Cove will conduct a Traffic Access and Feasibility Study for the proposed installation of a new one-way street connecting School Street to the Brewster Street Parking Garage). The total project cost is \$60,000. The State award amount is \$30,000 and the City has committed to a 50% match (\$30,000) of the grant funding for the project.

Status: The CDA received permission from ESD to proceed with procurement of a consultant for professional services to conduct the project's subject study. CDA has held meetings with ESD officials to develop the Incentive Proposal and procurement requirements for the project. The CDA anticipates releasing an RFP in late winter 2021 for professional services.

Rehabilitation of the Morgan Park Seawall

Overview: Through the DASNY State and Municipal (SAM) Facilities Program (SAM #21566), the City has a grant to structurally restore the seawall at Morgan Memorial Park. The State funding amount is \$250,000 for construction, with a local match totaling \$300,000 (\$100,000 for engineering/inspection, plus \$200,000 for construction). Budget totals \$550,000.

Status: Morgan Park Seawall will be funded with \$500,000 in place from a previous capital borrow. Preliminary application submitted on December 18, 2019; due diligence documents submitted on February 18, 2020 and February 27, 2020. Design and preparation of bid docs is not covered under DASNY grant funding, so the City can proceed with engineering. LiRo will be updating plans and specifications (originally prepared by Sidney Bowne). LiRo engineering proposal (not including inspection) approved at City Council meeting on December 13, 2020. CDA submitted revised project budget (amendment to preliminary application) to DASNY on October 8, 2020 based on increase in engineering & inspection budget from \$50,000 to \$100,000. DASNY needs to wrap up financial review before sending City the GDA to execute. Environmental review (SHPO) concluded on January 6, 2021 per DASNY.

Waterside Recreational Redevelopment

Overview: NYSDOS awarded the City a grant of \$600,000 (in addition to a \$300,000 match and a \$300,000 in-kind donation) to redevelop an area of 8.8 acres with recreational improvements, including a multi-purpose turf field. This project will repurpose a compost area and former incinerator site through the development of new

opportunities to make Glen Cove a destination for sports and will open up access to the waterfront. Part of the new development includes new facilities like bleachers, concessions, and bathrooms.

Status: In 2020, Nelson & Pope (N&P) initiated Phase II of the Public-Private Partnership Analysis Report and the draft final design task. A call was held in May 2020 to formally request an extension for the project by NYSDOS, and that extension has been officially granted to a new end date of August of 2021. In December 2020, Draft 60% Detailed Design Plans, draft environmental review (SEQR) documentation and draft environmental permitting were submitted to NYSDOS for review. The CDA is reviewing the draft final pro formas of the Phase II Public/Private Partnership analysis and expect to review an Executive Summary in early 2021. Members of the Project Advisory Group were kept apprised of updates. There is approximately \$136,752 left to be billed by N&P for the remainder of the project. Approximately \$355,175 has been received in reimbursements from NYSDOS.

Rehabilitation of East Island Bridge Tidal Gates & Dosoris Pond

Overview: The City received \$695,160 in Water Quality Improvement Project (WQIP) Program grant funding (with up to \$304,890 in matching funds) from the NYSDEC. The primary capital improvements being designed as part of this project are rehabilitation of the bridge tidal gates, some structural improvements to the bridge, and green infrastructure improvements near the bridge and on the south side of Pryibil Beach. Some of the green infrastructure improvements include the addition of native plants and rain gardens. Lockwood, Kessler & Bartlett (LKB) is the City's consultant on the project.

Status: CDA/City continues to draw down budget from a \$173,000 cash advance, with \$75,000 remaining in the cash advance. Capital funding for the bidding, permitting and construction phases of the project was secured in early 2020. The CDA, City and Project Engineer, LKB attended the annual East Island Association

(EIA) membership meeting on January 30, 2020 to present the project and met with project stakeholders throughout the year. Access agreements with the North Shore Wildlife Sanctuary (NSWS), EIA, Nassau County and a local property owner were finalized and approved by City Council. Bidding documents were finalized, and the project went out to bid in the fall. A bid walkthrough was held at the Dosoris Pond Bridge on September 11.

The bids were opened on September 30, with 3 bids received in total. They ranged from \$1,396,992 to \$2,954,550. The lowest bid was approximately \$500,000 over the engineer's estimate. Negotiation meetings were held with the lowest bidder on October 8, 2020 and October 21, 2020. A settlement was unable to be reached and the bid was officially cancelled and the project will be re-bid. The City alerted the grant project manager at NYSDEC during this time period as to the probable outcome. The City Council approved a Change Order with LKB to work with the City to reevaluate the project design and scope and to approach the NYSDEC in early Q1 2021 with proposed project modifications, consistent with the original intent and goals of the project as outlined in the CFA and NYSDEC agreement for the project. Once receiving approval from NYSDEC, the project team will proceed with the re-bid process. Because of impacts from the coronavirus and the re-bid process, the City/CDA is also requesting a one-year project extension from the NYSDEC.

Rehabilitation of Brewster Street Garage (\$500k grant project)

Overview: The City has a \$500,000 grant from DASNY for this project, which entails more structural repairs in priority deteriorated areas of Brewster Street Garage. The grant budget covers \$50,000 towards engineering and \$450,000 towards construction. CDA assisted DPW in developing an RFP, which was issued May 13, 2019, to secure an engineer for this project. Hirani Engineering was determined to be responsible, most qualified, and cost reasonable by a selection review committee (DPW & CDA). Hirani is also an MBE (Minority-Owned Business Enterprise). Per a City Council

resolution passed on June 25, 2019, the City has executed an agreement with Hirani for engineering, design, and construction inspection services in an amount not to exceed \$50,000.

Status: During 2020, the CDA worked with the City and Hirani Engineering to finalize the bidding documents and release the bid in the fall. 19 bids for the project were received, with several of the lower bidders coming in under budget. Following the withdrawal of the lowest bidder and the second lowest bidder found to be non-responsive, the project team is evaluating the third lowest bid. A re-bid may be necessary in 2021. The focus of the project is the repair of spalling concrete and damaged rebar on the roofs of the north side of the garage, along with waterproofing. Throughout the year, CDA has submitted funding reimbursement requests to DASNY.

Fire Dept. Flooring Project

Overview: The City has a \$126,950 grant (\$125,000 from DASNY and \$1,950 local match) for rehabilitation of areas of flooring in the Fire Dept. Building. This flooring replacement will replace flooring that was determined by a commercial flooring expert to have a potential safety liability. The project will cost \$99,940 in materials and labor, with the work being performed by Pella General Construction, with their work coordinated by Newport Engineering.

Status: The bid for the project was released on October 3, 2019 and a walk-through with prospective bidders held on October 15, 2019. Initial bidder rejected due to incomplete application. Project awarded to Pella General Construction. City council approval was given on December 30, 2019. A project kickoff meeting and contract signing was held on January 10, 2020. Due to the coronavirus, an extension for the project was requested, and granted, with the new project end date being September 11, 2021. The project concluded construction, consisting of work in the dispatch room of the firehouse in September 2020. To date, two reimbursements have come in totaling \$67,892. A final invoice has been submitted and vouchered. There has been a surplus of funds for

the project, and conversations are ongoing with DASNY to discuss utilizing the funds towards an additional project at the firehouse. This surplus is close to finalization, pending a SEQR review. A project walkthrough took place on December 10 to close-out the project.

Fire Dept. Kitchen Renovation Project

Overview: The City has a \$110,710 grant (\$100,000 from DASNY and \$10,710 local match) to renovate the Fire Dept. kitchen, with new equipment and storage space. These renovations will ensure that the fire department kitchen will meet the needs and capacity of both its members and community members using the space. The project will cost \$124,000 in materials and labor. CDA coordinating with DPW on engineering phase. Final detailed design and specifications was completed in Fall 2019.

Status: The bid for the project was released on October 3, 2019 and a walk-through with prospective bidders held on October 15, 2019. The bid opening took place on November 1, 2019, with the award of contract to the initial bidder rejected due to incomplete application. Project award was made to the next highest bidder, Westar Construction Group. City council approval was granted on December 30, 2019. A project kickoff meeting and contract signing was held on January 10, 2020. The CDA was granted a project extension to September 11, 2021 due to the current impacts of the coronavirus. A change order (\$29,335) was approved by City Council to ensure that the project's hood system is up to code. Two reimbursements have been received from DASNY, totaling \$64,639. A final completion/project walkthrough took place in December 2020.

Animal Shelter Dog Isolation Unit and Runs Project

Overview: City has a \$50,000 DASNY grant (with \$13,500 local match) to construct dog isolation units and runs at the Animal Shelter, intended to quarantine sick or new dogs from healthy dogs. CDA working with DPW to coordinate project engineering.

Status: City received approval from State Legislature on approval of a project change request, which would allow the City to install one Dog Isolation Unit and Run instead of two as originally planned. Multiple inquiries have been sent about this project, with the most recent update being that the status of the shelter is being looked into by Senator Gaughran's office.

Seaman Road Station

Overview: The City has a capital improvements project planned to rehabilitate Seaman Road Station, a public water supply station. City received a \$3 million WIIA grant from Environmental Facilities Corporation (EFC) for this estimated \$4.94 million project and anticipates another \$0.25 million grant award towards the project from DASNY.

Status: City has executed the Project Finance Agreement for the WIIA grant and submitted it to EFC for final execution. DPW and CDA worked with D&B to finalize the Engineering Design Report for the project. This report was submitted to Nassau County Department of Health on June 5, 2019 and New York State Department of Health and New York State EFC on June 7, 2019. CDA has completed paperwork with the City to satisfy requests from the new DASNY grant officer, with requested documents sent in December 18, 2019 and additional documents, answering a different request, were sent in January 30, 2020. For the WIIA, the City executed the Project Finance Agreement, and submitted back to EFC for final execution in November 20, 2019. Meetings occurred throughout the year between D&B, CDA and the City to progress the project and finalize bidding documents. Digital copies of the project files were sent to EFC the Nassau County Department of Health in April 2020. All entities have given approval for the project bidding. The project was bid over the summer of 2020, and the bids were open August 10, 2020. 3 contractors (GC, Plumbing and Electrical) have received award letters and provided needed project documentation for the WIIA grant. Meetings between the City, CDA, D&B and the contractors for the project were held in the fall of 2020 to clarify project roles, responsibilities and M/WBE

and EEO requirements. A call was held with EFC with the City and D&B on October 28, 2020, to discuss needs for the M/WBE and EEO requirements, and to also introduce the CDA/City/D&B to the new EFC contact for M/WBE and EEO requirements for these requirements. D&B worked with the CDA/City on assembling requested contract award documentation, which was sent to EFC and DOH by the close of 2020.

Grant Activities in 2020

In 2020, the CDA on behalf of the City processed new grant paperwork through DASNY for the following funding/projects:

- CDA continued to process paperwork with DASNY for \$250,000 of funding toward the Seaman Road Station Drinking Water Well Capital Improvements project.
- \$500,000 toward Repair of the Morgan Park Seawall. The CDA continued to submit grant materials DASNY and work with the City on SHPO documentation.
- CDA applied in 2020 for \$50,000 in funding from DASNY for a Fire Department vehicle. The CDA continues to work with the City and DASNY on application requests.

