



Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)

Financial Report August 31, 2025

**Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)**

**Financial Report August 31, 2025**

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## Independent Auditor's Report

Honorable Mayor and Board of Directors  
Freeport Community Development Agency  
Village of Freeport, New York

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

#### Opinions

We have audited the financial statements of the Freeport Community Development Agency (a component unit of the Village of Freeport, New York) (Agency), as of and for the year ended August 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of August 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 opinions.

#### Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 opinions on the financial statements that collectively comprise the Agency's financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, 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.

The image shows a handwritten signature in blue ink that reads "TABRIZCHI & Co., CPA, P.C.". The signature is written in a cursive, flowing style.

Astoria, NY  
November 25, 2025

**Village of Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Management's Discussion and Analysis**  
**August 31, 2025**

## **Introduction**

The Village of Freeport Community Development Agency ("CDA"), a component unit of the Incorporated Village of Freeport, is a public benefit corporation which was created by New York State Legislation in 2010 under Section 620 of the General Municipal Law, as amended by Chapter 169 of the Laws of 1976. As of and prior to the fiscal year ended February 28, 2010, all activities of the Village of Freeport Community Development Agency were presented under the Incorporated Village of Freeport Community Development Fund, a major special revenue fund of the Incorporated Village of Freeport ("the Village of Freeport"). In 2010, the Village of Freeport Community Development Agency was established as a legally independent unit of the Village of Freeport by the New York State Legislature. For the fiscal years ended August 31, 2025 and August 31, 2024, all activities of the Village of Freeport Community Development Agency are presented as the activities of a separate component unit of the Village of Freeport.

The Board of Directors of the CDA consists of the Mayor of the Village of Freeport, who acts as the chairman, and four other Directors who are appointed by the Mayor. Also, the Mayor of the Village of Freeport appoints the Executive Director of the CDA who administers the agency.

Mission of the CDA is to engage in Economic Development, Downtown Revitalization, Public Service Programs, and Moderate to Low Income Housing Rehabilitation in the Village of Freeport.

The Agency functions as a key component; a partner, advisor and/or participant in a variety of efforts to improve the quality of life for a diverse community of business owners, stakeholders, and residents. The Agency works to maintain a sustainable, vibrant, safe, walkable, transit-oriented community that renews the spirit of every Freeport resident.

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

## **Overview of the Basic Financial Statements**

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

The Statement of Net Position consolidates reporting of the CDA's current financial resources with reporting of capital assets, deferred inflows, deferred outflows, and long-term obligations. The net position, which is the difference between the CDA's assets, deferred outflows, deferred inflows, and liabilities, is one measure of the CDA's financial health. In evaluating the net position of the CDA, other non-financial factors affecting the CDA's overall health and financial condition should be considered, such as changes in demographics and economic conditions, the condition (i.e., residential and commercial conditions and development requirements).

The Statement of Activities presents the change in net position of the CDA during the most recent fiscal

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**Management's Discussion and Analysis**  
**August 31, 2025**

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

In the Statement of Net Position and the Statement of Activities, the activities of CDA are comprised only of Governmental activities for reporting purposes. Governmental Activities are CDA's basic home and community services including economic development, commercial and residential rehabilitation, public facilities improvement, culture, and recreation. Federal aid and program income from sale of properties or collection of economic development loans finance these activities.

The government-wide financial statements can be found in pages 13 and 14 of this report.

### **Fund Financial Statements**

A 'fund' is a self-balancing accounting entity. The Agency, like other state and local governments, uses fund accounting to ensure and disclose compliance with finance-related laws and regulations. Fund financial statements present financial information in a form familiar to experienced users of governmental financial statements. The CDA has a single governmental fund, the General Fund, as required by the State of New York.

### **Governmental Fund**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in governmental funds with similar information presented for governmental activities in government-wide financial statements. There are reconciliations following the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance. These reconciliations explain the difference between the government-wide Statement of Net Position and the governmental fund Balance Sheet, as well as the difference between the government-wide Statement of Activities and the governmental Statement Revenues, Expenditures and Changes in Fund Balance. The basic governmental fund financial statements are presented on pages 15 and 17 of this report.

**Village of Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)  
Management's Discussion and Analysis  
August 31, 2025**

**Notes to the Financial Statements**

The notes supply information that is essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements, pages 19-33.

