

CEO's REPORT

March 21, 2023

**Indicates new proposal not included in prior reports*

ACTIVE PROJECTS:

MRCT Investments - This proposed \$50 million Mill Creek Residential project in West Hempstead will have 150 units. The company received a 20-year PILOT and was induced at our January 2022 meeting. Contacts: Russell Tepper, Managing Director © 908 770-2144, Nick Halstead © 917 846-3594, Elisabetta Coschignano, Esq. (228-1300), Nicholas Cappadore (Sahn, Ward, Coschignano) 228-1300.

Parabit Systems- an existing beneficiary of IDA benefits has purchased additional property abutting its situs in Roosevelt, 33-35 Debevoise Avenue. The new project will include a 10,000 square foot expansion of the existing facility (structure) and will be a 6,000 square foot net increase as 4,000 square feet of the existing building will have to be demolished. Parabit purchased property for \$145,000. Land use authorization (variances, etc.) as well as Town Board Approval must be completed prior to closing with IDA. The company currently employs eighty-five (85) workers and expects to add ten (10) in the first year. Parabit manufactures ATM devices and Kiosks. They seek a Pilot (15 years), sales tax exemption and mortgage recording tax exemption. This project was induced at the January 2022 meeting for an additional 11-year PILOT. An Authorizing Resolution was approved at our February 2022 meeting. The company is awaiting permits from the building department. Contacts: Richard Kick, VP Operations cell (516-519-1085) Dan Baker, Esq. of Certilman Balin.

Aloft-Red Roof Inn, Westbury- This situs and building therein is a former project that received IDA benefits when it was developed three decades ago as a hotel. The property is located at 699 Dibblee Drive, Westbury. In recent decades some of the building houses tenants through section 8 vouchers. The 163 units are 80% occupied. Beachwood Homes recently purchased the property and seeks to convert the existing use to either upper and short-term occupants or college housing. The extensive renovations to the project would be \$5 to \$10 million. Contacts: Steve Dubb or Edward Pleber (935-5555) Anthony Guadino, Esq. of Farrell Fritz, P.C. (631-367-0716).

The Meadowood Properties – Developer seeks to construct twenty (20) units of residential rental housing on property located on Newbridge Road in East Meadow which had been owned by St. Raphael's Church. The two buildings will be for fifty-five (55) and older. The current taxes on the undeveloped land are \$20,000. Project costs are approximately \$5.8 million. Contact: James Neisloss (917 -838-4664), Negus, Esq. of McLaughlin & Stern, LLP (516-467-5431). Dan Deegan, Esq.

283-287 Fulton Avenue, LLC – The property is located on the intersection of Fulton Avenue & Front Street, Hempstead. The building has three floors. The first floor has 4,200 square feet, the second & third 3,100 square feet each. The developer seeks to round off the second & third floors to 4,200 square feet to match the first floor. Project costs are projected to be ten million dollars. The renovation would convert the current office space to ten units of two-bedroom apartments. The retail space on the ground floor would remain as the situs of the property abuts the Terrace Avenue Poverty Census Tract and, therefore, qualifies for the exemption for retail. The developers are awaiting final approval from the village which has been delayed due to the Covid-19 and the death of one of the developers. The project is moving forward. Taxes are currently \$65,000. Contacts: Michael Mitchell (816-8994). Attorney: Dan Baker, Esq.

MCRT – The developer seeks to build 250 units of mixed fifty-five and over middle-income apartments on 4.57-acre site on Atlantic Avenue in Oceanside. Project remains in early stages. Contacts: Elisabetta Coschignano, Esq., 47 Broadway, Wilbur Breslin, Pres.

111 Hempstead Turnpike LLC (Heatherwood) - The proposed project located at 111 Hempstead Turnpike in West Hempstead seeks to demolish an existing 300,000 square foot abandoned building and construct a 488,819 square foot structure on the 9.43-acre site located at 111 Hempstead Turnpike. The proposal will include 5,143 square feet of retail space and the construction of 428 apartment units in two three story buildings and one four story structure. There will be (7) full-time employees. The company has met with all the civic groups in the area and local officials. Heatherwood has obtained a change of zone from the town board. Total project costs are approximately \$180 million. Contacts: Dan Deegan, Esq. & Chris Capece. A Public Hearing was held on 9/28/21. This project received an Authorizing Resolution at our September 22nd 2021 Board Meeting. A new Authorization Resolution will need to be adopted prior to closing. We are still awaiting a site plan and closing date.

PGD Baldwin Commons, LLC - Park Grove Realty working with the CDC of Long Island and (Community Development Corporation of Long Island) seeks to construct thirty-three (33) units of work force housing on the specially zoned site at the northwest corner of Grand Avenue & Merrick Road in Baldwin. The \$3 million project would have twenty-seven (27) one-unit dwellings and six (6) two-bedroom units. The project would add one full-time employee. This project was induced at the IDA October 2022 Board Meeting with 20-year PILOT Agreement with a 10-year optional extension if in compliance, Sales Tax Exemption, and MRT Exemption. Approval by NYS HCR has delayed the project, but recent discussions between the developer and the HCR are positive. The project was re-induced at our February 2022 meeting. Contact: Gwen O'Shea, CEO, CDA of LI (631) 471-1215 x 175.

Ocean Avenue Marina, Inc. – The developer intends to demolish the existing catering hall and construct two buildings at 50 & 80 Waterfront Blvd., Island Park. The new apartment complex will be four stories, 135,406 square feet, housing 117 units (74 one-bedroom units and 43 two-bedroom units). The first floor will provide 196 parking spaces with the remaining three floors providing the aforementioned rental units. Project costs are \$41.143 million. The developer seeks a 20-year PILOT, Sales Tax Exemption and Mortgage Recording Tax Exemption. Contact: Peter Curry, Esq., Dylan Vitale, owner. This project vote failed on a Due Diligence Resolution at our September Board Meeting and revoted in October 2021 received a Due Diligence Resolution.

Estella Housing, LLC: The developer seeks to construct ninety-six units of affordable housing (42 studios, 34 one bedroom, 19 two bedroom and a Superintendent's unit) at 176 Main Street, Hempstead. and a main commercial parking lot. The \$50 Million project is to be built on the Village's Downtown overlay zone. This project was induced at our January 31, 2022, meeting with benefits that include Sales Tax Exemption and Mortgage Recording Tax Exemption with a 30-year PILOT. A closing is scheduled for March 31st.

Inwood Property Development: The applicant seeks to build a forty-unit, 52582 square foot building of 20 one bedroom, 15 two bedroom and 12 three bedroom and one studio. The \$22 million dollar project will include 25% affordable units. This project was induced on January 31, 2022, with benefits that included Sales Tax Exemption, Mortgage Recording Tax Exemption and a 20-year PILOT. A Public Hearing was held on February 15, 2022. An authorizing Resolution was held on February 24, 2022. The company is currently trying to obtain financing.

Carman Place Apartments, LLC (Commercial Portion) – The applicant seeks to demolish an existing 15,573 square foot building and construct two-residential buildings with a total of 228 rental units plus 22,6000 square feet of commercial space on Main Street and Bedell Street in the Village of Hempstead. This project will be constructed on a total of 2.54 acres. The project will also include a total of 296 parking spaces, 228 for residential and 68 spaces for retail of which 42 will be metered on-street parking. This project may seek to use Tax Exempt Bonds for a portion of this transaction. An Authorizing Resolution was passed on March 24, 2022, for Sales Tax Exemption, Mortgage Recording Tax Exemption and a 20-year PILOT. A closing is set for the 30th of March. Contact: Dan Deegan, Esq. (516) 248-1700.

Carman Place Apartments LLC (Residential Portion) - The applicant seeks to demolish an existing 15,573 square foot building and construct two resident buildings with a total of 228 rental units on Main Street and Bedell Street in the Village of Hempstead. The residential building will consist of 30 studio apartments, 140 on-bedroom, and 57 two-bedroom apartments. These apartments will be 100% workforce

housing, income restricted. This project will also include 228 parking spaces for residential and 68 spaces for retail of which 42 will be metered on-street parking. This project may also seek to use Tax Exempt Bonds for a portion of this transaction. An Authorizing Resolution was passed on March 24, 2022, for Sales Tax Exemption, Mortgage Recording Tax Exemption and a 30-year PILOT. The Supervisor is not opposed to this project. Contact: Dan Deegan, Esq. (516) 248-1700

Sunrise of Oceanside NY Propco, LLC – The developers seek to transform the vacant property of 374 Atlantic Avenue, Oceanside into an 84 unit assisted living facility. The site will be 77,433 square feet of living space with 34 one-bedroom units and 50 two-bedroom units. There will be 52 on-site parking spaces. The project will include assisted living, memory care, and hospice care as well. Amenities include a spa, beauty salon, exercise room, entertainment area with bistro and dining room. Total costs are approximately \$48.395 million. Fifty-five full time jobs are expected to be added by the beginning of year. The developer seeks a fifteen (15) year PILOT, sales tax exemption and mortgage recording tax exemption. The Public Hearing has been held on September 28, 2022. The project has been approved by the BZA and an authorizing resolution was adopted 10/25/22. Contact: Andrew Coello & Elizabetta Coschignano.

Rock 50, LLC – The applicant seeks to convert the former Rockville Center Roman Catholic Diocese officer at the subject site of 50 North Park Avenue, Rockville Centre to a class A commercial Office Building. The 60,000 square foot building will be upgraded with the existing exterior extensively renovated. Total costs are approximately \$19.1 million. Two hundred twenty-three (223) new full-time positions are expected to be added by the second year. The applicant seeks a twenty-year PILOT, Sales tax exemption and mortgage recording tax exemption. This property was induced at the January 22, 2022, Board Meeting, A subsequent hearing was held on February 22, 2022. An authorizing resolution was adopted 11/16/2022. We are awaiting a closing date. Contacts: Dan Baker Esq., Joshua Levine.

Baldwin Jaz, LLC - The proposed project seeks to redevelop the properties located at 2253 Grand Avenue & 2292 Harrison Avenue in Baldwin. The property was previously used as a car lot and will be developed into a multiple family transit-oriented site. The project would include 215 residential units (47 studios, 132 one-bedrooms and 36 two-bedroom units) on a 74,488 square foot site. Project will include a ground floor restaurant and retail space (5000 square feet) with 251 on-site parking spaces. Project costs are estimated to be \$106.1 million with 8.5 full time job equivalents added. The developer seeks a 30-year PILOT, sales tax exemption and mortgage recording tax waiver. This project was induced 9/20/22, Contacts: Elizabetta Coschignano & Kenneth Breslin.

159 Hanse Development – The applicant seeks to purchase and rehabilitate an existing 67,307 square foot industrial building located on a 2.3-acre plot in Freeport. The structure will be renovated with energy efficient equipment for the business that distributes high quality organic and natural dairy products. Project costs are \$10 million. It is expected that there will be 100 full-time employees by the end of the second year. The project was induced and granted a 15-year PILOT, sales tax exemption and mortgage recording tax exemption. An authorizing resolution was adopted on 11/16/2022. This project should close in the new year. Contacts: Dan Deegan, Esq. & John Gordon, Esq., Owner/Developer Oscar Molatti.

2 Endo Boulevard: The Board approved an additional seven-year PILOT extension following a history of a ten (15) year PILOT. The company will expend \$655,000 on building improvements, machinery, and equipment. There are more than 100 jobs associated with this enterprise which is the last publishing house of its kind on Long Island. Contact Dan Deegan (516-248-1700) Stuart Richner, Pres (569-4000 ext. 230)

***875 Merrick, LLC** - The developer seeks to renovate an existing 43,679 square foot building for retail and residential housing. The \$3 million project will provide 110 full time jobs by the third year and 50 construction jobs. The applicant seeks a 15-year PILOT and sales tax exemption. A closing is set for March 22nd. Contact: Dan Deegan, Esq., Charles Piluso, CEO

INACTIVE PROJECTS:

Empire Offshore Wind, LLC – The Company seeks to construct a renewable wind project including a five-acre substation in Oceanside consisting of 6.65 acres (existing buildings to be removed). This environmentally positive project will reduce fossil fuel reliance and upgrade the local power grid. Project costs are \$221.8 million. Developer seeks a 31-year PILOT, sales tax exemption and mortgage tax exemption. It's very preliminary. No action will take place without the input and approval of local districts, schools, villages, town is secured. Contact: Jonathan Forte (713) 897-9980.

2022 COMPLIANCE REVIEW

March 14, 2023

<u>COMPANY</u>	<u>OUTSTANDING ITEMS</u>	<u>NOTES*</u>
1Serv Realty	Full Compliance	
110 Graham Realty	Compliance fee	Employment Shortfall -letter rec'd
2 Endo Blvd. LLC	Compliance fee	Employment shortfall of -6 FTE letter received
206 Smith LLC/Regan Development	Full Compliance	
225 Merrick Road	Full Compliance	
25 Wanser LLC(Heatherwood)	Full Compliance	Construction has not yet begun
3235 Hempstead Mid Rockland Levittown	Full Compliance	
333 Pearsall LLC	Full Compliance	
43-47 Broadway LLC	Full Compliance	Construction has not yet begun
444 Merrick Road LLC	Full Compliance	
900 Stewart Ave. Holdings	Full Compliance	
990 Stewart Ave. Holdings	Full Compliance	
Alphamore LLC	Employment back-up – in process, requested additional time to provide 3/8	
Arrow Linen	sending originals – Final Notice 2/23	
Avalon Bay Communities	Full Compliance	

2022 COMPLIANCE REVIEW

March 14, 2023

Avalon Bay Rockville Centre II	Full Compliance	
AVB Harbor Isle	Insurance - Final Notice 2/21	
Beechwood Merrick	Full Compliance	
Beechwood Portofino	Full Compliance	Litigation – letter received
Brooke Pointe	Full Compliance	
BSREP III 107 Charles Lindbergh	Full Compliance	Under construction
CHSGN LI Hotel	Full Compliance	
City Autoplex	Full Compliance	
CLLI 1-6 LP/303 Main Street	Full Compliance	
CLLI 7-12 LP/130 Hempstead Ave	Full Compliance	
Columbia Equipment	Full Compliance	
Covanta Energy Hempstead	Full Compliance	Yearly employment shortfall due to 4 th boiler not being built
CPK Transportation	Full Compliance	
CS 750 W Merrick Road	Full Compliance	Litigation – letter received
Dover Gourmet	Full Compliance	Employment shortfall - letter received

2022 COMPLIANCE REVIEW

March 14, 2023

Emergency Ambulance Services	Full Compliance	
Engel Burman of Garden City	Full Compliance	
Equity One/Regency Centers	Full Compliance	Litigation-letter received
Fad Henry Street Food Corp	Insurance – sending 3/8/23	
Fairfield East Rockaway	Full Compliance	
FDR Services Corp.	Full Compliance	
Flushing Bank	Full Compliance	
Gabrielli Inwood - Phase II	Full Compliance	Employment shortfall - letter received
Garden City 505 Amended	Full Compliance	Employment shortfall - letter received
Gateway Universal	Full Compliance	Litigation - letter received
Green Acres Adjacent LLC	Full compliance	Employment shortfall - letter received
Hawthorne Owner LLC	4th quarter NYS-45 -Final Notice 2/23	
Hempstead 209	Full Compliance	Litigation letter received
Hempstead Lincoln Mercury	Full Compliance	Last Year to report
Hempstead Village Housing	Full Compliance	
HSRE-EB East Meadow	Full Compliance	

2022 COMPLIANCE REVIEW

March 14, 2023

HSRE-EB Lynbrook	Full Compliance	
HSRE-EB North Woodmere	Full Compliance	
J & C Autoworld	Full Compliance	Litigation - letter received Last Year to report
JFK Logistics Center LLC	Full Compliance	Employment shortfall - letter received Litigation – letter received
Jonathan Arnold/1951 Realty	Full compliance	Litigation - letter received Last Year to report
Lakeview Auto Sales	Full Compliance	Last Year to report
Lawrence Johnson Road LLC	Full Compliance	
Main Street Apartments	Full Compliance	
Maxima Real Estate/Barclay LLC	Full Compliance	
Millennium Realty	Full Compliance	Employment shortfall - letter received Last Year to report
N and D Restaurants/Seasons 52	Full Compliance	
NBD Holding LLC	Full Compliance	
North Shore Linen	Full Compliance	Employment Shortfall - letter received
Novapark LLC/Angion Biomedica 2020	Full compliance	Litigation – letter received

2022 COMPLIANCE REVIEW

March 14, 2023

OLSL Lynbrook	Full Compliance	Employment Shortfall - letter received
Parabit Realty	Full Compliance	
Park Lake Hempstead	Full Compliance	
Parkside Garden Villas	Full Compliance	
Prosperity Ave Holdings/Paul's Auto Collision	Full Compliance	
S & S Atlantic Realty	Full Compliance	
SLZM Realty	Full compliance	
Terrace 100	Full Compliance	
The Promenade at Central	Full Compliance	Employment Shortfall – letter received
The Vantage on Roosevelt	Full Compliance	
Valley Stream Green Acres	Full Compliance	
Village Lofts	Full Compliance	
Waterview Land Development	Full Compliance	

ADDITIONAL NOTES:

- *Companies with missing documents were notified in writing.
- *All litigation letters were reviewed by agency counsel.
- *Employment shortfalls will be reviewed in April.