In 2020, the CDA on behalf of the City helped implement the following Community Revitalization Program (CRP) funding from the Nassau County Legislative branch.

- \$20,000 for Business Improvement District Alleyway Project.

The CDA applied for emergency COVID-19 Community Development Block Grant program funding through the Nassau County Office of Community Development to help agencies who serve low/moderate income clientele hard hit by the pandemic. The CDA was awarded \$180,000 in October 2020 allocated as follows: \$75,000 public facilities improvements and \$75,000 personal protective equipment to help the Youth Bureau and Senior Center procure and install

protective screening and supplies in order to safely reopen its centers to the at-risk population they serve. In addition, \$30,000 of funding split at \$5,000 for each of 6 public service agencies who serve at-risk population was also awarded as follows: Substance Abuse Free Environment (SAFE) counseling services; Glen Cove Senior Center Project Beacon counseling services; Glen Cove Youth Bureau expansion of youth employment program, Glen Cove EOC providing emergency assistance to high-risk clientele, Child Day Care Center and Boys & Girls Club to providing financial assistance to procure PPE to safely reopen its centers to the at-risk population they serve.

The CDA continues to administer the following grants and projects:

Reconstruction of Herb Hill/Garvies Point Road:

As of late spring 2020, the project was fully completed, transforming the one mile, degraded and inadequate roadway into a corridor for the Waterfront, with new pedestrian sidewalks; sanitary sewer, water, telecommunications, electrical utilities; and stormwater management infrastructure. In addition, the roadway was elevated, with utilities relocated underground, providing resiliency measures for major storm events. Funding for the road project will be provided by NYSDOT, \$6.8 million and \$2.5 million by Empire State Development (ESD). The balance of the funding will be paid from bond proceeds totaling \$15,942,847 for the road. Due to escalation caused by project delays and cost increases resulting from the requirements imposed by the NYSDEC and water management issues, the City worked with the IDA, GCLEAC, and RXR to make up to approximately \$13.7M available from the Public Amenities account to the City account for the Road project, as needed. This was memorialized in several agreements executed between the parties, including the First Amendment to the Trust Indenture, PIF Agreement, and Road Agreement. As of the end of 2020, \$6,940,770 was transferred to the City account from the Public Amenities account for the road. Approximately \$28,904,142 has been spent on the road construction, with final payments in negotiation with the contractor due

to surety involvement and other mitigating factors. As of the end of 2020, approximately \$6,000,834 has been reimbursed by NYSDOT for the project. In March 2020, CDA submitted a reimbursement package to ESD for approval and worked throughout the year on budget and document requests and submittals for eventual grant disbursement of the \$2.5M in funding. ESD Board approval is tentatively scheduled for February 2021, to be followed by the execution of a Grant Disbursement Agreement between ESD and the City expected in spring 2021. The CDA continues to prepare project close-out materials for NYSDOT.

Brownfield Opportunity Area (BOA) Step III:

\$402,100 in funding from NYSDOS. The CDA worked with our consultant NP&V to proceed with environmental review - the State Environmental Quality Review Act (SEQRA) process - for the BOA Step III Implementation Strategy for the Orchard Neighborhood & Sea Cliff Avenue Corridor. This included preparation of a Draft Generic Environmental Impact Statement (DGEIS), which the City Council accepted in May 2019; a public hearing on the Step III Implementation Strategy and DGEIS, which was held in June 2019; and preparation of a Final GEIS and SEQRA Findings Statement. In 2020, the CDA worked with our consultant NP&V to finalize a memorandum describing Step III BOA updates since January 2019. The Memo and documents were posted on the Step III BOA webpage.

Long-Term Financial Planning

At present, the redevelopment of the Waterfront constitutes a primary and significant function of the Agency. The Waterfront Strategic Plan and BOA Implementation Plan along with the potential of affordable housing projects is a key component of the Agency's commitment to long-term fiscal responsibility, accountability and efficiency. The financial plan includes projections of the Agency's activities, related sources and uses of funding, including but not limited to CDBG and grant assistance. The goal is to encourage, sustain and develop economic stability and growth for the City of Glen Cove.

The Agency's Board has a monthly budget reporting process and monitors the progress and funding of all Projects.

Relevant Financial Policies

To achieve the goal of providing outstanding, cost-effective services, the Agency applies best management practices and policies. Such financial management practices have been identified by the Authority Budget Office (ABO), Office of the State Comptroller, (OSC) and the Government Finance Officers Association of the United States and Canada (GFOA). The Agency's policies include the following: Procurement, investment, comprehensive CDA Bylaws, CDA Code of Ethics, Property Disposition, Employee Compensation Policy, EEO Policy, Whistle Blower, and Travel and Meal Policy. Additional information regarding these policies may be found on our website, www.glencovecda.org.

Strategic Plan

The Agency's Strategic Financial Plan is based on a rolling five-year financial forecast and includes an analysis of costs and sources of funding for the Waterfront and other projects.

CDBG Program Plan

Every year the Agency files an application and enters into an agreement with the Nassau County Office of Economic Development to receive CDGB funds, for the federal fiscal year, September 1st to August 31st. The application includes a three-year plan for the next and following two grant years and a budget for the upcoming fiscal year. The Agency's proposed agreement is prepared by the Executive Director and approved by the Board after a Public Hearing. Activities included in the application must meet the national objectives of the program (benefiting low- and moderate-income person defined as below 80% of Nassau County's median income) and/or aiding in the prevention or elimination of slums or blight.

Annual Plan of the Board

The Board reviews, approves, amends and publishes a GAAP based annual budget other interested parties with an overview of the current status of budgeted revenues and expenditures, and adjustments to the Agency budget. The Executive Director presents monthly budget status reports to the Board of Directors.

The CDBG Agreement and the Annual Budget reflects the Agency's disciplined approach to fiscal management and is consistent with the Agency's Strategic Financial Planning process.

Financial Reporting and Compliance

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

Investments

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

Contacting the CDA's Financial Management

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

BOARD MEMBERS

CHAIRMAN

Mayor Timothy Tenke



BOARD OF DIRECTORS

Vincent C. Hartley, CPA
TREASURER & VICE CHAIRMAN

Anthony Guagenti

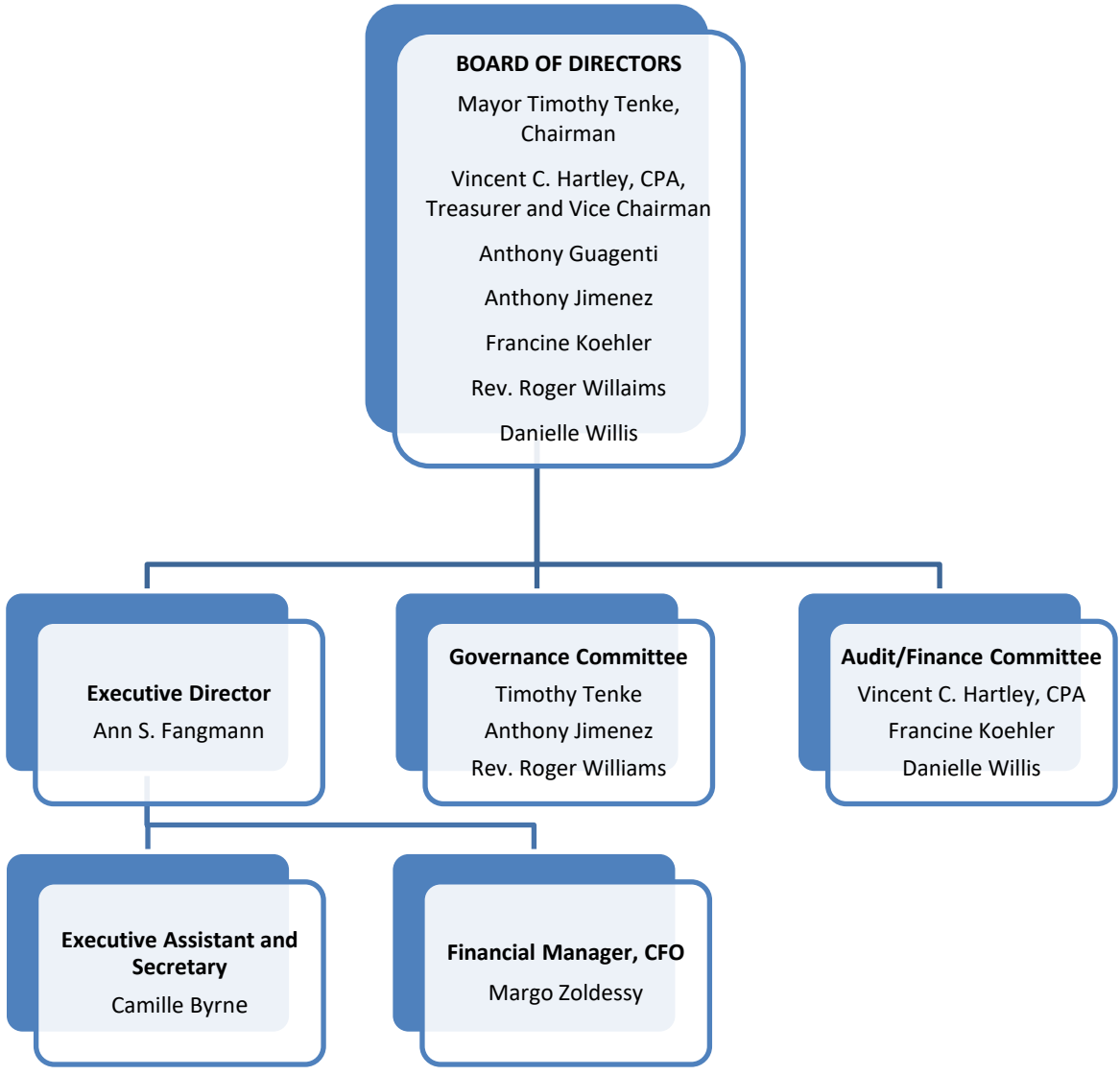
Anthony Jimenez

Francine Koehler

Rev. Roger Williams

Danielle Willis

CITY OF GLEN COVE COMMUNITY DEVELOPMENT AGENCY ORGANIZATIONAL CHART



FINANCIAL SECTION



BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Glen Cove Community Development Agency (CDA), a component unit of the City of Glen Cove, New York, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the CDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CDA's preparation and fair presentation of the financial statements 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 CDA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the CDA, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 14 through 21 and pages 48 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glen Cove Community Development Agency's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on page 57 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report March 30, 2021, on our consideration of the CDA'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 CDA'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 CDA's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 30, 2021

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

INTRODUCTION

The Glen Cove Community Development Agency ("CDA", "Agency"), formerly known as the Urban Renewal Agency, was established on April 16, 1964 under Title 11-A Section 580(a) of the Consolidated Laws of the State of New York. The name change was mandated by State Law Section 580-a, on January 1, 1980. The Board of the CDA consists of the Mayor, who acts as chairman and six other members appointed by the Mayor and approved by the City Council.

