

City of Glen Cove, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2023

City of Glen Cove, New York

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Independent Auditors' Report

**The Honorable Mayor and the City Council
of the City of Glen Cove, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Glen Cove, New York ("City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Water Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit for the year ended December 31, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended December 31, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2023 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 to 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2023.

We also previously audited, 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 the basic financial statements of the City as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated September 22, 2023 which contained unmodified opinions on the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2024 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 22, 2024

City of Glen Cove, New York

Management's Discussion and Analysis December 31, 2023

Introduction

As management of the City of Glen Cove, New York ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. Please read this in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section to enhance understanding of the City's financial performance.

Financial Highlights

- On the government-wide financial statements, the assets and deferred outflows of resources of the City were less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by (\$51,351,977) (net position). This is an increase in the net position of \$264,965 from the prior year. The net position amount includes an unrestricted deficit of (\$146,676,135). This deficit results primarily from the accrual of certain operating liabilities pursuant to Government Accounting Standards Board ("GASB") Statement No. 75, which will be satisfied in future years, coupled with the deficits reported in the governmental funds.
- The City's governmental fund financial statements report a combined ending fund balance of \$22,729,461 inclusive of a \$17.3 million fund balance in the Capital Projects Fund. The operating funds, exclusive of the Capital Projects Fund, reported a combined fund balance of \$5,473,953, which is an overall increase of \$2,422,043 from the prior year.
- For the year 2023, the General Fund showed an operating gain of \$1,702,695, resulting in an increase of fund balance by this amount, resulting in an ending fund balance of \$3,911,575.
- At the end of the fiscal year 2023, the City's long-term liabilities (due in more than one year) was \$194.8 million, an increase from the prior year of \$27.2 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position represents information on all of the City's assets and liabilities and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The statement of activities presents information reflecting how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government support, public safety, health, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements can be found on the pages immediately following this section as the first three pages of the basic financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Water Fund, Debt Service Fund and Capital Projects Fund which are considered to be major funds. The Special Purpose Fund is a non-major governmental fund. Individual fund data for this non-major governmental funds is provided elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Water Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Water Fund within the basic financial statements to demonstrate compliance with their respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Fund

The City maintains a proprietary fund, which is an internal service fund, to account for its self-insured workers' compensation and general liability claims program. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. These benefits have been included within the governmental activities in the government-wide financial statements.

The City adopts an annual appropriated budget for its Internal Service Fund.

The proprietary fund financial statements can be found in the basic financial statements section of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

Net Position

	<u>2023</u>	<u>2022</u>
Current Assets	\$ 67,323,149	\$ 72,958,471
Capital Assets	<u>122,813,761</u>	<u>120,540,152</u>
Total Assets	<u>190,136,910</u>	<u>193,498,623</u>
Deferred Outflows	<u>41,674,449</u>	<u>40,565,405</u>
Current Liabilities	7,510,978	18,822,910
Non-current Liabilities	<u>205,377,057</u>	<u>168,481,247</u>
Total Liabilities	<u>212,888,035</u>	<u>187,304,157</u>
Deferred Inflows	<u>70,275,301</u>	<u>98,376,813</u>
Net Position		
Net investment in Capital Assets	93,932,219	92,289,315
Restricted	1,391,939	760,494
Unrestricted	<u>(146,676,135)</u>	<u>(144,666,751)</u>
Total Net Position	<u>\$ (51,351,977)</u>	<u>\$ (51,616,942)</u>

Government Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by (\$51,351,977) at the close of the current fiscal year.

One of the largest components of the City's net assets reflects its net investment in capital assets, which amounts to \$93,932,219. The City uses these capital assets to provide services to its residents and consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be utilized to liquidate these liabilities.

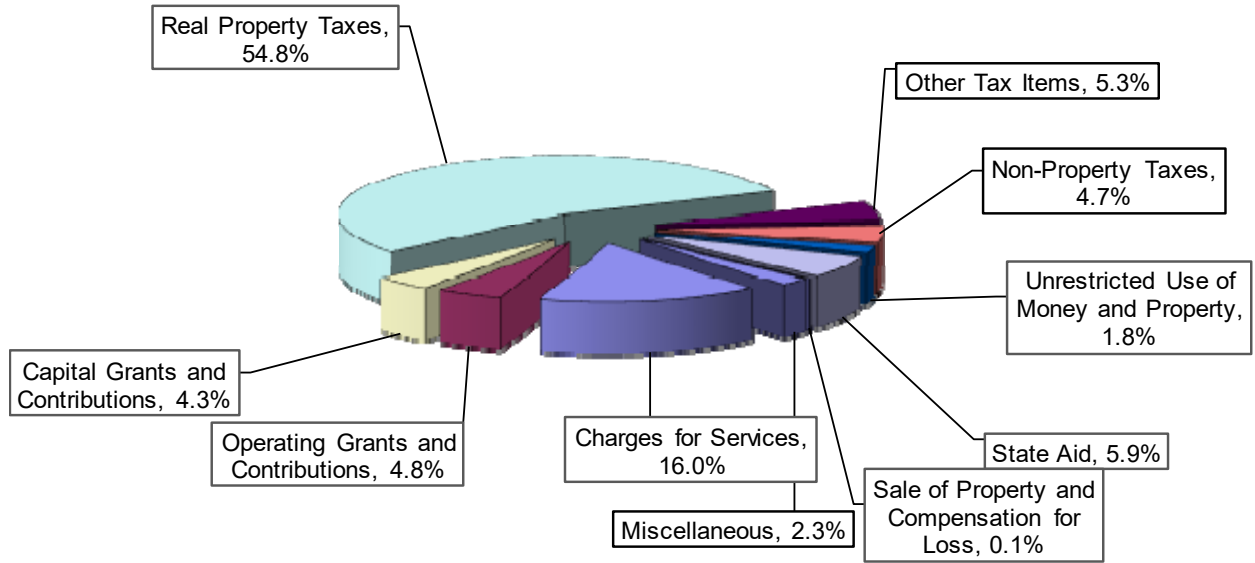
Restricted net assets comprise three components one of which is \$74,700 which represents Special Purposes Fund resources that are subject to external restrictions on their use, ambulance Service Award program of \$610,349 and funds restricted for debt service payments of \$706,890.

The remaining balance is unrestricted net position and aggregates a deficit of (\$146,676,135), which must be financed from future operations. This deficit results from a combination of the City's long term commitments, including repayment of loans to the New York State retirement systems, compensated absences and other post-employment benefit obligations. These obligations are greater than currently available resources. Payments for these liabilities will be budgeted in the year the actual payment will be made.

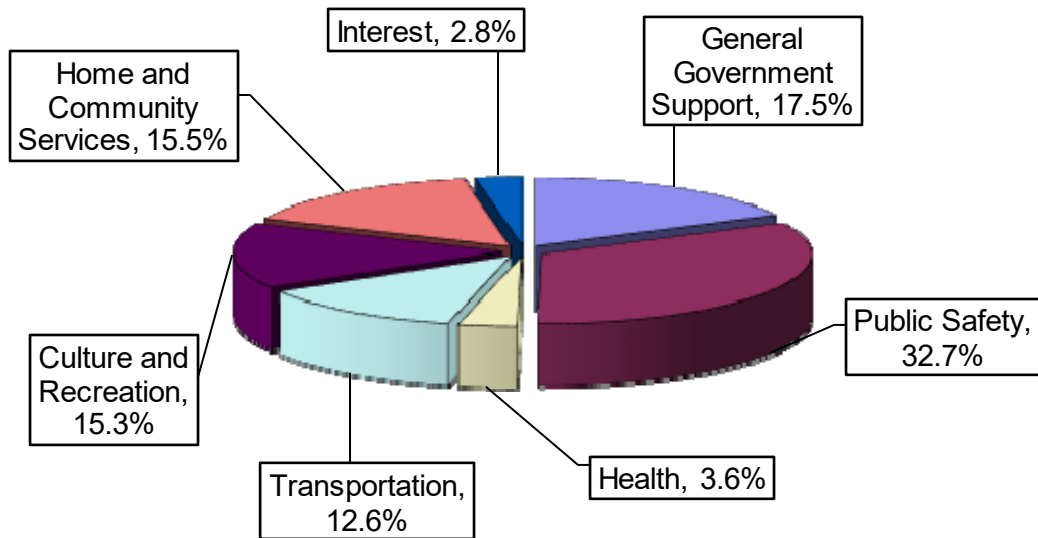
Change in Net Position

	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 9,697,524	\$ 9,486,917
Operating Grants and Contributions	2,945,493	2,156,663
Capital Grants and Contributions	2,619,918	3,048,145
General Revenues		
Real Property Taxes	33,289,177	33,369,738
Other Tax Items	3,174,248	2,811,102
Non-Property Taxes	2,856,629	2,952,604
Unrestricted Use of Money and Property	1,120,735	242,412
Unrestricted State Aid	3,609,129	4,414,880
Sale of Property and Compensation for Loss	73,487	37,969
Miscellaneous	1,384,883	267,973
	<u>60,771,223</u>	<u>58,788,403</u>
PROGRAM EXPENSES		
General Government Support	10,608,041	10,086,511
Public Safety	19,789,579	17,448,028
Health	2,118,939	1,787,888
Transportation	7,643,191	7,521,126
Culture and Recreation	9,254,145	7,705,230
Home and Community Services	9,403,760	8,233,932
Interest	1,688,603	1,661,407
	<u>60,506,258</u>	<u>54,444,122</u>
Change in Net Position	264,965	4,344,281
NET POSITION		
Beginning	<u>(51,616,942)</u>	<u>(55,961,223)</u>
Ending	<u><u>\$ (51,351,977)</u></u>	<u><u>\$ (51,616,942)</u></u>

Sources of Revenue for Fiscal Year 2023 Governmental Activities



Sources of Expenses for Fiscal Year 2023 Governmental Activities



Governmental activities increased the City's net position by \$264,965. Total City governmental activities revenues were \$60.8 million. Public safety increased by \$2.3 million, Culture and recreation increased by \$1.5 million, Home and community service increased by \$1.2 million, Miscellaneous increased by \$1.1 million, Unrestricted use of money and property increased by \$878,323, Operating grants and contributions increased by \$788,830, General governmental support increased by \$521,530, Other tax items increased by \$363,146, Health increased by \$331,051, Charges for Services increased by \$210,607, Transportation increased by \$122,065, Sale of property and compensation for loss increased by \$35,518 and Interest increased by \$27,196. Real property taxes decreased by \$80,561, Non property taxes decreased by \$95,975, Capital grants and contributions decreased by \$428,227 and Unrestricted state aid decreased by \$805,751.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$22,729,461, which reflects an increase in fund balance of \$2,307,776 in comparison with the prior year. This increase is primarily due to the increases in the General Fund (1.7 million), Debt Service Fund (\$557,689), Water Fund (\$161,618), Non-Major Governmental Fund (\$41) and decrease in the Capital Projects Fund (\$114,267).

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund, exclusive of the LOSAP, reflected a balance of \$778,852, an increase of \$1,515,484 from the prior year. Overall, General Fund expenditures and other financing uses were \$52.6 million, which was \$691,496 less than the final budget. Actual expenditure comparisons show negative variances in Employee Benefits (\$428,230), Home and community service (\$74,238), Health (\$37,184) and Public Safety (\$32,079). General Fund revenues and other financing sources were \$54.2 million, which was \$823,988 more than the final budget. The revenue categories that reflected a positive variance as compared to the budget were Use of money and Property (\$1.1 million), Miscellaneous (\$265,534), Licenses and permits (\$193,655), Other tax items (\$120,889), Department income (\$100,028) and Compensation for loss (\$20,303).

The Water Fund, fund balance is \$780,788 an increase of \$161,618 from the prior year.

The Capital Projects Fund reflected a positive fund balance of \$17.3 million on December 31, 2023.

Proprietary Fund

The Internal Service Fund is used to account for the City's self-insured workers' compensation and general liability claims program. On December 31, 2023, the fund reflected a deficit of (\$462,326), an increase in the deficit of \$173,151 when compared to the prior year. Since this is an internal service fund, which is accounted for on the accrual basis of accounting, the deficit includes an estimate of the liability for the claims that have been reported, but not settled, as well

as an estimate for claims that have been incurred but have not yet been reported, these claims total \$1,139,541.

General Fund Budgetary Highlights

The fund balance in the general fund, inclusive of the service award programs, showed a fund balance of \$3.9 million, reflecting a \$1.7 million positive change from the prior year. Revenues were \$996,526 greater than budgeted and the overall excess of revenues over expenses was \$1.7 million.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of December 31, 2023 amounted to \$122.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

Major capital assets events during the current fiscal year included, but were not limited to, the following:

- Vehicles and heavy machinery acquisitions
- Communications and security upgrades
- Parking garage improvements
- Software and hardware
- Building improvements
- Water infrastructure improvements
- Water hydrant and valve replacements
- Pedestrian and alleyway improvements
- Beaches, parks and sport stadium improvements
- Golf clubhouse and driving range renovations
- First responder equipment acquisitions
- Roadwork paving and drainage improvements

	<u>2023</u>	<u>2022</u>
Capital Assets not being depreciated		
Land	\$ 4,150,221	\$ 4,150,221
Construction-in-progress	54,841,586	54,723,591
Capital Assets being depreciated		
Buildings and Improvements	12,761,897	11,326,043
Machinery and equipment	5,667,512	4,264,566
Infrastructure	<u>45,392,545</u>	<u>46,075,731</u>
	<u><u>\$ 122,813,761</u></u>	<u><u>\$ 120,540,152</u></u>

Information on the City's capital assets can be found in Note 3D in the notes to financial statements.

Bonds and Notes Outstanding

At the end of the current fiscal year, the City had total general obligation bond debt outstanding of \$47,796,142. The year-end balance is a decrease of \$771,799 from the beginning balance of \$48,567,941. This debt is backed by the full faith and credit of the City.

Moody's Investors Service ("Moody's") has assigned their municipal bond rating of "Baa1".

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limit and without affecting the City's authority to issue debt subject to the limit.

Additional information on the City's long-term debt can be found in Note 3H in the notes to financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller, City of Glen Cove, City Hall, 9 Glen Street, Glen Cove, New York 11542.