**Government-Wide Financial Highlights**

**Financial Highlights**

During the year ended August 31, 2025 the CDA's financial conditions remained stable. The following are the significant elements of the CDA's financial performance for fiscal years ended August 31, 2025 (fiscal year 2024):

- The CDA had total assets of \$77,469 as of August 31, 2025. The assets increased by \$4,735 (6.5%) from \$72,734 on August 31, 2024. The increase reflected the increase of \$21,206 (82.14%) in cash balances is offset by a decrease in amounts Due From Other Governments of \$16,471 (35.11%).
- The CDA's expenses exceeded its revenues and therefore the net position of governmental activities decreased by \$88,068 (18.40%) from a deficit balance of \$478,751 on August 31, 2024 to a deficit balance of \$566,819, on August 31, 2025.
- The CDA's total governmental activities liabilities were \$632,556, on August 31, 2025, which showed an increase of \$33,208 (5.54%) from \$599,348, on August 31, 2024. The increase in liabilities was primarily the result of an increase of \$33,208 in amounts owed to the Village of Freeport, representing the Community Development Block Grant (CDBG) funds which were payable for public facilities improvement performed on behalf of the Agency.

**Net Position**

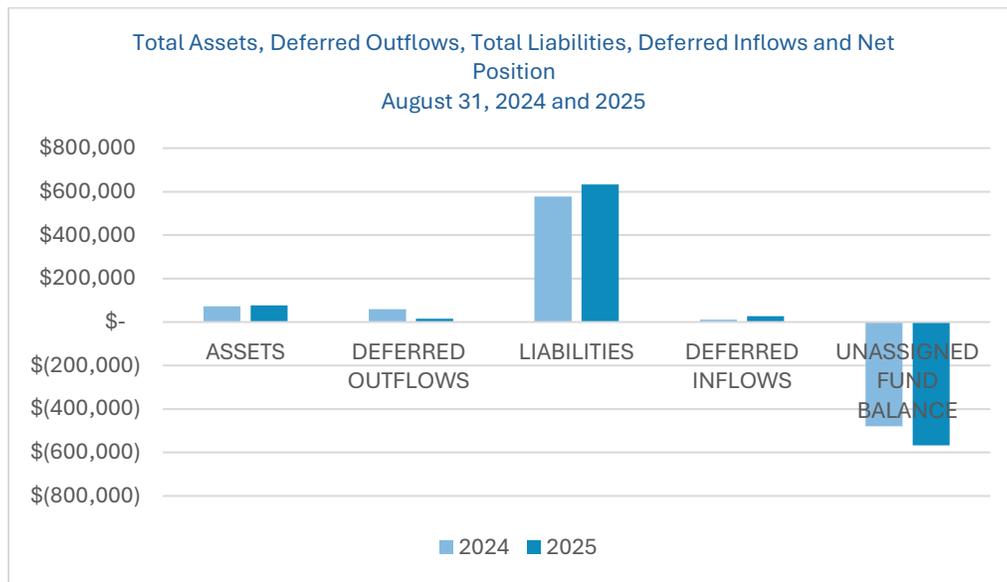
The following comparative condensed financial statements and other selected information provide key financial data:

	<b>Condensed Statements of Net Position</b>			
	<b>August 31,</b>		<b>Changes From</b>	
	<b>2025</b>	<b>2024</b>	<b>August 31, 2024 to 2025</b>	<b>Amount</b>
			<b>Percent</b>	
Assets	\$ 77,469	\$ 72,734	\$ 4,735	6.51%
Deferred outflows of resources	15,920	58,977	(43,057)	-73.01%
Liabilities			-	
Current liabilities	68,489	21,809	46,680	214.04%
Noncurrent liabilities	564,067	577,539	(13,472)	-2.33%
Total liabilities	632,556	599,348	33,208	5.54%
Deferred inflows of resources	27,652	11,114	16,538	148.80%
Net position	\$ (566,819)	\$ (478,751)	\$ (88,068)	18.40%

The Agency had total assets and deferred outflows of resources of \$93,389 as of August 31, 2025. The assets and deferred outflows of resources decreased by \$38,322 from \$131,711 at August 31, 2024 (Chart 1). This decrease is primarily attributable to a \$43,057 decrease in deferred outflows of resources. The decrease in deferred outflows of resources arise from routine amortization of prior-year pension and OPEB deferred amounts, which naturally decline each year as they are recognized into expense.