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

We encourage readers to consider the information presented here in conjunction with the Agency's basic financial statements that follow.

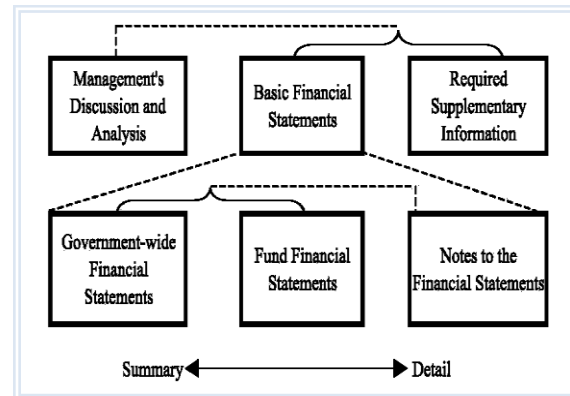
OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the CDA's basic financial statements.

The CDA's basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to financial statements.

This report also contains other supplementary information in addition to the basic financial statements. Such other supplementary information is not required but is provided for additional analysis.



Government-wide Financial Statements

The government-wide financial statements are designed to present a broad overview of the financial position of the CDA in a manner analogous to a private-sector business. These statements consist of the Statement of Net Position and the Statement of Activities and are prepared using the economic resources measurement focus and the accrual basis of accounting, as opposed to the modified accrual basis used in prior reporting models. This means that all the current year's revenues and expenses are included regardless of when cash is received or paid, producing a view of financial position similar to that presented by most private-sector companies.

The Statement of Net Position consolidates reporting of the CDA's current financial resources with reporting of capital assets and long-term obligations, and thus summarizes all of the CDA's assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net position is the difference

between the CDA's assets, deferred outflows of resources, liabilities and deferred inflows of resources; it is one measure of the CDA's financial health. In evaluating the net position of the CDA, other non-financial factors affecting the CDA's overall health and financial condition should be considered, such as changes in demographics and economic conditions, the condition (i.e. residential and commercial conditions and development requirements)

The Statement of Activities presents the change in net position of the CDA during the most recent fiscal year. All of the current year's revenues and expenses are recognized regardless of when cash is received or paid. Some of the reported revenues and expenses will have corresponding cash flows in future fiscal periods (e.g. deferred outflows and earned but not used vacation leave). The Statement of Activities focuses on both the gross and net cost of various activities; the CDA's revenues pay these costs. This statement summarizes the cost of providing (or the subsidy provided by) specific government services and includes all current year revenues and expenses.

In the Statement of Net Position and the Statement of Activities, as shown on pages 22 and 23, the CDA is divided into two kinds of activities for reporting purposes:

- Governmental Activities - these are the CDA's basic home and community services including economic development, commercial and residential rehabilitation, public facilities improvement, culture and recreation. Federal and state aid and program income from sale of properties or collection of economic development loans finance these activities.
- Business-type activities - these are housing assistance services provided to low income families conducted by the Section 8 Tenant-based Housing Choice

Voucher Program. The program is organized similar to a private-sector company.

Fund Financial Statements

A 'fund' is a self-balancing accounting entity. The CDA uses separate funds to keep track of sources of financing and spending related to specific activities. The CDA, similar to other state and local governments uses fund accounting to ensure and disclose compliance with finance-related laws and regulations.

Fund financial statements present financial information in a form familiar to experienced users of governmental financial statements. The CDA has a single governmental fund, the General Fund, required by the State of New York.

Governmental Fund

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash.

The governmental fund statements provide a detailed short-term view of the CDA's general governmental operations and the basic services it provides. The fund financial statements focus on near-term inflows and outflows of spendable resources and the spendable resources available at the end of the fiscal year for the CDA's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in governmental funds with similar information presented for governmental activities in government-wide

financial statements. There are reconciliations following the governmental fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance. These reconciliations explain the differences between the government-wide Statement of Net Position and the governmental fund Balance Sheet, as well as the differences between the government-wide Statement of Activities and the governmental Statement Revenue, Expenditures and Changes in Fund Balance.

The basic governmental fund financial statements are presented on pages 24 through 27 of this report.

Proprietary Fund

Proprietary funds provide the same type of information as the government-wide financial statements. The CDA maintains a single proprietary fund. The fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The CDA accounts for its Section 8 Tenant-Based Housing Choice Voucher Program using this type fund.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

Notes to the Financial Statements

The notes supply information that is essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

BEYOND THE BASIC FINANCIAL STATEMENTS

In addition to the basic financial statements and accompanying notes, this report presents Supplementary Information on Budgetary planning for the general fund. The CDA does not have an annual legally adopted budget.

The CDA's Board of Directors adopts and amends annual budgets and provides budgetary information as other supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Financial Highlights

The CDA's financial condition increased in 2020, due to an increase in Housing Assistance grants from HUD. The following list summarizes the CDA's financial performance for fiscal year 2020 and 2019.

- The CDA had total net position of \$1,447,228 at December 31, 2020, a decrease of \$66,874 (4%) from the \$1,514,162 at December 31, 2019.
- The CDA's net position of governmental activities decreased by \$7,055 (0%) from \$1,669,046 in 2019 to \$1,661,991 in 2020.
- The net position of the business-type activities decreased by \$59,819 (39%) from \$(154,884) in 2019 to \$(214,703) in 2020. The decrease wasw mainly due to an increase in pension and OPEB liabilities.
- The CDA's total governmental activities current liabilities were \$91,904 and long-term debt, including the current portion, was \$1,218,044 at December 31, 2020.

Net Position

At December 31, 2020, total assets and deferred outflows of the governmental activities were \$3,078,213 while total liabilities and deferred inflows were \$1,416,222 resulting in net position of \$1,661,991 (Table 1 and Charts 1 and 2). Capital assets, less accumulated depreciation were \$1,937,537 at December 31, 2020. Measurement of capital assets less related debt reflects net position invested in capital assets (roadway and equipment). On

December 31, 2020, the governmental activities had \$(275,546) in unrestricted net position.

As of December 31, 2020 the total assets of the Section 8 Program were \$872,485, deferred outflows of resources were \$290,273 and its total liabilities and deferred inflows of resources were \$1,144,782 and \$232,679, respectively. A summary statement of net position is presented in Table 1. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

In the case of the CDA, governmental activities and assets and deferred outflows exceeded liabilities and deferred inflows by \$1,661,991 and \$1,669,046 at December 31,

2020 and 2019, respectively. This represents an increase of net position of \$7,055 (0%) compared to the prior fiscal year.

One of the largest categories of CDA assets reflects its significant investment in non-current assets. Receivables from the Glen Cove Industrial Development Agency account for \$942,789 of the total assets.

Capital assets of governmental activities primarily include the Waterfront roadway. Total capital assets were \$1,937,537 at December 31, 2020. The roadway was acquired at a cost of \$1,937,200, by the funds from the CDA's program income. The CDA has utilized the roadway to provide infrastructure for the Waterfront properties (Chart 1).

TABLE 1

SUMMARY OF NET POSITION						
AS OF DECEMBER 31, 2020 and 2019						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 832,262	\$693,944	\$864,079	\$716,235	\$1,696,341	\$1,410,179
Capital assets	1,937,537	1,937,872	8,406	11,842	1,945,943	1,949,714
Total assets	<u>\$2,769,799</u>	<u>\$2,631,816</u>	<u>\$872,485</u>	<u>\$728,077</u>	<u>\$3,642,284</u>	<u>\$3,359,893</u>
Deferred outflows of resources						
Pension	\$89,748	\$38,139	\$84,469	\$35,896	\$174,217	\$74,035
OEPB	218,666	41,361	205,804	38,928	424,470	80,289
Total deferred outflows of resources	<u>308,414</u>	<u>79,500</u>	<u>290,273</u>	<u>74,824</u>	<u>598,687</u>	<u>154,324</u>
Liabilities						
Long term liabilities outstanding	\$1,218,044	\$960,932	\$1,132,086	\$888,991	\$2,350,130	\$1,849,923
Other liabilities	91,904	13,969	12,696	5,388	104,600	19,357
Total liabilities	<u>1,309,948</u>	<u>974,901</u>	<u>1,144,782</u>	<u>894,379</u>	<u>2,454,730</u>	<u>1,869,280</u>
Deferred inflows of resources						
Unearned revenue	-	-	132,657	-	132,657	-
Pension	7,690	17,624	7,238	16,588	14,928	34,212
OPEB	98,584	49,745	92,784	46,818	191,368	96,563
Total deferred inflows of resources	<u>106,274</u>	<u>67,369</u>	<u>232,679</u>	<u>63,406</u>	<u>338,953</u>	<u>130,775</u>
Net position						
Capital assets, net of related debt	1,937,537	1,937,872	8,406	11,842	1,945,943	1,949,714
Unrestricted	(275,546)	(268,826)	(223,109)	(166,726)	(498,655)	(435,552)
Total net position	<u>\$1,661,991</u>	<u>\$1,669,046</u>	<u>\$(214,703)</u>	<u>\$(154,884)</u>	<u>\$1,447,288</u>	<u>\$1,514,162</u>

CHART 1

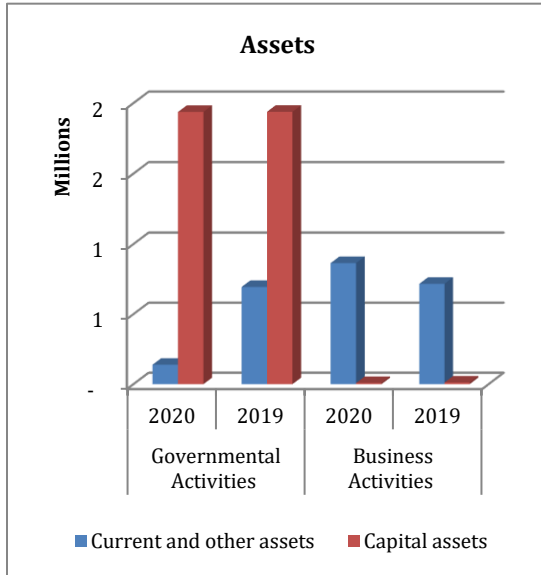
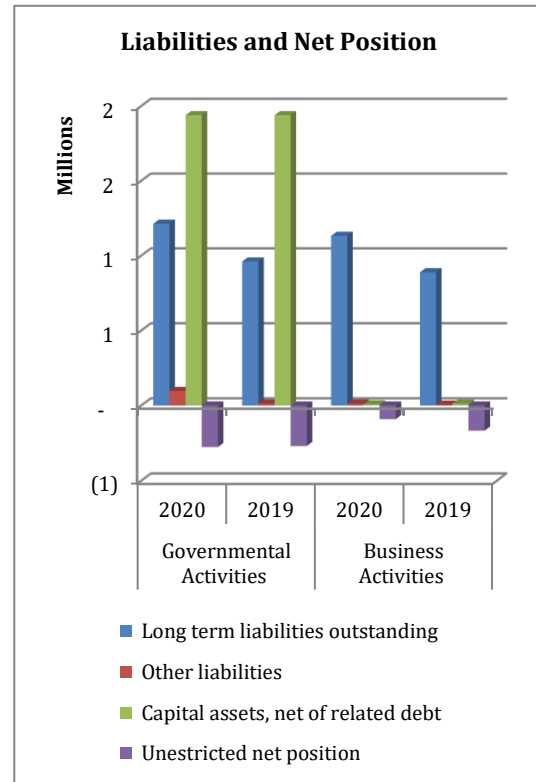


CHART 2



Changes in Net Position

The Agency’s program revenues accounted for almost 100% of the revenues in 2020. The total program revenues from operating grants was \$5,516,455 in governmental and business type activities in 2020 (Table 2 and Chart 3). The program revenues from operating grants increased by \$372,612 from \$5,143,843 reported at the end of 2019. The increase was primarily due to an increase in funding from Section 8 Housing Choice Programs. The general revenues from interest earned were \$743 and \$693 in 2020 and 2019, respectively.