City of Glen Cove, New York

Statement of Net Position
December 31, 2023

	Primary Governmental Activities	Component Units
ASSETS		
Cash and equivalents	\$ 12,939,707	\$ 695,753
Restricted cash and equivalents	-	228,323
Investments	18,654,654	777,593
Receivables		
Taxes	26,868,483	-
Accounts, net	1,092,819	367,256
Leases	3,049,537	-
Water rents	1,054,204	-
State and Federal aid	1,319,917	-
Due from other governments	1,209,779	-
Prepaid expenses	1,134,049	15,133
Land held for resale	-	31,650
Capital assets		
Not being depreciated	58,991,807	1,937,200
Being depreciated, net	63,821,954	2,557
Total Assets	190,136,910	4,055,465
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding bonds	255,306	-
Pension related	15,452,390	207,214
OPEB related	24,366,931	629,435
Length of service award program(s)	1,599,822	-
Total Deferred Outflows of Resources	41,674,449	836,649
LIABILITIES		
Accounts payable	1,707,171	194,106
Accrued liabilities	1,235,967	11,500
Deposits payable	480,047	
Employee payroll deductions	50,204	
Bond anticipation notes payable	1,759,163	-
Due to other governments	527	-
Overpayments	225,370	-
Unearned revenues	1,455,301	9,000
Accrued interest payable	597,228	-
Non-current liabilities		
Due within one year	10,539,534	8,300
Due in more than one year	194,837,523	3,574,739
Total Liabilities	212,888,035	3,797,645
DEFERRED INFLOWS OF RESOURCES		
Unearned revenues	-	2,000
Leases related	2,895,096	
Pension related	671,398	38,885
OPEB related	31,896,446	842,003
Length of service award program(s)	1,706,510	-
Deferred taxes	33,105,851	-
Total Deferred Inflows of Resources	70,275,301	882,888
NET POSITION		
Net investment in capital assets	93,932,219	1,939,757
Restricted for		
Special purposes	74,700	-
Debt service	706,890	-
Ambulance Service Award Program	610,349	-
Unrestricted	(146,676,135)	(1,728,176)
Total Net Position	\$ (51,351,977)	\$ 211,581

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

City of Glen Cove, New York

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 10,608,041	\$ 1,493,695	\$ 1,323,146	\$ 124,583
Public safety	19,789,579	1,557,187	137,572	370,000
Health	2,118,939	1,184,876	13,994	-
Transportation	7,643,191	1,198	17,325	1,828,473
Culture and recreation	9,254,145	1,643,972	1,385,233	187,578
Home and community services	9,403,760	3,816,596	68,223	107,388
Interest	1,688,603	-	-	1,896
Total Governmental Activities - Primary Government	<u>\$ 60,506,258</u>	<u>\$ 9,697,524</u>	<u>\$ 2,945,493</u>	<u>\$ 2,619,918</u>
Component units	<u>\$ 6,788,422</u>	<u>\$ 266,865</u>	<u>\$ 6,222,266</u>	<u>\$ -</u>
General Revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Payments in lieu of taxes				
Non-property taxes				
Non-property tax distribution from County				
Utilities gross receipts taxes				
Cable television franchise fees				
Unrestricted use of money and property				
Unrestricted State aid				
Sale of property and compensation for loss				
Miscellaneous				
Total General Revenues				
Change in Net Position				
NET POSITION				
Beginning				
Ending				

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
\$ (7,666,617)	\$ -
(17,724,820)	-
(920,069)	-
(5,796,195)	-
(6,037,362)	-
(5,411,553)	-
(1,686,707)	-
(45,243,323)	-
-	(299,291)
33,289,177	-
510,097	-
2,664,151	-
1,883,235	-
501,545	-
471,849	-
1,120,735	23,768
3,609,129	-
73,487	-
1,384,883	-
45,508,288	23,768
264,965	(275,523)
(51,616,942)	487,104
\$ (51,351,977)	\$ 211,581

City of Glen Cove, New York

Balance Sheet
Governmental Funds
December 31, 2023

	General	Water	Debt Service
ASSETS			
Cash and equivalents	\$ 3,289,560	\$ -	\$ 715
Investments	18,654,654	-	-
Taxes receivable, net	26,868,483	-	-
Other receivables			
Accounts	1,030,506	-	-
Leases	3,049,537	-	-
Water rents	-	1,054,204	-
State and Federal aid	59,543	-	-
Due from other governments	1,209,779	-	-
Due from other funds	-	-	706,175
	5,349,365	1,054,204	706,175
Prepaid expenditures	1,105,876	28,173	-
Total Assets	<u>\$ 55,267,938</u>	<u>\$ 1,082,377</u>	<u>\$ 706,890</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 700,523	\$ 158,944	\$ -
Accrued liabilities	1,199,543	36,424	-
Deposits payable	480,047	-	-
Employee payroll deductions	50,204	-	-
Bond anticipation notes payable	-	-	-
Due to other governments	527	-	-
Overpayments	225,370	-	-
Unearned revenues	1,455,301	-	-
Due to other funds	10,369,125	106,221	-
Total Liabilities	14,480,640	301,589	-
Deferred inflows of resources			
Deferred tax revenues	874,776	-	-
Taxes collected in advance	33,105,851	-	-
Deferred revenues	-	-	-
Leases related	2,895,096	-	-
Total Deferred Inflows of Resources	36,875,723	-	-
Total Liabilities and Deferred Inflows of Resources	51,356,363	301,589	-
Fund balances (deficits)			
Nonspendable	1,105,876	28,173	-
Restricted	3,167,867	-	706,890
Assigned	-	752,615	-
Unassigned	(362,168)	-	-
Total Fund Balances (Deficits)	3,911,575	780,788	706,890
Total Liabilities, Deferred inflows of Resources and Fund Balances (Deficits)	<u>\$ 55,267,938</u>	<u>\$ 1,082,377</u>	<u>\$ 706,890</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 8,716,889	\$ 76,685	\$ 12,083,849
-	-	18,654,654
-	-	26,868,483
56,207	-	1,086,713
-	-	3,049,537
-	-	1,054,204
1,260,374	-	1,319,917
-	-	1,209,779
10,475,346	-	11,181,521
11,791,927	-	18,901,671
-	-	1,134,049
<u>\$ 20,508,816</u>	<u>\$ 76,685</u>	<u>\$ 77,642,706</u>
\$ 787,970	\$ 1,985	\$ 1,649,422
-	-	1,235,967
-	-	480,047
-	-	50,204
1,759,163	-	1,759,163
-	-	527
-	-	225,370
-	-	1,455,301
706,175	-	11,181,521
3,253,308	1,985	18,037,522
-	-	874,776
-	-	33,105,851
-	-	-
-	-	2,895,096
-	-	36,875,723
3,253,308	1,985	54,913,245
-	-	1,134,049
17,255,508	74,700	21,204,965
-	-	752,615
-	-	(362,168)
17,255,508	74,700	22,729,461
<u>\$ 20,508,816</u>	<u>\$ 76,685</u>	<u>\$ 77,642,706</u>

City of Glen Cove, New YorkReconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Fund	\$ 22,729,461
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non depreciable	58,991,807
Capital assets - depreciable	236,141,512
Accumulated Depreciation	<u>(172,319,558)</u>
	122,813,761
Differences between expected and actual experiences, assumption changes are net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	15,452,390
Deferred outflows - OPEB related	24,366,931
Deferred outflows - length of service award program(s)	1,599,822
Deferred inflows - pension related	(671,398)
Deferred inflows - OPEB related	(31,896,446)
Deferred inflows - length of service award program(s)	<u>(1,706,510)</u>
	7,144,789
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Real property taxes	<u>874,776</u>
Internal service funds are used by management to charge the costs of workers' compensation and general liability claims activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	<u>(462,326)</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(597,228)
General obligation bonds payable	(47,796,142)
Retirement incentives and other pension obligations	(44,392)
Compensated absences payable	(17,523,803)
Net pension liability	(20,573,396)
Total pension liability - Length of service award program	(4,076,512)
Total OPEB liability	<u>(112,503,228)</u>
	(203,114,701)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	255,306
Premium on general obligation bonds	<u>(1,593,043)</u>
	(1,337,737)
Net Position of Governmental Activities	<u>\$ (51,351,977)</u>

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

City of Glen Cove, New York

Statement of Revenues, Expenditures and Changes

In Fund Balances

Governmental Funds

Year Ended December 31, 2023

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 33,473,227	\$ -	\$ -
Other tax items	3,174,248	-	-
Non-property taxes	2,856,629	-	-
Departmental income	3,237,460	3,678,658	-
Intergovernmental charges	75,000	-	17,044
Use of money and property	2,393,111	-	-
Net change in fair value of investments	59,998	-	-
Licenses and permits	788,005	-	-
Fines and forfeitures	306,685	-	-
Sale of property and compensation for loss	73,487	-	-
State aid	4,043,071	-	-
Federal aid	2,061,684	-	-
Miscellaneous	1,792,356	136,439	-
Total Revenues	54,334,961	3,815,097	17,044
EXPENDITURES			
Current			
General government support	6,531,881	-	-
Public safety	16,067,823	-	-
Health	999,397	-	-
Transportation	2,058,835	-	-
Culture and recreation	4,804,357	-	-
Home and community services	3,356,344	2,756,292	-
Employee benefits	11,496,138	-	-
Debt service			
Principal	-	-	5,592,941
Interest	-	-	1,752,666
Capital outlay	-	-	-
Total Expenditures	45,314,775	2,756,292	7,345,607
Excess (Deficiency) of Revenues Over Expenditures	9,020,186	1,058,805	(7,328,563)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Issuance premium	-	-	288,545
Transfers in	-	-	7,597,707
Transfers out	(7,317,491)	(897,187)	-
Total Other Financing Sources (Uses)	(7,317,491)	(897,187)	7,886,252
Net Change in Fund Balances	1,702,695	161,618	557,689
FUND BALANCES			
Beginning of Year	2,208,880	619,170	149,201
End of Year	\$ 3,911,575	\$ 780,788	\$ 706,890

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 33,473,227
-	-	3,174,248
-	-	2,856,629
-	-	6,916,118
-	-	92,044
76,717	-	2,469,828
-	-	59,998
-	-	788,005
-	-	306,685
-	-	73,487
2,058,291	-	6,101,362
242,689	-	2,304,373
240,325	26,407	2,195,527
2,618,022	26,407	60,811,531
-	-	6,531,881
-	-	16,067,823
-	-	999,397
-	-	2,058,835
-	26,366	4,830,723
-	-	6,112,636
-	-	11,496,138
-	-	5,592,941
-	-	1,752,666
8,170,402	-	8,170,402
8,170,402	26,366	63,613,442
(5,552,380)	41	(2,801,911)
4,821,142	-	4,821,142
-	-	288,545
1,323,146	-	8,920,853
(706,175)	-	(8,920,853)
5,438,113	-	5,109,687
(114,267)	41	2,307,776
17,369,775	74,659	20,421,685
\$ 17,255,508	\$ 74,700	\$ 22,729,461

City of Glen Cove, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 2,307,776
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	8,205,917
Depreciation expense	(5,932,308)
	<u>2,273,609</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	(184,050)
Deferred revenues - sewer debt service	(18,420)
	<u>(202,470)</u>
Bond, note and other proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized on the statement of activities.	
Principal paid on general obligation bonds	5,592,941
General obligation bonds issued	(4,821,142)
Issuance premium	(285,273)
	<u>486,526</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(41,203)
Retirement incentives and other pension liabilities	225,025
Compensated absences	(346,471)
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,929,150)
Changes in total pension liabilities - fire service awards and related deferred outflows and inflows of resources	(71,310)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(1,369,482)
Amortization of loss on refunding bonds and issuance premium	105,266
	<u>(4,427,325)</u>
Internal service funds are used by management to charge the cost of risk activities to individual funds. The net revenue of internal service funds is reported within governmental activities.	<u>(173,151)</u>
Change in Net Position of Governmental Activities	<u>\$ 264,965</u>

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

City of Glen Cove, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended December 31, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 33,521,601	\$ 33,521,601	\$ 33,473,227	\$ (48,374)
Other tax items	3,053,359	3,053,359	3,174,248	120,889
Non-property taxes	3,303,860	3,303,860	2,856,629	(447,231)
Departmental income	3,137,432	3,137,432	3,237,460	100,028
Intergovernmental charges	75,000	75,000	75,000	-
Use of money and property	1,211,050	1,211,050	2,393,111	1,182,061
Net change in fair value of investments	-	-	59,998	59,998
Licenses and permits	594,350	594,350	788,005	193,655
Fines and forfeitures	419,200	422,200	306,685	(115,515)
Sale of property and compensation for loss	20,000	53,457	73,487	20,030
State aid	4,343,358	4,359,707	4,043,071	(316,636)
Federal aid	451,141	2,079,597	2,061,684	(17,913)
Miscellaneous	1,410,651	1,526,822	1,792,356	265,534
Total Revenues	51,541,002	53,338,435	54,334,961	996,526
EXPENDITURES				
Current				
General government support	7,323,582	7,229,912	6,531,881	698,031
Public safety	15,974,386	16,052,838	16,067,823	(14,985)
Health	941,792	959,792	999,397	(39,605)
Transportation	2,419,358	2,451,314	2,058,835	392,479
Culture and recreation	4,543,987	4,977,074	4,804,357	172,717
Home and community services	3,279,281	3,282,106	3,356,344	(74,238)
Employee benefits	11,064,271	11,067,908	11,496,138	(428,230)
Total Expenditures	45,546,657	46,020,944	45,314,775	706,169
Excess of Revenues Over Expenditures	5,994,345	7,317,491	9,020,186	1,702,695
OTHER FINANCING USES				
Transfers out	(5,994,345)	(7,317,491)	(7,317,491)	-
Net Change in Fund Balances	-	-	1,702,695	1,702,695
FUND BALANCES				
Beginning of Year	-	-	2,208,880	2,208,880
End of Year	\$ -	\$ -	\$ 3,911,575	\$ 3,911,575

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,624,000	3,624,000	3,678,658	54,658
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
121,500	121,500	136,439	14,939
3,745,500	3,745,500	3,815,097	69,597
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,848,313	2,848,313	2,756,292	92,021
-	-	-	-
2,848,313	2,848,313	2,756,292	92,021
897,187	897,187	1,058,805	161,618
(897,187)	(897,187)	(897,187)	-
-	-	161,618	161,618
-	-	619,170	619,170
\$ -	\$ -	\$ 780,788	\$ 780,788

City of Glen Cove, New York

Internal Service Fund - Workers' Compensation and
General Liability Claims Fund
Statement of Net Position
December 31, 2023

ASSETS

Cash and equivalents	\$ 855,858
Accounts receivable	<u>6,106</u>
Total Assets	<u>861,964</u>

LIABILITIES

Current liabilities	
Accounts payable	57,749
Current portion of claims payable	<u>127,000</u>
Total Current Liabilities	184,749
Claims payable, less current portion	<u>1,139,541</u>
Total Liabilities	<u>1,324,290</u>

NET POSITION

Unrestricted	<u><u>\$ (462,326)</u></u>
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The notes to financial statements are an integral part of this statement.