SUMMARY OF IDA BOARD MEMBER SELF-EVALUATION FORMS 2022

(This document is not subject to FOIL.)

In 2022, in addition to Board of Directors Flo Girardi, Eric Mallette, Jack Majkut, Bob Bedford and Thomas Grech, the Board welcomed new members Jerry Kornbluth and Jill Mollitor.

The responses of the seven-member Board on the Individual Board Member Self Evaluation forms, were mainly positive, citing that they view Board performance in the "Very Good" category.

Members praised Staff for their communication and dissemination of Board materials. Communication between staff and Board is always encouraged and appreciated. Board members may always call or email staff with questions and/or concerns regarding agenda items prior to a meeting, or at any time a question arises

A suggestion was made that the Agency modernize the process of delivering agendas and meeting materials via a web portal. Another suggestion was that the Agency provide iPads for members to view meeting materials.

A majority of members suggested that the Agency increase its level of networking and business outreach. Our public relations company may be planning an event in 2023 to bring together some local developers and real estate attorneys. Members are also encouraged to take advantage of networking events sponsored by the LIBDC throughout the year.

Board members are overall very satisfied with the communication from staff regarding Agency finances, budgets, programs and other important matters, as well as with their own performance as representatives of the Agency.

3/14/23 ae

RESOLUTION

TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

APPOINTMENT OF CONTRACTING OFFICER/COMPLIANCE OFFICER

WHEREAS, the Industrial Development Agency seeks to appoint a Contracting/Compliance Officer in accordance with the provisions of the Public Authorities Accountability Act and;

WHEREAS, by the adoption of this resolution a Contracting/Compliance Officer for the Town of Hempstead Industrial Development Agency shall be appointed;

NOW, THEREFORE, BE IT

RESOLVED, in compliance with the Public Authorities Accountability Act, the Board of the Town of Hempstead Industrial Development Agency hereby appoints Edie M. Longo, CFO as the Contracting /Compliance Officer for the Town of Hempstead Industrial Development Agency.

Adopted:

Ayes:

Nays:

Resolution Number: 018-2023

Chairman: _____

RESOLUTION

TOWN OF HEMPSTEAD

INDUSTRIAL DEVELOPMENT AGENCY

ADOPTION OF 2022 ANNUAL FINANCIAL REPORT

WHEREAS, pursuant to the Public Authority Accountability Act of 2005, the Town of Hempstead Industrial Development Agency shall prepare and make available for public inspection and filing its 2022 Audited Financial Report and;

WHEREAS, the proposed 2022 Town of Hempstead Industrial Development Agency Annual Financial Report is to be filed with several governmental offices within the State of New York as required by the Public Authority Accountability Act of 2005 by March 31, 2023 and;

WHEREAS, the Agency, at its regular meeting on March 21, 2023, has considered and adopted its 2022 Annual Financial Report in its proposed form; to be filed no later than March 31, 2023,

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby adopts the 2022 Annual Financial report and will file it with the Authority Budget Office, the New York State Comptroller's Office through the PARIS system, the Town of Hempstead Senior Councilman, the Town of Hempstead Town Clerk, the Town of Hempstead Comptroller's Office, the Supervisor of the Town of Hempstead, and the Director of the New York State Division of Budget, the New York State Department of Taxation and Empire State Development Corp.

Adopted: March 21, 2023

(ayes)

(nays)

Resolution Number: 019 - 2023

Chairman: _____

RESOLUTION

TOWN OF HEMPSTEAD

INDUSTRIAL DEVELOPMENT AGENCY

ADOPTION OF 2022 AUDITED FINANCIAL

STATEMENTS

WHEREAS, pursuant to the Public Authority Accountability Act of 2005, the Town of Hempstead Industrial Development Agency shall prepare and make available for public inspection and filing its 2022 Audited Financial Statements and;

WHEREAS, the proposed 2022 Town of Hempstead Industrial Development Agency Audited Financial Statements are to be filed with several governmental offices within the State of New York as required by the Public Authority Accountability Act of 2005 by March 21 ,2023 and;

WHEREAS, the Agency, at its regular meeting on March 21, 2023, has considered and adopted its 2022 Audited Financial Statements in their proposed form;

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Industrial Development Agency hereby adopts the 2022 Audited Financial Statements and will file them with the Authority Budget Office, the New York State Comptroller's Office through the PARIS system, the Town of Hempstead Senior Councilman, the Town of Hempstead Town Clerk, the Town of Hempstead Comptroller's Office, the Supervisor of the Town of Hempstead, and the Director of the New York State Division of Budget, the New York State Department of Taxation and Empire State Development Corp.

Adopted: March 21, 2023

(ayes)

(nays)

Resolution Number: 020 - 2023

Chairman: _____

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows, thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Net Pension Liability, Schedule of the Agency's Contributions, and Schedule of the Changes in the Agency's Total OPEB Liability and Related Ratios on pages 5 through 10 and 38 through 40 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 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedules 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 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 budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Directors
Town of Hempstead Industrial Development Agency
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Brightwaters, New York
March 21, 2023

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Town of Hempstead Industrial Development Agency's (the Agency), a component unit of the Town of Hempstead, New York, financial performance provides an overview of the Agency's financial activities for the fiscal years ended December 31, 2022 and December 31, 2021. Please read this in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights - 2022:

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at December 31, 2022 by \$3,468,896.
- The Agency's total assets decreased by \$730,497 in the year 2022. Total deferred outflows of resources decreased by \$19,616. The Agency's total liabilities decreased by \$1,313,324 in the year 2022. Total deferred inflows of resources increased by \$331,124.
- As of the close of the current year, the Agency reported net position of \$3,468,896, an increase of \$232,087 from the December 31, 2021 net position.

Financial Highlights - 2021:

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$3,236,809.
- The Agency's total assets increased by \$10,032,217 in the year 2021. Total deferred outflows of resources increased by \$287,217. The Agency's total liabilities decreased by \$10,912,353 in the year 2021. Total deferred inflows of resources increased by \$395,194.
- As of the close of 2021, the Agency reported net position of \$3,236,809, an increase of \$772,159 from the December 31, 2020 net position.

Basic Financial Statements:

- The financial statements presented herein include all of the activities of the Agency.
- The financial statements present the financial picture of the Agency. The Agency applies full accrual accounting methods as used by similar business activities in the private sector. These statements include all assets and deferred outflows of resources of the Agency as well as liabilities and deferred inflows of resources, offering both short-term and long-term financial information.
- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found immediately following the financial statements.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements (continued):

- The Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position report information about the Agency as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Agency using the accrual basis of accounting. All of the current year's revenues and expenses are then taken into account regardless of when cash is received or paid.

The following statements report the Agency's net position and changes in net position. The net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, which is one way to measure the Agency's financial health or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating.

Condensed Comparative Financial Statements - 2022:

Condensed Statements of Net Position at December 31,

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current assets	\$4,731,581	\$5,559,000	\$(827,419)	(14.88)%
Property and equipment, net	7,464	13,082	(5,618)	(42.94)
Other long-term assets	<u>102,540</u>	<u>-</u>	<u>102,540</u>	100%
Total assets	<u>4,841,585</u>	<u>5,572,082</u>	<u>(730,497)</u>	(13.11)
Deferred outflows of resources	<u>790,195</u>	<u>809,811</u>	<u>(19,616)</u>	(2.42)
Current liabilities	22,227	1,195,402	(1,173,175)	(98.14)
Long-term liabilities	<u>1,403,758</u>	<u>1,543,907</u>	<u>(140,149)</u>	(9.08)
Total liabilities	<u>1,425,985</u>	<u>2,739,309</u>	<u>(1,313,324)</u>	(47.94)
Deferred inflows of resources	<u>736,899</u>	<u>405,775</u>	<u>331,124</u>	81.60%
Net position:				
Net investment in capital assets	7,464	13,082	(5,618)	(42.94)
Unrestricted	<u>3,461,432</u>	<u>3,223,727</u>	<u>237,705</u>	7.37
Total net position	<u>\$3,468,896</u>	<u>\$3,236,809</u>	<u>\$232,087</u>	7.17

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Comparative Financial Statements - 2022 (continued):

Condensed Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended December 31,

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Total operating revenues	\$ 1,043,574	\$ 1,603,192	\$ (559,618)	(34.91)%
Total operating expenses	<u>837,116</u>	<u>852,677</u>	<u>(15,561)</u>	(1.82)
Operating income	206,458	750,515	(544,057)	(72.49)
Non-operating income	<u>25,629</u>	<u>21,644</u>	<u>3,985</u>	(18.41)
Change in net position	<u>\$ 232,087</u>	<u>\$ 772,159</u>	<u>\$ (540,072)</u>	69.94

Analysis of Net Position and Results of Operations - 2022:

- Total assets decreased by \$730,497. This is a result of a decrease in cash and cash equivalents of \$799,626 from the prior year and a decrease in fees and other receivables of \$27,793 from the prior year. These decreases are offset by an increase of \$102,540 in net pension asset – proportionate share, which was previously a liability. The decrease in cash and cash equivalents is primarily a result of the timing of PILOT disbursements at December 31, 2022, compared to 2021. The Agency reports a liability of \$47 related to these payments at December 31, 2022 as compared to a liability of \$1,194,055 at December 31, 2021.
- The Agency's 2022 net position increased by \$232,087 from the 2021 net position.
- Deferred outflows of resources and deferred inflows of resources changed as a result of the recording of the Agency's share of the net pension liability related to the Agency's participation in the New York State and Local Employees' Retirement System as well as the liability for post-employment health insurance benefits, as actuarially determined.
- The Agency did not acquire any new property and equipment during 2022.
- The Agency received \$18,897 of reimbursement for shared expenses, including rent and supplies, from the Town of Hempstead Local Development Corporation.
- The Agency's post-employment health insurance benefits liability decreased by \$150,652. The amount was determined based on an actuarial valuation.
- During 2022 interest income increased from the prior year.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgetary Analysis - 2022:

- Fees for services were higher than the final budget by \$211,724. There were six project closings, including refinances, during the year, in addition to other fees collected for existing agreements. Note that there were eleven project closings in the prior year, however the amount of funds closed in the current year per project averaged higher. Total expenses exceeded the final budget by \$266.

Condensed Comparative Financial Statements - 2021:

Condensed Statements of Net Position at December 31,

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current assets	\$ 5,559,000	\$ 15,585,599	\$ (10,026,599)	(64.33)%
Property and equipment, net	<u>13,082</u>	<u>18,700</u>	<u>(5,618)</u>	(30.04)
Total assets	<u>5,572,082</u>	<u>15,604,299</u>	<u>(10,032,217)</u>	(64.29)
Deferred outflows of resources	<u>809,811</u>	<u>522,594</u>	<u>287,217</u>	54.96
Current liabilities	1,195,402	12,160,269	(10,964,867)	(90.17)
Long-term liabilities	<u>1,543,907</u>	<u>1,491,393</u>	<u>52,514</u>	3.52
Total liabilities	<u>2,739,309</u>	<u>13,651,662</u>	<u>(10,912,353)</u>	(79.93)
Deferred inflows of resources	<u>405,775</u>	<u>10,581</u>	<u>395,194</u>	3,734.94
Net position:				
Net investment in capital assets	13,082	18,700	(5,618)	(30.04)
Unrestricted	<u>3,223,727</u>	<u>2,445,950</u>	<u>777,777</u>	31.80
Total net position	<u>\$ 3,236,809</u>	<u>\$ 2,464,650</u>	<u>\$ 772,159</u>	31.33

Condensed Statements of Revenues, Expenses and Changes in Net Position for the Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Total operating revenues	\$ 1,603,192	\$ 973,595	\$ 629,597	64.67%
Total operating expenses	<u>852,677</u>	<u>861,465</u>	<u>(8,788)</u>	(1.02)
Operating income	750,515	112,130	638,385	569.33
Non-operating income	<u>21,644</u>	<u>40,498</u>	<u>(18,854)</u>	(46.56)
Change in net position	<u>\$ 772,159</u>	<u>\$ 152,628</u>	<u>\$ 619,531</u>	405.91

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Net Position and Results of Operations - 2021:

- Total assets decreased by \$10,032,217. This is a result of a decrease in cash and cash equivalents of \$10,061,284 from 2020 and an increase in fees and other receivables of \$34,685 from 2020. The decrease in cash and cash equivalents is primarily a result of receipt of fewer payments in lieu of taxes (PILOT) funds being received near year-end which were not remitted until after December 31, 2021. The Agency reports a liability of \$1,194,055 related to these payments at December 31, 2021.
- The Agency's 2021 net position increased by \$772,159 from the 2020 net position.
- Deferred outflows of resources and deferred inflows of resources changed as a result of the recording of the Agency's share of the net pension liability related to the Agency's participation in the New York State and Local Employees' Retirement System, as well as the liability for post-employment health insurance benefits, as actuarially determined.
- The Agency did not acquire any new property and equipment during 2021.
- The Agency received \$19,439 of reimbursement for shared expenses, including rent and supplies, from the Town of Hempstead Local Development Corporation.
- The Agency's post-employment health insurance benefits liability increased by \$289,132. The amount was determined based on an actuarial valuation.
- During 2021 interest income decreased from prior year. In the prior year, one of the Agency's financial institutions ceased paying interest due to COVID and interest rates have been lower for the remaining accounts.