The Section 8 Program has net position of \$(214,703) at December 31, 2020. HUD considers the availability of net position in providing additional revenues to the Section 8 Program. The Section 8 Program housing expenditures and administrative fees are affected by the availability of suitable housing units, the 340 unit limitation on the number of housing units that can be leased and the income levels of the applicants.

In 2020, the total expenses of the Agency were \$5,584,072, an increase of \$581,717 over the previous year (Table 2 and Chart 3). The increase in expenses was primarily due to increases in housing assistance payments. The expenses of the business type activities increased by \$556,707 from \$4,661,569 in 2019 to \$5,218,276 in 2020. The increase was primarily due to increased housing assistance payments.

A certain portion of the Agency economic development expenditures from CDBG funds are on behalf of and are reimbursable by IDA. These expenditures are recorded as due from IDA. The balance of CDBG funds pays the expenses of the Agency. In 2020, the expenditures from CDBG funds were \$358,741.

Home and community services and housing assistance constituted the largest portion of expenses, \$5,509,350, (99%) and culture and recreation expenses represented 1% totaling \$52,538 and \$79,913 in 2020 and 2019, respectively (Chart 3).

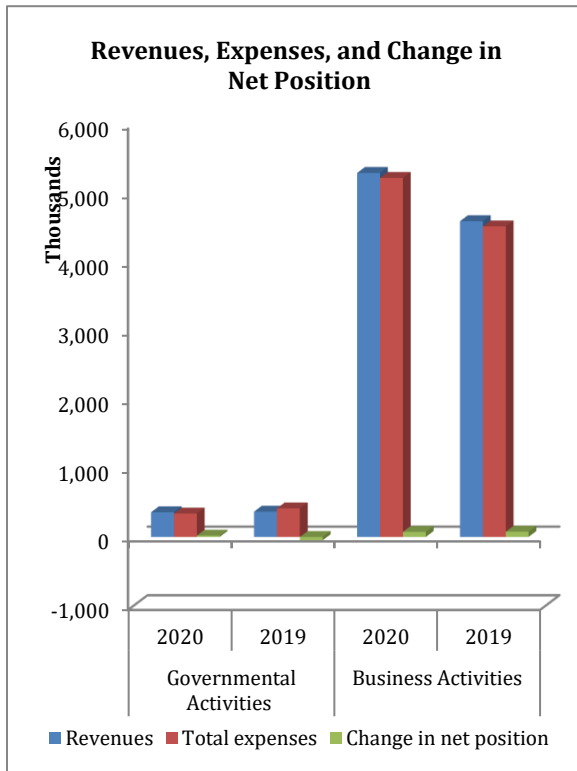
The net position of governmental activities decreased by \$7,055 for the year ended December 31, 2020 and increased by \$18,707 for the year ended December 31, 2019.

Revenue and expenses of the CDA's governmental and business-type activities are detailed in Table 2 below.

TABLE 2

	CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019					
	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue						
Operating grants	\$297,246	\$315,064	\$5,157,714	\$4,784,350	\$5,454,960	\$5,099,414
Program income	61,495	44,429	-	-	61,495	44,429
Interest	-	-	743	693	743	693
Total revenue	<u>358,741</u>	<u>359,493</u>	<u>5,158,457</u>	<u>4,785,043</u>	<u>5,517,198</u>	<u>5,144,536</u>
Expenses						
Culture and recreation	52,538	79,913	-	-	52,538	79,913
Home and community	291,074	251,013	5,218,276	4,661,569	5,509,350	4,912,582
General administration	21,041	9,207	-	-	21,041	9,207
Interest	1,143	653	-	-	1,143	653
Total expenses	<u>365,796</u>	<u>340,786</u>	<u>5,218,276</u>	<u>4,661,569</u>	<u>5,584,072</u>	<u>5,002,355</u>
Change in net position	<u>\$(7,055)</u>	<u>\$18,707</u>	<u>\$(59,819)</u>	<u>\$123,474</u>	<u>\$(66,874)</u>	<u>\$142,181</u>

CHART 3



Governmental Funds

Total assets of the Agency’s General Fund were \$1,168,712 in 2020 as compared to \$1,118,890 in 2019. The increase of \$49,822, (4%) in 2020 is primarily the result of a reduction in the investments in and advances to Glen Cove IDA.

Total liabilities and deferred inflows of resources in the General Fund decreased from \$1,438,420 in 2019 to \$1,371,143 in 2020.

At December 31, 2020, the amount due from governmental activities to business-type activities was \$336,450. The balance decreased by \$88,496 in 2020 from \$424,986 in 2019. The amount due from governmental activities to business-type activities essentially includes the OPEB and accrued compensated absence expenses of the Section 8 Program that will be paid from the Agency’s General Fund as they become due. The Agency had a general fund balance of

\$(202,431) in 2020 as compared to \$(319,530) in 2019, an increase of \$117,099 (37%).

Under the Employer Contribution Stabilization program in provision 57, Laws of 2010, the CDA elected to defer retirement plan contributions of \$45,587, in 2012 and 2014. The outstanding balance of these notes at December 31, 2020 was \$14,108, a decrease from 2019 due to payments of \$4,715 made.

In 2020, the operating revenue of the General Fund was \$358,741 and for 2019, was \$359,493.

In 2020, the current expenditures of General Fund were \$241,642, \$79,524 lower than the previous year of \$321,166.

The expenditures for home and community service, decreased by \$64,473 (28%), from \$231,728 in 2019 to \$167,255 in 2020. The 2020 expenditures for culture and recreation decreased by \$27,375 from 2019 (34%), from \$79,913 in 2019 to \$52,538 in 2020.

Capital Assets

As of December 31, 2020 the capital assets of the CDA were as follows:

TABLE 3

CAPITAL ASSETS DECEMBER 31, 2020	
	<u>Amount</u>
Waterfront road	\$1,937,200
Equipment	14,833
Total capital assets	<u>1,952,033</u>
Less: Accumulated depreciation	<u>(14,496)</u>
Total capital assets, net	<u>\$1,937,537</u>

The Section 8 Program capital assets include \$58,243 of equipment with accumulated depreciation of \$49,837. For additional information, please refer to the notes to the financial statements, Note 5 “Capital Assets”.

Debt Administration

At December 31, 2020, long-term liabilities of the governmental activities were \$1,218,044 and accounted for 93% of the total liabilities of \$1,309,948. Long-term liabilities include the amount of \$1,066,075 of OPEB, \$14,108 notes payable to the NYS Employees Retirement System, a net pension liability for participation in ERS of \$118,230, and \$19,631 for compensated absences.

For additional information on long-term debt activity, please refer to Note 7 “Long Term Debt”.

Retirement

The New York State Employees’ Retirement System had suffered from the effects of the weak stock market conditions for several years prior to 2014. As a result, the system had required additional contributions from the CDA in excess of the amounts budgeted. The CDA issued a note to the Retirement System to cover the additional 2012 liability of \$27,417. The note bears an annual interest rate of 3% and is amortized over a period of ten years. In 2014, the CDA issued an additional note to the Retirement System of \$18,170. The note is also for a 10 year period and bears an annual interest rate of 3.15%. The outstanding balance of these notes at December 31, 2020 and 2019 were \$14,108 and \$18,823.

Federal Aid

The CDA receives financial assistance from the United States Department of Housing and Urban Development (HUD). The Community Development Block Grant funds pass through the County of Nassau Office of Community Development. The Section 8 Housing Choice Voucher Program Funds are received directly from HUD.

Economic Factors

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

Contacting the CDA’s Financial Management

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

BASIC FINANCIAL STATEMENTS:
GOVERNMENT-WIDE FINANCIAL STATEMENTS



GLEN COVE COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

Assets	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 118,262	\$ 430,926	\$ 549,188
Receivable from other governments	107,661	-	107,661
Other receivables:			
Due in one year	-	86,586	86,586
Due from (to) other funds	(336,450)	336,450	-
Due from Industrial Development Agency	942,789	-	942,789
Prepaid expenses	-	10,117	10,117
Capital assets:			
Roadway	1,937,200	-	1,937,200
Other capital assets, net of depreciation	337	8,406	8,743
Total assets	<u>2,769,799</u>	<u>872,485</u>	<u>3,642,284</u>
Deferred outflows of resources			
Pension	89,748	84,469	174,217
OPEB	<u>218,666</u>	<u>205,804</u>	<u>424,470</u>
Total deferred outflows of resources	<u>308,414</u>	<u>290,273</u>	<u>598,687</u>
Liabilities			
Accounts payable accrued expenses	91,904	12,696	104,600
Non-current liabilities:			
Due in one year	4,926	-	4,926
Due in more than one year	<u>1,213,118</u>	<u>1,132,086</u>	<u>2,345,204</u>
Total liabilities	<u>1,309,948</u>	<u>1,144,782</u>	<u>2,454,730</u>
Deferred inflows of resources			
Unearned revenue	-	132,657	132,657
Pension	7,690	7,238	14,928
OPEB	<u>98,584</u>	<u>92,784</u>	<u>191,368</u>
Total deferred inflows of resources	<u>106,274</u>	<u>232,679</u>	<u>338,953</u>
Net position			
Net investment in capital assets	1,937,537	8,406	1,945,943
Unrestricted	<u>(275,546)</u>	<u>(223,109)</u>	<u>(498,655)</u>
Total net position	<u>\$ 1,661,991</u>	<u>\$ (214,703)</u>	<u>\$ 1,447,288</u>

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

GLEN COVE COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	<u>Expenses</u>	Program	Net (Expense) Revenue and		
		Revenue	Changes in Net Position		
Functions/Programs		<u>Operating</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
		<u>Grants</u>	<u>Activities</u>	<u>Activities</u>	
Governmental activities:					
Culture and recreation	\$ (52,538)	52,538	-	-	-
Home and community service	(291,074)	306,203	15,129	-	15,129
General administration	(21,041)	-	(21,041)	-	(21,041)
Interest	(1,143)	-	(1,143)	-	(1,143)
Business-type Activities:					
Housing assistance	<u>(5,218,276)</u>	<u>5,157,714</u>		<u>(60,562)</u>	<u>(60,562)</u>
Total	<u>\$ (5,584,072)</u>	<u>5,516,455</u>	(7,055)	(60,562)	(67,617)
General revenue - interest			-	743	743
Change in net position			<u>(7,055)</u>	<u>(59,819)</u>	<u>(66,874)</u>
Net position - January 1, 2020			<u>1,669,046</u>	<u>(154,884)</u>	<u>1,514,162</u>
Net Position - December 31, 2020			<u>\$ 1,661,991</u>	<u>(214,703)</u>	<u>1,447,288</u>