City of Glen Cove, New York

Internal Service Fund - Workers' Compensation and
General Liability Claims Fund
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2023

OPERATING REVENUES

Charges for services	\$ 643,000
Insurance recoveries	<u>152,472</u>
Total Operating Revenues	<u>795,472</u>

OPERATING EXPENSES

Employee benefits	385,663
Judgments and claims	<u>582,960</u>
Total Operating Expenses	<u>968,623</u>
Loss from Operations	(173,151)

NET POSITION

Beginning of Year	<u>(289,175)</u>
End of Year	<u><u>\$ (462,326)</u></u>

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

City of Glen Cove, New York

Internal Service Fund - Workers' Compensation and
General Liability Claims Fund
Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from charges for services	\$ 643,000
Cash received from insurance recoveries	164,514
Cash payments to insurance carriers and claimants	<u>(1,091,385)</u>
Net Cash from Operating Activities	(283,871)

CASH AND EQUIVALENTS

Beginning of Year	<u>1,139,729</u>
End of Year	<u><u>\$ 855,858</u></u>

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

Loss from operations	\$ (173,151)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in assets and liabilities	
Accounts receivable	12,042
Accounts payable	(15,309)
Claims payable	<u>(107,453)</u>
Net Cash from Operating Activities	<u><u>\$ (283,871)</u></u>

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

City of Glen Cove, New York

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Custodial Fund
ASSETS	
Cash	<u>\$ 1,355,514</u>
LIABILITIES	
Due to other governments	<u>\$ 1,355,514</u>

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

City of Glen Cove, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2023

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 88,276,707
DEDUCTIONS	
Payments of real property taxes to other governments	<u>88,276,707</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

City of Glen Cove, New York

Statement of Net Position
Component Units
December 31, 2023

	Glen Cove Community Development Agency	
	Community Development	Section 8 Housing Assistance Program
ASSETS		
Cash and equivalents	\$ 18,274	\$ 573,703
Restricted cash and equivalents	-	-
Investments	-	-
Receivables		
Accounts, net of allowance for uncollectible amounts	210,288	114,993
Internal balances	933,031	13,186
Prepaid expenses	5,145	4,843
Net pension asset	-	-
Land held for resale	-	-
Capital assets		
Not being depreciated	1,937,200	-
Being depreciated, net	-	1,949
Total Assets	<u>3,103,938</u>	<u>708,674</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension obligations	70,453	66,308
Other postemployment benefit obligations	214,008	201,419
Total Deferred Outflows of Resources	<u>284,461</u>	<u>267,727</u>
LIABILITIES		
Accounts payable	120,877	9,488
Accrued expenses	-	-
Unearned revenues	-	-
Non-current liabilities		
Due within one year	2,500	3,800
Due in more than one year	1,133,490	1,079,748
Total Liabilities	<u>1,256,867</u>	<u>1,093,036</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	-	-
Pension obligations	13,221	12,443
Other postemployment benefit obligations	286,281	269,441
Total Deferred Inflows of Resources	<u>299,502</u>	<u>281,884</u>
NET POSITION		
Net investment in capital assets	1,937,200	1,949
Unrestricted	(105,170)	(400,468)
Total Net Position	<u>\$ 1,832,030</u>	<u>\$ (398,519)</u>

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

Glen Cove Industrial Development Agency	Glen Cove Local Economic Assistance Corporation	Total
\$ 93,490	\$ 10,286	\$ 695,753
228,323	-	228,323
688,471	89,122	777,593
41,975	-	367,256
(946,217)	-	-
5,145	-	15,133
-	-	-
31,650	-	31,650
-	-	1,937,200
608	-	2,557
143,445	99,408	4,055,465
70,453	-	207,214
214,008	-	629,435
284,461	-	836,649
63,741	-	194,106
8,000	3,500	11,500
9,000	-	9,000
2,000	-	8,300
1,361,501	-	3,574,739
1,444,242	3,500	3,797,645
-	2,000	2,000
13,221	-	38,885
286,281	-	842,003
299,502	2,000	882,888
608	-	1,939,757
(1,316,446)	93,908	(1,728,176)
\$ (1,315,838)	\$ 93,908	\$ 211,581

City of Glen Cove, New York

Statement of Activities

Component Units

Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Glen Cove Community Development Agency			
Community Development	\$ 510,936	\$ -	\$ 443,114
Section 8 Housing Assistance Program	5,830,127	-	5,779,152
Glen Cove Industrial Development Agency	390,849	214,865	-
Glen Cove Local Economic Assistance Corporation	56,510	52,000	-
Total	<u>\$ 6,788,422</u>	<u>\$ 266,865</u>	<u>\$ 6,222,266</u>

General revenues

Unrestricted use of money and property

Change in Net Position

NET POSITION

Beginning of Year

Prior Period Adjustment

Beginning, as restated

End of Year

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

Net (Expense) Revenue and Changes in Net Position				
Glen Cove Community Development Agency				
Community Development	Section 8 Housing Assistance Program	Glen Cove Industrial Development Agency	Glen Cove Local Economic Assistance Corporation	Total
\$ (67,822)	\$ -	\$ -	\$ -	\$ (67,822)
-	(50,975)	-	-	(50,975)
-	-	(175,984)	-	(175,984)
-	-	-	(4,510)	(4,510)
(67,822)	(50,975)	(175,984)	(4,510)	(299,291)
142	4,950	18,389	287	23,768
(67,680)	(46,025)	(157,595)	(4,223)	(275,523)
1,552,296	(5,080)	(1,158,243)	98,131	487,104
347,414	(347,414)	-	-	-
1,899,710	(352,494)	(1,158,243)	98,131	487,104
\$ 1,832,030	\$ (398,519)	\$ (1,315,838)	\$ 93,908	\$ 211,581

Note 1 - Summary of Significant Accounting Policies

The City of Glen Cove, New York ("City") was incorporated in 1918 and operates in accordance with its Charter and the various other applicable laws of the State of New York. The City functions under a Mayor/City Council form of government. The City Council is the legislative body responsible for overall operations. The Mayor serves as the chief executive officer and the Controller serves as the chief financial officer. The City provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the City, b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component units are included in the City's reporting entity because of their operational or financial relationship with the City.

The Glen Cove Community Development Agency ("CDA") is a public benefit corporation created by State legislation to promote the safety, health and welfare of the City's inhabitants and to promote the sound growth and development of the City. The Mayor serves as chairman and the members of the Board are appointed by the Mayor. CDA members have complete responsibility for management of the CDA and accountability for fiscal matters. The City is liable for CDA bonds and notes. The governing board of the CDA serves at the pleasure of the Mayor and, therefore, the primary government is able to impose its will on the CDA. Since the CDA does not provide services entirely or almost entirely to the City, the financial statements of the CDA have been reflected as a discretely presented component unit.

The Glen Cove Industrial Development Agency ("IDA") is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the City's inhabitants. Members of the IDA are appointed by the Mayor. IDA members have complete responsibility for management of the IDA and accountability for fiscal matters. The City is not liable for IDA bonds or notes. The governing board of the IDA serves at the pleasure of the City and, therefore, the primary government is able to impose its will on the IDA. Since the IDA does not provide services entirely or almost entirely to the City, the financial statements of the IDA have been reflected as a discretely presented component unit.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Glen Cove Local Economic Assistance Corporation ("LEAC") is a not-for-profit corporation created by State legislation to promote the economic development opportunities in the City of Glen Cove by serving as a conduit financing entity by issuing taxable and non-taxable revenue debt for which the LEAC typically receives a fee. Members of the LEAC are appointed by the City Council. LEAC members have complete responsibility for management of the LEAC and accountability for fiscal matters. The City is not liable for LEAC bonds or notes. The governing board of the LEAC serves at the pleasure of the City and, therefore, the primary government is able to impose its will on the LEAC. Since the LEAC does not provide services entirely or almost entirely to the City, the financial statements of the LEAC have been reflected as a discretely presented component unit. Complete financial information for these component units can be obtained from:

Controller
City of Glen Cove
City Hall
9 Glen Street
Glen Cove, New York 11542

The following organization is related to the City:

The Glen Cove Housing Authority ("Authority") is a public benefit corporation created by State legislation to promote the development of adequate housing for citizens of the City. The members of the Authority's board are appointed by the City. The Authority does not impose a financial burden to the primary government since the City is not obligated to guarantee the Authority's debt. The Authority does not provide services entirely or almost entirely to the City.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the City at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-

Note 1 - Summary of Significant Accounting Policies (Continued)

wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service Fund are charges to other funds and insurance recoveries. Operating expenses for the Internal Service Fund includes judgments and claims and employee benefit costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects. The major special revenue fund of the City is the Water fund. The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public. The major revenue of this fund is departmental income.

Note 1 - Summary of Significant Accounting Policies (Continued)

Debt Service Fund - The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The City also reports the following non-major governmental fund.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

- b. Proprietary Funds - Proprietary funds consist of an Internal Service Fund. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The City has established its Workers' Compensation and General Liability Claims Fund as an internal service fund.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the City on behalf of others. The Custodial Fund is used account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary and Fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability

Note 1 - Summary of Significant Accounting Policies (Continued)

period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability, total pension liability, certain claims and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

Component Units

The component units are presented on the basis of accounting that most accurately reflect their activities. The component units are accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of these activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total assets.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

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

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments (except Length of Service Award Program investments, which are discussed in Note 3A) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The City follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have

Note 1 - Summary of Significant Accounting Policies (Continued)

the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The City participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The City's position in the pool at December 31, 2023 of \$15,589,797 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

CLASS is rated AAAM by Standard & Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

Risk Disclosure

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

depository insurance were not exposed to custodial credit risk at December 31, 2023.

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

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The City collects City, County and School District taxes. The City collects City taxes in two installments, beginning December 1st of the prior year with the first half payable without penalty until January 10th and the second half payable without penalty until July 10th. Nassau County ("County") taxes are due January 1st with the first half payable without penalty until February 10th and the second half payable without penalty until August 10th. School district taxes for the period July 1st to June 30th are levied on August 1st with the first half payable without penalty until September 1st and the second half payable without penalty until March 1st.

The City collects County taxes and remits the amounts as collected to the County on a monthly basis. On or about September 1st, the City returns the uncollected items to the County, which assumes collection responsibility. The City functions in both a fiduciary and guarantor relationship with the School District with respect to the collection and payment of real property taxes. The City is required to satisfy the warrant of the School District by June. Thus, the City's fiduciary responsibility for School District taxes is from the date of the levy until the due date of the tax warrant at which time the City must satisfy its obligation to the School District regardless of the amounts collected. County and school districts taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Lease Receivable - The City is a lessor for a noncancellable leases of land, building and equipment. The City recognizes leases receivable and a deferred inflow of resources in the government-wide and General Fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Note 1 - Summary of Significant Accounting Policies (Continued)

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease-term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Due From/To Other Funds - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the City. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement, health insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Note 1 - Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the City are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	25
Machinery and equipment	3-20
Infrastructure	10-75

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, unearned revenues consist of revenues received in advance and/or grants received before the eligibility requirements has been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported unearned revenues of \$1,030,424 in American Rescue Plan Act funds, \$408,376 of PILOT and deferred rent and \$16,501 for unused gift certificates and other revenues received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The City reported deferred inflows of resources in the General Fund of \$2,895,096 in relation to leases. This amount is deferred and recognized as an inflow of resources in the period that the amounts became available.

The City has reported deferred inflows of resources of \$874,776 for real property taxes. The City also reported deferred inflows of resources of \$33,105,851 for taxes collected in advance in the General Fund and in the government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Summary of Significant Accounting Policies (Continued)

The City reported deferred outflows of resources for a deferred loss on the refunding bond in its government-wide Statement of Net Position. This amount, \$255,306, results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over shorter of the life of the refunding or refunded debt.

The City and its component units have also reported deferred outflows of resources and deferred inflows of resources in relation to its pension, fire service award and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the City's pension, fire service award and other postemployment benefit liabilities in Note 3H.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

Total Pension Liability - Length of Service Award Program – The total pension liabilities for the Fire Service Award Program are presented in accordance with the provisions of GASB Statement No.73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the City includes restricted for special purposes, debt service, and ambulance service award program.

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

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund

Note 1 - Summary of Significant Accounting Policies (Continued)

balance. Once adopted, these funds may only be used for the purpose specified unless the City removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Council.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the City Council for amounts assigned for balancing the subsequent year's budget or the City Controller for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Water funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 22, 2024.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The City generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before October 1st, the Mayor submits to the City Council a tentative operating budget for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The City Council, on or before October 10th, meets to discuss and review the tentative budget.
- c) The City Council conducts a public hearing on the tentative budget to obtain taxpayer comments on or before October 15th.
- d) After the public hearing and by the 4th Tuesday of October the City Council meets to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General, Water and Debt Service funds.
- f) The budgets for the General, Water and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted by the City Council for the Special Purpose Fund and Internal Service Fund since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- g) The City Council has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the City Council. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the City Council.
- h) Appropriations in General, Water and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the City Council.

B. Property Tax Limitation

The amount that may be raised by the City for real property taxes in any fiscal year, for purposes other than for debt service on City indebtedness, is limited by the Constitution of the State of New York to two percent of the five year average full valuation of taxable real estate located within the City. The City Charter further limits this amount to one and three quarters percent of the five year average full valuation. For 2023, the maximum amount which could have been raised, based upon the City Charter limit, was \$89,390,867, which exceeded the levy by \$55,869,266.

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011 as amended ("Tax Levy Limitation Law") modified previous law by imposing a limit on the amount of real property taxes that a local government may levy.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

C. Fund Deficits

The following fund reflects a deficit as of December 31, 2023:

<u>Fund</u>	<u>Amount</u>
Internal Service – Workers Compensation and General Liability Claims	\$ 462,326

D. Excess of Actual Expenditures Over Budget

The following functional categories of expenditures exceeded their budgetary authorization by the amounts indicated below:

General Fund	
Public Safety	
Police Department	\$ 125,157
COVID-19	16,505
Fire Department Dispatchers	7,490
Health	
Ambulance	37,184
Culture and Recreation	
Recreation	12,071

Note 2 - Stewardship, Compliance and Accountability (Continued)

Home and Community Services	
Sanitation	\$ 78,865
Employee Benefits	
Life, health and dental insurance	707,382
Unemployment benefits	7,833
Debt Service Fund	
Serial bonds	1
Bond anticipation notes	12,289

E New Accounting Pronouncement

GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements (SBITA’s)*”, established a single model for SBITA accounting based on the concept that SBITA’s are a financing of a “right-to-use” underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the City’s fiscal year ended December 31, 2023. The City has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 3 - Detailed Notes on All Funds

A. Investments

The City had the following investments with average maturities and credit ratings as follows.