Budgetary Analysis - 2021:

- Fees for services were higher than the final budget by \$913,922. There were eleven project closings, including refinances, during 2021, in addition to other fees collected for existing agreements. Note that there were eleven project closings in 2020 as well, however, the amount of funds closed in 2021 per project averaged higher. Total expenses exceeded the final budget by \$79,601.

Economic Factors and Next Year's Budget:

The Agency has budgeted revenues of \$882,550 and expenses of \$907,550 in the 2023 budget, an increase of \$45,700 in estimated revenues and \$70,700 in estimated expenses from the final 2022 budget.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the Agency's Financial Management:

This financial report is designed to provide readers with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Hempstead Industrial Development Agency at 350 Front Street, Hempstead, New York 11550 or at (516) 812-3134.

BASIC FINANCIAL STATEMENTS



TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF NET POSITION

December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,711,201	\$ 5,510,827
Fees receivable	10,934	38,074
Other receivable	9,446	10,099
Total current assets	<u>4,731,581</u>	<u>5,559,000</u>
Long-term assets:		
Property and equipment:		
Furniture and equipment	144,924	144,924
Less accumulated depreciation	<u>137,460</u>	<u>131,842</u>
Property and equipment, net	<u>7,464</u>	<u>13,082</u>
Other assets:		
Net pension asset - proportionate share	<u>102,540</u>	<u>-</u>
Total long-term assets	<u>110,004</u>	<u>13,082</u>
Total assets	<u>4,841,585</u>	<u>5,572,082</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	213,674	311,820
Deferred outflows - OPEB	<u>576,521</u>	<u>497,991</u>
Total deferred outflows of resources	<u>790,195</u>	<u>809,811</u>

See notes to financial statements

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENTS OF NET POSITION
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 22,180	\$ 1,347
Due to local other governments (PILOT)	<u>47</u>	<u>1,194,055</u>
Total current liabilities	<u>22,227</u>	<u>1,195,402</u>
Long-term liabilities:		
Compensated absences	103,824	92,079
Post-employment health insurance benefits	1,299,934	1,450,586
Net pension liability - proportionate share	<u>-</u>	<u>1,242</u>
Total long-term liabilities	<u>1,403,758</u>	<u>1,543,907</u>
Total liabilities	<u>1,425,985</u>	<u>2,739,309</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	361,201	372,800
Deferred inflows - OPEB	<u>375,698</u>	<u>32,975</u>
Total deferred inflows of resources	<u>736,899</u>	<u>405,775</u>
NET POSITION		
Net investment in capital assets	7,464	13,082
Unrestricted	<u>3,461,432</u>	<u>3,223,727</u>
Total net position	<u>\$ 3,468,896</u>	<u>\$ 3,236,809</u>

See notes to financial statements

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Fees for services	\$ 1,043,574	\$ 1,603,192
Total operating revenues	<u>1,043,574</u>	<u>1,603,192</u>
Operating expenses:		
Salaries	407,629	405,416
Payroll taxes	32,020	31,932
Pension expense	31,907	66,665
Compensated absences	11,745	17,619
Health insurance	100,827	89,231
Post-employment health insurance benefits	115,473	118,922
Contractual and professional fees	59,300	57,700
Advertising	15,000	5,000
Rent	15,000	15,000
Office and related expenses	31,320	30,383
Meetings and travel	7,827	5,754
Dues and subscriptions	3,450	3,437
Depreciation	5,618	5,618
Total operating expenses	<u>837,116</u>	<u>852,677</u>
Operating income	<u>206,458</u>	<u>750,515</u>
Non-operating income:		
Interest income	<u>25,629</u>	<u>21,644</u>
Change in net position	232,087	772,159
Net position, January 1	<u>3,236,809</u>	<u>2,464,650</u>
Net position, December 31	<u>\$ 3,468,896</u>	<u>\$ 3,236,809</u>

See notes to financial statements

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received:		
From providing services	\$ 1,070,714	\$ 1,569,618
Cash payments:		
Contractual services	(159,553)	(166,146)
Personal services and employee benefits	(542,408)	(528,461)
Net cash provided by operating activities	<u>368,753</u>	<u>875,011</u>
Cash flows from non-capital financing activities:		
Cash received from payments in lieu of taxes and penalties	39,342,433	88,933,239
Cash paid for payments in lieu of taxes and penalties	(40,536,441)	(99,891,178)
Net cash used in non-capital financing activities	<u>(1,194,008)</u>	<u>(10,957,939)</u>
Cash flows from investing activities:		
Interest income	<u>25,629</u>	<u>21,644</u>
Net cash provided by investing activities	<u>25,629</u>	<u>21,644</u>
Net decrease in cash and cash equivalents	(799,626)	(10,061,284)
Cash and cash equivalents, January 1	<u>5,510,827</u>	<u>15,572,111</u>
Cash and cash equivalents, December 31	<u>\$ 4,711,201</u>	<u>\$ 5,510,827</u>

See notes to financial statements

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 206,458	\$ 750,515
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,618	5,618
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in assets:		
Fees receivable	27,140	(33,574)
Other receivable	653	(1,111)
(Increase) decrease in deferred outflows of resources	19,616	(287,217)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	20,833	(6,928)
Compensated absences	11,745	17,619
Post-employment health insurance benefits	(150,652)	289,132
Net pension asset/liability - proportionate share	(103,782)	(254,237)
Increase in deferred inflows of resources	<u>331,124</u>	<u>395,194</u>
Total adjustments	<u>162,295</u>	<u>124,496</u>
Net cash provided by operating activities	<u>\$ 368,753</u>	<u>\$ 875,011</u>

See notes to financial statements

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Financial reporting entity: The Town of Hempstead Industrial Development Agency (the Agency) was created in 1971 by the Town Board of the Town of Hempstead, under the provisions of the Laws of New York State. The Agency is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 529 of the Laws of 1971 of the State of New York to undertake projects and to lease or sell properties. The purpose of the Agency is to provide benefits that reduce costs and financial barriers to the creation and the expansion of business and to enhance the number of jobs in the Town of Hempstead.

The Agency is governed by a seven-member Board of Directors whose members are appointed by the Town of Hempstead Town Board and is considered a New York State public benefit corporation. The Agency is a component unit of the Town of Hempstead.

All governmental activities and functions performed by the Agency are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity includes functions and activities over which appointed Agency directors exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designations of management and ability to significantly influence operations and accountability for fiscal matters.

Basis of accounting: The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The Agency utilizes the accrual basis of accounting and the flow of all economic resource's measurement focus. The basis of accounting and measurement focus emphasize the measurement of operating income (loss) similar to the approach used by commercial enterprises. Revenues are recorded when earned and expenses are recorded when incurred.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources: GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resource is a consumption of net assets that applies to future period(s) and as such, will not be recognized as an outflow of resources (expense) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future periods and, as such, will not be recognized as an inflow of resources (revenue) until that time.

Cash and cash equivalents: For purposes of the Statements of Cash Flows, investments with maturities of three months or less, when purchased, are considered cash equivalents.

Receivables: Fees receivable represent amounts earned by the Agency, but not yet collected at year-end. Doubtful accounts are written off as they are deemed by management to be uncollectible. Other receivables represent amounts owed to the Agency from a related party. All receivables, as stated in the financial statements, are deemed by the Agency's management to be fully collectible and accordingly, no allowance for doubtful accounts has been recorded at December 31, 2022 and 2021.

Property and equipment: Property and equipment are stated at cost and are being depreciated using the straight-line method over the useful lives of the assets, which are 5 and 15 years.

Due to local other governments (PILOT): Effective October 1, 2018, the Agency began billing and collecting payments in lieu of taxes (PILOT) from the project properties. Payments collected are not considered revenues to the Agency and are disbursed to the appropriate taxing jurisdictions. Due to local other governments (PILOT) consists of PILOT received that have been collected, but not yet disbursed to the taxing jurisdictions. At December 31, 2022 and 2021, the balance due to local other governments (PILOT) was \$47 and \$1,194,055, respectively.

Compensated absences: Agency employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Budgetary data: The Agency adopts an annual budget to facilitate budgetary control and operational evaluations.

Net position classifications: Net position is classified and displayed in three components:

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

- a. **Net investment in capital assets:** Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position:** Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. At December 31, 2022 and 2021, the Agency has no balance in this classification.
- c. **Unrestricted net position:** All other balances in net position that do not meet the definition of "restricted" or "net investment in capital assets."

Given the possibility of a lengthy period elapsing before project fees are realized, the Agency maintains a policy aimed at maintaining net position within minimum and maximum targets.

Revenue recognition: The Agency's primary sources of operating revenue are from application fees, administrative fees, and compliance fees. Administrative fees are computed as a percentage of the total project. Fees are recorded as income when earned at the time of project closing.

Advertising: Advertising costs are charged to operations when incurred. Advertising costs for the years ended December 31, 2022 and 2021, were \$15,000 and \$5,000, respectively.

Recent accounting pronouncements: The Agency has adopted all of the current standards of the GASB that are applicable. The Agency adopted the provisions of GASB Statement No. 87, *Leases*, and GASB Statement No. 91, *Conduit Debt Obligations*, during 2022. Neither of these pronouncements had a significant impact on the Agency's financial statements.

Subsequent events: Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

2. Conduit Debt Obligations, Industrial Revenue Bond Transactions

The Agency issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, recreational, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying transfers to the private-sector entity served by the bond issuance. The Agency has not provided any additional or voluntary commitments to support this debt service beyond the collateral, the payments from the private-sector entities, and the maintenance of the tax-exempt status of the conduit debt. Neither the Agency, the State, nor any political sub-division thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2022 and 2021, outstanding debt induced by the Agency and issued by other entities amounted to \$58,225,000 and \$59,605,000, respectively. Debt service is paid directly to the lender by the entity that incurred the supplemental debt. The Agency has no liability or contingent liability for payment.

3. Payments in Lieu of Taxes (PILOT) and Funds due to Municipalities

Effective October 1, 2018, the Agency began directly receiving PILOT from the borrowing companies. These receipts are deposited into a separate Agency bank account and subsequently disbursed to the appropriate taxing jurisdictions. PILOT payments are not considered revenue by the Agency.

4. Cash and Cash Equivalents

The statutes of the State of New York govern the Agency's investment policies. Agency monies must be deposited in bank and trust companies authorized for the deposit of monies by the Town of Hempstead. The Agency's Board of Director's responsibility for administration of the investment program is delegated to the Chief Executive Officer pursuant to resolution.

The Chief Executive Officer is authorized to invest monies not required for immediate expenditure. Permissible investments include special time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America and obligations of New York State. All deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be secured by a pledge of eligible securities, which may include irrevocable letters of credit or surety bonds, as well as those securities as authorized pursuant to the General Municipal Law with an aggregate market value or provided by General Municipal Law. Eligible securities used for collateralizing deposits are to be held by the bank or trust company pursuant to security and custodial agreements.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

4. Cash and Cash Equivalents (continued)

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 with securities held by the pledging financial institution in the Agency's name; or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Agency's name.

At December 31, 2022, the Agency's bank balances totaled \$16,553,681. This amount was exclusive of petty cash of \$64. Of the bank balances, \$500,000 was covered by federal deposit insurance and \$16,053,681 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Agency's name or covered by an irrevocable stand-by letter of credit issued by Federal Home Loan Bank of New York, which is held by the pledging financial institution.

At December 31, 2021, the Agency's bank balances totaled \$7,951,093. This amount was exclusive of petty cash of \$64. Of the bank balances, \$500,000 was covered by federal deposit insurance and \$7,451,093 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Agency's name or covered by an irrevocable stand-by letter of credit issued by Federal Home Loan Bank of New York, which is held by the pledging financial institution.

5. Property and Equipment

Activity for property and equipment for the year ended December 31, 2022 is summarized as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Equipment	\$ 19,807	\$ -	\$ -	\$ 19,807
Furniture and fixtures	26,703	-	-	26,703
Leasehold improvements	<u>98,414</u>	<u>-</u>	<u>-</u>	<u>98,414</u>
	144,924	-	-	144,924
Less accumulated depreciation	<u>(131,842)</u>	<u>(5,618)</u>	<u>-</u>	<u>(137,460)</u>
Property and equipment, net	<u>\$ 13,082</u>	<u>\$ (5,618)</u>	<u>\$ -</u>	<u>\$ 7,464</u>

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

5. Property and Equipment (continued)

Activity for property and equipment for the year ended December 31, 2021 is summarized as follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Equipment	\$ 19,807	\$ -	\$ -	\$ 19,807
Furniture and fixtures	26,703	-	-	26,703
Leasehold improvements	98,414	-	-	98,414
	144,924	-	-	144,924
Less accumulated depreciation	(126,224)	(5,618)	-	(131,842)
Property and equipment, net	<u>\$ 18,700</u>	<u>\$ (5,618)</u>	<u>\$ -</u>	<u>\$ 13,082</u>

Depreciation expense was \$5,618 for both years ending December 31, 2022 and 2021.

6. Pension Plan

Plan description: The Agency participates in the New York State and Local Employees' Retirement System (ERS) which is part of the New York State and Local Retirement System (the System). This is a cost-sharing, multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System.

System benefits are established under the provisions of 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 Agency also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits provided: The System provides retirement benefits as well as death and disability benefits.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Benefits provided (continued):

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55 and the full benefit age for Tier 2 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the NYSRSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999, through October 1, 2000, received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tiers 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Benefits provided (continued):

Tiers 3, 4 and 5 (continued)

Benefit calculation (continued):

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after 10 years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tiers 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Benefits provided (continued):

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1% or exceed 3%.

Contributions: The System is non-contributory except for employees who joined the ERS after July 27, 1976, who contribute 3% of their salary for the first 10 years of membership and employees who joined on or after January 1, 2010, who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years 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. Contributions made during the current year and two preceding years were equal to 100% of the contributions required and were as follows:

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Contributions (continued):

<u>Year Ended December 31:</u>	<u>Amount</u>
2022	\$ 49,142
2021	40,833
2020	51,886

The Agency's 2023 invoice to the System for \$53,481 is due February 1, 2023, and was paid subsequent to year-end. In accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, those contributions are not recognized as pension expense in the accompanying financial statements and will be reflected as a reduction of the Agency's proportionate share of the net pension liability in 2023.

Chapter 57 of the Laws of 2013 of the State of New York, Part BB, amending several sections of the Retirement and Social Security Law, was enacted that allows local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution (total bill, excluding payments for deficiency, group life, previous amortizations, incentive costs, and prior year adjustments) and the graded contribution.
- For subsequent State Fiscal Years (SFYs), the graded rate will increase or decrease by up to one-half of 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually and will be comparable to a 12-year U.S. Treasury Bond plus 1%.
- For subsequent SFYs in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Pension liabilities (assets), pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: At December 31, 2022 and 2021, the Agency reported an (asset) and liability of \$(102,540) and \$1,242, respectively, for its proportionate share of the net pension (asset)/liability. The net pension (asset)/liability was measured as of March 31, 2022 and 2021, respectively, and the total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of those dates. The Agency's proportion of the net pension (asset)/liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

On March 31, 2022 and 2021, the Agency's proportion was .0012495% and .0012497% respectively.