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

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS



**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
BALANCE SHEET - GOVERNMENTAL FUND
GENERAL FUND
DECEMBER 31, 2020**

Assets	
Cash	\$ 118,262
Receivable from other Governments	107,661
Investments in and advances to Glen Cove IDA	<u>942,789</u>
 Total assets	 \$ <u><u>1,168,712</u></u>
 Liabilities:	
Accounts payable and accrued expenses	\$ 91,904
Due to Housing Choice Voucher Program	<u>336,450</u>
 Total liabilities	 <u>428,354</u>
 Deferred inflows of resources	 <u>942,789</u>
 Fund balance:	
Unassigned	<u>(202,431)</u>
 Fund balance	 <u>(202,431)</u>
 Total liabilities, deferred inflows of resources and fund balance	 \$ <u><u>1,168,712</u></u>

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

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT
OF NET POSITION
DECEMBER 31, 2020**

Fund balance - total governmental fund		\$ (202,431)
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources therefore are not reported in the governmental funds:		
Governmental capital assets		1,952,033
Less accumulated depreciation		(14,496)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental fund:		
Retirement system note	\$ (14,108)	
Net pension liability	(118,230)	
OPEB	(1,066,075)	
Compensated absences	<u>(19,631)</u>	(1,218,044)
Program income is recognized as earned in governmental activities. These revenues are recognized when measurable and available and deferred within the governmental fund.		
		942,789
Deferred outflows of resources reported in Government-Wide Financial statements but not in the fund financial statements.		
Pension	89,748	
OPEB	<u>218,666</u>	308,414
Deferred inflows of resources reported Government-Wide Financial statements but not in the governmental fund:		
Pension	(7,690)	
OPEB	<u>(98,584)</u>	<u>(106,274)</u>
Net position of governmental activities		\$ <u><u>1,661,991</u></u>

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

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF GOVERNMENTAL FUND REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2020**

Revenue:	
Federal aid	\$ 297,246
Program income	<u>61,495</u>
Total revenue	<u>358,741</u>
Expenditures:	
Culture and recreation	52,538
Home and community service	167,255
General administration	20,706
Debt service - interest	<u>1,143</u>
Total expenditures	<u>241,642</u>
Changes in fund balance	117,099
Fund balance, beginning of year	<u>(319,530)</u>
Fund balance, end of year	<u>\$ (202,431)</u>

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

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net changes in fund balance - governmental fund	\$	117,099
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund. For the governmental fund, loans made that are not expected to be repaid in the near future are offset with deferred revenues whereas loans made are considered project expenditures and loans collected are considered current year revenue. However, on the statement of activities only interest earnings are reported.		
Deferred revenue		(61,495)
Repayment of long term debt principal is expenditure in governmental funds, but repayment reduces long-term debt in the Statement of Net position.		
Retirement system note		4,715
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Current year depreciation		(335)
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:		
Accrued compensated absences		12,672
OPEB		(185,509)
Net pension liability		(84,211)
Deferred outflows of resources - pensions		51,609
Deferred outflows of resources - OPEB		177,305
Deferred inflows of resources - pensions		9,934
Deferred inflows of resources - OPEB		<u>(48,839)</u>
Change in net position of governmental activities	\$	<u><u>(7,055)</u></u>

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

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
PROPRIETARY FUND
HOUSING CHOICE VOUCHER PROGRAM
DECEMBER 31, 2020**

ASSETS

Current assets:

Cash and cash equivalents	\$	430,926
Receivables		86,586
Prepaid expenses		10,117

Total current assets		527,629
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Non-current assets:

Due from General Fund		336,450
Capital assets, net		8,406

Total non-current assets		344,856
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Total assets		872,485
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DEFERRED OUTFLOWS OF RESOURCES

Pension		84,469
OPEB		205,804

Total deferred outflows of resources		290,273
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LIABILITIES

Current liabilities - accounts payable accrued expenses		12,696
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Non-current liabilities:

Net pension liability		111,275
Compensated absences		17,446
OPEB		1,003,365

Total liabilities		1,144,782
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DEFERRED INFLOWS OF RESOURCES

Unearned revenue		132,657
Pension		7,238
OPEB		92,784

Total deferred inflows of resources		232,679
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NET POSITION

Net investment in capital assets		8,406
Unrestricted		(223,109)
Total net position	\$	(214,703)

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

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
HOUSING CHOICE VOUCHER PROGRAM
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2020**

Operating revenue:	
Administration fees earned	\$ <u>360,346</u>
Operating expenses:	
Salaries and benefits	406,245
Administrative expenditures	32,165
Tenant services	15,234
Depreciation expense	<u>3,436</u>
Total operating expenses	<u>457,080</u>
Operating loss	<u>(96,734)</u>
Non-operating revenues (expenses):	
HUD Operating Grant Housing Assistance	4,797,368
Housing assistance payments	(4,761,196)
Interest income	<u>743</u>
Non-operating income	<u>36,915</u>
Changes in net position	<u>(59,819)</u>
Net position at beginning of year	<u>(154,884)</u>
Net position at end of year	<u>\$ (214,703)</u>

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

**COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
HOUSING CHOICE VOUCHER PROGRAM
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:	
Administrative fees	\$ 468,322
Salaries and benefits	(242,503)
Payments to suppliers for goods and services	<u>(56,599)</u>
Net cash provided by operating activities	<u>169,220</u>
Cash flows from investing activities - interest income	
	<u>743</u>
Cash flows from non-capital financing activities -	
Housing and Urban Development Grant	4,797,368
Payments for housing assistance	<u>(4,761,196)</u>
Net cash provided by non-capital financing activities	<u>36,172</u>
Change in cash and cash equivalents	206,135
Cash and cash equivalents at beginning of year	<u>224,791</u>
Cash and cash equivalents at end of year	<u>\$ 430,926</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ (96,734)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,436
Changes in operating assets and liabilities:	
Receivables	(24,681)
Prepaid expenses	(5,524)
Due from General Fund	88,496
Deferred outflows of resources - pensions	(48,573)
Deferred outflows of resources - OPEB	(166,876)
Accounts payable and accrued expenses	7,308
Net pension liability	79,258
Compensated absences	(10,760)
OPEB liability	174,597
Deferred inflows of resources - unearned revenue	132,657
Deferred inflows of resources - pensions	(9,350)
Deferred inflows of resources - OPEB	<u>45,966</u>
Net cash provided by operating activities	<u>\$ 169,220</u>

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

NOTES TO FINANCIAL STATEMENTS



**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

The accompanying financial statements of the Glen Cove Community Development Agency (“CDA”, “Agency”) have been prepared in accordance with generally accepted accounting principles applicable to state and local governmental units as promulgated by the Government Accounting Standards Board (GASB).

The basic financial statements of the CDA include the general fund and the Section 8 Housing Choice Voucher Program (“Section 8 Program.”) which includes all of its funds. The financial statements of the CDA have been prepared to conform to generally accepted accounting standards (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles. The more significant accounting principles and reporting practices used by the CDA are described below.

FINANCIAL REPORTING ENTITY

The Glen Cove Community Development Agency, formally known as the Urban Renewal Agency, was established on April 16, 1964 under Title 11-A Section 580-a of the Consolidated Laws of the State of New York. The name change was mandated by State Law Section 580(a) on January 1, 1980.

The powers of the Agency are vested in the Mayor, as Chairman, and its six-member Board of Directors. The members are appointed by the Mayor of the City of Glen Cove (the “City”) subject to the approval of the City Council. Agency obligations are backed by the City of Glen Cove.

GASB Statement No. 14, “*The Financial Reporting Entity*,” states that a primary government that appoints a voting majority of an organization’s officials or is obligated in some manner for the debt of that organization, is financially accountable for that organization. Based on this criterion, the CDA is considered to be a discretely presented component unit of the City of Glen Cove and, as such, is included in the City’s basic financial statements.

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

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

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

The housing unit selected by the family must meet an acceptable level of health and safety before the Program can approve the unit.

When the voucher holder finds an acceptable unit, the Section 8 Program must inspect the dwelling and determine that the rent requested is reasonable.

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

BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34, *“Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments,”* the basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Agency as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by intergovernmental revenues (Primarily Federal aid), are reported separately from business-type activities, which rely to a significant extent on fees and charges for support of its administrative activities, which involve management of the Section 8 Program. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The Agency has only a single

governmental activity and a single business activity to report.

The government-wide financial statements focus more on the sustainability of the Agency as an entity and the change in aggregate and net financial position resulting from the activities of the fiscal period. The effect of inter-fund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Agency. It is displayed in a format of assets plus deferred outflows of resources less liabilities, less deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) invested in capital assets, 2) restricted, and 3) unrestricted. Invested in capital assets, represents capital assets net of accumulated depreciation, reduced by outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net positions are those with constraints placed on their use either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted is shown as unrestricted.

Generally, the Agency would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Agency are offset.

Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type activities. In the Statement of Net Position, the governmental activities and business activities columns are presented on a consolidated basis in a single column (the CDA has only a single General Fund and a single business-type fund), and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost by functional category (home and community, culture and recreation and housing assistance) and the general revenues. The general revenues principally consists of interest.

The Statement of Activities net gross expenses (including depreciation) against related program revenues, operating and capital grants and charges for providing services. The program revenues must be directly associated with the functional (home and community, culture and recreation and housing assistance) activity. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Agency did not have capital specific grants in its year ended December 31, 2020.

The net costs, by function, are covered by general revenues. The general revenues consist primarily of interest earned on the Agency's cash equivalents.

In the fund financial statements, the emphasis is on the major funds. Non-major funds (by category), if any, or fund types are summarized into a single column. The Agency has only a single major fund, the general fund.

The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which the budget for the general fund is prepared. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Agency's actual experience conforms to the fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized only as they become susceptible to accrual (measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related

fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures when payment is due.

Intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual. In applying the susceptible to accrual criteria to intergovernmental revenues (grants and subsidies), eligibility requirements of the individual programs must be met. In general, monies must be expended on a specific purpose or project before any amounts not available are recorded as deferred revenue. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

The Agency reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the CDA through which the CDA provides most services. Its principal sources of revenue are the Community Development Block Grant received from the United States Department of Housing and Urban Development.

The Agency reports the following proprietary fund:

Section 8 Housing Choice Voucher Program - This enterprise fund accounts for the administration of 340 units of rental assistance through the HUD funded Housing Choice Voucher Program. The enterprise fund is accounted for on a flow of economic resources measurement focus. 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. This fund follows the accrual basis of accounting, which involves a capital maintenance and recovery focus. Under this method, revenues are recognized when

earned and expenses are recognized when incurred. The enterprise fund's unbilled receivables are recognized as revenues at year-end.