The Agency’s total governmental activities liabilities and deferred inflows of resources were \$660,208 on August 31, 2025, which was an increase of \$49,746 from \$610,462 on August 31, 2024. The increase in liabilities and deferred inflows of resources was primarily the result of an increase of \$57,942 payable to the Village of Freeport for Public Facilities Improvement related to improvements to the Freeport Armory.

**Chart 1**



**Activities**

**Condensed Statements of Activities**

	Years Ended August 31,		Changes From	
	2025	2024	August 31, 2024 to 2025 Amount	Percent
<b>Revenues</b>				
Federal aid	\$ 1,529,856	\$ 1,810,061	\$ (280,205)	-15.48%
Use of money and property	6,232	3,701	2,531	68.39%
<b>Total revenues</b>	<b>1,536,088</b>	<b>1,813,762</b>	<b>(277,674)</b>	<b>-15.31%</b>
<b>Expenses</b>				
Home and community services	1,624,156	1,808,881	(184,725)	-10.21%
Change in net position	(88,068)	4,881	(92,949)	-1904.30%
Net position, <i>beginning of year</i>	(478,751)	(483,632)	4,881	-1.01%
Net position, <i>end of year</i>	\$ (566,819)	\$ (478,751)	\$ (88,068)	18.40%

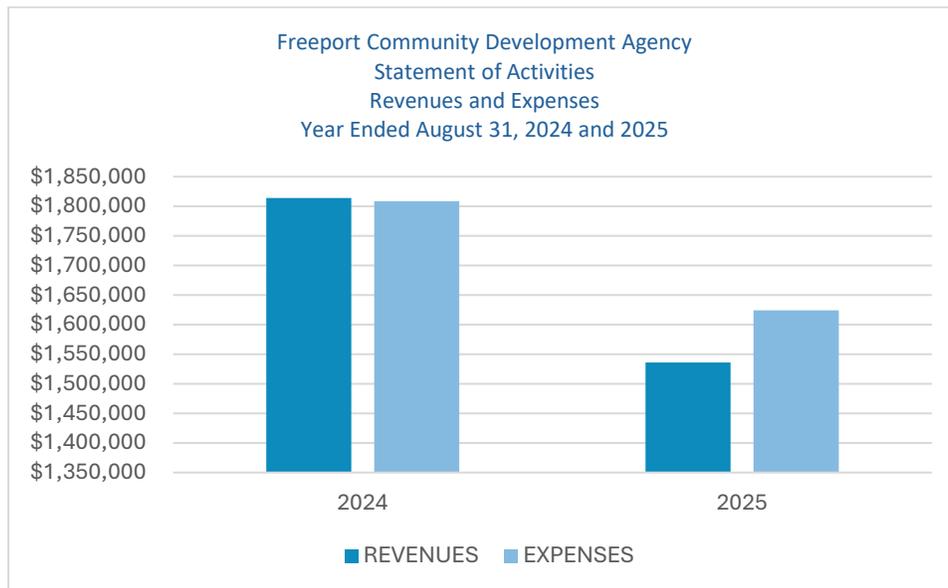
The following are the significant elements of the Agency’s financial performance for the fiscal year ended August 31, 2025 in comparison to the fiscal year ended August 31, 2024:

The Agency’s expenses exceeded its revenues, and therefore, the net position of the governmental activities decreased by \$88,068 from a deficit balance of \$478,751 at August 31, 2024 to a deficit balance of \$566,819 on August 31, 2025 (Chart 2).

During the fiscal year ended August 31, 2025, total federal aid decreased \$280,205 compared to the fiscal year ended August 31, 2024. The federal aid revenues of the Agency are expenditure-driven. This decrease arose from reduction in Community Development Block Grant Public Facilities Improvement and Residential Rehabilitation Programs activity compared to the prior year.

Total home and community service expenditures decreased \$184,275 during the fiscal year ended August 31, 2025 compared to the fiscal year ended August 31, 2024.

**Chart 2**



### **Deferred Outflows / Deferred Inflows**

Deferred outflows of resources decreased during the year due to the scheduled amortization of prior-period pension and OPEB deferrals. Deferred inflows of resources increased because of updated actuarial measurements. These deferrals will be recognized as components of expense in future years and will continue to cause annual fluctuations in reported pension and OPEB expense.