For the year ended December 31, 2022, the Agency recognized pension expense of \$31,907. At December 31, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,735	\$ 10,033
Changes of assumptions	170,462	2,876
Net difference between projected and actual earnings on pension plan investments	-	334,468
Changes in proportion and differences between Agency contributions and proportionate share of contributions	35,477	13,824
Total	<u>\$ 213,674</u>	<u>\$ 361,201</u>

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

<u>Year Ended March 31:</u>	<u>Amount</u>
2023	\$ (10,881)
2024	(32,578)
2025	(84,303)
2026	(19,766)

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued):

For the year ended December 31, 2021, the Agency recognized pension expense of \$66,665. At December 31, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,197	\$ -
Changes of assumptions	228,801	4,315
Net difference between projected and actual earnings on pension plan investments	-	357,458
Changes in proportion and differences between Agency contributions and proportionate share of contributions	<u>67,822</u>	<u>11,027</u>
Total	<u>\$ 311,820</u>	<u>\$ 372,800</u>

Actuarial assumptions: The total pension liability on March 31, 2022, was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuations used the following actuarial assumptions:

	<u>2022</u>	<u>2021</u>
Inflation	2.7%	2.7%
Salary increases	4.4%	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%	5.9%
Cost of living adjustments	1.4%	1.4%

Annuitant mortality rates for 2022 and 2021 are based on April 1, 2015, through March 31, 2020, System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2020, used the same assumptions to measure the total pension liability.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension plan (continued)

Actuarial assumptions (continued):

The actuarial assumptions used in the April 1, 2021 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 allocations and best estimates of arithmetic real rates of return for each major asset class as of March 31, 2022 is summarized below:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocations</u>
Domestic equity	3.30%	32.00%
International equity	5.85%	15.00%
Private equity	6.50%	10.00%
Real estate	5.00%	9.00%
Opportunistic/Absolute Return Strategy	4.10%	3.00%
Credit	3.78%	4.00%
Real assets	5.80%	3.00%
Fixed income	0.00%	23.00%
Cash	(1.00)%	1.00%
		<u>100.00%</u>

The target allocations and best estimates of arithmetic real rates of return for each major asset class as of March 31, 2021 is summarized below:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocations</u>
Domestic equity	4.05%	32.00%
International equity	6.30%	15.00%
Private equity	6.75%	10.00%
Real estate	4.95%	9.00%
Opportunistic/ARS portfolio	4.50%	3.00%
Credit	3.63%	4.00%
Real assets	5.95%	3.00%
Fixed income	0.00%	23.00%
Cash	0.50%	1.00%
		<u>100.00%</u>

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Actuarial assumptions (continued):

The real rate of return is net of the long-term inflation assumption of 2.5% and 2.0% as of March 31, 2022, and 2021, respectively.

Discount rate: The discount rate used to calculate the total pension liability in 2022 and 2021 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.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption: The following presents the Agency's proportionate share of the 2022 and 2021 net pension liability calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(4.9%)</u>	Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Agency's proportionate share of the net pension liability (asset):			
2022:	\$262,909	\$(102,540)	\$(407,488)
2021:	\$345,391	\$ 1,242	\$(316,139)

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

6. Pension Plan (continued)

Pension plan fiduciary net position: The components of the net pension (asset) liability of the employers as of March 31, 2022 and 2021, were as follows:

	(Dollars in Thousands)	
	<u>Employees' Retirement System</u>	
	<u>2022</u>	<u>2021</u>
Employers' total pension liability	\$ 223,874,888	\$ 220,680,157
Plan net position	<u>(232,049,473)</u>	<u>(220,580,583)</u>
Employers' net pension (asset) liability	<u>\$ (8,174,585)</u>	<u>\$ 99,574</u>
Ratio of plan net position to the employers' total pension liability	103.7%	99.9%

7. Liability for Compensated Absences

The Agency, in conformity with the Town of Hempstead collective bargaining agreement, maintains a policy which permits employees to accumulate a limited amount of earned but unused vacation leave and sick time, which will be used in future years or paid upon separation from the Agency's service. Upon termination, an employee hired before January 1, 2013, will be paid for a maximum of 800 hours of vacation time. An employee hired after January 1, 2013, will be paid for a maximum of 400 hours of vacation time, upon termination.

Sick time will be paid in accordance with a schedule based upon years of completed service, up to 1,600 hours if hired before January 1, 2013. If hired after this date, the maximum paid sick time will be up to 800 hours. The cost of accumulated vacation and sick leave, as well as an amount for salary related payments (i.e., Social Security and Medicare taxes), is recorded as a liability and expense when accrued.

The liability for compensated absences as of December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 92,079	\$ 74,460
Additions	<u>11,745</u>	<u>17,619</u>
Balance, December 31	<u>\$ 103,824</u>	<u>\$ 92,079</u>

Additions and deletions to compensated absences are shown net, since it is impractical to determine these amounts separately.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

8. Expenses and Fees for Bonds and Straight Leases

All expenses incurred by the Agency for notices, court recorders, meeting rooms, underwriting, trustees, legal, issuance of bonds and notes and straight leases are for the account of and reimbursed by the applicant.

The Agency's minimum fees are as follows:

1. **Application fee:** The Agency charges a non-refundable fee of \$3,000 at the time of receiving a formal application for assistance, plus a \$500 expense deposit for Cost Benefit Analysis.
2. **Administrative fee:** The Agency charges one-time administrative fees as follows:

	<u>Percentage of Value</u>
Tax exempt bonds, taxable bonds and straight lease fee:	
Up to \$25,000,000	0.6%
\$25,000,000 and over	0.1%

A transaction less than \$1,500,000 in total (all project costs) may be considered for a special straight lease which would have an agency fee of \$7,000 or less.

For taxable bonds and straight-lease transactions, the minimum fee is based on the amount of bonds, the amount of the total project costs or the amount of the increased value of the assets under a straight-lease plus the amount of all anticipated capital improvements and/or equipment to be purchased for which the applicant receives benefits from the Agency.

In addition to the late fees assessed for late PILOT payments that are payable to the taxing jurisdictions, the Agency will charge an additional 1.5% administrative late fee per month on the total amount due.

3. **Bond Counsel fee:** The applicant pays the Bond Counsel fee.
4. **Annual compliance fees:** The Agency charges an initial compliance fee of \$3,000 and an annual compliance fee of \$1,500 for the term of bonds or straight-lease. This non-refundable annual fee is paid in advance on the first day of each year. The fee covers the cost of annual reporting and monitoring of the transaction. The fee is subject to periodic review and can be adjusted at the discretion of the Agency.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

8. Expenses and Fees for Bonds and Straight Leases (continued)

5. **Agency Counsel's fee:** The fee for the Agency Counsel is approximately 0.1% of the amount of the bonds, the amount of the total project costs or the amount of the increased value of the assets under a straight-lease plus the amount of all anticipated capital improvements and/or equipment to be purchased for which the applicant will receive benefits from the Agency. The applicant pays the Agency Counsel's fee. The fee structure may be adjusted for a special straight-lease only. For terminations, consents, second mortgages and other financings, the Agency Counsel shall bill at the prevailing hourly rate.

6. **Miscellaneous fees:**

	<u>Minimum Amount</u>
Extension of inducement	\$500
Document processing	\$1,000 - \$2,000
*Amendments, waivers, subordinate and collateral mortgage assignments, leases and sub-leases, etc.	\$750 - \$1,500
Termination fee	\$2,000
Consent, 2nd mortgages and other financings	Set by Board on a case to case basis
Tenant Agency Compliance Agreements and Non-Disturbance Agreements	\$1,000
Cost benefit analysis	\$500 per application
Basic cost benefit analysis	\$2,500
Comprehensive cost benefit analysis	\$7,000
Sales tax exemption extension	\$500

Percentage of value

*Refinance bonds	0.600% plus applicable administrative fee
*Assumption of outstanding bonds	0.125% plus applicable administrative fee

* These fees are subject to adjustment at the discretion of the Agency, based on the complexity of the transaction involved.

The Agency recognizes its fees for services as operating revenues. Non-operating income results from activities not related to these transactions.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

9. Post-Employment Health Insurance Benefit (OPEB) Plan

General information about the OPEB plan:

Plan description: During 2008, the Agency established a post-employment health insurance benefit plan (the Plan) for retired employees of the Agency. The plan is a single-employer defined benefit health insurance plan administered by the Agency. Financial activities of the plan are included in the financial statements of the Agency. The plan does not issue a separate financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided: All employees of the Agency are eligible. Health, dental, and vision insurance are provided. Benefits are provided at the later of retirement and attainment of age 55. The Plan is secondary to Medicare for participants on attainment of age 65. Spouses are covered for health insurance for the lifetime of the participant.

Eligibility: For a retiree to be eligible, he/she should have a minimum of 10 years of service with any public employer in the State of New York and have a minimum of five full years of service in the Agency.

Employees Covered by benefit terms:

	<u>2022</u>	<u>2021</u>
Active employees fully eligible	2	2
Active employees not fully eligible	2	2
Retired participants	<u>1</u>	<u>1</u>
Total	<u>5</u>	<u>5</u>

Contributions: The plan is non-contributory for employees and retirees. The funding requirements of the plan will be met by contributions from the Agency. At December 31, 2022 and 2021, the plan was unfunded. The Agency is informally setting aside funds with the intention that they be applied toward this future liability.

Total OPEB liability:

The Agency obtained full actuarial valuations to determine the OPEB liability as of December 31, 2022, and December 31, 2021.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

9. Post-Employment Health Insurance Benefit (OPEB) Plan (continued)

Assumptions and other inputs: The total OPEB liability in the December 31, 2022, and 2021 valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.0% (2022 valuation) and 2.5% (2021 valuation)
Projected salary increases	3.0%
Mortality rates	2022 Valuation: Pri-2012 mortality table for employee and healthy annuitants projected generationally with scale MP-2021. 2021 Valuation: RP-2014 combined mortality tables for employees and healthy annuitants, projected generationally with scale MP-2020.
Healthcare cost trend rates	5.1% annually, grading down .067% each year until reaching an ultimate rate of 4.7% annually.
Dental and vision cost trend rate	3.0% annually

The discount rate used to measure the total OPEB liability on December 31, 2022 and December 31, 2021 was 4.0% and 2.5%, respectively. The discount rate is based on the yields available on 20-year General Obligation AA Municipal Bonds.

Changes in the Total OPEB Liability:

	<u>2022</u>	<u>2021</u>
Balance on January 1	\$ 1,450,586	\$ 1,161,454
Changes for the year:		
Service cost	50,027	39,491
Interest cost	37,491	30,000
Changes in assumptions and other inputs	(236,238)	(36,273)
Benefit payments	(432)	(432)
Differences between expected and actual experience	(1,500)	256,346
	<u>(150,652)</u>	<u>289,132</u>
Balance on December 31	<u>\$1,299,934</u>	<u>\$1,450,586</u>

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

9. Post-Employment Health Insurance Benefit (OPEB) Plan (continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Agency, as well as what the Agency's OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate as of December 31:

	1% Decrease <u>(3.0%)</u>	Current Discount Rate <u>(4.0%)</u>	1% Increase <u>(5.0%)</u>
2022	\$ 1,577,473	\$ 1,299,934	\$ 1,077,834

	1% Decrease <u>(1.5%)</u>	Current Discount Rate <u>(2.5%)</u>	1% Increase <u>(3.5%)</u>
2021	\$ 1,767,179	\$ 1,450,586	\$ 1,192,248

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the total OPEB liability of the Agency, as well as what the Agency's OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the baseline trend, as of December 31:

	<u>Trend Rate -1%</u>	Healthcare Cost Rate	<u>Trend Rate +1%</u>
2022	\$ 1,042,448	\$ 1,299,934	\$ 1,640,456
2021	\$ 1,135,960	\$ 1,450,586	\$ 1,875,363

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

For the year ended December 31, 2022, the Agency recognized OPEB expense of \$115,473. In addition, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual Experience	\$ 360,906	\$ -
Changes in assumptions and other inputs	215,615	375,698
Total	<u>\$ 576,521</u>	<u>\$ 375,698</u>

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

9. Post-Employment Health Insurance Benefit (OPEB) Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued):

The amounts reported as deferred outflows and deferred inflows of resources will be amortized over future periods and recognized in pension expense as follows:

Year Ended December 31,

2023	\$ 27,955
2024	27,955
2025	27,955
2026	27,955
2027	27,955
Thereafter	<u>61,048</u>
	<u>\$200,823</u>

For the year ended December 31, 2021, the Agency recognized OPEB expense of \$118,922. In addition, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 255,424	\$ -
Changes of assumptions	<u>242,567</u>	<u>32,975</u>
Total	<u>\$ 497,991</u>	<u>\$ 32,975</u>

10. Related Party Transactions

The Agency shares its office space with the Town of Hempstead Local Development Corporation (the Corporation), a related party. The Agency and the Corporation have the same Chief Executive Officer and Chief Financial Officer and common Board of Director members.

The Agency is a component unit of the Town of Hempstead, New York. The Agency leases its office space from the Town of Hempstead in the building located at 350 Front Street, Suite 240, Hempstead, New York. Annual rent paid is \$30,000. During the years ended December 31, 2022 and 2021, \$15,000 of rent payments were reimbursed each year by the Corporation. The Agency rent expense for the years ended December 31, 2022 and 2021, was \$15,000 and \$15,000, respectively. The Agency pays rent on a month-to-month basis.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

10. Related Party Transactions (continued)

The Agency and the Corporation have an agreement in which the Corporation reimburses the Agency for shared costs, including office space, supplies and telephone. These expenses have been reflected in the appropriate expense categories. Amounts paid to the Agency for the years ended December 31, 2022 and 2021, inclusive of rental payments, were \$18,897 and \$19,439, respectively. At December 31, 2022 and 2021, the Agency had a receivable of \$9,446 and \$10,099, respectively, for amounts owed from the Corporation, which is reflected on the Statements of Net Position as other receivable.

11. Abatements Recapture

The Agency is empowered by its enabling legislation to grant various benefits in connection with qualifying projects it agrees to help finance, including granting exemptions from the imposition of sales and use taxes on purchases of materials and equipment for use in connection with a project. However, it is the policy of the Agency to grant benefits with respect to a qualifying project only in return for a commitment from the business receiving the Agency benefits to operate and maintain the project consistent with the term of the lease agreement or the life of the bonds. Failure to do so may result in financial penalties being imposed on the business in the form of a required recapture of benefits payment. The Agency would remit any applicable sales and use taxes recaptured to New York State and retains the local portion of the recapture of benefits payments, including any real property tax and mortgage recording tax benefits recaptured pro-rata basis for distribution to the local taxing jurisdictions. During the years ended December 31, 2022 and 2021, the Agency imposed a recapture of \$-0-.

12. Litigation

The Agency is subject to various actions or claims arising from the normal conduct of its affairs. The ultimate outcomes cannot be determined at this time. Management does not believe that any such litigation, individually or in the aggregate, is likely to have a material adverse effect on the Agency's financial condition.