Inter-fund Transfers - Transfers among funds are recognized in the accounting period in which inter-fund receivables and payables arise. Intergovernmental revenues received as reimbursements for specific purposes are recognized based upon the expenditures recorded.

BUDGETS AND BUDGETARY ACCOUNTING

The Agency uses both annual and program budgets for the General Fund and Section 8 Program. The budgets are not legally adopted budgets but are used for planning and control documents by the agency.

Annual Budgets

The annual budget is proposed for the General Fund and the Section 8 Program by the Executive Director and submitted to the Board of Directors for approval. The Section 8 Program annual budget is used to allocate the administrative fees received from the HUD for managing the Housing Choice Voucher program among various expenses. The General Fund budget provides planning appropriations to cover both program and administrative expenditures and is presented as required supplementary information.

The budgets are amended during the year as additional planning information becomes available. The Executive Director, with the approval of the Board of Directors is authorized to amend the budget allocations and total appropriations. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Program Budgets

The Community Development Block Grant Program Budget

The CDA receives annual funding from a Community Development Block Grant Program (“CDBG”) of the United States Department of Housing and Urban Development (“HUD”) via the Nassau County Office of Housing and Intergovernmental Affairs.

Every year the CDA receives an application from Nassau County’s Office of Community Development (“OOC”) to apply for CDBG funds. The contract fiscal year for the CDBG grant begins at the first day of September and ends on the thirty first day of August. The application is sent to the CDA between February and March of the next grant year. The Agency must complete the application and submit a three year plan for the upcoming and following two grant years for the Agency. The Agency must also include the CDBG Budget in the CDBG Application.

Activities included in the application must meet the National Objectives of the program benefiting low and moderate income persons (defined as below 80% of Nassau County’s median income) or aiding in the prevention or elimination of Slum and Blight. The application must include a three year project plan.

Upon receipt of the application, the CDA holds a meeting of the Board of Directors to authorize the Executive Director to apply for the grant. After authorization, the City Council will call a Public Hearing regarding the grant. Notice of Public Hearing is published and a public hearing is held by the City Council to provide citizens with an opportunity to propose the inclusion of activities in the program year. The Public Agencies applications are reviewed by the CDA Board.

After approval of the Council, the grant application is sent to the OOC. The OOC

reviews and recommends changes to the CDA’s request of funds and sends the awarded contract back to the CDA for the Mayor’s signature. After the Mayor signs the contract it is sent back to OOC for approval. OOC will send the approval and an environmental clearance to the CDA at which point the CDA has the right to draw down the funds.

The CDA annual (“the Program Year”) budget allotment does not expire at the year end. The grant contract period is for two years or until the projects included in the budget are completed. The completion of a project could take several years.

Section 8 Housing Choice Voucher Program Budget

The Section 8 Program enters into an Annual Contribution Contract (ACC) with HUD. Under the ACC, HUD agrees to make payments over a specified term to Section 8 for housing assistance payments to owners and for Section 8 administrative fees. The ACC specifies the maximum payment over the ACC term. The Section 8 Program administration agrees to manage the Section 8 assistance in accordance with HUD regulations and requirements.

HUD’s commitment to make payments for each funding increment in the Section 8 Program constitutes a separate ACC. However, commitments for all the funding increments in the Section 8 Assistance Program are listed in one consolidated contractual document called the consolidated Annual Contributions Contract (consolidated ACC). A single consolidated ACC covers funding for the whole assistance program.

The budget of the Section 8 is the maximum amount that may be paid by HUD to the Section 8 Program over the ACC term of a funding increment. Before adding a funding increment to the consolidated ACC, HUD reserves budgeted Section 8 from amounts authorized and appropriated by the U.S. Congress for the Program.

For each funding increment, the ACC specifies the term over which HUD will make payments for the Section 8 Program, and the amount of available budget Section 8 for each funding increment. The amount to be paid to the Section 8 Program during each fiscal year (including payment from the ACC reserve account) must be approved by HUD.

HUD may establish and maintain an unfunded reserve account for the program from available budget Section 8 under the consolidated ACC. This reserve is called the "ACC reserve account" (formerly "project reserve"). There is a single ACC reserve account for Section 8. HUD determines the amount in the ACC reserve account and may approve payments for the Section 8 Program, in accordance with the Section 8's HUD-approved budget, from available amounts in the ACC reserve account.

For each fiscal year, administrative fees are specified in the Section 8 budget. The budget is submitted for HUD approval. Fees are paid in the amounts approved by HUD. Administrative fees may only be approved or paid from amounts appropriated by the Congress. The administrative fees may only be used to cover costs incurred to perform Section 8 administrative responsibilities for the program in accordance with HUD regulations and requirements. The Section 8 Program's ongoing administrative fee is paid for each program unit under Section 8 contract on the first day of the month.

The Community Development Agency regularly transfers additional funds to the Section 8 Program to cover the excess of its administrative costs over the fees earned and received from HUD.

EXPENDITURES IN EXCESS OF BUDGET

The CDA had certain individual budgetary expenditures that exceeded their budgetary authorizations.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, NET POSITION, FUND BALANCES, REVENUES AND EXPENSES

Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with original maturities of three months or less from the date acquired by the CDA, which are not specifically restricted as to use.

Cash balances in excess of Federal Deposit Insurance Corporation (FDIC) limits are collateralized at 105% by municipal notes and U.S. Treasury Notes held by third party trustee departments.

The CDA's investment policy requires the CDA to follow State statutes which allow the CDA to invest in obligations guaranteed by the U.S. Treasury or its agencies and general obligations of the State of New York and its municipalities.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Other Assets

Other assets are recorded and accounted for at cost.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both

government-wide and fund financial statements. In the governmental fund financial statements, these prepaid items are recorded on the consumption basis.

Capital Assets

Capital assets, including property, equipment, and infrastructure assets (i.e., roads, sidewalks and similar items), are reported in the applicable governmental activities or business type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Assets contributed (donated) to those funds are recorded by reference to historical costs of the donor if recently purchased or constructed, or if such records are not available, at estimated fair market value on the date of receipt.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

When capital assets are disposed of, the cost and accumulated depreciation or amortization is removed from the accounts and any resultant gain or loss is recognized in the government-wide and Proprietary Fund financial statements.

For the Section 8 Program, as a proprietary fund, the capital assets are reported on a “capital maintenance” measurement focus. Property, plant, and equipment acquired by the Agency are stated at cost (or estimated historical cost) including interest capitalized during construction, where applicable.

Depreciation of all exhaustible fixed assets used by the Agency is charged as an expense against its operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 25-40 years for buildings, 10-17 years for improvements other than buildings, and 3-5 years for equipment.

Deferred Outflows of Resources

In the Statement of Net Position, in addition to assets, the CDA will report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CDA has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the CDA’s proportion of the collective net pension asset or liability and difference during the measurement period between the CDA’s contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the CDA contributions to the pension system subsequent to the measurement date. The third item is related to OPEB on the statement of net position. The amount represents the changes of assumptions.

Long-term Obligations

In the government-wide financial statements and the Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Compensated Absences

Compensated absences consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered. The CDA employees receive vacation time, sick leave, and other benefits. Employees of the CDA may carry over unused vacation and sick days as stipulated by the CDA Employee Handbook.

The employees of the CDA may accumulate 250 sick days to be paid out upon retirement. Only 75% of benefits so earned will be paid to those employees with less than 10 years of service.

The cost of compensated absences is accrued, when incurred, in the government-wide financial statements.

The compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

Other Post-Employment Benefits (OPEB)

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

Risk Management

The Agency is potentially exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; general liability; workers' compensation and unemployment claims. The CDA is covered for general liability and worker's compensation claims under the City

of Glen Cove Self-Insurance Fund (CIF). The Agency had no outstanding claims or judgments against it during the fiscal year.

Deferred Inflows of Resources

Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual (i.e. when they become both measurable and available to finance expenditures of the fiscal period.) "Available" means collectible within the current period (year ended December 31, 2020) or within 60 days after year end (January or February of 2021) and usable to pay liabilities of the current period.

In accordance with GASB Statement No. 33, the CDA accrues revenue from expenditure-driven/reimbursement type grants, such as CDBG and Home grants, when the expenditures have been made and the revenue is available.

Deferred inflows of resources are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These relate to unearned revenue, pensions and other post-employment benefits reported in the government-wide Statement of Net Position. This represents the effect of the net change in the CDA's proportion of the collective net pension liability and difference during the measurement periods between the CDA's contributions and its proportion share of total contributions to the pension system not included in pension expense. This also represents actuarial changes in assumptions in the calculation of the CDA's other post-

employment benefit liability. Additionally, this represents funds that were received in the year ended December 31, 2020, but will not be earned until the year ending December 31, 2021.

Inter-fund and Intra-entity Loans and Transfers

From time to time, the CDA transfers funds to the Section 8 Program to cover Section 8 Program's administrative expenses in excess of HUD provided administrative fees. At December 31, 2020, the CDA owed the Section 8 Program \$336,450. The majority of the amount owed was for the OPEB expense, compensated absences and payroll expenses. This account is eliminated in consolidation on the government wide Statement of Net Position.

Any amounts due to or due from the primary government or other component units are shown as receivables from and payables to external parties in the government-wide Statement of Net Position. The amount due from the Industrial Development Agency (IDA) is \$942,789 at December 31, 2020. These balances have been determined to represent long-term receivables and not available for current expenditures and were recognized as deferred inflows, in the Agency's General Fund Balance Sheet.

In the Statement of Net Position, the reimbursements receivable from the IDA are presented as loans from the Agency to the IDA. The resulting transactions have no effect on the revenues and expenditures of the Agency.

Operating and Non-operating Revenues and Expenses

Operating revenues generally result from providing goods and services to individuals or entities separate from the Agency. The operating transactions are those other than capital and related financing activities, noncapital financing activities, investing

activities and non-exchange revenues. Operating revenues of the Agency include administrative fees received from HUD.

Non-operating revenues are those revenues that do not meet the definition of operating revenues. Non-operating revenues include gifts, investment income and insurance reimbursement revenue and housing assistance and other grants.

Accounting Pronouncements

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

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

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

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

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

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

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

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

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial

Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2020, carrying values of cash and cash equivalents was \$549,188. The amount on deposit was \$582,399.

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

Custodial and credit risk. The Agency’s bank balances on deposits were either entirely insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or collateralized with securities pledged in third party custodial accounts of the pledging financial institutions in the CDA's name.

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

NOTE 3. ACCOUNTS RECEIVABLE

For the year ended December 31, 2020, the current accounts receivable of the CDA and Section 8 Program totaled \$194,247 and included \$107,661 due from the County of Nassau, primarily for reimbursement of payroll and professional expenses and \$86,586 due from recipients of Section 8

housing assistance payments, for repayment of unreported income. These receivables are deemed as current and assumed to be collectible within 90 days.