### **Long-Term Debt**

The Agency has no long-term debt obligations, and no debt was issued or retired during the fiscal year.

## Known Facts and Future Conditions

Management is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the Agency's future financial position beyond normal variations in Community Development Block Grant (CDBG) funding levels. However, because CDBG funding represents substantially all Agency revenues, any material changes in federal appropriation levels would directly impact future program activity and financial results.

## Financial Analysis of the Governmental Fund

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

## Balance Sheet

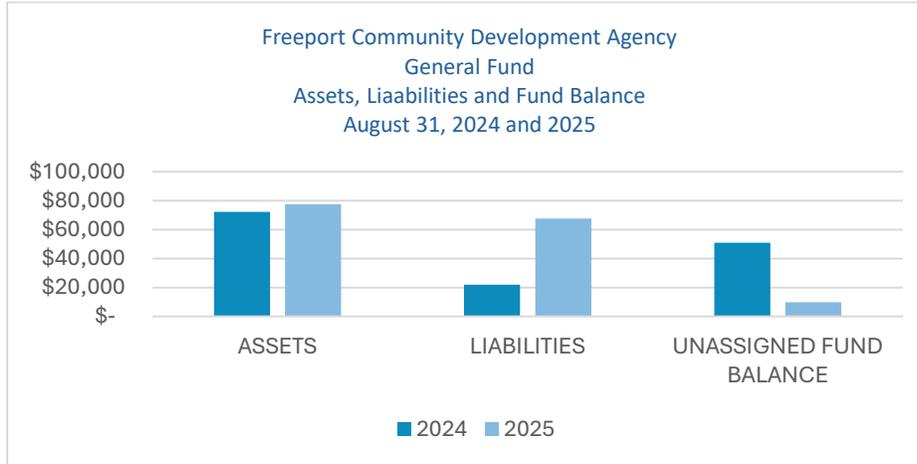
### Condensed Balance Sheets

	August 31,		Changes from	
	2025	2024	Amount	Percent
<i>Assets</i>				
Cash and cash equivalents	\$ 47,024	\$ 25,818	\$ 21,206	82.14%
Due from other governments	30,445	46,916	(16,471)	-35.11%
Total Assets	\$ <u>77,469</u>	\$ <u>72,734</u>	\$ <u>4,735</u>	6.51%
<i>Liabilities</i>				
Accounts payable and accrued expenses	\$ 9,672	\$ 21,809	\$ (12,137)	-55.65%
Due to other governments	57,942		57,942	
Total liabilities	67,614	21,809	45,805	210.03%
<i>Fund balance</i>				
Unassigned (deficit)	9,855	50,925	(41,070)	-80.65%
Total fund balance	<u>9,855</u>	<u>50,925</u>	<u>(41,070)</u>	-80.65%
Total liabilities and fund balance	\$ <u>77,469</u>	\$ <u>72,734</u>	\$ <u>4,735</u>	\$ 6.51%

As of August 31, 2025, the Agency's total assets increase by \$4,735 (6.51%) from \$72,734 at August 31, 2024 to \$77,469 at August 31, 2025 (Chart 3). The increase was due to timing of revenue collections at year end.

Total liabilities increased by \$45,805 (210.03%) from \$21,809 at August 31, 2024 to \$67,614 at August 31, 2025. The increase was because of the \$57,942 to be paid to the Village of Freeport for Public Facilities Improvement performed on behalf of the Agency.

**Chart 3**



**Changes in Revenues, Expenditures and Changes in Fund balance**

**Condensed Statements of Changes in Revenues, Expenditures and Changes in Fund balance**

	Years Ending,		Changes From	
	August 31, 2025	August 31, 2024	August 31, 2024 to 2025 Amount	Percent
<i>Revenues:</i>				
Federal Aid	\$ 1,529,856	\$ 1,810,061	\$ (280,205)	-15.48%
Use of money and other property	6,232	3,701	2,531	68.39%
Total revenues	1,536,088	1,813,762	(277,674)	-15.31%
<i>Expenditures</i>				
Residential Rehabilitation	100,610	179,805	(79,195)	-44.04%
Public Service	73,909	68,518	5,391	7.87%
Public facilities improvement	1,215,561	1,327,870	(112,309)	-8.46%
Administration and professional	187,078	176,752	10,326	5.84%
Total expenditures	1,577,158	1,752,945	(175,787)	-10.03%
Increase (decrease) in fund balance	(41,070)	60,817	(101,887)	-167.53%
<i>Fund balance, beginning</i>	50,925	(9,892)	60,817	-614.81%
<i>Fund balance, ending</i>	\$ 9,855	\$ 50,925	\$ (41,070)	-80.65%