**REQUIRED SUPPLEMENTARY
INFORMATION**



**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF THE AGENCY'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

<u>New York State and Local Retirement System Pension Plan</u>		<u>Last Eight Fiscal Years*</u>							
		2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability (asset)		0.0012495%	0.0012497%	0.0009648%	0.0009985%	0.0010663%	0.0010977%	0.0012890%	0.0013559%
Agency's proportionate share of the net pension liability (asset)		\$ (102,540)	\$ 1,242	\$ 255,479	\$ 70,748	\$ 34,412	\$ 103,143	\$ 206,882	\$ 45,805
Agency's covered payroll		282,530	268,771	334,665	533,610	565,850	542,261	506,582	479,414
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		-36.3%	0.5%	76.3%	13.3%	6.1%	19.0%	40.8%	9.6%
Plan fiduciary net position as a percentage of the total pension liability (asset)		103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

* The amounts presented for each fiscal year were determined as of the System's measurement date, March 31st.

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

SCHEDULE OF THE AGENCY'S CONTRIBUTIONS

<u>New York State and Local Retirement System Pension Plan</u>		<u>Last Eight Fiscal Years*</u>							
		2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution		\$ 49,142	\$ 40,833	\$ 51,886	\$ 91,699	\$ 104,804	\$ 95,697	\$ 112,269	\$ 119,201
Contributions in relation to the		(49,142)	(40,833)	(51,886)	(91,699)	(104,804)	(95,697)	(112,269)	(119,201)
contractually required contribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll		\$ 282,530	\$ 268,771	\$ 334,665	\$ 533,610	\$ 565,850	\$ 542,261	\$ 506,582	\$ 479,414
Contributions as a percentage of covered payroll		17.39%	15.19%	15.50%	17.18%	18.52%	17.65%	22.16%	24.86%

* The amounts presented for each fiscal year were determined as of the fiscal year-end.

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF THE CHANGES IN THE AGENCY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

	<u>Last Five Fiscal Years</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019**</u>	<u>2018**</u>
Total OPEB Liability:					
Service cost	\$ 50,027	\$ 39,491	\$ 21,231	\$ 36,091	\$ 36,091
Interest cost	37,491	30,000	32,276	30,359	22,438
Changes in assumptions and other inputs	(236,238)	(36,273)	296,471	-	-
Benefit payments	(432)	(432)	(432)	-	-
Differences between expected and actual experience	<u>(1,500)</u>	<u>256,346</u>	<u>25,746</u>	<u>(3,164)</u>	<u>-</u>
Net change in total OPEB liability	(150,652)	289,132	375,292	63,286	58,529
Total OPEB liability, beginning	<u>1,450,586</u>	<u>1,161,454</u>	<u>786,162</u>	<u>722,876</u>	<u>664,347</u>
Total OPEB liability, ending	<u>\$ 1,299,934</u>	<u>\$ 1,450,586</u>	<u>\$ 1,161,454</u>	<u>\$ 786,162</u>	<u>\$ 722,876</u>
Agency's covered payroll	303,106	277,566	190,524	437,835 *	437,835
Total OPEB liability as a percentage of covered employee payroll	428.87%	522.61%	609.61%	179.56%	165.10%

* Information not available as valuation update procedures were performed for the year ended December 31, 2019.

** Alternative Measurement Method (AMM) without a full actuarial valuation.

**OTHER SUPPLEMENTARY
INFORMATION**

DRAFT

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPEMENT AGENCY

BUDGETARY COMPARISON SCHEDULE For the Year Ended December 31, 2022

	Budgetary Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees for services	\$ 831,850	\$ 831,850	\$ 1,043,574	\$ 211,724
Interest income	<u>5,000</u>	<u>5,000</u>	<u>25,629</u>	<u>20,629</u>
Total revenues	<u>836,850</u>	<u>836,850</u>	<u>1,069,203</u>	<u>232,353</u>
Expenses:				
Salaries	396,300	396,300	407,629	(11,329)
Payroll taxes	40,000	40,000	32,020	7,980
Pension expense	55,000	55,000	31,907	23,093
Compensated absences	-	-	11,745	(11,745)
Health insurance	97,000	102,800	100,827	1,973
Post-employment health benefits	-	-	115,473	(115,473)
Contractual and professional fees	66,000	66,000	59,300	6,700
Intergovernmental compliance	80,000	67,700	-	67,700
Advertising	8,500	15,000	15,000	-
Rent	30,000	30,000	15,000	15,000
Office and related expenses	40,600	40,600	31,320	9,280
Meetings and travel	13,750	13,750	7,827	5,923
Dues and subscriptions	4,000	4,000	3,450	550
Depreciation	<u>5,700</u>	<u>5,700</u>	<u>5,618</u>	<u>82</u>
Total expenses	<u>836,850</u>	<u>836,850</u>	<u>837,116</u>	<u>(266)</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,087</u>	<u>\$ 232,087</u>

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

BUDGETARY COMPARISON SCHEDULE For the Year Ended December 31, 2021

	<u>Budgetary Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees for services	\$ 762,350	\$ 689,270	\$ 1,603,192	\$ 913,922
Interest income	<u>5,000</u>	<u>5,000</u>	<u>21,644</u>	<u>16,644</u>
Total revenues	<u>767,350</u>	<u>694,270</u>	<u>1,624,836</u>	<u>930,566</u>
Expenses:				
Salaries	401,300	401,300	405,416	(4,116)
Payroll taxes	40,000	40,000	31,932	8,068
Pension expense	85,000	85,000	66,665	18,335
Compensated absences	-	-	17,619	(17,619)
Health insurance	96,000	96,000	89,231	6,769
Post-employment health benefits	-	-	118,922	(118,922)
Contractual and professional fees	62,000	58,301	57,700	601
Advertising	6,000	6,000	5,000	1,000
Rent	30,000	30,000	15,000	15,000
Office and related expenses	27,600	36,481	30,383	6,098
Meetings and travel	9,750	10,294	5,754	4,540
Dues and subscriptions	4,000	4,000	3,437	563
Depreciation	<u>5,700</u>	<u>5,700</u>	<u>5,618</u>	<u>82</u>
Total expenses	<u>767,350</u>	<u>773,076</u>	<u>852,677</u>	<u>(79,601)</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ (78,806)</u>	(A) <u>\$ 772,159</u>	<u>\$ 850,965</u>

(A): During the year the Agency's final budget reflected utilization of \$78,806 of prior year unrestricted net position.

INTERNAL CONTROL

DRAFT

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

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, 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 Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brightwaters, New York
March 21, 2023

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

December 31, 2022

March 21, 2023

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

We have audited the financial statements of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. The Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations* and GASB Statement No. 87, *Leases*, as of and for the year ended December 31, 2022. Adoption of these standards did not have a significant impact on the Agency's financial statements. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statement were:

The Agency's estimate of the other post-employment benefit plan (OPEB) is based on a third-party actuarial valuation. The valuation was prepared in accordance with GASB Statement 75, *Accounting and Financial Reporting for*

Post-employment Benefit Plans Other Than Pensions. We evaluated the key factors and assumptions used to develop the OPEB estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The estimate of the Agency's proportionate share of the net pension liability for the New York State and Local Employees' Retirement System is based on an actuarial valuation as of March 31, 2022. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. We proposed several adjustments as a result of audit procedures, which have been submitted to management for review and approval. The attached journal entries were recorded by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 21, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our

professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Net Pension Liability, Schedule of the Agency's Contributions, and Schedule of the Changes in the Agency's Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule, which accompanies the financial statements but is not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In connection with our audit, nothing came to our attention that causes us to believe the Agency failed to comply with its Investment Policy, the New York State Office of the State Comptroller's Investment Guidelines, Section 2925 of the New York State Public Authorities Law, or Section 201.3 of the New York State Public Authorities Law (collectively, the Investment Guidelines), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Had we performed additional procedures, other matters may have come to our attention regarding the Agency's non-compliance with the Investment Guidelines, insofar as they relate to accounting matters.

To the Board of Directors
Town of Hempstead Industrial Development Agency
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Restriction on Use

This information is intended solely for the use of members of the Board of Directors, management of Town of Hempstead Industrial Development Agency, and the New York State Office of the State Comptroller and is not intended to be, and should not be, used by anyone other than these specified parties.

Brightwaters, New York
March 21, 2023

Town of Hempstead Industrial Development Agency
Adjusting Journal Entries
December 31, 2022

	Debit	Credit
<u>Adjusting Entry #1:</u>		
To reverse prior year deferred outflows and inflows.		
Dr: Net pension liability - proportionate share	\$ 311,820	
Dr: Deferred inflows of resources - changes in assumptions	\$ 4,315	
Dr: Deferred inflows or resources – net difference between projected and actual investment earnings	\$ 357,458	
Dr: Deferred inflows of resources - change in proportion and difference between employer contribution and proportionate share	\$ 11,027	
Cr: Net pension liability - proportionate share		\$ 372,800
Cr: Deferred outflows of resources - change in proportion and differences between Agency contributions and proportionate share		\$ 228,801
Cr: Deferred outflows of resources - difference between expected and actual		\$ 15,197
Cr: Deferred outflows of resources - change in assumptions		\$ 67,822

Adjusting Entry #2:
To adjust net pension liability - proportionate share for current year contributions.

Dr: Net pension liability - proportionate share	\$49,142	
Cr: Pension expense		\$49,142

Adjusting Entry #3:
To record current year pension expense per the NYSLRS GASB 68 report.

Dr: Pension expense - proportionate share	\$ 31,907	
Cr: Net pension liability - proportionate share		\$ 31,907

Town of Hempstead Industrial Development Agency
Adjusting Journal Entries
December 31, 2022
Page 2

	Debit	Credit
<u>Adjusting Entry #4:</u>		
To record current year deferred outflows per the NYSLRS GASB 68 report.		
Dr: Deferred outflows of resources - change in proportion and differences between Agency contributions and proportionate share	\$ 35,477	
Dr: Deferred outflows of resources - difference between expected and actual	\$ 7,735	
Dr: Deferred outflows of resources - changes in assumptions	\$ 170,462	
Cr: Net pension liability - proportionate share		\$213,674
<u>Adjusting Entry #5:</u>		
To record current year deferred inflows per the NYSLRS GASB 68 report.		
Dr: Net pension liability - proportionate share	\$ 361,201	
Cr: Deferred inflows of resources - change in assumptions		\$ 2,876
Cr: Deferred inflows of resources - change in proportion and difference between employer contribution and proportionate share		\$ 23,857
Cr: Deferred inflows of resources - difference between expected and actual		\$ 334,468
<u>Adjusting Entry #6:</u>		
To record current year deferred outflows and related expense per GASB 75.		
Dr: Post-retirement health benefits expense	\$ 115,473	
Dr: Deferred outflows of resources - difference between expected and actual (OPEB)	\$ 105,482	
Dr: Post-retirement health benefits asset	\$ 150,652	
Cr: Deferred inflows of resources - changes in assumptions		\$ 342,723
Cr: Deferred outflows of resources - changes in assumptions		\$ 26,952
Cr: Health insurance		\$ 1,932

**TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF CASH, CASH EQUIVALENTS
AND INVESTMENTS
WITH INDEPENDENT AUDITOR'S REPORT
December 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, New York

Report on the Audit of the Schedule of Cash, Cash Equivalents, and Investments

Opinion

We have audited the accompanying Schedule of Cash, Cash Equivalents, and Investments of the Town of Hempstead Industrial Development Agency (the Agency), a component unit of the Town of Hempstead, New York, as of December 31, 2022, and the related notes to the Schedule of Cash, Cash Equivalents and Investments as listed in the table of contents.

In our opinion, the accompanying Schedule of Cash, Cash Equivalents and Investments and related notes referred to above presents fairly, in all material respects, the cash, cash equivalents and investments of the Agency as of December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Schedule of Cash, Cash Equivalents, and Investments

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

In preparing the Schedule of Cash, Cash Equivalents and Investments, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the Schedule of Cash, Cash Equivalents and Investments is available to be issued.

Auditor's Responsibilities for the Audit of the Schedule of Cash, Cash Equivalents, and Investments

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule of Cash, Cash Equivalents, and Investments, 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 to the Schedule of Cash, Cash Equivalents, and Investments.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule of Cash, Cash Equivalents, and Investments.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

We have 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 financial statements of the Agency as of and for the year ended December 31, 2022, and our report thereon, dated March 21, 2023, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule of Cash, Cash Equivalents, and Investments. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance with respect to the Schedule of Cash, Cash Equivalents, and Investments.

Brightwaters, New York
March 21, 2023

**TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT
AGENCY**

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS
December 31, 2022**

Cash and cash equivalents	<u>\$ 4,711,201</u>
Total cash and cash equivalents	<u><u>\$ 4,711,201</u></u>

The accompanying notes are an integral
part of this schedule.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. Nature of Organization

The Town of Hempstead Industrial Development Agency (the Agency) was created in 1971 by the Town Board of the Town of Hempstead, under the provisions of the Laws of New York State. The Agency is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 529 of the Laws of 1971 of the State of New York to undertake projects and to lease or sell properties. The purpose of the Agency is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and to enhance the number of jobs in the Town of Hempstead.

The Agency is governed by a seven-member Board of Directors whose members are appointed by the Town of Hempstead Town Board and is considered a New York State public benefit corporation. The Agency is a component unit of the Town of Hempstead.

2. Summary of Significant Accounting Policies

Cash, cash equivalents, and investments: Cash equivalents are defined as short-term highly liquid investments including money markets with maturities of three months or less.

3. Cash, Cash Equivalents, and Investments

The statutes of the State of New York govern the Agency's investment policies. Agency monies must be deposited in bank and trust companies authorized for the deposit of monies by the Town of Hempstead. The Agency's Board of Director's responsibility for administration of the investment program is delegated to the Chief Executive Officer pursuant to resolution.

The Chief Executive Officer is authorized to invest monies not required for immediate expenditure. Permissible investments include special time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America and obligations of New York State. All deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be secured by a pledge of eligible securities which may include irrevocable letters of credit or surety bonds as well as those securities as authorized pursuant to the General Municipal Law with an aggregate market value or provided by General Municipal Law. Eligible securities used for collateralizing deposits are to be held by the bank or trust company pursuant to security and custodial agreements.

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

3. Cash, Cash Equivalents, and Investments (continued)

Custodial credit risk - deposits investments - Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, an organization may be unable to recover deposits, or recover collateral securities that are in possession of an outside Corporation. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, an organization will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Agency's name.

At December 31, 2022, the Agency's bank balances totaled \$16,553,681. This amount is exclusive of petty cash of \$64. Of the bank balances, \$500,000 was covered by federal deposit insurance and \$16,053,681 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Agency's name or covered by an irrevocable stand-by letter of credit issued by Federal Home Loan Bank of New York, which is held by the pledging financial institution.

Interest-rate risk - Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby, affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of credit risk - Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5% or more in securities of a single issuer.

At December 31, 2022, the Agency did not have any investments subject to interest-rate risk or concentration of credit risk.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE
SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Town of Hempstead Industrial Development Agency
Hempstead, 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 Schedule of Cash, Cash Equivalents and Investments of the Town of Hempstead Industrial Development Agency (the Agency) as of December 31, 2022, and the related notes to the Schedule of Cash, Cash Equivalents and Investments, and have issued our report thereon dated March 21, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's Schedule of Cash, Cash Equivalents and Investments 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.

To the Board of Directors
Town of Hempstead Industrial Development Agency

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's Schedule of Cash, Cash Equivalents and Investments is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and investment policies established by the Agency, Section 2925 of the New York State Public Authorities Law and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule of Cash, Cash Equivalents and Investments. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Brightwaters, New York
March 21, 2023

Town of Hempstead Industrial Development Agency
2023 Mission Statement and Performance Measurements
(2023 Review)

(Measurement Report)

Name of Public Authority: Town of Hempstead Industrial Development Agency

Mission Statement:

Pursuant to the General Municipal Law of the State of New York the Town of Hempstead Industrial Development Agency (“Agency” or “IDA”) was established under the laws of New York State to promote economic development and employment opportunities within the Town of Hempstead.