**Primary Government
Ambulance**

Type of investment	Fair Value	N/A	Less Than 1	1-5 Years	5-10 Years	More Than 10 Years
Bonds funds	\$ 207,397	\$ -	\$ -	\$ 71,863	\$ 118,478	\$ 17,056
Common stock	237,060	237,060	-	-	-	-
U.S. and international equities funds	142,578	142,578	-	-	-	-
	<u>\$ 587,035</u>	<u>\$ 379,638</u>	<u>\$ -</u>	<u>\$ 71,863</u>	<u>\$ 118,478</u>	<u>\$ 17,056</u>

Type of investment	Fair Value	N/A	A or Better	BBB	BB	Unrated
Bonds funds	\$ 207,397	\$ -	\$ 188,799	\$ -	\$ 18,598	\$ -
Common stock	237,060	237,060	-	-	-	-
U.S. and international equities funds	142,578	142,578	-	-	-	-
	<u>\$ 587,035</u>	<u>\$ 379,638</u>	<u>\$ 188,799</u>	<u>\$ -</u>	<u>\$ 18,598</u>	<u>\$ -</u>

The investments above in fixed income, mutual funds and common stock are measured using level 1 inputs as of December 31, 2023.

City of Glen Cove, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Fire Service Award

Type of investment	Fair Value	N/A
Insurance contracts	<u>\$ 2,477,822</u>	<u>\$ 2,477,822</u>
Total Investments	<u>\$ 3,064,857</u>	

Component Units

Certificates of Deposit	<u>\$ 777,593</u>	<u>\$ 777,593</u>
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The certificates of deposit are fixed rate investments that have maturities greater than three months and are secured by FDIC coverage and collateral posted by the respective depository.

B. Taxes Receivable

Taxes receivable at December 31, 2023 consisted of the following:

City taxes - Current	\$ 892,906
City taxes - 2023	26,072,787
Tax liens	<u>740,979</u>
	27,706,672
Allowance for uncollectible amounts	<u>(838,189)</u>
	<u>\$ 26,868,483</u>

Taxes receivable are offset in the fund financial statements by deferred tax revenues of \$874,776, which represents taxes receivable which were not collected within the first sixty days of the subsequent year. Taxes receivable for 2023 are offset by deferred property taxes for subsequent years of \$33,105,851, which represents taxes receivable and collected as of December 31, 2023.

C. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2023 were as follows:

Fund	Due From	Due To
General	\$ -	\$ 10,369,125
Water	-	106,221
Debt Service	706,175	-
Capital	<u>10,475,346</u>	<u>706,175</u>
	<u>\$ 11,181,521</u>	<u>\$ 11,181,521</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

City of Glen Cove, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

Changes in the City's capital assets are as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Capital Assets, not being depreciated:				
Land	\$ 4,150,221	\$ -	\$ -	\$ 4,150,221
Construction-in-progress	54,723,591	8,220,893	8,102,898	54,841,586
Total Capital Assets, not being depreciated	<u>\$ 58,873,812</u>	<u>\$ 8,220,893</u>	<u>\$ 8,102,898</u>	<u>\$ 58,991,807</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 87,132,713	\$ 2,983,449	\$ -	\$ 90,116,162
Machinery and equipment	23,358,637	2,491,434	-	25,850,071
Infrastructure	117,562,240	2,613,039	-	120,175,279
Total Capital Assets, being depreciated	<u>228,053,590</u>	<u>8,087,922</u>	<u>-</u>	<u>236,141,512</u>
Less Accumulated Depreciation for:				
Buildings and improvements	75,806,670	1,547,595	-	77,354,265
Machinery and equipment	19,094,071	1,088,488	-	20,182,559
Infrastructure	71,486,509	3,296,225	-	74,782,734
Total Accumulated Depreciation	<u>166,387,250</u>	<u>5,932,308</u>	<u>-</u>	<u>172,319,558</u>
Total Capital Assets, being depreciated, net	<u>\$ 61,666,340</u>	<u>\$ 2,155,614</u>	<u>\$ -</u>	<u>\$ 63,821,954</u>
Capital Assets, net	<u>\$ 120,540,152</u>	<u>\$ 10,376,507</u>	<u>\$ 8,102,898</u>	<u>\$ 122,813,761</u>

Depreciation expense was charged to the City's functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 244,132
Public Safety	988,352
Health	254,470
Transportation	3,433,352
Culture and Recreation	679,164
Home and Community Services	<u>332,838</u>
Total Depreciation Expense	<u>\$ 5,932,308</u>

Note 3 - Detailed Notes on All Funds (Continued)

Capital Assets - Component Units

Changes in the Glen Cove Community Development Agency's ("CDA")

	Balance January 1, 2023	Additions	Balance December 31, 2023
Capital Assets, not being depreciated			
Land	<u>\$ 1,937,200</u>	<u>\$ -</u>	<u>\$ 1,937,200</u>
Capital Assets, being depreciated			
Machinery and equipment	\$ 74,111	\$ -	\$ 74,111
Less Accumulated Depreciation for Machinery and equipment	<u>69,835</u>	<u>2,327</u>	<u>72,162</u>
Total Capital Assets, being depreciated, net	<u>\$ 4,276</u>	<u>\$ (2,327)</u>	<u>\$ 1,949</u>
CDA's Capital Assets, net	<u>\$ 1,941,476</u>	<u>\$ (2,327)</u>	<u>\$ 1,939,149</u>

Changes in the Glen Cove Industrial Development Agency's ("IDA") capital assets are as follows:

	Balance January 1, 2023	Additions	Balance December 31, 2023
Capital Assets, not being depreciated			
Land	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets, being depreciated			
Machinery and equipment	\$ 14,690	\$ -	\$ 14,690
Less Accumulated Depreciation for Machinery and equipment	<u>12,802</u>	<u>1,280</u>	<u>14,082</u>
Total Capital Assets, being depreciated, net	<u>\$ 1,888</u>	<u>\$ (1,280)</u>	<u>\$ 608</u>
IDA's Capital Assets, net	<u>\$ 1,888</u>	<u>\$ (1,280)</u>	<u>\$ 608</u>

E. Accrued Liabilities

Accrued liabilities at December 31, 2023 were as follows:

	Fund		Total Governmental
	General	Water	
Payroll and Employee Benefits	<u>\$ 1,199,543</u>	<u>\$ 36,424</u>	<u>\$ 1,235,967</u>

Note 3 - Detailed Notes on All Funds (Continued)**F. Defined Contribution - Ambulance Service Award Program**

The City, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Award Program ("Program") for volunteer ambulance workers. This Program is a single employer defined contribution plan. Active volunteer ambulance workers, upon attainment of age 18, and upon earning 50 or more points, in a calendar year after 1990, under the provisions of the Program point system, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or general disablement and after earning five years of service credit. A participant upon attainment of entitlement age (the later of age 55 or the participant's age after earning 50 program points) shall be able to receive their service award. The maximum annual contribution is \$480 per individual for each year of service. The Program also provides disability and death benefits. Contributions are not required by participants. The Trustees of the Program, which are the members of the City Council, are authorized to invest the funds in authorized investment vehicles.

The City's obligation to continue funding is governed by New York State Law and Program provisions. The City contribution for the 2023 plan year was \$10,080.

G. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings:

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2023	New Issues	Redemptions	Balance December 31, 2023
Various Capital Improvement Projects	2020	6/6/24	4.50 %	\$ 1,106,233	\$ -	\$ 890,034	\$ 216,199
Various Capital Improvement Projects	2022	6/6/24	4.50 %	1,675,964	-	250,000	1,425,964
Various Capital Improvement Projects	2023	6/6/24	4.50 %	-	117,000	-	117,000
				<u>\$ 2,782,197</u>	<u>\$ 117,000</u>	<u>\$ 1,140,034</u>	<u>\$ 1,759,163</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$87,003 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$88,519 was recorded in the government-wide financial statements.

City of Glen Cove, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

H. Long-Term Liabilities

The changes in the City's long-term liabilities during the year ended December 31, 2023 are summarized as follows:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
Governmental Activities					
General Obligation					
Bonds Payable:					
Capital construction	\$ 44,462,882	\$ 4,821,142	\$ 4,484,711	\$ 44,799,313	\$ 3,917,628
Other	4,105,059	-	1,108,230	2,996,829	498,514
	48,567,941	4,821,142	5,592,941	47,796,142	4,416,142
Plus unamortized					
Premium on bonds	1,455,587	285,273	147,817	1,593,043	-
	50,023,528	5,106,415	5,740,758	49,389,185	4,416,142
Other Non-current Liabilities:					
Retirement incentives and other					
pension obligations	269,417	-	225,025	44,392	44,392
Compensated absences	17,177,332	2,064,471	1,718,000	17,523,803	1,752,000
Net pension liability - ERS	-	6,738,805	-	6,738,805	-
Net pension liability - PFRS	1,438,060	12,396,531	-	13,834,591	-
Total Pension Liability - Length					
of service award program	3,440,752	767,466	131,706	4,076,512	-
Claims payable	1,373,994	1,183,529	1,290,982	1,266,541	127,000
Other Postemployment Benefit					
Obligations Liability	101,633,164	15,104,276	4,234,212	112,503,228	4,200,000
Total Other Non-					
Current Liabilities	125,332,719	38,255,078	7,599,925	155,987,872	6,123,392
Governmental Activities					
Long-Term liabilities	\$ 175,356,247	\$ 43,361,493	\$ 13,340,683	\$ 205,377,057	\$ 10,539,534
Component Units					
Escrow deposits	\$ 17,920	\$ -	\$ -	\$ 17,920	\$ -
Capital improvements deposits	-	210,403	-	210,403	-
Compensated absences	71,618	22,760	7,000	87,378	8,300
Net pension liability	-	281,152	-	281,152	-
Capital lease obligations	391	-	391	-	-
Other post employment benefit					
obligations payable	2,624,503	471,312	109,629	2,986,186	-
Component Units					
Long-term Liabilities	\$ 2,714,432	\$ 985,627	\$ 117,020	\$ 3,583,039	\$ 8,300

Each governmental funds' liability for general obligation bonds, installment purchase debt, retirement incentives and other pension obligations, compensated absences, net pension liability, total pension liability, claims and other postemployment benefit obligations is liquidated by the respective fund.

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2023
Public Improvements	2016	\$ 3,340,000	July, 2029	4.15-4.90 %	\$ 1,800,000
Public Improvements	2016	1,699,305	September, 2028	2.25	750,000
Refunding Serial Bonds	2017	13,680,000	January, 2026	2.75-5.00	2,960,000
Various Purpose	2017	3,215,000	January, 2033	3.25-5.00	2,230,000
Various Purpose	2017	7,263,566	September, 2031	3.00	4,455,000
Various Purpose	2018	9,048,894	April, 2037	3.00-5.00	7,170,000
Various Purpose	2018	2,169,722	April, 2025	3.75	890,000
Various Purpose	2018	5,025,882	May, 2032	3.00-5.00	3,535,000
Various Purpose	2018	3,905,000	May, 2048	3.00-4.00	3,560,000
Public Improvements	2020	5,005,000	February, 2032	2.50-4.00	3,970,000
Public Improvements	2020	800,000	July, 2030	2.35-5.55	575,000
Public Improvements	2021	8,515,000	June, 2041	2.00-5.00	8,010,000
Public Improvements	2022	3,282,941	June, 2041	3.00-4.00	3,070,000
Public Improvements	2023	4,821,142	June, 2034	4.00-5.00	4,821,142
					<u>\$ 47,796,142</u>

Interest expenditures of \$1,665,663 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$1,600,084 was recorded in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding of the primary government as of December 31, 2023 including interest payments of \$10,700,003 are as follows:

December 31,	General Obligation Bonds Payable	
	Principal	Interest
2024	\$ 4,416,142	\$ 1,804,503
2025	4,700,000	1,502,466
2026	4,905,000	1,289,025
2027	3,695,000	1,104,030
2028	3,845,000	954,311
2029-2033	16,655,000	2,769,298
2034-2038	6,290,000	874,231
2039-2043	2,270,000	307,794
2044-2048	1,020,000	94,345
	<u>\$ 47,796,142</u>	<u>\$ 10,700,003</u>

Note 3 - Detailed Notes on All Funds (Continued)

The above general obligation bonds are direct borrowings of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the City.

Legal Debt Margin

The City is subject to legal limitations on the amount of debt that it may issue. The City's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2023, that amount was \$315,168,694. As of December 31, 2023, the total outstanding debt applicable to the limit was \$49,555,305, which is 15.72% of the total debt limit.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually.

	Original Amount Amortized	Current Year Payments Including Interest	Balance Due	Due Within One Year
2013 ERS	\$ 737,235	\$ 89,006	\$ -	\$ -
2013 PFRS	239,855	28,958	-	-
2014 ERS	300,105	69,549	-	-
2014 PFRS	387,627	45,613	44,392	44,392
	<u>\$ 1,664,822</u>	<u>\$ 233,126</u>	<u>\$ 44,392</u>	<u>\$ 44,392</u>

The current year payments were charged to retirement expenditures as identified below:

Fund	ERS	PFRS	Total
General	\$ 147,456	\$ 74,571	\$ 222,027
Water	11,099	-	11,099
	<u>\$ 158,555</u>	<u>\$ 74,571</u>	<u>\$ 233,126</u>

Compensated Absences

In accordance with the existing collective bargaining agreements, the City is required to compensate employees for accumulated sick leave. Sick leave earned by CSEA employees may be accumulated up to 250 days. Upon separation of service, those CSEA employees with ten years or more of service are entitled to compensation for 100% while those with less than ten years of service are entitled to compensation for 75% of these unused sick days. The compensation is

Note 3 - Detailed Notes on All Funds (Continued)

calculated based on the employees' final ten year average daily rate of pay. Sick leave earned by PBA employees is unlimited. Upon separation of service, PBA employees are entitled to payment for one-half of the accumulated sick days up to a maximum of 265 days at the current rate of pay. PBA employees are also entitled to termination pay upon retirement. Eligible employees receive five days pay for each year of service up to a maximum of one-hundred days. Vacation time is generally taken in the year earned, however, with approval, certain employees may carryover vacation leave to the following year. The value of the compensated absences has been reflected in the government-wide financial statements.