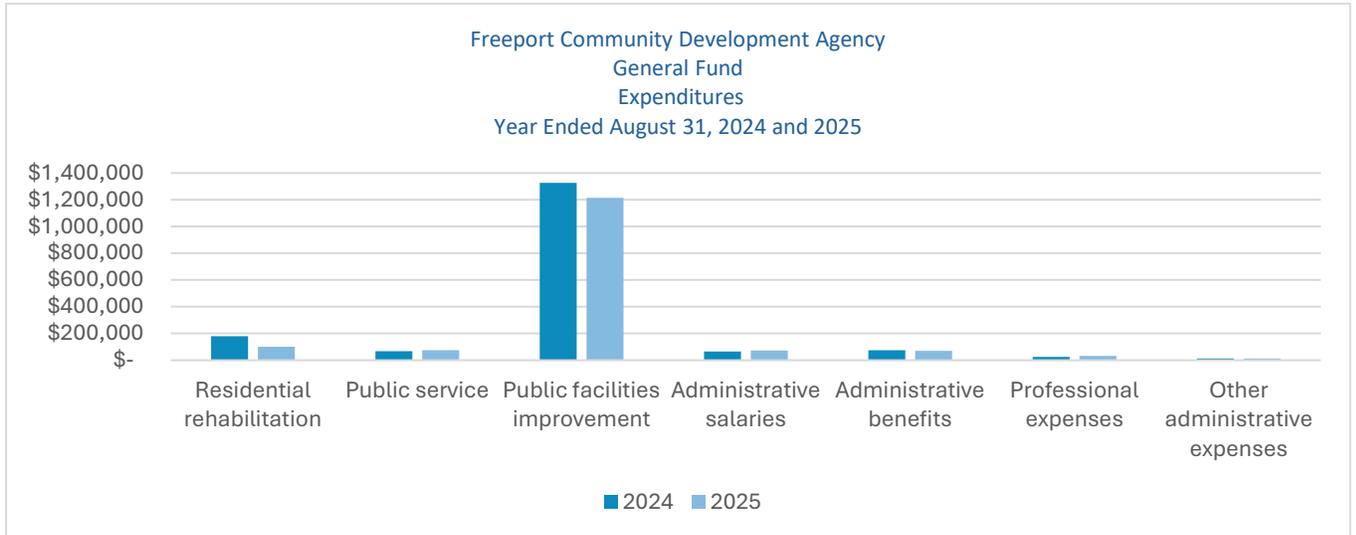
During the fiscal year ended August 31, 2025, revenues decreased \$277,674, or 15.31%, compared to the year ended August 31, 2024 (Chart 4). The decrease is primarily the result of decreased revenue from Community Development Block Grant activities related to Public Facilities improvement and Residential rehabilitation.

Expenditures decreased \$175,787 during the year ended August 31, 2025, or 10.03%, in comparison to the year ended August 31, 2024 (Chart 4). The decrease is primarily the result of decreased expenditure from Community Development Block Grant activities related to Public Facilities improvement and Residential rehabilitation.

As a result, on August 31, 2025, the Agency’s governmental fund reported ending fund balance of \$9,855,

a decrease of \$41,070 from the fund balance of \$50,925 on August 31, 2024. The decrease is primarily the result of decreased revenue exceeding decreased expenditures from Community Development Block Grant activities, while administrative expenditures remained constant.

**Chart 4**



**Fund Statements to Government-Wide Statements**

Governmental fund results differ from the government-wide results because the fund does not report pension and OPEB liabilities, related deferred outflows and inflows, or compensated absences. These items explain the difference between the governmental fund decrease in fund balance of \$41,070 and the government-wide decrease in net position of \$88,068.

**Capital Assets**

The Agency had no capital asset additions or disposals during the year and does not own capital assets.

**Budgetary Highlights**

The Agency’s internal operating budget is approved annually by the Board of Directors. Actual revenues exceeded the final budget by \$532,288 due to higher-than-budgeted CDBG expenditures related to Public Facilities Improvement, generating additional federal reimbursements. Actual expenditures exceeded appropriations by \$547,158 due to increased program activity levels.