The Agency is a public benefit corporation created by the State of New York and is a quasi-governmental authority that functions in the public interest. The seven-member board over its 20 + years of existence and through its enacted policies and procedures has operated with transparency and openness. The Agency has, and will, continue to advance its statutory mandate to encourage economic growth and business activity, while preserving the best interests of the Town of Hempstead and its residents.

This outreach is achieved through the Agency’s online site and involvement by staff and board members with the business community at seminars and events.

The IDA believes that the most effective means to achieve its goals and reach its public purpose is to publicize the incentives that the agency provides. The key incentives include property tax relief, exemption from sales taxes and waivers of the mortgage recording tax.

Board members are actively involved in the development of our mission and in the ongoing evaluation of how well the agency is meeting its goals. During the year, the staff and board members discuss the contacts and proposed developments that have come to the IDA as well as the status of projects and the nature of what brought them to us. Discussions further involve how well we are meeting the needs of those who contact the Agency and the key role that our incentives play in this regard.

List of Performance Goals:

- Full compliance with all state disclosure requirements
- Annual analysis of the jobs created and economic activity generated through its projects by board members and staff to determine if the agency’s mission statement is being realized
- Transparency of all operations
- Strict adherence by management of all internal controls

- Outreach to business community and public, in general, to make them aware of the IDA's existence and the benefits that the agency can provide
- Ongoing update of the internet as well as the advertising program to best ensure that outreach is full realized
- Ensure interaction and outreach to elected officials in jurisdictions affected by the town IDA

1. Have the board members acknowledged that they have read and understood the mission of the public authority? Yes and more over each Board member is highly engaged in the authority and its mission to enhance economic development and job growth.
2. Who has the power to appoint the management of public authority? The seven member board of directors appoint the management of the IDA
3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority? There are six staff members currently . Each position requires a degree of expertise and specific qualifications for each title that the board and existing staff management have defined.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission. Members of the board are actively involved in the development and implementation of the mission. Prior to its adoption, the mission statement was reviewed and discussed by the full board and staff. Pursuant to the New York State's Public Authorities Accountability Act of 2005, ("the Act") the day-to-day operation of the Agency is the specific obligation of its staff.

The "Act" reposes in the IDA Board of Directors direct oversight and control over the management staff. Thus, the board members are required to review and monitor financial and management controls and the operational activities of the IDA. The Board sets policy through its approval of resolutions and the projects that it induces to receive IDA benefits. Specifically, the Board members review and monitor the implementation of fundamental financial and management controls it establishes and enacts time and attendance rules and policies for staff salaries. The IDA Board is responsible for the adoption of the Code of Ethics that governs the activities of all members of the IDA, procedures and policies to protect employees from retaliation, and an indemnification policy covering all staff and board members. These have been in place for many years.

The Agency has established an independent Audit Committee, which has the responsibility to oversee all financial operations, as well as all reports and governmental disclosures prepared by the IDA. This Committee interacts with Sheehan and Company, the independent CPA firm that both conducts the annual audit and reviews all financial activities and transactions of the Agency on an ongoing basis throughout the year. The committee continually examines and revises the internal controls that are in place at the Agency to ensure not only that all operations are conducted pursuant to the highest ethical standards, but also that any conflicts of interest are avoided.

The Agency's Governance Committee seeks to ensure that the Agency follows and adopts best practices with respect to all IDA procedures, operations and policies. The Committee members are attentive to government reforms and new initiatives adopted in both the public and private sectors to ensure that the IDA is both aware of such measures and adopts the most effective and efficient methodologies for the conduct of all Agency affairs.

5. Has the board acknowledged that they have read and understood the responses to each of these questions? Yes, each board member provided input into the development of the mission statement as well as the policies and performance goals of the Agency. At board meetings, there is discussion as to the progress of the Agency in meeting its performance goals, as well as a review of our performance policies and fulfillment of the mission statement.

Adopted by Governance Committee:

Resolution: 010-2023

Adopted:

Ayes:

Nays:

Chairman

Town of Hempstead Industrial Development Agency

Property Disposition Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics and of operating in the most accountable and open manner, the Town of Hempstead Industrial Development Agency (the "Agency") will maintain adequate inventory controls and accountability systems for all Property (as such term is defined below) under its control. Furthermore, the Agency will Dispose (as such term is defined below) of Property in compliance with any applicable Law, Rule or Regulation (as such term is defined below). Failure to follow the provisions of this Property Disposition Policy will result in disciplinary action including possible termination of employment, dismissal from one's board or agent duties and possible civil or criminal prosecution if warranted.

Definitions

Contracting Officer shall mean the Chief Financial Officer of the Agency.

Dispose, Disposed or Disposal shall mean the transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York Public Authorities Law.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Property shall mean (a) personal property in excess of five thousand dollars (\$5,000.00) in value, (b) real property, and (c) any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Operative Policy

Inventory Controls and Accountability Systems

The Contracting Officer of the Agency shall be responsible for the Agency's compliance with this Property Disposition Policy and the supervision and control of all Property Disposed of by the Agency. In addition, the Contracting Officer shall have the responsibility to insure the Agency operates in compliance with Title 5-A of the New York Public Authorities Law, including creating and maintaining adequate inventory controls and accountability systems for all Property under the control of the Agency and periodically inventorying such property to determine which, if any, property should be Disposed by the Agency. The Contracting Officer shall recommend to the Board any Property he or she deems suitable for Disposal.

Disposition of Property

Unless otherwise authorized by this Policy, the Agency shall Dispose of Property for not less than fair market value ("FMV") by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such terms and conditions as the Contracting Officer deems proper. Provided, however, that no disposition of real property, any interest in real property, or any other Property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction.

Unless otherwise authorized by this Policy, prior to disposing of Property or entering into a contract for the Disposal of Property, the Agency shall publicly advertise for bids for such Disposal or contract for Disposal. The advertisement for bids shall be made at such a time prior to the Disposal or

contract for Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. Such advertisement shall include the date, time and place the bids will be publicly disclosed by the Agency. The Agency shall award the contract with reasonable promptness to the most responsible bidder whose bid, conforming to the invitation for bids, is most advantageous to New York State (the "State"), price and other factors considered; provided, however, that Agency reserves the right to reject all such bids when it is in the public interest to do so.

The Agency may Dispose of Property or enter into contracts for the disposal of Property via RFP, negotiation or public auction without regard to the two (2) paragraphs immediately above, but subject to obtaining such competition as is feasible under the circumstances, if:

- the personal property involved is of a nature and quantity which, if Disposed of under the first two (2) paragraphs of this section, would adversely affect the state or local market for such Property, and the estimated FMV of such Property and other satisfactory terms of the Disposal can be obtained by negotiation;
- the FMV of the Property does not exceed fifteen thousand dollars (\$15,000.00);
- bid prices after advertising therefore are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition;
- the Disposal is to the State or any political subdivision of the State, and the estimated FMV of the Property and other satisfactory terms of the Disposal are obtained by negotiation;
- the Disposal is for an amount less than the estimated FMV of the Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the State or a political subdivision of the State, including but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, and the purpose and terms of the Disposal are documented in writing and approved by resolution of the Board; or
- such Disposal or related action is otherwise authorized by law.

The Agency shall file an explanatory statement with the comptroller, the director of the division of budget, the commissioner of general services and the legislature not less than ninety (90) days before the Agency Disposes the Property if the Property is personal property in excess of \$15,000, or real property that has a fair market value in excess of \$100,000. When the Property is Disposed by lease (or exchange), then the Agency shall file an explanatory statement when the Property is real property leased for a term of five (5) years or less with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) in any given year, real property leased for a term greater than five (5) years with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) for the entire lease term; or any real property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

Reporting Requirements

Annual Report

The Agency shall publish, at least annually, an Annual Report (the "Annual Report") listing all Property consisting of real property of the Agency. In addition, the Annual Report shall include a list and full description of all Property consisting of real and personal property Disposed of during such period covered by the Annual Report. The Annual Report shall include the price received by the Agency for the Property, in addition to the name of the purchaser for all such Property sold by the Agency during such period covered by the Annual Report.

The Agency shall deliver copies of the Annual Report with the comptroller, the director of the division of budget, the commissioner of general services and the legislature, and to the extent practicable, post such Annual Report on its website.

Property Disposition Policy

The Agency shall review and approve this Property Disposition Policy annually by resolution of the Board. On or before March 31 of each year, the Agency shall file with the New York State Office of the State Comptroller a copy of its Property Disposition Policy, including the name of the Contracting Officer appointed by the Agency. Upon such filing with the comptroller, the Agency shall post its Property Disposition Policy on its website.

Adopted by Governance Committee:

Resolution Number: 011-2023

Adopted:

Ayes:

Nays:

Chairman: _____

Operations and Accomplishments
Town of Hempstead Industrial Development Agency
2022

The projects undertaken in 2022 centered on retail, housing and manufacturing. Such projects provided construction jobs and long-term economic development that greatly enhanced the region's viability.

The marketplace reflected the need for housing to address the shortage in the County. A major project in Lynbrook created a multi-family transit-oriented housing. Breslin Realty demolished vacant buildings and erected 201 residential units (55 studios, 111 one-bedroom units and 35 two-bedroom units in 278,014 square feet of space) with 205 on-site parking spaces. The total project cost is \$109 Million. Seven(7) full-time and three(3) part-time positions will be created by the second year of operation.

The Village of Freeport served as the situs for two housing projects. A \$43.584 million dollar project at the old Schooner Restaurant site was approved for a 89,936 square foot hotel run by Hilton Garden Inn. The project consists of 100 rooms with a ballroom and restaurant. Thirty(30) full-time and eleven(11) part-time positions will be created by the second year of operation.

A second development in Freeport consists of a 39,780 square foot multiple dwelling building with 31 units (1 studio, 26 one-bedroom and 4 two-bedroom) and 48 on-site parking spaces. The project will be totally workforce and affordable housing. The \$17.041 million dollar project will create one and a half(1.5) full-time equivalent jobs.

A new building in Garden City, consisting of 9,464 square feet, will house a commercial distribution center or pharmaceutical company. The \$33.792 million dollar project will create fifty(50) full-time positions by the second year.

Maxima Apparel Corp. will renovate a 78,909 square foot building in Westbury to accommodate its business of producing and marketing streetwear fashion products. A full rehabilitation of the structure will be undertaken. Fifty(50) per cent of the building will be rented to a third-party business. Total project costs are \$18.350 million dollars. Sixty(60) full-time and fifteen(15) part-time positions will be created.

An innovative proposal by Prosperity Holdings LLC-Paul's Auto Collision is the development of an auto collision and repair center in Garden City that focuses on specialized methods and practices for modern automobiles. The working area of the project is 11,900 square feet and the shop area is 10,628 square feet. By the third year, thirty(30) full-time positions will be created.

It is expected that 2023 will be an active year for development due to the number of pending projects brought forth in 2022 but not closed, and the improving economic climate.

Adopted by Governance Committee:

Adopted:

Resolution: 012-2023

Ayes:

Nays:

Chairman

**PURCHASING GUIDELINES OF THE
TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY**

The Agency shall make no purchases of supplies, equipment or materials nor shall the Agency contract for the purchase of supplies, equipment or materials except as follows:

a. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of ten thousand dollars (\$10,000), the item to be purchased shall be formally bid and the purchase made from the lowest responsible bidder.

b. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of three thousand dollars (\$3,000) but not more than ten thousand dollars (\$10,000), written price quotations shall be obtained from not fewer than three (3) vendors and the purchase made after all such quotations are evaluated by the Agency.

c. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of one thousand dollars (\$1,000) but not more than three thousand dollars (\$3,000), written price quotations shall be obtained from not fewer than two (2) vendors and the purchase made after all such quotations are evaluated by the Agency.

d. When the cost of the supply, equipment, services or material involved should reasonably be expected to cost in excess of two hundred fifty dollars (\$250) but not more than one thousand dollars (\$1,000), oral price quotations shall be obtained from not fewer than two vendors (2) and the purchase made after all such quotations are evaluated by the Agency.

e. No solicitation of price quotations shall be required in the following instances:

e-1. when the cost of the supply, equipment or material involved is two hundred fifty dollars (\$250) or less,

e-2. when the purchase is of professional services,

e-3. when the purchase is necessitated by a *bona fide* emergency, which emergency is described in writing by the Agency member or employee declaring same, ratified by telephone by not fewer than a majority of members and ratified by resolution at the next meeting of the Agency,

e-4. when the supply, equipment or material sought to be purchased is available only through a single source,

e-5. when the supply, equipment or material is being purchased from a correctional facility, another governmental Agency or an Agency serving the blind or severely handicapped, or at auction, or

e-6. when the supply, equipment or material is being purchased under a town, county or state contract.

As used in section e-3 hereof, the term "majority of members" shall mean a number of members equal to more than fifty percent (50%) of the difference between seven (7) and the number of IDA memberships, which are vacant at the time of the vote.

Adopted by Governance Committee:

Adopted:

Resolution Number: 013-2023

Ayes:

Nays:

Chairman

SELF-EVALUATION POLICY & PROCEDURES

TOWN OF HEMPSTEAD

INDUSTRIAL DEVELOPMENT AGENCY

2023

Self-analysis & internal evaluation of IDA procedures and policies is a crucial and difficult area to objectively calculate. The Agency considers that the policies and procedures that are currently in place ensure productivity, efficiency and financial “checks and balances” on the members and staff who run the day-to-day operations.

The staff literally, on a weekly basis, reviews operations to ensure that the agency is fulfilling its mandate to spur economic development. This includes procedures to comply with state requirements, reaching out to prospective clients and updating projects in the pipeline.

Any procedural or policy changes are discussed with both Agency counsel and board members serving on the Agency committee that have jurisdiction over the particular area involved.

The status of all projects is updated for board members through a monthly CEO’s Report, which includes general updates as to Agency operations, finances, procedures and policies.

Our outside accountants independently audit our books and finances to evaluate from their perspective as detached financial analysts, IDA procedures, policies and compliance with state requirements.

Specific roles:

- 1) CEO – Primary responsibility is the implementation of enacted procedures and policies of the Agency. The CEO is the staff person who is primarily responsible to ensure that the enacted resolutions and adopted policies and procedures are fully implemented. These formal actions, together with the operational methodology, govern the manner in which the agency conducts business.

As such, the CEO coordinates all Agency activities to effectuate the mission statement and the outreach to the economic and business community to generate an awareness of the Agency’s role and to spur project development.

The CEO further ensures that internal controls are in place and that the budget is within projections established both prior to the budgetary year and as the year unfolds. The CEO oversees the other personnel and interacts, on an ongoing basis, with the Agency council and chairs of the various committees with jurisdiction over the Agency’s operations.

The CEO, as designated chief exponent of IDA business, frequently speaks before economic groups, participates in forums and visits existing projects and potential ones to explain IDA benefits and the Agency's role in economic development.

The CEO and CFO are bank signatories and oversee the income and expenditures of the Agency. The CEO opens and reviews all bank statements to ensure postings comply with bank reports. The Agency Administrator and Deputy Agency Administrator tend to the Agency's daily financial operations and bookkeeping.