Pension Plans*New York State and Local Retirement System*

The City participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. 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 ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the 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 City also participates in the Public Employees' Group Life Insurance Plan, 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/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan year ended March 31, 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	17.5 %
	4 A15	13.0
	5 A15	11.1
	6 A15	8.2

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	2 384E	29.9 %
	5 384E *	25.3
	5 384E	28.5
	6 384E *	20.5
	6 384E	26.1

* Employees are required to make contributions for this PFRS plan/tier.

At December 31, 2023, the City reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2023	March 31, 2023
Net pension liability	\$ 6,738,805	\$ 13,834,591
City's proportion of the net pension liability	0.0314251 %	0.2510600 %
Change in proportion since the prior measurement date	(0.0016079) %	(0.0020998) %

At December 31, 2023, the CDA and IDA reported a liability of \$185,560 and \$95,592 respectively, for its proportionate share of the net pension liability of ERS.

The net pension liability was measured as of March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2023, the City recognized its proportionate share of pension expense in the government-wide financial statements of \$2,535,883 for ERS and \$4,272,345 for PFRS. Pension expenditures of \$1,109,281 for ERS and \$2,769,797 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 1,004,835	\$ 2,769,797
Water	<u>104,446</u>	<u>-</u>
Total	<u>\$ 1,109,281</u>	<u>\$ 2,769,797</u>

For the year ended December 31, 2023 the CDA and IDA recognized its proportionate share of pension expense of \$66,092 and \$34,048, respectively.

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2023, the City and its component units reported their proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS					
	Primary Government		Component Units			
	Deferred Outflows of Resources	Deferred Inflows of Resources	CDA Deferred Outflows of Resources	CDA Deferred Inflows of Resources	IDA Deferred Outflows of Resources	IDA Deferred Inflows of Resources
Differences between expected and actual experience	\$ 717,735	\$ 189,251	\$ 19,764	\$ 5,211	\$ 10,181	\$ 2,685
Changes of assumptions	3,272,798	36,171	90,120	996	46,426	513
Net difference between projected and actual earnings on pension plan investments	-	39,590	-	1,090	-	562
Changes in proportion and differences between City contributions and proportionate share of contributions	141,949	91,131	5,087	18,367	2,621	9,461
City contributions subsequent to the measurement date	951,202	-	21,790	-	11,225	-
	<u>\$ 5,083,684</u>	<u>\$ 356,143</u>	<u>\$ 136,761</u>	<u>\$ 25,664</u>	<u>\$ 70,453</u>	<u>\$ 13,221</u>

	PFRS		Total Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,352,192	\$ -	\$ 2,069,927	\$ 189,251
Changes of assumptions	6,741,560	-	10,014,358	36,171
Net difference between projected and actual earnings on pension plan investments	24,457	-	24,457	39,590
Changes in proportion and differences between City contributions and proportionate share of contributions	159,243	315,255	301,192	406,386
City contributions subsequent to the measurement date	2,091,254	-	3,042,456	-
	<u>\$ 10,368,706</u>	<u>\$ 315,255</u>	<u>\$ 15,452,390</u>	<u>\$ 671,398</u>

\$951,202 and \$2,091,254 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the City's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	Component Unit - ERS			
	ERS	PFRS	CDA	IDA
2024	\$ 911,938	\$ 1,475,387	\$ 18,865	\$ 9,719
2025	(350,396)	(352,719)	(13,770)	(7,094)
2026	1,390,137	4,070,620	34,132	17,583
2027	1,824,660	2,526,995	50,080	25,799
2028	-	241,914	-	-
	<u>\$ 3,776,339</u>	<u>\$ 7,962,197</u>	<u>\$ 89,307</u>	<u>\$ 46,007</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	PFRS
Measurement date	March 31, 2023	March 31, 2023
Actuarial valuation date	April 1, 2022	April 1, 2022
Investment rate of return	5.9% *	5.9%
Salary scale	4.4%	6.2%
Inflation rate	2.9%	2.9%
Cost of living adjustments	1.5%	1.5%

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

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

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

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Assets	3	5.84
Fixed Income	23	1.50
Cash	1	-
	<u>100 %</u>	

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

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the 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.

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 16,284,801</u>	<u>\$ 6,738,805</u>	<u>\$ (1,237,985)</u>
City's proportionate share of the PFRS net pension liability	<u>\$ 28,838,852</u>	<u>\$ 13,834,591</u>	<u>\$ 1,410,161</u>
CDA's proportionate share of the ERS net pension liability (asset)	<u>\$ 448,420</u>	<u>\$ 185,560</u>	<u>\$ (34,089)</u>
IDA's proportionate share of the ERS net pension liability (asset)	<u>\$ 231,004</u>	<u>\$ 95,592</u>	<u>\$ (17,561)</u>

The components of the collective net pension liability as of the March 31, 2023 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 232,627,259,000	\$ 43,835,333,000	\$ 276,462,592,000
Fiduciary net position	<u>211,183,223,000</u>	<u>38,324,863,000</u>	<u>249,508,086,000</u>
Employers' net pension liability	<u>\$ 21,444,036,000</u>	<u>\$ 5,510,470,000</u>	<u>\$ 26,954,506,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>87.43%</u>	<u>90.25%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2023 represent the employer contribution for the period of April 1, 2023 through December 31, 2023 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2023 were \$951,202 and \$2,091,254, respectively.

Note 3 - Detailed Notes on All Funds (Continued)

Defined Benefit - Fire Service Awards Program

The City's financial statements are for the year ended December 31, 2023. The information contained in this note is based on information for the City of Glen Cove Volunteer Fire Department Length of Service Award Program for the program year ending on December 31, 2023, which is the most recent program year for which complete information is available. The Program is accounted for in the City's financial statements within the Fire Service Fund.

Plan description

The Glen Cove Fire Department established a defined benefit Service Award Program (referred to as a "LOSAP" - Length Of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2000 for the active volunteer firefighter members of the City of Glen Cove Fire Department. This is a single employer defined benefit plan. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The City is the Sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2000 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the City on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity.

Benefits provided

The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the City Council, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the City from the General Fund. Separate financial statements are not issued by the Program.

Participants covered by the benefit terms.

At the December 31, 2023 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	53
Inactive participants entitled to but not yet receiving benefits payments	30
Active participants	<u>58</u>
Total	<u><u>141</u></u>

Note 3 - Detailed Notes on All Funds (Continued)

Contributions

New York State General Municipal Law §219(d) requires the City Council to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the City Council.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2023 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 3.30%

Salary Scale: None assumed

Mortality rates were based on RP-2000 Combined – Unisex Table without projection for mortality improvement.

Discount Rate. The discount rate used to measure the total pension liability was 3.77%. This was the yield to maturity of the Fidelity 20-Year GO AA Bond Index as of December 31, 2023. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 1/1/2023 measurement date	\$ 3,440,752
Service cost	27,845
Interest	136,052
Changes of benefit terms	115,317
Changes in assumptions or other inputs	375,929
Differences between expected and actual experience	112,323
Benefit payments	<u>(131,706)</u>
Balance as of 12/31/2023 measurement date	<u>\$ 4,076,512</u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the City as of the December 31, 2023 measurement date, calculated using the discount rate of 3.77%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.77%) or 1-percentage point higher (4.77%) than the current rate:

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total Pension Liability	<u>\$ 4,672,000</u>	<u>\$ 4,076,512</u>	<u>\$ 3,584,000</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the City recognized fire service award pension expenditures of \$131,706 in the Fire Service Award Program in the General Fund and fire service award expense of \$203,016 in the government-wide financial statement. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,776	\$ 50,625
Changes of assumptions or other inputs	<u>1,384,046</u>	<u>1,655,885</u>
	<u>\$ 1,599,822</u>	<u>\$ 1,706,510</u>

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

Year Ended December 31,	
2024	\$ (14,729)
2025	(14,729)
2026	(14,729)
2027	(14,729)
2028	(14,729)
2029	(21,943)
Thereafter	<u>(11,100)</u>
	<u>\$ (106,688)</u>

Claims Payable

The government-wide financial statement reflects workers' compensation and general liability benefit liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex

Note 3 - Detailed Notes on All Funds (Continued)

factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of unpaid claim liabilities is as follows:

	<u>2023</u>	<u>2022</u>
Unpaid Claims - Beginning of Year	\$ 1,373,994	\$ 1,050,038
Incurred Claims including IBNR's	1,183,529	1,089,821
Claims Paid	<u>(1,290,982)</u>	<u>(765,865)</u>
Unpaid Claims - End of Year	<u>\$ 1,266,541</u>	<u>\$ 1,373,994</u>
Current Portion	<u>\$ 127,000</u>	<u>\$ 137,000</u>

Other Postemployment Benefit Liability ("OPEB")

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

At December 31, 2023, the following employees were covered by the benefit terms:

	<u>Governmental Funds</u>	<u>Component Units CDA & IDA</u>	<u>Total</u>
Active employees	182	7	189
Retired Employees	<u>188</u>	<u>7</u>	<u>195</u>
	<u>370</u>	<u>14</u>	<u>384</u>

Note 3 - Detailed Notes on All Funds (Continued)

The City's, CDA and IDA total OPEB liability of \$112,503,228, \$1,970,882 and \$1,015,304 were measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

The total OPEB liability in the December 31, 2023 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% for ERS and 3.63% for PFRS
Discount rate	4.00%
Healthcare cost trend rates	5.50% for 2023, decreasing by up to .25% per year to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the RP-2014 Headcount-Weighted Healthy Mortality Tables with White Collar Adjustments, projected generationally with Scale MP-2020 for ERS and on the RP-2014 Headcount-Weighted Health Mortality Tables with Blue Collar Adjustments for retirees, projected generationally with Scale MP-2020 for PFRS.

The City's, CDA's and IDA's change in the total OPEB liability for the year ended December 31, 2023 is as follows:

	Governmental Activities	Component Units	
		CDA	IDA
Total OPEB Liability - Beginning of Year	\$ 101,633,164	\$ 1,732,172	\$ 892,331
Service cost	2,298,832	83,276	42,900
Interest	4,307,796	78,924	40,658
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,732,788	65,393	33,687
Changes in assumptions or other inputs	4,764,860	83,472	43,002
Benefit payments	(4,234,212)	(72,355)	(37,274)
Total OPEB Liability - End of Year	<u>\$ 112,503,228</u>	<u>\$ 1,970,882</u>	<u>\$ 1,015,304</u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current discount rate:

Primary Government	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	<u>\$ 130,330,983</u>	<u>\$ 112,503,228</u>	<u>\$ 98,216,114</u>

City of Glen Cove, New York

Notes to Financial Statements (Continued)

December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Component Units	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	\$ 3,459,391	\$ 2,986,186	\$ 2,606,963

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.25% decreasing to 3.25%) or 1 percentage point higher (6.25% decreasing to 5.25%) than the current healthcare cost trend rates:

Primary Government	1% Decrease (4.50% decreasing to 3.5%)	Healthcare Cost Trend Rates (5.50% decreasing to 4.5%)	1% Increase (6.50% decreasing to 5.5%)
Total OPEB Liability	\$ 94,254,877	\$ 112,503,228	\$ 136,171,765

Component Units	1% Decrease (4.50% decreasing to 3.5%)	Healthcare Cost Trend Rates (5.50% decreasing to 4.5%)	1% Increase (6.50% decreasing to 5.5%)
Total OPEB Liability	\$ 2,501,746	\$ 2,986,186	\$ 3,614,423

For the year ended December 31, 2023, the City recognized OPEB expense of \$5,596,202 in the government-wide financial statements. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 16,035,170	\$ 28,845,136
Differences between expected and actual experience	8,331,761	3,051,310
	<u>\$ 24,366,931</u>	<u>\$ 31,896,446</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ended December 31,	
2024	\$ (1,010,426)
2025	(966,758)
2026	(937,655)
2027	(937,655)
2028	(2,453,746)
Thereafter	(1,223,275)
	<u>\$ (7,529,515)</u>

The City's component units had deferred outflows and inflows of resources related to OPEB of \$629,435 and \$842,003, respectively.

I. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

<u>Transfers Out</u>	Transfers In		
	Debt Service Fund	Capital Projects Fund	Total
General Fund	\$ 5,994,345	\$ 1,323,146	\$ 7,317,491
Water Fund	897,187	-	897,187
Capital Projects Fund	706,175	-	706,175
	<u>\$ 7,597,707</u>	<u>\$ 1,323,146</u>	<u>\$ 8,920,853</u>

Transfers are used to 1) move revenues from the funds with collection authorization, General and Highway Funds, to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds, General Fund, to fulfill commitments for the Capital Projects funds expenditures, and 3) move amounts from the Capital Projects Fund for closed capital projects with unspent bond proceeds to the Debt Service Fund.

Note 3 - Detailed Notes on All Funds (Continued)

J. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund with constraints placed on their use by the Local Finance Law of the State of New York.

Ambulance Service Award Program – the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the General Municipal Law of the State of New York.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

City of Glen Cove, New York

Notes to Financial Statements (Continued)
December 31, 2023

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2023						2022					
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Fund	Total	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Fund	Total
Nonspendable												
Prepaid expenditures	\$ 1,105,876	\$ 28,173	\$ -	\$ -	\$ -	\$ 1,134,049	\$ 1,059,976	\$ 24,690	\$ -	\$ -	\$ -	\$ 1,084,666
Leases related	-	-	-	-	-	-	98,040	-	-	-	-	98,040
Total Nonspendable	1,105,876	28,173	-	-	-	1,134,049	1,158,016	24,690	-	-	-	1,182,706
Restricted												
Ferry Operations	34,874	-	-	-	-	34,874	17,075	-	-	-	-	17,075
Capital projects	-	-	-	17,255,508	-	17,255,508	-	-	-	17,369,775	-	17,369,775
Fire service award program	2,522,644	-	-	-	-	2,522,644	2,409,148	-	-	-	-	2,409,148
Ambulance service award program	610,349	-	-	-	-	610,349	536,634	-	-	-	-	536,634
Debt service	-	-	418,345	-	-	418,345	-	-	49,460	-	-	49,460
Debt service for Subsequent year's expenditures	-	-	288,545	-	-	288,545	-	-	99,741	-	-	99,741
Trusts	-	-	-	-	74,700	74,700	-	-	-	-	74,659	74,659
Total Restricted	3,167,867	-	706,890	17,255,508	74,700	21,204,965	2,962,857	-	149,201	17,369,775	74,659	20,556,492
Assigned												
Major funds	-	752,615	-	-	-	752,615	-	594,480	-	-	-	594,480
Unassigned	(362,168)	-	-	-	-	(362,168)	(1,911,993)	-	-	-	-	(1,911,993)
Total Fund Balances	\$ 3,911,575	\$ 780,788	\$ 706,890	\$ 17,255,508	\$ 74,700	\$ 22,729,461	\$ 2,208,880	\$ 619,170	\$ 149,201	\$ 17,369,775	\$ 74,659	\$ 20,421,685

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for retirement, insurance and certain other payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Restricted for Ferry Operations represents the operating revenues and expenditures generated from the Ferry, which is restricted for Ferry Operations in accordance to a State grant agreement.