**Economic Factors**

The Village is located within the Town of Hempstead and Nassau County on Long Island. As part of the greater New York City metropolitan area, it lies approximately 22 miles east of Midtown Manhattan and seven miles east of the Nassau–Queens border. The Village occupies 4.6 square miles along the southern edge of Nassau County and operates its own municipal electric and water utilities, police force, and fire department.

Federal appropriation levels, particularly funding from the Community Development Block Grant (CDBG)

program, have a major impact on the Agency's economic position. This federal funding represents substantially all of the Agency's revenues. Federal revenues are anticipated to remain relatively stable; however, changes in appropriation levels could materially affect the Agency's financial operations, as the Agency has no significant alternative revenue sources. At this time, management is not aware of any specific federal actions that would significantly alter available funding.

Future financial activity will continue to depend primarily on annual CDBG funding levels administered by Nassau County. Management is not aware of any local economic conditions expected to materially affect operations.

### **Contacting the Agency's Financial Management**

The financial report is designed to provide the reader with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional information, contact the Community Development Agency at (516) 442 - 4844.

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Government-Wide Financial Statements**  
**Statement of Net Position**  
**August 31, 2025**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 47,024
Due from other governments	<u>30,445</u>
Total assets	77,469
Deferred outflows of resources:	
Other post-employment benefits deferrals	2,593
Net pension liability deferrals	<u>13,327</u>
Total deferred outflows of resources	15,920
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	10,547
Due to other governments	<u>57,942</u>
Total current liabilities	68,489
Noncurrent liabilities	
Net pension liability	18,937
Other postemployment benefits	<u>545,130</u>
Total noncurrent liabilities	564,067
Total liabilities	632,556
Deferred inflows of resources	
Other post-employment benefits deferrals	24,856
Net pension liability deferrals	<u>2,796</u>
Total deferred inflows of resources	<u>27,652</u>
Net position	
Unrestricted deficit	\$ <u>(566,819)</u>

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

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Government-Wide Financial Statements**  
**Statement of Activities**  
**Year ended August 31, 2025**

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:					
Home and community services	\$ <u>1,624,156</u>	\$ <u>                    </u>	\$ <u>1,529,856</u>	\$ <u>                    </u>	\$ (94,300)
General revenues:					
Interest income					<u>6,232</u>
Change in net position					(88,068)
Net position, beginning of year					<u>(478,751)</u>
Net position, end of year					\$ <u><u>(566,819)</u></u>

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

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Fund Financial Statements**  
**Balance Sheet – Governmental Fund**  
**August 31, 2025**

Assets:	
Cash and cash equivalents	\$ 47,024
Due from other governments	<u>30,445</u>
Total assets	<u><u>77,469</u></u>
Liabilities and fund balance:	
Liabilities	
Accounts payable and accrued expenses	9,672
Due to other governments	<u>57,942</u>
Total liabilities	67,614
Fund balance	
Unassigned	<u>9,855</u>
Total liabilities and fund balance	\$ <u><u>77,469</u></u>

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

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Fund Financial Statements**  
**Reconciliation of the Total Fund Balance Shown in the**  
**Governmental Fund to the Statement of Net Position**  
**August 31, 2025**

Fund balance of the governmental fund.	\$	9,855
The net pension liability and related deferred outflows of resources and deferred inflows of resources, if any, are not available in the current period and, therefore, are not reported in the governmental funds.		(8,406)
Other postemployment benefits and related deferred outflows of resources and deferred inflows of resources, if any, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(567,394)
Compensated absences earned but not due and payable are not reported in the governmental funds.		<u>(874)</u>
Net position of governmental activities	\$	<u><u>(566,819)</u></u>

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

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Fund Financial Statements**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund**  
**For the Year Ended August 31, 2025**

REVENUES	
Federal aid	\$ 1,529,856
Use of money and property	<u>6,232</u>
Total revenues	1,536,088
EXPENDITURES	
Residential rehabilitation	100,610
Public service	73,909
Public facilities improvement	1,215,561
Administrative salaries	73,056
Administrative benefits	69,411
Professional expenses	31,618
Other administrative expenses	<u>12,993</u>
Total expenditures	<u>1,577,158</u>
Change in fund balance	(41,070)
FUND BALANCE, beginning of year	<u>50,925</u>
FUND BALANCE, end of year	<u><u>\$ 9,855</u></u>