NOTE 4. AMOUNTS DUE TO OR FROM THE CITY AND IDA

For the year ended December 31, 2020, the amounts due from the IDA decreased by \$61,495 to an aggregate owed to the CDA of \$942,789. The following is a summary of the amounts owed to the CDA at December 31, 2020:

	<u>Amount</u>
Balance receivable - contractual expenses	\$4,967,363
Balance receivable - payroll benefits	<u>1,026,146</u>
Total due from IDA	5,993,509
Less amount forgiven	<u>(5,050,720)</u>
Balance, December 31, 2020	<u><u>\$942,789</u></u>

NOTE 5. CAPITAL ASSETS

Under the current accounting policy, assets include land and improvements, buildings and improvements and construction-in-progress. The CDA and Section 8 Program reported an aggregate of \$1,945,943 in capital assets, net of accumulated depreciation, at December 31, 2020.

In October 2004, the CDA purchased parcels from the City of Glen Cove for the Glen Cove Roadway Extension Project for the sum of \$1,937,200. The CDA used program income of \$1,300,000 from the sale of Property from Avalon Bay and \$637,200 was repaid in 2017 with proceeds from the sale of the waterfront to pay for the lots and parcels. The net position invested in capital assets were \$1,937,537 at December 31, 2020.

In business-type activities, the depreciation expense totaled \$3,436. The changes in capital assets during the year ended December 31, 2020 are as follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Governmental Activities:				
Non-depreciable assets:				
Roadway	\$1,937,200	-	-	1,937,200
Total non-depreciable assets	1,937,200	-	-	1,937,200
Depreciable assets: Equipment	14,833	-	-	14,833
Total capital assets	1,952,033	-	-	1,952,033
Less accumulated depreciation	(14,161)	(335)	-	(14,496)
Total governmental activities capital assets, net	1,937,872	(335)	-	1,937,537
Business-Type Activities:				
Depreciable assets: Equipment	58,243	-	-	58,243
Less accumulated depreciation	(46,401)	(3,436)	-	(49,837)
Total business-type activities capital assets, net	11,842	(3,436)	-	8,406
Total capital assets, net	\$1,949,714	(3,771)	-	1,945,943

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

For the year ended December 31, 2020, the CDA and Section 8 Program reported the following accounts payable and accrued expenses:

	Govern- mental Activities	Business- Type Activities	Total
Contractual expenses payable	\$70,699	1,202	71,901
Payroll	8,993	-	8,993
Due to ERS	12,212	11,494	23,706
Total	\$91,904	12,696	104,600

NOTE 7. LONG TERM DEBT

The table below is a summary of changes in long-term liabilities reported in the government-wide financial statement of net position for the year ended December 31, 2020.

	Balance 12/31/2019	Reductions	Additions	Balance 12/31/2020	Due in One Year
Governmental activities:					
OPEB	\$880,566	-	185,509	1,066,075	-
Retirement note payable	18,823	(4,715)	-	14,108	4,926
Net pension liability	34,019	-	84,211	118,230	-
Compensated absences	32,303	(12,672)	-	19,631	-
Total long term debt	965,711	(17,387)	269,720	1,218,044	4,926
Business activities:					
OPEB	828,768	-	174,597	1,003,365	-
Net pension liability	32,017	-	79,258	111,275	-
Compensated absences	28,206	(10,760)	-	17,446	-
Total long term debt	888,991	(10,760)	253,855	1,132,086	-
Total combined long term debt	\$1,854,702	(28,147)	523,575	2,350,130	4,926

NOTE 8. NOTE PAYABLE TO NEW YORK STATE RETIREMENT SYSTEM

In 2004, per Ch. 260, Laws of 2004 of the State of New York, the CDA elected to amortize the Note (“Pension Note”) owed to the NYS Retirement System over a ten-year period. The principal and interest payments on the note were paid in full in December 2014.

In 2012, the CDA issued an additional note in the amount of \$27,417. The repayment began in 2014 and will be for a 10 year period at 3% interest. The future principal and interest payments on the note are as follows:

Year	Principal	Interest	Total
2021	\$3,030	185	3,215
2022	3,121	94	3,215
Total	\$6,151	279	6,430

In 2015, the CDA elected to amortize \$18,170 of the invoice due and payable in 2015 from the NYS Retirement System for 10 years at 3.15% interest rate. The future principal and interest payments on the note are as follows:

Year	Principal	Interest	Total
2021	\$1,896	251	2,147
2022	1,955	192	2,147
2023	2,017	130	2,147
2024	2,089	58	2,147
Total	\$7,957	631	8,588

NOTE 9. PENSION PLANS

(a) Plan Descriptions and Benefits Provided

Employees’ Retirement System (ERS)

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

in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

The CDA's contributions for the past three years are:

	Governmental Activities	Business-type Activities
2020	\$16,186	\$15,234
2019	15,688	14,766
2018	13,665	16,050

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

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

determined. This information was provided by ERS in reports provided to the Agency.

	Governmental Activities	Business-type Activities
Measurement date	3/31/2020	3/31/2020
Net pension liability	\$118,230	\$111,275
District's proportion of the Agency's net pension liability	0.0004465%	0.0004202%

At December 31, 2020, the CDA's proportion was 0.0004465%, which was a decrease of 0.0000336 from its proportion as of December 31, 2019. At December 31, 2020, the Section 8's proportion was 0.0004202%, which was a decrease of 0.0000317 from its proportion as of December 31, 2019.

For the year ended December 31, 2020, the CDA and Section 8 recognized pension expense of \$38,854 and \$36,569, respectively, for ERS. At December 31, 2020 the amounts allocable to the CDA based upon the CDA's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$6,958	-	6,549	-
Changes of assumptions	2,381	(2,056)	2,241	(1,935)
Net difference between projected and actual earnings on pension plan investments	60,610	-	57,045	-
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	8,058	(5,634)	7,584	(5,303)
Agency's contributions subsequent to the measurement date	11,741	-	11,050	-
Total	\$89,748	(7,690)	84,469	(7,238)

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other

amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2021	\$12,596	11,855
2022	18,139	17,072
2023	22,741	21,404
2024	16,841	15,850
2025	-	-
Thereafter	-	-
Total	\$70,317	66,181

(c) Actuarial Assumptions

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

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	6.8%
Salary increases	4.2%
Inflation	2.5%
Cost-of-living adjustment	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense

and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

<u>Measurement date</u>	<u>March 31, 2020</u>	
<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Domestic equity	36.0%	4.05%
International equity	14.0%	6.15%
Private equity	10.0%	6.75%
Real estate	10.0%	4.95%
Absolute return strategies (1)	2.0%	3.25%
Opportunistic portfolio	3.0%	4.65%
Real assets	3.0%	5.95%
Bonds and mortgages	17.0%	0.75%
Cash	1.0%	0.00%
Inflation - indexed bonds	4.0%	0.50%

*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of

projected benefit payments to determine the total pension liability.

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

The following presents the Agency’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Fund’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate:

<u>Governmental Activities</u>			
	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer’s proportionate share of the net pension liability (asset)	\$216,985	118,230	27,276
<u>Business-type Activities</u>			
	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer’s proportionate share of the net pension liability (asset)	\$204,221	111,275	25,671

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)
Measurement date	3/31/2020
Employers’ total pension liability	\$(194,596)
Plan net position	168,115
Employers’ net pension liability	<u>\$(26,481)</u>
Ratio of plan net position to the Employers’ total pension liability	86.39%

(g) Payables to the Pension Plan

Employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Retirement contributions as of December 31, 2020 and 2019 represent the projected employer contribution for the

period of April 1, 2020 through March 31, 2021 and April 1, 2019 through March 31, 2020, respectively, based on paid ERS wages multiplied by the employer’s contribution rate, by tier. These amount have been recorded as prepaid expense in the accompanying financial statements.

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City of Glen Cove Community Development Agency’s retiree medical/drug and dental insurance plans are fully insured with a plan offered through New York State Health Insurance program and Group Health Incorporated. Employees are eligible for these benefits once they have reached the age of 55 and were hired before July 1, 1973 or either have reached the age of 55 and have 5 years of qualified employment or have 30 years of qualified employment if hired after July 1, 1973. The Agency has agreed to pay the full cost of coverage for such retirees as well as the retiree’s spouse and unmarried children. Survivors are covered at full cost for ten years after employee’s death.

The number of participants as of January 1, 2020 was as follows:

Current retirees	7
Active employees	<u>6</u>
	<u>13</u>

Total OPEB Liability

The Agency’s total OPEB liability of \$2,069,440 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.30% on average
Discount rate	1.93%
Healthcare cost trend rates	5.75% for 2020, decreasing to an ultimate rate of 4.50% by 2025

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

Mortality rates used are from the RP-2014 Headcount-Weighted Healthy Mortality Tables with White Collar Adjustments, projected generationally with Scale MP-2019.

	Government Activities	Business-type Activities	Total
Total OPEB liability as of January 1, 2019	\$880,566	828,768	1,709,334
Changes for the year:			
Service cost	43,868	41,288	85,156
Interest	30,026	28,260	58,286
Differences between expected and actual experience	(17,726)	(16,683)	(34,409)
Changes of assumptions	158,662	149,328	307,990
Benefit payments	(29,321)	(27,596)	(56,917)
Total changes	185,509	174,597	360,106
Total local OPEB liability as of December 31, 2020	<u>\$1,066,075</u>	<u>1,003,365</u>	<u>2,069,440</u>

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

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current discount rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Governmental Activities total OPEB liability	\$1,267,952	1,066,075	908,215
Business-type Activities total OPEB liability	1,193,367	1,003,365	854,791
Total OPEB liability	<u>\$2,461,319</u>	<u>2,069,440</u>	<u>1,763,006</u>

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

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a different healthcare cost trend rate that is 1-percent lower or 1-percent higher than the current healthcare cost trend rate:

	1% Decrease	Discount Rate	1% Increase
Governmental Activities total OPEB liability	\$873,190	1,066,075	1,321,252
Business-type Activities total OPEB liability	821,826	1,003,365	1,243,531
Total OPEB liability	<u>\$1,695,016</u>	<u>2,069,440</u>	<u>2,564,783</u>

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

For the year ended December 31, 2020, the Agency recognized OPEB expense of \$167,646. At December 31, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$29,068	(46,654)	27,359	(43,909)
Changes of assumptions	189,598	(51,930)	178,445	(48,875)
	<u>\$218,666</u>	<u>(98,584)</u>	<u>205,804</u>	<u>(92,784)</u>

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

Fiscal Year Ending <u>December 31.</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>
2021	\$17,529	16,497
2022	17,529	16,497
2023	17,529	16,497
2024	17,529	16,497
2025	11,745	11,055
Thereafter	38,221	35,977
Total	<u>\$120,082</u>	<u>113,020</u>

NOTE 11. FEDERAL GRANTS AND CONCENTRATION OF RISK

The CDA receives financial assistance from the United States Department of Housing and Urban Development (HUD). The Community Development block grant funds pass through the County of Nassau Department of Housing and Intergovernmental Affairs. The Section 8 Housing Choice Voucher Program Funds are directly received from HUD. Both of these grants are subject to audit by the federal governments. Such audits may result in disallowances and a request for a return of funds to the federal government. The agency is funded 100% by these two programs and any change in this funding may seriously affect its continued operations.