- 2) The CFO and Deputy Finance Officer oversee status of project compliance through an online spreadsheet program that includes all material data for each Agency project. This program is updated for accuracy and provides an ongoing tally of projects and the status and composite of all projects.
- 3) The CFO Independently reviews each check and wire that is submitted for induced projects. Thus, the CFO and the Agency Administrator act independently to account for all revenues that are received and invested by the Agency. In addition, the Agency Admin. is responsible for the day-to-day expenditures of the Agency and the related record keeping. Claim forms are attached to every bill and checks are signed by one of the bank signatories. The Agency Administrator is not one of the bank signatories. The CFO oversees PILOT banking and disbursement. The Deputy Financial Officer is responsible for the PILOT billing and collection.
- 4) Fees or other income earned by the Agency are prudently invested with commercial banks in Certificates of Deposit. On an ongoing basis, staff receives and verifies documentation to ensure that all accounts are adequately collateralized and the Agency's investments are protected. The CEO frequently contacts Commercial banks to ascertain the highest rates earned on a 30, 60, 90 day or longer basis. Moneys are transferred and deposited amongst the highest paying financial institutions. The CEO periodically speaks with the Town of Hempstead Comptroller's Office to ensure that the Agency has the most recent investing information concerning financial institutions as the Town, which engages in such activity on a daily basis. The CEO reviews the overall investments with the CFO and Deputy FO and reports his findings to the Chairman of the Finance Committee.
- 5) The Deputy Executive Director reconciles the PILOT accounts monthly and is the staff person responsible for the application processing.

As economic development is the key reason for the existence of the Agency, continuous outreach to the business, real estate and development communities is a crucial aspect of the daily operation of the CEO and staff.

Constant perusal of periodicals, updates to developers, brokers and business persons, as well as, onsite meetings with elected officials & members of the economic development community ensure that the Agency and the benefits it

provides are well known to all these key groups.

The CEO prepares a monthly report of potential projects, inquiries and solicitations that serves as a basis to track agency involvement. This report is presented to the board at its monthly meetings.

These formal internal procedures, as well as the documentation produced, provide the Agency with a structure that ensures a constant self-evaluation of its staff, procedures and overall operation.

Adopted by Governance Committee:

Resolution: 014-2023

Adopted:

Ayes:

Nays:

Chairman: _____

Town of Hempstead
Industrial Development Agency
CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees of the Town of Hempstead IDA. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.
4. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.

8. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.

9. Directors and employees are prohibited from appearing or practicing before the Authority for two (2) years following employment with the Authority, consistent with the provisions of Public Officers Law.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee. The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence Authority directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Chief Executive Officer or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Penalties

In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Authority.

Adopted by Governance Committee:

Resolution Number: 015-2023

Adopted:

Ayes:

Nays:

***INVESTMENT POLICY & GUIDELINES
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY
(2023)***

SCOPE

This investment policy applies to all moneys and other financial resources of the IDA available for investment.

OBJECTIVES

The primary objectives of the Town of Hempstead Industrial Development Agency's (hereafter TOHIDA) investment policies are:

- To conform with all applicable federal, state, town, and other legal requirements (legal)
- To adequately safeguard principal (safety)
- To provide sufficient liquidity to meet all operating requirements (liquidity)
- To obtain a reasonable rate of return (yield)

DELEGATION OF AUTHORITY

The TOHIDA board's responsibility for administration of the investment program is delegated to the CEO pursuant to resolution by the board. The CEO, with the assistance of the Investment Committee, establishes written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates and other relevant information and to regulate the activities of subordinate employees.

PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the TOHIDA to operate effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

DIVERSIFICATION

It is the policy of the TOHIDA to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

INTERNAL CONTROLS

Subject to Investment Committee and Board approval, The CEO is responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

DESIGNATION OF DEPOSITORIES

All banks and trust companies authorized for the deposit of monies by the Town of Hempstead.

COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, §10, all deposits of TOHIDA, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" which may include irrevocable letters of credit or surety bonds as well as those securities as authorized pursuant to the General Municipal Law, §10 with an aggregate "market value", or provided by General Municipal Law.

SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by (the depository and/or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure TOHIDA deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the TOHIDA to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the TOHIDA, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the TOHIDA or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the TOHIDA, will be kept separate and apart

from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution, or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the TOHIDA a perfected interest in the securities.

PERMITTED INVESTMENTS

As authorized by General Municipal Law, §11, the TOHIDA shall authorize the CEO to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York

Resolution: 017 - 2023

Adopted: March 21, 2023

Aye:

Nay:

Chairman _____

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY ASSESSMENT OF EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE AND PROCEDURES 2023

A. Mission & IDA's Major Business Functions:

The mission of the Town of Hempstead IDA is to grow business and enhance job creation within its jurisdiction. The IDA seeks to accomplish these goals through the incentives authorized by the General Municipal Law and the IDA Act. These include property tax abatement through "Payments in Lieu of Taxes" (PILOTS) as well as exemption from both sales and use taxes to a project's construction and development costs and waiver the New York State Mortgage Recording Tax.

The IDA can provide assistance in both "straight lease" transactions with conventional financing or through bonds. IDA involvement in a project enhances the economic health of a wide range of private sector institutions beyond the benefits extended to the particular applicants. These include the financial sector, construction industry, employment with jobs of every categorization and the impact that such economic activity has on businesses.

B. Risks Associated with Agency's Operations:

In any enterprise where revenues are generated and payments made, there is the potential for fraud or theft.

Hence, the revenues generated by the transactions undertaken by the IDA are safeguarded through stringent agency controls. The Agency Administrator handles these finances in terms of checking and bank accounts. The CEO reviews and oversees such administrative operations independently. Resolutions for payment authorization are created by the CFO.

The purchase of any service is approved by the CFO who prepares a Resolution for consideration by the IDA Board. The Chairman of the Finance Committee, who is a member of the board, independently reviews all such financial activities.

Every transaction is considered as having the potential for abuse and receives such heightened procedural controls to prevent both the potential for abuse or lax treatment.

Ongoing discussions with the agency's auditors, who diligently question and scrutinize internal controls, reinforces the agency's preoccupation with functional risks.

C. Internal Control Systems In Place:

The internal controls structure and procedures of the Town of Hempstead IDA are reviewed by the staff as well as by our independent accountants annually. These controls are adopted by both the committee and full board.

The Agency's established internal controls and procedures are the result of extensive discussions and review by our outside independent accountants who present a detailed questionnaire that addresses every aspect of IDA operations. Each of the IDA staff members and the Chairman of our Investment and Audit Committees respond to the inquiries by our accountants who then independently evaluate our operation and comment upon it in the annual report.

As part of its ongoing self-analysis of its operations, the IDA staff re-evaluate internal control procedures to ensure that a clear delineation of responsibilities were incorporated into all operations. These discussions and findings were reviewed by both board members and the IDA's independent auditors. For example, IDA revenues & capital are placed in various financial institutions in collateralized CD accounts. These are periodically reviewed to ensure that the best return in interest is secured. The administration of that cash and all check writing is the responsibility of the Agency Administrator. The CEO independently reviews all assets at financial institutions to insure that the accounts square with the office accounts. On an ongoing basis, the CEO reviews bank submissions to make sure that the collateral pledged to secure IDA deposits provides adequate security.

Furthermore, the staff discusses financial operations on a weekly, if not, on a more frequent basis. All expenditures are submitted by staff to the board for approval by resolution. Low cost purchases are itemized and these items, which normally include supplies (pens, paper, water cooler), are paid by check as well as pursuant to a standing resolution approved by the board. The CEO reviews all such payments made by the Agency Administrator.

The staff constantly updates the projected revenues and expenditures as well as the overall budget to ensure that the filings are consistent with the projections made prior to the fiscal year.

The Investment Chairman of the IDA Board is provided with all financial claims, payments and budget updates on a regular basis. The Investment Committee and each of the IDA Board members are presented with all such budgetary materials prior to each of its monthly meetings. Minor expenditures are explained pursuant to the standing resolution and specific expenditures are each approved by the board by resolution.

Any and all purchases of services and larger items are conducted pursuant to the IDA's Purchasing/Procurement Policy and Guidelines.

The Investment Policy is conducted pursuant to the resolutions enacted by our board and the laws of New York State that regulate governmental authorities and municipalities. Income generated is invested solely in prudent institutions, which are commercial banks, presently, that offer the highest rate of return. Hence, such assets are fully protected against loss and constitute what can only be categorized as the lowest level of risk. As previously stated herein, the CEO periodically updates the rates offered by each of the commercial banks to guarantee the highest rate of return. Principal is reinvested periodically to reflect such fluctuation in the rates.

D. Extent To Which The Internal Control System Is Effective:

The division of responsibilities and the independent review, set forth in the Agency's procedures over its operation, create a multi-leveled structure that virtually precludes abuse and ensures the timely and quick exposure of any indiscretion.

Supporting this observation as to the excellence of the agency's internal control is the review completed by the Agency's outside accountants who question each employee as to the nature and effectiveness of the internal controls in place. Each employee justifies before the independent accountant, the manner in which the stated procedures and controls actually function. (See document from Sheehan & Company).

E. Corrective Action:

Any inappropriate action discovered within the agency operations is referred to the Agency's independent counsel for review and recommended action by the IDA Board.

The Agency's Code of Conduct and Ethics determine the course to be adopted from internal discipline for minor infractions to referral to the District Attorney in the event of criminal activity.

Resolution# 016 - 2023

Adopted: March 21, 2023

Aye:

Nay:

Chairman _____



Board Members
Florestano Girardi
Eric C. Mallette
Jack Majkut
Robert Bedford
Thomas Grech
Jerry Kornbluth PhD
Jill Mollitor

Frederick E. Parola
Chief Executive Officer

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TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING

February 28, 2023, 9:00 a.m.
Town Hall Pavilion, One Washington Street, Hempstead

Agenda: Village Business: Village of Freeport: No New Business, **Village of Hempstead:** Presentation 9:00 a.m. and Consideration of a Re-instatement of the Alphamore LLC project, 50 Clinton Street, Hempstead, Consideration of a Resolution for a 2-year PILOT Extension for 110 Graham Realty, 110 West Graham Avenue, Hempstead, Update on Carmen Placc Apartments, Bedell and Main Street, Hempstead (discussion purposes only) **New Business:** Consideration of an Authorizing Resolution for 875 Merrick Avenue LLC, 875 Merrick Avenue, Westbury, Consideration of an Inducement Resolution and 7-year PILOT Extension for 2 Endo Boulevard LLC/Richner Communications, Consideration of a Tenant Consent for Valley Stream Green Acres, 2034 Green Acres Mall Road, Valley Stream – LDL (LUS Licensing LLC), Consideration of a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road, Lynbrook – Summit Health, Consideration of a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road, Lynbrook – South Nassau Dermatology, Consideration of an Approval of a Subdivision and Easement for 3235 Hempstead Mid Rockland Levittown, 3235 Hempstead Turnpike, Levittown, CEO Report, Summary of Board Members Self-Evaluations, Consideration of a Resolution to reappoint John E. Ryan as Agency Counsel (tabled from January), Consideration of a Resolution to reappoint Nixon Peabody and Phillips Lytle LLP as Transaction/Bond Counsel (tabled from January), **Old Business:** Consideration of an Amended Committee List, Compliance Review 2022, Consideration and Adoption of the Minutes January 24, 2023, **Report of the Treasurer:** Financial Statements and Expenditure List, January 18, 2023 – February 21, 2023, Committee Updates, Executive Session, Adjournment

Those in attendance:

Florestano Girardi, Chairman
Thomas Grech, Vice Chairman
Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth
Jill Mollitor

Village of Hempstead Members:

Daniel Oppenheimer
Joylette Williams
Stacey Lucas
Kevin Boone

Also in attendance:

Frederick E. Parola, CEO
Edie Longo, CFO
Arlyn Eames, Deputy Financial Officer
Michael Lodato, Deputy Executive Director
Lorraine Rhoads, Agency Administrator
Laura Tomeo, Deputy Agency Administrator
Paul O'Brien, Phillips Lytle LLP
Barry Carrigan, Nixon Peabody
John E. Ryan, Agency Counsel
Alan Wax, Todd Shapiro Associates, Inc. (electronically)

Excused:

Robert Bedford, Board Member

The meeting was called to order at 9:06 a.m. The Chairman declared a quorum was present.

Public Comment: The Chairman opened the floor to comments by the public. Katherine Gary addressed the board regarding Carmen Place Apartments, Bedell and Main Street, Hempstead. She is not in favor of the project. Bradley Hinto also spoke about the numerous PILOTs in the Village of Hempstead.

Village of Freeport: No new business

Village of Hempstead:

Consideration of a Resolution for a 2-year PILOT Extension for 110 Graham Realty, 110 West Graham Avenue, Hempstead: Dan Baker made a presentation to the Board on behalf of 110 Graham Realty, 110 West Graham Avenue, Hempstead. This applicant is looking to extend their PILOT for 2-years in order to renovate an existing 103,000 square foot building on 3.8 acres of land within the Village of Hempstead located at 11 W. Graham Avenue. The renovations include lifts for additional parking, as well as maintaining the required brand compliance upgrades set forth by Mercedes-Benz USA Evolution. The renovation will also include, but not limited to new furniture at the facility, flooring, wall and paint finishes, shop equipment, HVAC repairs, façade renovations, structural repair, EV charging infrastructure and signage. This project has and will continue to be used as an automotive repair/service center. This site also abuts the only distressed area within the Town of Hempstead. Flo Girardi made a motion to table the Resolution for a 2-year PILOT Extension for 110 Graham Realty. The motion was seconded by Tom Grech. Kevin Boone was not in favor. Jill Molitor, Jack Majkut, Jerry Kornbluth, Daniel Oppenheimer, Joylette Williams, and Stacey Lucas were all in favor. Motion carried.

Presentation 9:00 a.m. and Consideration of a Re-instatement of the Alphamore LLC project, 50 Clinton Street, Hempstead: Dan Baker the Attorney representing Alphamore LLC and William Segal Partner of Alphamore LLC, addressed the board on behalf of Alphamore LLC. Alphamore recognized their failure to comply and going forward they will be more available to the agency and submit timely information, payments and requests for information. The board decided to rescind their termination subject to an escrow account being established for 6 months of PILOT payments. Flo Girardi made a motion to Re-instate the Alphamore LLC project, 50 Clinton Street, Hempstead. The motion was seconded by Tom Grech. Eric Mallette Recused. All were in favor. Motion carried.

Update on Carmen Place Apartments, Bedell and Main Street, Hempstead (discussion purposes only): Barry Carrigan of Nixon Peabody updated the board on Carman Place Apartments.

New Business:

Consideration of an Authorizing Resolution for 875 Merrick Avenue LLC, 875 Merrick Avenue, Westbury: Dan Deegan Attorney representing 875 Merrick, LLC, 875 Merrick Avenue, Westbury addressed the board. The applicant intends to renovate an existing 43,647 square foot building housed on 2.08 acres located in Westbury. The building will be updated and marketed to non-retail tenants for office space. The building was previously occupied by Geico and is in need of substantial repair. Those repairs include but not limited to the roof, façade and building systems as well as renovating the interior of the current building. Flo Girardi made a motion to adopt an Authorizing Resolution for 875 Merrick Avenue LLC. Inclusive of a 15-year PILOT, Sales Tax Exemption and Mortgage Recording Tax Exemption. This motion was seconded by Jerry Kornbluth. All were in favor. Motion carried.