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Fund Financial Statements**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance of the Governmental Fund to the Change**  
**in Net Position Shown in the Statement of Activities**  
**For the Year Ended August 31, 2025**

Net change in fund balance of the governmental fund.	\$	(41,070)
The net pension liability and related deferred outflows of resources and deferred inflows of resources, if any, are not available in the current period and, therefore, are not reported in the governmental funds.		(4,151)
Other postemployment benefits and related deferred outflows of resources and deferred inflows of resources, if any, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(41,973)
Governmental funds report compensated absences only when due and payable; the Statement of Activities records them when earned.		(874)
Change in net position of governmental activities	\$	<u>(88,068)</u>

See accompanying Notes to Financial Statements.

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 1 - Organization and Summary of Significant Accounting Policies**

*a. Organization*

The Freeport Community Development Agency of the Village of Freeport, New York (Agency) is a public benefit corporation that was created by New York State Legislation in 2010 under Section 620, as amended by Chapter 169, of the General Municipal Law of the State of New York. The Agency is a separate legal entity from the Village of Freeport, New York (Village). The Agency provides commercial façade renovation, historic preservation, public facility infrastructure rehabilitation, residential rehabilitation, and urban renewal within the Village.

*b. Financial Reporting Entity*

The Agency has been identified as a component unit of the Village of Freeport, in accordance with the criteria enumerated in Governmental Accounting Standards Board (“GASB”) Statement No. 61 “*The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34.*”

*c. Measurement Focus and Basis of Accounting*

The accompanying basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing accounting and financial reporting principles in the United States of America.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance of this fund presents increases (i.e., revenues and other financing sources, where applicable) and decreases (i.e., expenditures and other financing uses, where applicable) in net current assets.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual (i.e., as soon as they are both measurable and available). “Measurable” means the amount of the transaction can be reasonably determined, and “available” means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay current liabilities of the period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related liability is incurred, except that expenditures for principal and interest on general long-term debt, claims and judgments, and compensated absences are recognized when due.

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

Under the modified accrual basis, expenditures related to pension contributions and OPEB pay-as-you-go amounts are recognized when the payments are due. Expenditures for long-term obligations, including compensated absences, pension liabilities, and OPEB obligations, are not recorded in the fund statements, as these amounts do not require current financial resources.

The basic financial statements have been prepared primarily from accounts maintained by the Executive Director of the Agency.

*d. Nassau County Urban Consortium*

The Agency is a member of the 34-member Nassau County Urban Consortium (Consortium). The Consortium includes three towns (unincorporated areas), two cities, and 29 villages. The mission of the Consortium is to deal with a broad cross-section of urban and suburban problems, such as a shortage of affordable, decent housing and job opportunities; a growing homeless population; aging infrastructure; a growing need for support services to meet the demands of a changing population; and a need for job creation and retention. As a member of the Consortium, the Agency receives annual funding from the U.S. Community Development Block Grant Program (CDBG), the HOME Investment Partnerships Program and the Emergency Shelter Grant Program, which are all funded through the U.S. Department of Housing and Urban Development (HUD).

HUD has required all members of the Consortium to consolidate application and submission requests. Accordingly, all applications for federal funding and submissions for reimbursements associated with ongoing projects of the Agency are first submitted to the Consortium, which provides HUD with final applications and submissions for reimbursement on behalf of the Agency.

Annually, the Agency receives an application from the Consortium to apply for CDBG funds. Upon receipt of the application, the Agency's Board of Directors approves the Executive Director to submit the application to the Consortium. In addition, a public hearing is called to approve the application's submission to the Consortium.

Upon submission and approval of the application, the Agency is allotted funding that serves commercial rehabilitation, residential rehabilitation, public service, and public facilities improvement. In addition, the Agency is allotted funding to administer administrative salaries and benefits, professional expenses, and other administrative costs.

*e. Net Position and Fund Balance*

The following terms are used in reporting net position:

- Net Investment in Capital Assets consists of capital assets, including restricted capital assets, reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position is reported when constraints placed on the use of resources are either:
  - (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; or

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

(2) Imposed by law through constitutional provisions or enabling legislation.

- Unrestricted is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted components of net position described above.