NOTE 12. OCCUPANCY COSTS

The City provides all the required space and utilities for the CDA. The CDA charges section 8 program \$3,040 for rent annually. After the sale of the waterfront, the agencies no longer pay rent to the City.

NOTE 13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The CDA's General Fund makes periodic transfers to the Section 8 Program to cover its additional OPEB and Compensated Absence expenses. The amount due to Section 8 from CDA totaled \$336,450 at December 31, 2020.

NOTE 14. DEFERRED INFLOWS

As of December 31, 2020, deferred inflows, as presented in the governmental funds, which represent non-current receivables, were as follows:

Industrial Development Agency	<u>\$942,789</u>
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NOTE 15. SUBSEQUENT EVENTS

Management has evaluated all events through the date these financial statements were available to be issued, and has determined that there are no subsequent events that require recording or disclosure except as indicated below.

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

REQUIRED SUPPLEMENTARY INFORMATION



**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Federal aid	\$ 415,000	\$ 415,000	\$ 297,246	\$ (117,754)
Program revenue	-	-	61,495	61,495
Interest	150	150	-	(150)
Total revenues	<u>415,150</u>	<u>415,150</u>	<u>358,741</u>	<u>(56,409)</u>
Expenditures				
Current				
Home and community	65,728	70,812	167,255	(96,443)
Culture and recreation	334,194	326,799	52,538	274,261
General administration	14,275	14,275	20,706	(6,431)
Total current expenditures	414,197	411,886	240,499	171,387
Debt service - interest	<u>667</u>	<u>667</u>	<u>1,143</u>	<u>(476)</u>
Total expenditures	<u>414,864</u>	<u>412,553</u>	<u>241,642</u>	<u>170,911</u>
Net change in fund balance	286	2,597	117,099	114,502
Fund balance - beginning	<u>(319,530)</u>	<u>(319,530)</u>	<u>(319,530)</u>	<u>-</u>
Fund balance -ending	<u>\$ (319,244)</u>	<u>\$ (316,933)</u>	<u>\$ (202,431)</u>	<u>\$ 114,502</u>

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AGENCY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Activities</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 43,868	39,114	50,366
Interest	30,026	28,336	30,420
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(17,726)	-	-
Changes of assumptions	158,662	(20,809)	(71,038)
Benefit payments	<u>(29,321)</u>	<u>(28,082)</u>	<u>(31,110)</u>
Net change in total OPEB liability	185,509	18,559	(21,362)
Total OPEB liability - beginning	<u>880,566</u>	<u>862,007</u>	<u>883,369</u>
Total OPEB liability- ending	<u>\$ 1,066,075</u>	<u>880,566</u>	<u>862,007</u>
Covered payroll	\$ 113,768	116,109	117,347
Total OPEB liability as a percentage of covered payroll	937%	758%	735%

	<u>Business-Type Activities</u>		
Total OPEB liability			
Service cost	\$ 41,288	36,813	47,644
Interest	28,260	26,669	28,775
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(16,683)	-	-
Changes of assumptions or other inputs	149,328	(23,696)	(67,198)
Benefit payments	<u>(27,596)</u>	<u>(26,430)</u>	<u>(29,428)</u>
Net change in total OPEB liability	174,597	13,356	(20,207)
Total OPEB liability - beginning	<u>828,768</u>	<u>815,412</u>	<u>835,619</u>
Total OPEB liability- ending	<u>\$ 1,003,365</u>	<u>828,768</u>	<u>815,412</u>
Covered payroll	\$ 107,076	109,279	111,004
Total OPEB liability as a percentage of covered payroll	937%	758%	735%

Notes to schedule:

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

2018	3.64%
2019	3.26%
2020	1.93%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2020**

	Governmental Activities						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Agency's proportion of the net pension liability	0.0004465%	0.0004801%	0.0003807%	0.0002195%	0.0002357%	0.0003566%	0.0005287%
Agency's proportionate share of the net pension liability	\$ 118,230	34,019	12,288	27,749	43,654	17,860	23,890
Agency's covered payroll	\$ 117,766	117,399	102,541	63,811	57,368	121,283	125,152
Agency's proportion of the net pension liability as a percentage of its covered payroll	100.39%	28.98%	11.98%	43.49%	76.09%	14.73%	19.09%
Plan's fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	92.20%
	Business-Type Activities						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Agency's proportion of the net pension liability	0.0004202%	0.0004519%	0.0002740%	0.0003215%	0.0003495%	0.0005287%	0.0003566%
Agency's proportionate share of the net pension liability	\$ 111,275	32,303	8,844	27,004	50,292	12,045	16,112
Agency's covered payroll	\$ 110,839	110,493	120,445	93,437	85,063	179,833	185,570
Agency's proportion of the net pension liability as a percentage of its covered payroll	100.39%	29.24%	7.34%	28.90%	59.12%	6.70%	8.68%
Plan's fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.20%

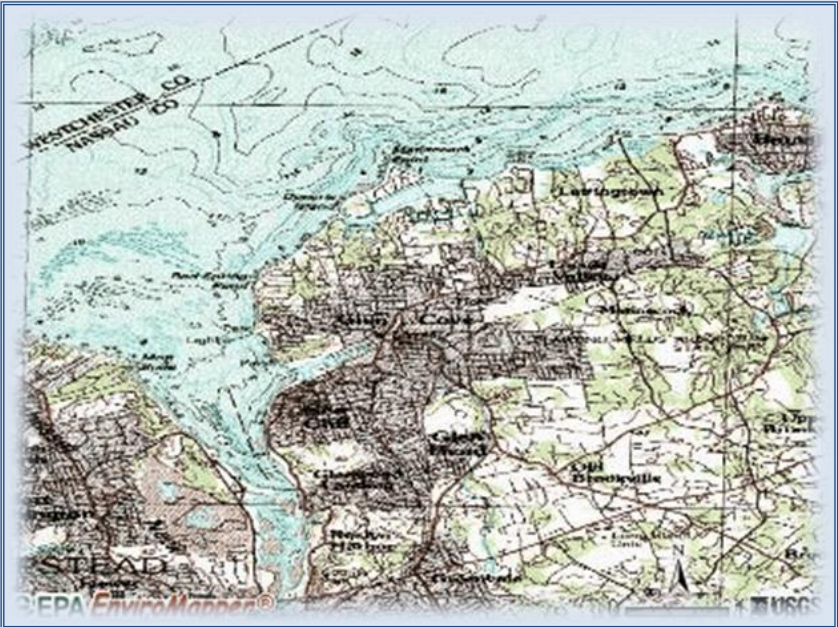
This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENCY'S EMPLOYER PENSION CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2020**

NYSERS Pension Plan							
	Governmental Activities						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 16,186	15,687	13,665	10,873	9,705	25,937	23,579
Contributions in relation to the contractually required contribution	<u>16,186</u>	<u>15,687</u>	<u>13,665</u>	<u>10,873</u>	<u>9,705</u>	<u>25,937</u>	<u>23,579</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Agency's covered payroll	\$ 117,766	117,399	102,541	63,811	57,368	121,283	125,152
Contributions as a percentage of covered payroll	13.74%	13.36%	13.33%	17.04%	16.92%	21.39%	18.84%
	Business-Type Activities						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 15,234	14,766	16,050	15,921	14,391	17,492	15,902
Contributions in relation to the contractually required contribution	<u>15,234</u>	<u>14,766</u>	<u>16,050</u>	<u>15,921</u>	<u>14,391</u>	<u>17,492</u>	<u>15,902</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Agency's covered payroll	\$ 110,839	110,493	120,445	93,437	85,063	179,833	185,570
Contributions as a percentage of covered payroll	13.74%	13.36%	13.33%	17.04%	16.92%	9.73%	8.57%

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

COMPLIANCE SECTION



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Glen Cove Community Development Agency (CDA), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the CDA’s basic financial statements, and have issued our report thereon dated March 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CDA’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 CDA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CDA’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 CDA’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 over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

EFPR Group, CPAs, PLLC

Williamsville, New York
March 30, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Glen Cove Community Development Agency’s (CDA) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of CDA’s major federal programs for the year ended December 31, 2020. The CDA’s major federal program is identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the CDA’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the CDA’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the CDA's compliance.

Opinion on Each Major Federal Program

In our opinion, the CDA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the CDA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the CDA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the CDA's internal control over compliance.

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

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

Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
March 30, 2021

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

<u>Agency and Program Grant Title</u>	<u>Federal CFDA Number</u>	<u>Nassau County Consortium Number</u>	<u>Federal Expenditures</u>	<u>Expenditures To Subrecipients</u>
U.S. Department of Housing and Urban Development				
Section 8 Housing Choice Voucher Program	14.871	N/A	\$ 5,142,480	\$ -
U.S. Department of Treasury				
Coronavirus Relief Fund	21.019	N/A	15,234	-
Passed through Nassau County Consortium				
Community Development:				
Block Grant/Entitlement Grants	14.218	CQHI10000045	251,842	-
Block Grant - Coronavirus	14.218	CQH120000054	45,194	-
Total Community Development			<u>297,036</u>	-
Total Federal Awards			<u>\$ 5,454,750</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

NOTE 1: PURPOSE OF THE SCHEDULE

The Uniform Guidance, requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity** - The accompanying schedule includes all federal financial assistance programs administered by the Glen Cove Community Development Agency for the fiscal year ended December 31, 2020.
- B. Basis of Presentation** - The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the Uniform Guidance.
- 1. Federal Awards** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and the Uniform Guidance, federal awards are defined as federal financial assistance and federal cost reimbursement contracts that non-federal agencies receive directly or indirectly from federal agencies or pass-through entities. Federal financial assistance is defined as assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, direct appropriations and other assistance.
 - 2. Type A and Type B Programs** - The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the levels of expenditures or expenses to be used in defining Type A and Type B Federal financial assistance programs. Type A programs for the Glen Cove Community Development Agency are those which equal or exceeded \$750,000 in expenditures / disbursements / issuances for the fiscal year ended December 31, 2020. Type B programs for the Agency are those which are less than \$750,000 in expenditures / disbursements / issuances for the fiscal year ended December 31, 2020.
 - 3. Indirect Costs** - Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The CDA does not use the 10% de minimis election.
- C. Basis of Accounting** - The information presented in the Schedule of Expenditures of Federal Awards ("the Schedule") is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2020**

I. Summary of Auditors' Results

A. Financial Statements

Type of auditors' report issued on whether the basic financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes x No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes x None reported
- Noncompliance that is material to the financial statements noted? ___ Yes x No

B. Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes x No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes x None reported

The type of auditors' report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? ___ Yes x No

Identification of Major Program:

Name of Federal Program

CFDA number

-
- Section 8 Housing Choice Voucher Program 14.871

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

\$750,000

Auditee qualified as low-risk auditee?

___ x Yes ___ No

II Findings Related to the Financial Statements Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Control

None reported

B. Compliance Findings

None reported

III Findings and Questioned Costs for Federal Awards

A. Internal Control

None reported

B. Compliance Findings

None reported

**GLEN COVE COMMUNITY DEVELOPMENT AGENCY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020**

There were no audit findings with regard to the prior year financial statements for the year ended December 31, 2019.