Capital Projects represents the unexpended balance of the Capital Projects Fund restricted for capital projects.

Restricted for pension benefits represents funds set aside to be used for LOSAP pension benefits in accordance with Article 11-A and Article 11-AAA of the General Municipal Law of the State of New York.

Unassigned fund balances in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the City, if adversely settled.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the City, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Contingencies

The City participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The City is currently self-insured for general, auto, police and fire liability and worker's compensation claims. Insurance coverage has been secured for losses in excess of the City's self-insured retention level of \$850,000 for worker's compensation claims and \$850,000 for Police, Fire and Volunteer EMS worker's compensation. The City purchases conventional property and casualty insurance to reduce its exposure to loss from damage or fire to City owned properties. The City also purchased a general liability policy with a \$250,000 retention level. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City also purchases conventional health insurance coverage for most full-time City employees and retirees.

Note 5 - Tax Abatement

The City has five real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York ("PHFL") for the purpose of creating or preserving affordable housing in the City.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents, and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Copies of the agreements may be obtained from Michael Piccirillo, Controller, 9 Glen Street, Glen Cove, NY 11542, MPiccirillo@cityofglencoveny.org. Information relevant to disclosure of these agreements for the fiscal year ended December 31, 2023 is as follows:

Date	Project	Taxable Assessed Value	Tax Rate Per \$100	Tax Value	PILOT Received	Taxes Abated
* 4/19/2016	The Regency	\$ 8,103,000	\$ 1.632004	\$ 132,241	\$ 117,373	\$ 14,868
* 12/1/2014	Stanley Park Apts	8,259,000	0.557796	46,068	8,587	37,481
* 11/1/2001	Farifield	49,323,500	1.632004	804,961	482,067	322,894
* 2016-2017	50 Glen Partners	2,575,000	1.632004	42,024	29,023	13,001
* 2019	Village Square	18,900,000	1.632004	308,449	52,115	256,334
* 2017	Garvies Point	290,865,632	1.632004	4,746,939	1,058,110	3,688,829
* 12/27/2013	5 School Street	2,428,500	1.632004	39,633	18,469	21,164
* 12/1/2016	136 Glen Street	6,107,000	1.632004	99,666	16,122	83,544
12/20/2011	Housing Authority	19,992,000	1.632004	326,270	57,434	268,836
1/1/2015	LIPA	67,922,181	1.632004	1,108,493	673,647	434,846
		<u>\$ 474,475,813</u>		<u>\$ 7,654,744</u>	<u>\$ 2,512,947</u>	<u>\$ 5,141,797</u>
88-90 Hazel Street Self-Storage -						
This property is in limbo year (coming off PILOT but not yet on tax roll) -0- abatement					<u>151,204</u>	
Total tax abatements as reported on financial statements					<u>\$ 2,664,151</u>	

* These agreements are between the IDA and the taxpayer, which are not generally based on assessed value.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*" provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

City of Glen Cove, New York

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

	2023 (4)	2022 (4)	2021 (3)	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 2,425,008	\$ 4,211,449	\$ 4,406,878	\$ 2,932,344	\$ 2,801,742	\$ 3,395,898
Interest	4,427,378	2,923,066	2,496,281	3,436,663	3,634,842	3,295,802
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	3,831,868	4,302,037	-	(2,181,095)	-	-
Changes of assumptions or other inputs	4,891,334	(30,796,589)	(6,929,164)	19,522,475	6,239,411	(7,744,789)
Benefit payments	<u>(4,343,841)</u>	<u>(3,979,553)</u>	<u>(3,551,668)</u>	<u>(3,381,572)</u>	<u>(3,376,384)</u>	<u>(3,395,862)</u>
Net Change in Total OPEB Liability	11,231,747	(23,339,590)	(3,577,673)	20,328,815	9,299,611	(4,448,951)
Total OPEB Liability – Beginning of Year	<u>104,257,667</u>	<u>127,597,257</u>	<u>131,174,930</u>	<u>110,846,115</u>	<u>101,546,504</u>	<u>105,995,455</u> (3)
Total OPEB Liability – End of Year (4)	<u>\$ 115,489,414</u>	<u>\$ 104,257,667</u>	<u>\$ 127,597,257</u>	<u>\$ 131,174,930</u>	<u>\$ 110,846,115</u>	<u>\$ 101,546,504</u>
City's covered-employee payroll	<u>\$ 23,198,707</u>	<u>\$ 17,088,349</u>	<u>\$ 21,917,758</u>	<u>\$ 16,145,617</u>	<u>\$ 20,298,991</u>	<u>\$ 15,716,361</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>498%</u>	<u>610%</u>	<u>582%</u>	<u>812%</u>	<u>546%</u>	<u>646%</u>
Discount Rate	<u>4.00%</u>	<u>4.31%</u>	<u>2.25%</u>	<u>1.93%</u>	<u>3.26%</u>	<u>3.64%</u>

Notes to Schedule:

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

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

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

(4) Total OPEB Liability - End of Year includes the City and the Component Units.

See independent auditors' report.

City of Glen Cove, New York

Required Supplementary Information

Schedule of Changes in the City's Total Pension Liability and Related Ratios -

Service Award Program

Last Ten Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
Service Cost	\$ 27,845	\$ 82,035	\$ 120,939	\$ 94,641	\$ 73,571	\$ 85,071	\$ 74,810
Interest	136,052	90,168	98,435	114,225	130,858	124,166	127,056
Changes of benefit terms	115,317	-	-	-	-	-	-
Changes in assumptions or other inputs	375,929	(1,620,279)	(86,484)	656,137	563,903	(251,400)	280,696
Differences between expected and actual experience	112,323	57,123	(28,264)	37,729	2,311	(49,396)	47,430
Benefit payments	(131,706)	(142,718)	(125,268)	(129,367)	(136,073)	(131,771)	(108,684)
Net Change in total pension liability	635,760	(1,533,671)	(20,642)	773,365	634,570	(223,330)	421,308
Total Pension Liability – Beginning of Year	3,440,752	4,974,423	4,995,065	4,221,700	3,587,130	3,810,460	3,389,152
Total Pension Liability – End of Year	<u>\$ 4,076,512</u>	<u>\$ 3,440,752</u>	<u>\$ 4,974,423</u>	<u>\$ 4,995,065</u>	<u>\$ 4,221,700</u>	<u>\$ 3,587,130</u>	<u>\$ 3,810,460</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%
Discount Rate	<u>3.77%</u>	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>	<u>3.31%</u>

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Notes to Schedule:

Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

See independent auditors' report.

City of Glen Cove, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.0314251%	0.0330330%	0.0321925%	0.0326829%	0.0312068%	0.0313606%	0.0313155%	0.0305295%	0.0309992%
City's proportionate share of the net pension liability (asset)	\$ 6,738,805	\$ (2,700,309)	\$ 32,055	\$ 8,654,628	\$ 2,211,094	\$ 1,012,146	\$ 2,942,472	\$ 4,900,077	\$ 1,047,228
City's covered payroll	\$ 9,570,381	\$ 9,783,192	\$ 9,961,063	\$ 9,629,206	\$ 9,299,395	\$ 8,850,782	\$ 8,429,662	\$ 8,140,909	\$ 7,478,081
City's proportionate share of the net pension liability as a percentage of its covered payroll	70.41%	-27.60%	0.32%	89.88%	23.78%	11.44%	34.91%	60.19%	14.00%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,267,878	\$ 1,511,374	\$ 1,710,485	\$ 1,539,182	\$ 1,530,409	\$ 1,491,030	\$ 1,456,448	\$ 1,499,971	\$ 1,417,783
Contributions in relation to the contractually required contribution	(1,267,878)	(1,511,374)	(1,710,485)	(1,539,182)	(1,530,409)	(1,491,030)	(1,456,448)	(1,499,971)	(1,417,783)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 9,932,205	\$ 9,516,838	\$ 9,541,168	\$ 9,914,674	\$ 9,698,343	\$ 9,268,180	\$ 8,721,851	\$ 8,398,613	\$ 8,008,515
Contributions as a percentage of covered payroll	12.77%	15.88%	17.93%	15.52%	15.78%	16.09%	16.70%	17.86%	17.70%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

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

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

See independent auditors' report.

City of Glen Cove, New York

Required Supplementary Information - Schedule of the
City's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.2510600%	0.2531598%	0.2424648%	0.2424877%	0.2417081%	0.2468430%	0.2346932%	0.2517533%	0.2425366%
City's proportionate share of the net pension liability	\$ 13,834,591	\$ 1,438,060	\$ 4,209,857	\$ 12,960,817	\$ 4,053,598	\$ 2,494,982	\$ 4,864,374	\$ 7,453,878	\$ 667,605
City's covered payroll	\$ 9,794,254	\$ 9,803,777	\$ 9,042,129	\$ 8,591,384	\$ 8,456,089	\$ 8,594,773	\$ 8,340,623	\$ 7,952,827	\$ 7,519,613
City's proportionate share of the net pension liability as a percentage of its covered payroll	141.25%	14.67%	46.56%	150.86%	47.94%	29.03%	58.32%	93.73%	8.88%
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,862,909	\$ 2,830,968	\$ 2,735,293	\$ 2,393,099	\$ 2,163,467	\$ 2,195,762	\$ 2,200,160	\$ 2,119,624	\$ 1,909,639
Contributions in relation to the contractually required contribution	(2,862,909)	(2,830,968)	(2,735,293)	(2,393,099)	(2,163,467)	(2,195,762)	(2,200,160)	(2,119,624)	(1,909,639)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 9,905,274	\$ 9,837,005	\$ 9,381,614	\$ 8,971,489	\$ 8,617,123	\$ 8,487,868	\$ 8,396,022	\$ 8,323,033	\$ 8,358,412
Contributions as a percentage of covered payroll	28.90%	28.78%	29.16%	26.67%	25.11%	25.87%	26.20%	25.47%	22.85%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

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

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

City of Glen Cove, New York

General Fund
Combining Balance Sheet - Sub-Funds
December 31, 2023
(With Comparative Totals for 2022)

		Fire Service Award Program	Ambulance Service Award Program	Totals	
	General			2023	2022
ASSETS					
Cash and equivalents	\$ 3,221,424	\$ 44,822	\$ 23,314	\$ 3,289,560	\$ 10,712,573
Investments	15,589,797	2,477,822	587,035	18,654,654	2,893,691
Taxes receivable					
City taxes	26,965,693	-	-	26,965,693	25,632,485
Tax liens	740,979	-	-	740,979	757,530
	27,706,672	-	-	27,706,672	26,390,015
Allowance for uncollectible taxes	(838,189)	-	-	(838,189)	(856,080)
	26,868,483	-	-	26,868,483	25,533,935
Other receivables					
Accounts	1,030,506	-	-	1,030,506	881,698
Leases	3,049,537	-	-	3,049,537	3,178,966
State and Federal aid	59,543	-	-	59,543	243,921
Due from other governments	1,209,779	-	-	1,209,779	1,201,383
Due from other funds	-	-	-	-	237,459
	5,349,365	-	-	5,349,365	5,743,427
Prepaid expenditures	1,105,876	-	-	1,105,876	1,059,976
Total Assets	\$ 52,134,945	\$ 2,522,644	\$ 610,349	\$ 55,267,938	\$ 45,943,602
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)					
Liabilities					
Accounts payable	\$ 700,523	\$ -	\$ -	\$ 700,523	\$ 1,339,518
Accrued liabilities	1,199,543	-	-	1,199,543	1,179,896
Deposits payable	480,047	-	-	480,047	436,709
Employee payroll deductions	50,204	-	-	50,204	37,313
Due to other governments	527	-	-	527	321,622
Overpayments	225,370	-	-	225,370	223,388
Unearned revenue	1,455,301	-	-	1,455,301	2,841,423
Due to other funds	10,369,125	-	-	10,369,125	13,500
Total Liabilities	14,480,640	-	-	14,480,640	6,393,369
Deferred inflows of resources					
Deferred tax revenues	874,776	-	-	874,776	1,058,826
Taxes collected in advance	33,105,851	-	-	33,105,851	33,201,601
Leases related	2,895,096	-	-	2,895,096	3,080,926
Total Deferred Inflows of Resources	36,875,723	-	-	36,875,723	37,341,353
Total Liabilities and Deferred Inflows of Resources	51,356,363	-	-	51,356,363	43,734,722
Fund balances (Deficit)					
Nonspendable	1,105,876	-	-	1,105,876	1,158,016
Restricted	34,874	2,522,644	610,349	3,167,867	2,962,857
Unassigned	(362,168)	-	-	(362,168)	(1,911,993)
Total Fund Balances (Deficit)	778,582	2,522,644	610,349	3,911,575	2,208,880
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 52,134,945	\$ 2,522,644	\$ 610,349	\$ 55,267,938	\$ 45,943,602

See independent auditors' report.

City of Glen Cove, New York

General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub-Funds
Year Ended December 31, 2023
(With Comparative Totals for 2022)

	General	Fire Service Award Program	Ambulance Service Award Program	Eliminations
REVENUES				
Real property taxes	\$ 33,473,227	\$ -	\$ -	\$ -
Other tax items	3,174,248	-	-	-
Non-property taxes	2,856,629	-	-	-
Departmental income	3,237,460	148,800	10,080	(158,880)
Intergovernmental charges	75,000	-	-	-
Use of money and property	2,280,571	96,402	16,138	-
Net change in fair value of investments	-	-	59,998	-
Licenses and permits	788,005	-	-	-
Fines and forfeitures	306,685	-	-	-
Sale of property and compensation for loss	73,487	-	-	-
State aid	4,043,071	-	-	-
Federal aid	2,061,684	-	-	-
Miscellaneous	1,792,356	-	-	-
Total Revenues	54,162,423	245,202	86,216	(158,880)
EXPENDITURES				
Current				
General government support	6,531,881	-	-	-
Public safety	16,084,917	131,706	-	(148,800)
Health	996,976	-	12,501	(10,080)
Transportation	2,058,835	-	-	-
Culture and recreation	4,804,357	-	-	-
Home and community services	3,356,344	-	-	-
Employee benefits	11,496,138	-	-	-
Total Expenditures	45,329,448	131,706	12,501	(158,880)
Excess of Revenues Over Expenditures	8,832,975	113,496	73,715	-
OTHER FINANCING USES				
Transfers out	(7,317,491)	-	-	-
Net Change in Fund Balances	1,515,484	113,496	73,715	-
FUND BALANCES (DEFICIT)				
Beginning of Year	(736,902)	2,409,148	536,634	-
End of Year	\$ 778,582	\$ 2,522,644	\$ 610,349	\$ -

See independent auditors' report.