Consideration of an Inducement Resolution and 7-year PILOT Extension for 2 Endo Boulevard LLC/Richner Communications: Dan Deegan Attorney representing 2 Endo Boulevard LLC/Richner Communications made a presentation to the board. The applicant intends to renovate an existing 77,000 square foot building located on 1.85 acres at 2 Endo Blvd, Garden City (this is inclusive of indoor parking) Approximately 15,000 square feet of the building is used as a public self-storage facility. This project had received an extension on its IDA benefits which have expired as of 12/31/22. The operations at the location consist of printing and publishing the Long Island Herald. The renovations shall include but not be limited to HVAC, Computer Hardware and Software, Manufacturing equipment and fire safety and security. They currently employ 93 employees. Flo Girardi made a motion to extend the PILOT for an additional 7 years for 2 Endo Boulevard LLC/Richner Communications. This motion was seconded by Tom Grech. All were in favor. Motion carried.

Consideration of a Tenant Consent for Valley Stream Green Acres, 2034 Green Acres Mall Road, Valley Stream – LIDL (LUS Licensing LLC): Flo Girardi made a motion to approve a Tenant Consent for Valley Stream Green Acres, 2034 Green Acres Mall Road, Valley Stream – LIDL (LUS Licensing LLC) The tenant will occupy approximately 22,789 square feet of space and will create approximately (43) full time jobs. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Consideration of a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road LLC, 444 Merrick Road, Lynbrook – Summit Health: Tom Grech made a motion to approve a Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road, Lynbrook – Summit Health. The tenant Summit Health, a multi-specialty medical practice that currently operates out of the space, Pulmonary & Critical Care Consultants. The physicians and staff currently operating in the premises will remain, they are simply entering into a new lease agreement with a new entity. This motion was seconded by Flo Girardi. All were in favor. Motion carried.

Consideration of Tenant Consent for 444 Merrick Road LLC, 444 Merrick Road, Lynbrook – South Nassau Dermatology: Flo Girardi made a motion to approve a Tenant Consent for 444 Merrick Road, 444 Merrick Road, Lynbrook – South Nassau Dermatology. South Nassau Dermatology, PC, a dermatology medical practice, is looking to obtain approvals for their new location at 444 Merrick Rd., Suite 300, Lynbrook NY, 11563. South Nassau Dermatology currently operates three offices throughout Long Island, and this will be their fourth. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Consideration of an Approval of a Subdivision and Easement for 3235 Hempstead Mid Rockland Levittown, 3235 Hempstead Turnpike, Levittown: Mike Lodato addressed the board on behalf of 3235 Hempstead Mid Rockland. This applicant intends to transfer the property by sale of 1 acre of undeveloped vacant land to Safeguard Storage Properties. No adjustment will be made to the PILOT. Flo Girardi made a motion to approve the Subdivision and Easement for 3235 Hempstead Mid Rockland Levittown. This motion was seconded by Jack Majkut. All were in favor. Motion carried.

CEO Report: Fred Parola provided the Board with a copy of the CEO Report.

Summary of Board Member Self-Evaluations – No vote needed. Tabled.

Consideration of a Resolution to reappoint John E. Ryan as Agency Counsel: (This item was tabled from the January 24, 2023, Meeting.) Flo Girardi made a motion to reappoint of John E. Ryan Agency Counsel. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Consideration of a Resolution to reappoint Nixon Peabody LLP and Phillips Lytle LLP as Transaction/Bond Counsel: (This item was tabled from the January 24, 2023, Meeting.) Flo Girardi made a motion to reappoint Nixon Peabody LLP and Phillips Lytle LLP as Transaction/Bond Counsel. This motion was seconded by Jack Majkut. All were in favor. Motion carried.

Old Business:

Consideration of an Amended Committee List: Mike addressed the board with the changes to the committee list. Flo Girardi made a motion to approve the amended changes to the Committee List and adding a new records retention committee. This motion was seconded by Jack Majkut. All were in favor. Motion carried.

Compliance Review 2022 – No vote needed.

Reading and Approval of Minutes of Previous Meeting(s):

Minutes of the January 24, 2023, Board Meeting: Flo Girardi made a motion to adopt the minutes of January 24, 2023. This motion was second by Eric Mallette. All were in favor. Motion carried.

Report of the Treasurer: The Board was furnished with copies of the Financial Statements and Expenditure list for January 18, 2023 – February 21, 2023.

Committee Updates: There were no updates.

Executive Session: None

Adjournment: With all business concluded. Flo Girardi made a motion to adjourn the meeting at 10:56 a.m. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Jack Majkut, Secretary
March 21, 2023



INDUSTRIAL DEVELOPMENT
AGENCY

Board Members
Florestano Girardi
Eric C. Mallette
Jack Majkut
Robert Bedford
Thomas Grech
Jerry Kornbluth PhD
Jill Mollitor

Frederick E. Parola
Chief Executive Officer

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TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY
SPECIAL BOARD MEETING
March 7, 2023, 9:15 a.m.
IDA Conference Room
350 Front Street, Hempstead

Agenda: Village of Hempstead Consideration of a Resolution for a 2-year PILOT Extension for 110 Graham Realty, 110 West Graham Avenue, Hempstead, Adjournment

Those in attendance:	Florestano Girardi, Chairman Thomas Grech, Vice Chairman Eric C. Mallette, Treasurer Jack Majkut, Secretary Jerry Kornbluth
Village of Hempstead Members:	Daniel Oppenheimer Joylette Williams Kevin Boone
Also in attendance:	Frederick E. Parola, CEO Edie Longo, CFO Arlyn Eames, Deputy Financial Officer Michael Lodato, Deputy Executive Director Lorraine Rhoads, Agency Administrator Laura Tomeo, Deputy Agency Administrator Paul O'Brien, Phillips Lytle LLP John E. Ryan, Agency Counsel
Excused:	Robert Bedford, Board Member Stacey Lucas, Village of Hempstead Member Jill Mollitor, Board Member Barry Carrigan, Nixon Peabody

The meeting was called to order at 9:35 a.m. The Chairman declared a quorum was present.

Public Comment: The Chairman opened the floor to comments by the public. Dan Oppenheimer addressed the board on 110 Graham Realty. Dan Oppenheimer spoke in favor of the project.

Village of Hempstead:

Consideration of a Resolution for a 2-year PILOT Extension for 110 Graham Realty, 110 West Graham Avenue, Hempstead (This item was tabled from the February 28, 2023, Board Meeting): This applicant is seeking to extend their PILOT for an additional 2-years in order to renovate an existing 103,000 square foot building on 3.8 acres of land within the Village of Hempstead located at 11 W. Graham Avenue. The renovations will include lifts for additional parking, as well as maintaining the required brand compliance upgrades set forth by Mercedes-Benz USA Evolution. The renovation will also include, but not limited to new furniture at the facility, flooring, wall and paint finishes, shop equipment, HVAC repairs, façade renovations, structural repair, EV charging infrastructure and signage. This project has and will continue to be used as an automotive repair/service center. The site abuts the only distressed area within the Town of Hempstead. Flo Girardi made a motion to approve a Resolution for a 2-year PILOT Extension for 110 Graham Realty, 110 West Graham Avenue, Hempstead. The motion was seconded by Dan Oppenheimer. Kevin Boone and Joylette Williams were not in favor. Tom Grech, Jack Majkut, Jerry Kornbluth, and Eric Mallette were all in favor. Motion carried.

Adjournment: Flo Girardi made a motion to adjourn the meeting at 9:38 a.m. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Jack Majkut, Secretary
March 21, 2023

10:06 AM
03/14/23
Accrual Basis

Town of Hempstead I. D. A.
Balance Sheet
As of March 14, 2023

	Mar 14, 23
ASSETS	
Current Assets	
Other Current Assets	
490-00 · Interest due from PILOT account	-114,900.43
380-01 · Accounts Recievable	8,933.96
Total Other Current Assets	-105,966.47
Checking/Savings	
200-22 · Checking (FNBLI)187009667	165,000.00
200-21 · Oper Invest MM(FNBLI) 186702577	225,134.72
200-20 · Severance (FNBLI) 186702585	237,990.44
200-19 · HlthRetirement (FNBLI)186702593	990,159.69
200 · Cash	
200-02 · Petty Cash	63.71
200-13 · Bank of America - 9419794381-Ck	15,714.03
200-14 · BankofAmerica MMS - 9419794402	3,032,420.61
Total 200 · Cash	3,048,198.35
Total Checking/Savings	4,666,483.20
Total Current Assets	4,560,516.73
Fixed Assets	
400-00 · Furniture & Fixtures	
400-02 · Accumulated Depreciation	-26,702.70
400-01 · Furniture and Fixtures	26,702.70
Total 400-00 · Furniture & Fixtures	0.00
400-051 · Computer equip.	
400-04 · Accumulated Dep. - Computer	-3,929.02
400-05 · Computer Equipment	3,929.02
Total 400-051 · Computer equip.	0.00
400-100 · Machinery & equip.	
400-102 · A/D - Equipment	-15,878.00
400-101 · Equipment	15,878.00
Total 400-100 · Machinery & equip.	0.00
450-00 · Leasehold improvement	
450-02 · Accumulated Amort.	-90,950.40
450-01 · Leasehold Improvements	14,140.00
450-03 · 2009 Leasehold improvements	84,273.98
Total 450-00 · Leasehold improvement	7,463.58
Total Fixed Assets	7,463.58
Other Assets	
Deferred outflows of resources	
700-1 · Changes in Agency cont GASB68	-52,127.00
700-3 · Diff - expect/actual exp GASB68	7,735.00
700-6 · Change in assumptions OPEB	242,567.00
700-5 · Diff expected & actual OPEB	255,424.00
700-4 · Change in assumptions	258,066.00
Total Deferred outflows of resources	711,665.00
Total Other Assets	711,665.00
TOTAL ASSETS	5,279,645.31
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
550-00 · Accrued Expenses	-11,874.10

10:06 AM
03/14/23
Accrual Basis

Town of Hempstead I. D. A.
Balance Sheet
As of March 14, 2023

	Mar 14, 23
602-00 · Payroll Liabilities	
602-09 · NY Unemployment	-1,224.20
602-04 · FICA Tax W/H Social Sec.	-0.01
602-05 · FICA Tax W/H Medicare	0.01
602-07 · Disability W/H	36.00
602-01 · Retirement W/H	101.89
602-11 · AFLAC WITHHOLDING	115.29
602-06 · Retirement Loan	604.00
Total 602-00 · Payroll Liabilities	-367.02
Total Other Current Liabilities	-12,241.12
Total Current Liabilities	-12,241.12
Long Term Liabilities	
605 · Net pension liability - pro. sh	-102,539.00
602 · -10 Compensated absences	103,824.24
Deferred inflows of resources	
500-4 · Change in assumptions	2,876.00
500-2 · Change in pro - employer & prop	23,857.00
500-5 · Changes in assumption OPEB	32,975.00
500-1 · Difference between expect/act	334,468.00
Total Deferred inflows of resources	394,176.00
603-00 · Postretirement health benefits	1,450,586.00
Total Long Term Liabilities	1,846,047.24
Total Liabilities	1,833,806.12
Equity	
Net Income	-11,232.35
3000 · Opening Bal Equity	498,858.39
909-00 · Fund Balance	2,958,213.15
Total Equity	3,445,839.19
TOTAL LIABILITIES & EQUITY	5,279,645.31

10:07 AM

03/14/23

Accrual Basis

Town of Hempstead I. D. A.
Account QuickReport
As of March 14, 2023

Type	Date	Num	Name	Memo	Split	Amount	Balance
200 - Cash							69,103.31
200-13 - Bank of America - 9419794381-Ck							69,103.31
Check	02/22/2023	31221	Massa & Associates, ...	Contract for 20...	522-01 - Profes...	-1,896.00	67,207.31
Check	02/23/2023	31222	Fevola Reporting & T...	Invoice # 5845...	522-22 - Public ...	-367.50	66,839.81
Check	02/24/2023	52228	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,719.09	65,120.72
Check	02/24/2023	52229	LONGO, EDITH M.	522-5522-52 P...	-SPLIT-	-446.71	64,674.01
Check	02/24/2023	52230	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-1,275.90	63,398.11
Check	02/24/2023	52231	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,132.83	60,265.28
Check	02/24/2023	52232	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,873.43	57,391.85
Check	02/24/2023	52233	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,343.32	55,048.53
General Journal	02/24/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 - FICA ...	-5,534.48	49,514.05
Check	02/28/2023	31223	AFLAC	NQR44- Invoic...	602-11 - AFLA...	-230.58	49,283.47
Check	02/28/2023	31224	FREDERICK PAROLA	Reimburseme...	522-07 - Office ...	-56.23	49,227.24
Check	02/28/2023	31225	READY REFRESH b...	Acct# 042347...	522-07 - Office ...	-167.90	49,059.34
Check	02/28/2023	31226	TOH Department of ...	Health Ins. - I...	522-70 - Health...	-9,799.61	39,259.73
Check	02/28/2023	31227	Optimum	07858-547683...	522-07 - Office ...	-192.06	39,067.67
Check	03/02/2023	31228	TOH Dept of General...	Postage - Febr...	522-19 - Postag...	-101.28	38,966.39
Check	03/06/2023	electro...	N.Y.S & LOCAL EMP...	Code 51313 - ...	-SPLIT-	-505.78	38,460.61
Check	03/10/2023	52234	PAROLA, FREDERI...	522-52 Pay Pe...	-SPLIT-	-1,737.40	36,723.21
Check	03/10/2023	52235	LONGO, EDITH M.	522-52 Pay Pe...	-SPLIT-	-565.66	36,157.55
Check	03/10/2023	52236	RHOADS, LORRAINE	522-52 Pay Pe...	-SPLIT-	-1,213.61	34,943.94
Check	03/10/2023	52237	Arlyn C. Eames	522-52 Pay Pe...	-SPLIT-	-3,132.83	31,811.11
Check	03/10/2023	52238	Lodato, Michael	522-52 Pay Pe...	-SPLIT-	-2,873.44	28,937.67
Check	03/10/2023	52239	Laura N. Tomeo	522-52 Pay Pe...	-SPLIT-	-2,343.31	26,594.36
General Journal	03/10/2023	S&Co ...	Bank of America	522-52 Pay Pe...	602-04 - FICA ...	-5,505.45	21,088.91
Check	03/10/2023	electro...	PAYCHEX	Payroll Servic...	550-00 - Accrue...	-352.88	20,736.03
Check	03/14/2023	31229	TOH Dept of General...	RENT Februar...	522-12 - Rent E...	-2,500.00	18,236.03
Check	03/14/2023	31230	DGS - Reproduction ...	Envelopes Inv...	522-21 - Printing	-22.00	18,214.03
Check	03/14/2023	31231	TOH Dept of General...	RENT March ...	522-12 - Rent E...	-2,500.00	15,714.03
Total 200-13 - Bank of America - 9419794381-Ck						-53,389.28	15,714.03
Total 200 - Cash						-53,389.28	15,714.03
TOTAL						-53,389.28	15,714.03