Totals	
2023	2022
\$ 33,473,227	\$ 33,609,747
3,174,248	2,811,102
2,856,629	2,952,604
3,237,460	3,123,499
75,000	75,000
2,393,111	1,483,806
59,998	(87,587)
788,005	624,424
306,685	240,115
73,487	532,303
4,043,071	4,791,002
2,061,684	1,299,962
1,792,356	679,418
<u>54,334,961</u>	<u>52,135,395</u>
6,531,881	7,340,031
16,067,823	16,303,771
999,397	964,688
2,058,835	2,215,129
4,804,357	4,426,157
3,356,344	3,133,427
11,496,138	10,573,364
<u>45,314,775</u>	<u>44,956,567</u>
9,020,186	7,178,828
<u>(7,317,491)</u>	<u>(5,672,318)</u>
1,702,695	1,506,510
<u>2,208,880</u>	<u>702,370</u>
<u>\$ 3,911,575</u>	<u>\$ 2,208,880</u>

City of Glen Cove, New York

General Fund
Comparative Balance Sheet - Sub-Fund
December 31,

	2023	2022
ASSETS		
Cash and equivalents	\$ 3,221,424	\$ 10,660,482
Investments	15,589,797	-
Taxes receivable		
City taxes	26,965,693	25,634,599
Tax liens	740,979	755,416
	27,706,672	26,390,015
Allowance for uncollectible taxes	(838,189)	(856,080)
	26,868,483	25,533,935
Other receivables		
Accounts	1,030,506	881,698
Leases	3,049,537	3,178,966
State and Federal aid	59,543	243,921
Due from other governments	1,209,779	1,201,383
Due from other funds	-	237,459
	5,349,365	5,743,427
Prepaid expenditures	1,105,876	1,059,976
Total Assets	<u>\$ 52,134,945</u>	<u>\$ 42,997,820</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 700,523	\$ 1,339,518
Accrued liabilities	1,199,543	1,179,896
Deposits payable	480,047	436,709
Employee payroll deductions	50,204	37,313
Due to other governments	527	321,622
Overpayments	225,370	223,388
Unearned revenue	1,455,301	2,841,423
Due to other funds	10,369,125	13,500
Total Liabilities	14,480,640	6,393,369
Deferred inflows of resources		
Deferred tax revenues	874,776	1,058,826
Taxes collected in advance	33,105,851	33,201,601
Leases related	2,895,096	3,080,926
Total Deferred Inflows of Resources	36,875,723	37,341,353
Total Liabilities and Deferred Inflows of Resources	51,356,363	43,734,722
Fund balance (deficit)		
Nonspendable	1,105,876	1,158,016
Restricted	34,874	17,075
Unassigned	(362,168)	(1,911,993)
Total Fund Balance (Deficit)	778,582	(736,902)
Total Liabilities and Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 52,134,945</u>	<u>\$ 42,997,820</u>

See independent auditors' report.

City of Glen Cove, New York

General Fund

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual - Sub-Fund

Years Ended December 31,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 33,521,601	\$ 33,521,601	\$ 33,473,227	\$ (48,374)
Other tax items	3,053,359	3,053,359	3,174,248	120,889
Non-property taxes	3,303,860	3,303,860	2,856,629	(447,231)
Departmental income	3,137,432	3,137,432	3,237,460	100,028
Intergovernmental charges	75,000	75,000	75,000	-
Use of money and property	1,211,050	1,211,050	2,280,571	1,069,521
Licenses and permits	594,350	594,350	788,005	193,655
Fines and forfeitures	419,200	422,200	306,685	(115,515)
Sale of property and compensation for loss	20,000	53,457	73,487	20,030
State aid	4,343,358	4,359,707	4,043,071	(316,636)
Federal aid	451,141	2,079,597	2,061,684	(17,913)
Miscellaneous	1,410,651	1,526,822	1,792,356	265,534
Total Revenues	51,541,002	53,338,435	54,162,423	823,988
EXPENDITURES				
Current				
General government support	7,323,582	7,229,912	6,531,881	698,031
Public safety	15,974,386	16,052,838	16,084,917	(32,079)
Health	941,792	959,792	996,976	(37,184)
Transportation	2,419,358	2,451,314	2,058,835	392,479
Culture and recreation	4,543,987	4,977,074	4,804,357	172,717
Home and community services	3,279,281	3,282,106	3,356,344	(74,238)
Employee benefits	11,064,271	11,067,908	11,496,138	(428,230)
Total Expenditures	45,546,657	46,020,944	45,329,448	691,496
Excess of Revenues Over Expenditures	5,994,345	7,317,491	8,832,975	1,515,484
OTHER FINANCING USES				
Transfers out	(5,994,345)	(7,317,491)	(7,317,491)	-
Net Change in Fund Balance	-	-	1,515,484	1,515,484
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	(736,902)	(736,902)
End of Year	\$ -	\$ -	\$ 778,582	\$ 778,582

See independent auditors' report.

2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 33,816,951	\$ 33,816,951	\$ 33,609,747	\$ (207,204)
2,743,672	2,743,672	2,811,102	67,430
2,591,607	2,591,607	2,952,604	360,997
3,543,310	3,544,810	3,123,499	(421,311)
75,000	75,000	75,000	-
1,164,210	1,164,210	1,379,822	215,612
1,551,850	1,551,850	624,424	(927,426)
219,500	219,500	240,115	20,615
5,000	506,745	532,303	25,558
4,187,281	4,199,123	4,791,002	591,879
445,141	1,116,403	1,299,962	183,559
471,322	555,522	679,418	123,896
50,814,844	52,085,393	52,118,998	33,605
8,660,983	8,835,254	7,340,031	1,495,223
15,073,264	15,740,491	16,310,294	(569,803)
905,791	908,376	958,732	(50,356)
2,349,881	2,375,760	2,215,129	160,631
4,256,850	4,644,095	4,426,157	217,938
3,141,132	3,141,132	3,133,427	7,705
10,768,125	10,781,467	10,573,364	208,103
45,156,026	46,426,575	44,957,134	1,469,441
5,658,818	5,658,818	7,161,864	1,503,046
(5,658,818)	(5,658,818)	(5,672,318)	(13,500)
-	-	1,489,546	1,489,546
-	-	(2,226,448)	(2,226,448)
\$ -	\$ -	\$ (736,902)	\$ (736,902)

City of Glen Cove, New York

General Fund

Schedule of Revenues Compared to Budget - Sub-Fund

Year Ended December 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
REAL PROPERTY TAXES	\$ 33,521,601	\$ 33,521,601	\$ 33,473,227	\$ (48,374)	\$ 33,609,747
OTHER TAX ITEMS					
Interest and penalties on real property taxes	350,000	350,000	510,097	160,097	268,602
Payments in lieu of taxes	2,703,359	2,703,359	2,664,151	(39,208)	2,542,500
	<u>3,053,359</u>	<u>3,053,359</u>	<u>3,174,248</u>	<u>120,889</u>	<u>2,811,102</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	2,318,860	2,318,860	1,883,235	(435,625)	1,838,788
Utilities gross receipts taxes	475,000	475,000	501,545	26,545	561,941
Cable television franchise fees	510,000	510,000	471,849	(38,151)	551,875
	<u>3,303,860</u>	<u>3,303,860</u>	<u>2,856,629</u>	<u>(447,231)</u>	<u>2,952,604</u>
DEPARTMENTAL INCOME					
Charges for tax advertising	295,000	295,000	240,505	(54,495)	293,573
City Clerk fees	149,867	149,867	148,790	(1,077)	149,182
Filming licenses	85,000	85,000	48,500	(36,500)	77,250
Other fees	36,200	36,200	36,492	292	52,617
Park and recreation fees	1,297,225	1,297,225	1,291,141	(6,084)	1,248,825
Dog fees	1,040	1,040	770	(270)	912
Youth Bureau program fees	85,000	85,000	68,611	(16,389)	89,834
Police Department fees	142,900	142,900	125,547	(17,353)	131,628
Public Works fees	17,000	17,000	16,197	(803)	19,181
Ambulance Corps fees	850,000	850,000	1,098,660	248,660	908,920
Bus operations	1,200	1,200	1,198	(2)	1,411
Participant's contributions - Nutrition programs	114,000	114,000	91,330	(22,670)	83,632
Zoning and Planning Board fees	19,500	19,500	26,405	6,905	23,164
Commercial sanitation fees	43,500	43,500	43,314	(186)	43,370
	<u>3,137,432</u>	<u>3,137,432</u>	<u>3,237,460</u>	<u>100,028</u>	<u>3,123,499</u>

INTERGOVERNMENTAL CHARGES

Administrative charges - School District

75,000	75,000	75,000	-	75,000
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USE OF MONEY AND PROPERTY

Earnings on investments

100,000	100,000	1,120,735	1,020,735	242,412
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Rentals of real property

1,111,050	1,111,050	1,159,836	48,786	1,137,410
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1,211,050	1,211,050	2,280,571	1,069,521	1,379,822
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LICENSES AND PERMITS

Plumbing licenses

18,000	18,000	16,175	(1,825)	17,900
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Building permits

438,500	438,500	593,150	154,650	406,533
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Street opening and demolition permits

42,500	42,500	50,565	8,065	87,033
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Plumbing permits

48,750	48,750	79,475	30,725	64,285
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Other permits

46,600	46,600	48,640	2,040	48,673
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594,350	594,350	788,005	193,655	624,424
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FINES AND FORFEITURES

City court parking fines

385,000	385,000	284,252	(100,748)	211,625
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Forfeiture of crime proceeds

-	-	-	-	1,500
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Other fines and fees

34,200	37,200	22,433	(14,767)	26,990
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419,200	422,200	306,685	(115,515)	240,115
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SALE OF PROPERTY AND**COMPENSATION FOR LOSS**

Sale of equipment

20,000	20,000	40,646	20,646	40,375
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Other compensation for loss

-	33,457	32,841	(616)	491,928
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20,000	53,457	73,487	20,030	532,303
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STATE AID

Per capita

2,837,667	2,837,667	2,837,667	-	2,837,667
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Mortgage tax

985,000	985,000	771,462	(213,538)	1,577,213
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Court facilities aid

94,436	94,436	95,541	1,105	88,830
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Mass transit grants

115,000	115,000	17,325	(97,675)	37,641
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Public safety grants

5,600	5,600	5,060	(540)	9,020
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Programs for the aging

10,000	10,000	13,137	3,137	10,639
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S.T.O.P. DWI Program

30,000	30,000	26,579	(3,421)	85,771
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Youth programs

262,355	262,355	262,306	(49)	129,219
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Other

3,300	19,649	13,994	(5,655)	15,002
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4,343,358	4,359,707	4,043,071	(316,636)	4,791,002
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(Continued)

City of Glen Cove, New York

General Fund

Schedule of Revenues Compared to Budget - Sub-Fund (Continued)

Year Ended December 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
FEDERAL AID					
Youth programs	\$ 9,000	\$ 9,000	\$ 9,000	\$ -	\$ 8,500
Contribution from component units	9,500	9,500	9,500	-	9,500
Nutrition for the elderly - Title III E	90,000	90,000	90,000	-	113,570
Nutrition for the elderly - Title III B	129,722	129,722	144,917	15,195	296,472
Nutrition for the elderly - Title III C-1	182,919	488,229	474,729	(13,500)	350,335
Emergency Management Agency	30,000	30,000	10,392	(19,608)	38,545
American Rescue Plan Act	-	1,323,146	1,323,146	-	432,677
COVID-19 Community development block grant	-	-	-	-	50,363
	<u>451,141</u>	<u>2,079,597</u>	<u>2,061,684</u>	<u>(17,913)</u>	<u>1,299,962</u>
MISCELLANEOUS					
Refund of prior year's expenditures	-	-	44,538	44,538	-
Gifts and donations	262,650	366,821	315,085	(51,736)	325,949
Other	1,148,001	1,160,001	1,432,733	272,732	353,469
	<u>1,410,651</u>	<u>1,526,822</u>	<u>1,792,356</u>	<u>265,534</u>	<u>679,418</u>
TOTAL REVENUES	<u>51,541,002</u>	<u>53,338,435</u>	<u>54,162,423</u>	<u>823,988</u>	<u>52,118,998</u>

See independent auditors' report.

City of Glen Cove, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund

Year Ended December 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
GENERAL GOVERNMENT SUPPORT					
City Council	\$ 60,000	\$ 60,000	\$ 58,770	\$ 1,230	\$ 60,001
Mayor	421,724	429,314	428,370	944	420,913
City Hall	200,000	200,000	179,535	20,465	207,101
Finance	1,488,909	1,482,909	1,380,364	102,545	1,729,844
City Clerk	145,705	149,255	146,214	3,041	138,775
City Attorney	321,087	321,087	288,429	32,658	287,575
Human Resources	194,871	197,021	195,817	1,204	182,253
Public Works administration	1,098,161	1,115,526	1,095,058	20,468	1,077,500
Garage	519,545	560,920	555,977	4,943	603,759
Central Data Processing	243,930	243,930	224,907	19,023	181,347
Special items					
Self insurance contribution	545,000	545,000	545,000	-	735,000
Unallocated insurance	700,000	704,000	703,692	308	616,215
Refunds of real property taxes	400,000	400,000	217,610	182,390	464,459
Metropolitan Commuter Transportation Mobility Tax	75,000	77,500	77,487	13	79,429
Termination pay	500,000	497,500	434,651	62,849	555,860
Contingency	409,650	245,950	-	245,950	-
	<u>7,323,582</u>	<u>7,229,912</u>	<u>6,531,881</u>	<u>698,031</u>	<u>7,340,031</u>
PUBLIC SAFETY					
Police Department	13,886,118	13,911,809	14,036,966	(125,157)	13,863,075
Traffic Patrol	271,328	274,628	252,099	22,529	222,936
Animal Shelter	126,500	126,500	121,006	5,494	120,498
Building Department - Safety inspections	373,520	403,180	398,098	5,082	398,496
Fire Department	560,500	563,500	504,620	58,880	517,939
Code Enforcement	179,711	190,866	184,788	6,078	167,770
Harbor Patrol	142,350	147,050	128,040	19,010	96,670
COVID-19	-	946	17,451	(16,505)	503,374
Fire Department Dispatchers	434,359	434,359	441,849	(7,490)	419,536
	<u>15,974,386</u>	<u>16,052,838</u>	<u>16,084,917</u>	<u>(32,079)</u>	<u>16,310,294</u>

HEALTH

Ambulance	941,792	959,792	996,976	(37,184)	958,732
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TRANSPORTATION

Road maintenance and repair	2,113,846	2,142,402	2,094,470	47,932	1,998,853
Snow removal	204,000	204,900	112,297	92,603	216,276
Loop bus	100,000	100,000	(150,000)	250,000	-
Ferry Terminal	1,512	4,012	2,068	1,944	-
	2,419,358	2,451,314	2,058,835	392,479	2,215,129

CULTURE AND RECREATION

Youth Bureau	729,362	883,051	834,984	48,067	693,813
Recreation	75,000	75,400	75,387	13	87,297
Golf Course	786,338	787,338	776,388	10,950	797,561
Senior Center - Adult Day Care	286,784	359,909	326,140	33,769	238,883
Senior Center - Recreation	1,309,583	1,545,957	1,500,172	45,785	1,321,449
Veterans	10,000	10,000	8,340	1,660	9,933
Recreation	627,817	581,566	593,637	(12,071)	588,299
Department Pubic Works - Parks	719,103	733,853	689,309	44,544	688,922
	4,543,987	4,977,074	4,804,357	172,717	4,426,157

HOME AND COMMUNITY SERVICES

Zoning Board	6,500	6,825	6,601	224	5,256
Planning Board	100,141	100,141	95,738	4,403	93,231
Sanitation	3,172,640	3,175,140	3,254,005	(78,865)	3,034,940
	3,279,281	3,282,106	3,356,344	(74,238)	3,133,427

EMPLOYEE BENEFITS

State retirement	1,421,465	1,421,465	1,163,390	258,075	1,488,792
Social security and Medicare	1,574,956	1,577,668	1,548,758	28,910	1,454,046
Life, health and dental insurance	8,037,850	8,041,775	8,749,157	(707,382)	7,606,657
Unemployment benefits	30,000	27,000	34,833	(7,833)	23,869
	11,064,271	11,067,908	11,496,138	(428,230)	10,573,364

TOTAL EXPENDITURES

	45,546,657	46,020,944	45,329,448	691,496	44,957,134
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(Continued)

City of Glen Cove, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund (Continued)

Year Ended December 31, 2023

(With Comparative Actuals for 2022)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2022 Actual</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	\$ 5,994,345	\$ 5,994,345	\$ 5,994,345	\$ -	\$ 5,658,818
Capital Projects Fund	<u>-</u>	<u>1,323,146</u>	<u>1,323,146</u>	<u>-</u>	<u>13,500</u>
TOTAL OTHER FINANCING USES	<u>5,994,345</u>	<u>7,317,491</u>	<u>7,317,491</u>	<u>-</u>	<u>5,672,318</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 51,541,002</u>	<u>\$ 53,338,435</u>	<u>\$ 52,646,939</u>	<u>\$ 691,496</u>	<u>\$ 50,629,452</u>

See independent auditors' report.

City of Glen Cove, New York

Water Fund
Comparative Balance Sheet
December 31,

	2023	2022
ASSETS		
Water rents receivable	\$ 1,054,204	\$ 1,022,301
Prepaid expenditures	28,173	24,690
Total Assets	<u>\$ 1,082,377</u>	<u>\$ 1,046,991</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 158,944	\$ 154,875
Accrued liabilities	36,424	35,487
Due to other funds	106,221	237,459
Total Liabilities	<u>301,589</u>	<u>427,821</u>
Fund balance		
Nonspendable	28,173	24,690
Assigned	752,615	594,480
Total Fund Balance	<u>780,788</u>	<u>619,170</u>
Total Liabilities and Fund Balance	<u>\$ 1,082,377</u>	<u>\$ 1,046,991</u>
See independent auditors' report.	-	-

See independent auditors' report.

City of Glen Cove, New York

Water Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 3,624,000	\$ 3,624,000	\$ 3,678,658	\$ 54,658
Miscellaneous	121,500	121,500	136,439	14,939
Total Revenues	3,745,500	3,745,500	3,815,097	69,597
EXPENDITURES				
Current				
Home and community services	2,848,313	2,848,313	2,756,292	92,021
Excess of Revenues Over Expenditures	897,187	897,187	1,058,805	161,618
OTHER FINANCING USES				
Transfers out	(897,187)	(897,187)	(897,187)	-
Net Change in Fund Balance	-	-	161,618	161,618
FUND BALANCE				
Beginning of Year	-	-	619,170	619,170
End of Year	\$ -	\$ -	\$ 780,788	\$ 780,788

See independent auditors' report.

2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,710,000 114,250	\$ 3,710,000 114,250	\$ 3,633,411 194,897	\$ (76,589) 80,647
3,824,250	3,824,250	3,828,308	4,058
2,924,569	2,924,569	2,703,609	220,960
899,681	899,681	1,124,699	225,018
(899,681)	(899,681)	(899,681)	-
-	-	225,018	225,018
-	-	394,152	394,152
\$ -	\$ -	\$ 619,170	\$ 619,170

City of Glen Cove, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 715	\$ 131,448
Due from other governments	-	36,173
Due from other funds	<u>706,175</u>	<u>-</u>
	<u>706,175</u>	<u>36,173</u>
 Total Assets	 <u>\$ 706,890</u>	 <u>\$ 167,621</u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Deferred inflows of resources		
Deferred revenues	<u>\$ -</u>	<u>\$ 18,420</u>
 Total Deferred Inflows of Resources	 -	 18,420
 Fund balance		
Restricted	<u>706,890</u>	<u>149,201</u>
 Total Deferred Inflows of Resources and Fund Balance	 <u>\$ 706,890</u>	 <u>\$ 167,621</u>

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental charges	\$ 17,044	\$ 17,044	\$ 17,044	\$ -
EXPENDITURES				
Debt service				
Principal				
Serial bonds	5,592,941	5,592,941	5,592,941	-
Interest				
Serial bonds	1,665,662	1,665,662	1,665,663	(1)
Bond anticipation notes	74,714	74,714	87,003	(12,289)
	1,740,376	1,740,376	1,752,666	(12,290)
Total Expenditures	7,333,317	7,333,317	7,345,607	(12,290)
Deficiency of Revenues Over Expenditures	(7,316,273)	(7,316,273)	(7,328,563)	(12,290)
OTHER FINANCING SOURCES (USES)				
Issuance premium	-	-	288,545	288,545
Transfers in	7,216,532	7,216,532	7,597,707	381,175
Total Other Financing Sources	7,216,532	7,216,532	7,886,252	669,720
Net Change in Fund Balance	(99,741)	(99,741)	557,689	657,430
FUND BALANCE				
Beginning of Year	99,741	99,741	149,201	49,460
End of Year	\$ -	\$ -	\$ 706,890	\$ 706,890

See independent auditors' report.

2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 17,753	\$ 17,753	\$ 17,749	\$ (4)
5,075,000	5,075,000	5,075,000	-
1,865,191	1,865,191	1,865,191	-
24,648	24,648	24,648	-
1,889,839	1,889,839	1,889,839	-
6,964,839	6,964,839	6,964,839	-
(6,947,086)	(6,947,086)	(6,947,090)	(4)
-	-	77,150	77,150
6,654,438	6,654,438	6,558,499	(95,939)
6,654,438	6,654,438	6,635,649	(18,789)
(292,648)	(292,648)	(311,441)	(18,793)
292,648	292,648	460,642	167,994
\$ -	\$ -	\$ 149,201	\$ 149,201

City of Glen Cove, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2023	2022
ASSETS		
Cash and equivalents	\$ 8,716,889	\$ 21,433,078
Receivables		
Accounts	56,207	42,699
State and Federal aid	1,260,374	629,094
Due from other funds	10,475,346	13,500
	11,791,927	685,293
Total Assets	\$ 20,508,816	\$ 22,118,371
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 787,970	\$ 1,966,399
Bond anticipation notes payable	1,759,163	2,782,197
Due to other funds	706,175	-
Total Liabilities	3,253,308	4,748,596
Fund balance		
Restricted	17,255,508	17,369,775
Total Liabilities and Fund Balance	\$ 20,508,816	\$ 22,118,371

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	2023	2022
REVENUES		
Use of money and property	\$ 76,717	\$ 20,518
State aid	2,058,291	2,097,117
Federal aid	242,689	235,788
Miscellaneous	240,325	682,236
Total Revenues	2,618,022	3,035,659
EXPENDITURES		
Capital outlay	8,170,402	7,436,581
Deficiency of Revenues Over Expenditures	(5,552,380)	(4,400,922)
OTHER FINANCING SOURCES		
Bonds issued	4,821,142	3,282,941
Transfers in	1,323,146	13,500
Transfers out	(706,175)	-
Total Other Financing Sources	5,438,113	3,296,441
Net Change in Fund Balance	(114,267)	(1,104,481)
FUND BALANCE		
Beginning of Year	17,369,775	18,474,256
End of Year	\$ 17,255,508	\$ 17,369,775

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Non-Major Governmental Fund - Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	<u>\$ 76,685</u>	<u>\$ 74,659</u>
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 1,985	\$ -
FUND BALANCE		
Restricted	<u>74,700</u>	<u>74,659</u>
Total Liabilities and Fund Balance	<u>\$ 76,685</u>	<u>\$ 74,659</u>

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Non-Major Governmental Fund - Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2023</u>	<u>2022</u>
REVENUES		
Miscellaneous	\$ 26,407	\$ 16,564
EXPENDITURES		
Current		
Culture and recreation	<u>26,366</u>	<u>11,717</u>
Net Change in Fund Balance	41	4,847
FUND BALANCE		
Beginning of Year	<u>74,659</u>	<u>69,812</u>
End of Year	<u><u>\$ 74,700</u></u>	<u><u>\$ 74,659</u></u>

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Internal Service Fund - Workers' Compensation and
General Liability Claims Fund
Comparative Statement of Net Position
December 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 855,858	\$ 1,139,729
Accounts receivable	<u>6,106</u>	<u>18,148</u>
Total Assets	<u>861,964</u>	<u>1,157,877</u>
LIABILITIES		
Current liabilities		
Accounts payable	57,749	73,058
Current portion of claims payable	<u>127,000</u>	<u>137,000</u>
Total Current Liabilities	<u>184,749</u>	<u>210,058</u>
Claims payable, less current portion	<u>1,139,541</u>	<u>1,236,994</u>
Total Liabilities	<u>1,324,290</u>	<u>1,447,052</u>
NET POSITION		
Unrestricted	<u><u>\$ (462,326)</u></u>	<u><u>\$ (289,175)</u></u>

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Internal Service Fund - Workers' Compensation and
General Liability Claims Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
Years Ended December 31,

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for services	\$ 643,000	\$ 833,000
Insurance recoveries	<u>152,472</u>	<u>35,484</u>
Total Operating Revenues	<u>795,472</u>	<u>868,484</u>
OPERATING EXPENSES		
Employee benefits	385,663	685,152
Judgments and claims	<u>582,960</u>	<u>404,669</u>
Total Operating Expenses	<u>968,623</u>	<u>1,089,821</u>
Loss from Operations	(173,151)	(221,337)
NET POSITION (DEFICIT)		
Beginning of Year	<u>(289,175)</u>	<u>(67,838)</u>
End of Year	<u><u>\$ (462,326)</u></u>	<u><u>\$ (289,175)</u></u>

See independent auditors' report.

See independent auditors' report.

City of Glen Cove, New York

Internal Service Fund - Workers' Compensation and
General Liability Claims Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 643,000	\$ 833,000
Cash received from insurance recoveries	164,514	23,805
Cash payments to insurance carriers and claimants	<u>(1,091,385)</u>	<u>(749,117)</u>
Net Cash from Operating Activities	(283,871)	107,688
CASH AND EQUIVALENTS		
Beginning of Year	<u>1,139,729</u>	<u>1,032,041</u>
End of Year	<u><u>\$ 855,858</u></u>	<u><u>\$ 1,139,729</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (173,151)	\$ (221,337)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	12,042	(11,679)
Accounts payable	(15,309)	16,926
Due to other funds	-	(178)
Claims payable	<u>(107,453)</u>	<u>323,956</u>
Net Cash from Operating Activities	<u><u>\$ (283,871)</u></u>	<u><u>\$ 107,688</u></u>

See independent auditors' report.

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See independent auditors' report.



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

Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of 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 governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Glen Cove, New York ("City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 22, 2024



**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance Required by
The Uniform Guidance**

Independent Auditors' Report

**The Honorable Mayor and the City Council
of the City of Glen Cove, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Glen Cove, New York's ("City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the Glen Cove Community Development Agency ("CDA") which expended \$5,343,843 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program", does not include the operations of CDA because the CDA performed their own compliance audit on these expenditures.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

July 22, 2024

City of Glen Cove, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Indirect Program - Passed through Glen Cove Community Development Agency				
<i>Entitlement Grants Cluster</i>				
Community Development Block Grants -				
Entitlement Grants	14.218	CQHS20000008	\$ -	\$ 166,066
<u>U.S. Department of the Treasury</u>				
Indirect Program - Passed through				
New York State Office of the Comptroller				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,323,146
Nassau County				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	230,602
			-	1,553,748
<u>U.S. Department of Environmental Protection Agency</u>				
Indirect Program - Passed through Glen Cove Community Development Agency				
Congressionally Mandated Projects	66.202		-	95,123
<u>U.S. Department of Homeland Security</u>				
Indirect Program - Passed through NYS Department of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA#059-29113-00	-	10,392
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs - Passed through Nassau County				
<i>Aging Cluster</i>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	CQHS20000008	-	144,917
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	CQHS20000008	-	244,127
Subtotal - Aging Cluster			-	389,044
National Family Caregiver Support, Title III, Part E	93.052	CQHS20000008	-	90,000
Total U.S. Department of Health and Human Services			-	479,044
Total			\$ -	\$ 2,304,373

See independent auditors' report and notes to schedule of expenditures of federal awards

City of Glen Cove, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the City of Glen Cove ("City") under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

City of Glen Cove, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

___ Yes ___ X No

___ Yes ___ X None reported

Noncompliance material to financial statements
noted?

___ Yes ___ X No

Federal Awards

Internal Control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

___ Yes ___ X No

___ Yes ___ X None reported

Type of auditor's report issued on compliance
for major federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

___ Yes ___ X No

Identification of major federal program

Assistance Listing Number

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

City of Glen Cove, New York

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None