Fund balance for governmental funds are reported in the following classifications that compose a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.
- Unassigned - In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

When resources are available from multiple classifications, the Agency spends funds in the following order: restricted, committed, assigned and unassigned.

The Agency's Board of Directors, as the highest level of decision-making authority, must take formal action, through a motion or resolution adopted at an official meeting, to authorize or accept any nonspendable restriction or commitments of fund balance. The Board of Directors also has the authority to assign fund balance, and the Agency does not maintain a minimum fund balance policy.

The Agency does not maintain any restricted fund balance at August 31, 2025, and no amounts are classified as nonspendable, restricted, committed, or assigned. All fund balance is classified as unassigned due to the nature of the Agency's operations as a special-purpose governmental entity.

*f. Cash and Cash Equivalents*

Cash and cash equivalents include amounts in demand deposits and time deposits with a maturity date within three months of the date acquired by the Agency. Cash equivalents consist solely of short-term, highly liquid investments with original maturities of three months or less; the Agency does not hold commercial paper or other investment instruments.

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

*g. Custodial Credit Risk – Deposits*

The Agency's policy is to require collateralization of deposits in excess of FDIC insurance with eligible securities held by a third-party custodian in the Agency's name. Deposits were not exposed to custodial credit risk as of August 31, 2025.

*h. Concentration of Credit Risk*

The Agency does not have a formal investment policy regarding concentration of credit risk for deposits or investments, and all cash is maintained with a single financial institution.

*i. Capital Assets*

The Agency does not own any capital assets. The Agency's capitalization threshold is \$5,000, and capital assets would be recorded at historical cost and depreciated using the straight-line method over estimated useful lives if applicable. No capital asset activity occurred during the year.

*j. Compensated Absences*

The Agency records compensated absences in accordance with GASB Statement No. 101. Leave benefits are recognized as liabilities when earned through employee service. The compensated-absences liability is reported in the government-wide statements only and is included in Accounts Payable due to its immaterial amount. The liability is measured using the pay rate in effect at year-end, and consists of vested unused leave expected to be used for future absences.

Sick leave is not payable upon termination and is recognized only to the extent expected to be used for future absences. Vacation leave does not carry over and is not payable upon separation; only earned amounts expected to be used before expiration are recognized as a liability.

*k. Budget*

The Agency prepares an annual operating budget for internal management purposes, which is approved and may be amended by the Board. This operating budget is not a legally adopted budget under GASB, as spending authority is governed by the Nassau County CDBG consortium agreement. Accordingly, no budget-to-actual schedule is presented.

*l. Estimates*

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and the disclosure of contingent items at the financial statement date, as well as reported revenues and expenses/expenditures during the period. Actual results may differ from those estimates.

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

*m. Deferred Outflows of Resources and Deferred Inflows of Resources*

Deferred outflows and deferred inflows related to pensions and OPEB represent actuarial changes, amortization of differences between projected and actual experience, changes in assumptions, and differences between projected and actual investment earnings. These amounts are amortized over the average remaining service lives of plan participants.

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

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

*n. Pensions*

The Agency is a participating employer in the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost-sharing, multiple-employer public employee defined benefit retirement system.

*o. Other Postemployment Benefits*

In addition to providing pension benefits, the Agency recognizes the financial impact of OPEB, principally employer-funded retiree health care costs.

*p. Accounting Standards Issued But Not Yet Implemented*

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. The

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

requirements of this statement are effective for fiscal years beginning after June 15, 2026 and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was issued to enhance the notes to financial statements by requiring more consistent disclosures about a government's capital assets. The Statement requires governments to disclose information about capital assets that were acquired through donations, involuntary conversions, service concession arrangements, or annexations, when those assets are significant to the financial statements. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025.

The Agency does not currently report any capital assets, and therefore the implementation of GASB 104 is not expected to have a material impact on the Agency's financial statements.

The estimated potential impact of these pronouncements on the Agency's financial statements, if any, has not been determined at this time

**Note 2 - Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and time deposits with a maturity date within three months of the date acquired by the Agency.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Agency's deposits may not be returned. New York State statutes require that deposits in excess of FDIC limits of \$250,000 be secured by eligible collateral held by the Agency's custodial bank in the Agency's name. The Agency's deposits were not exposed to custodial credit risk at August 31, 2025.

The Agency does not hold any investments subject to interest rate risk as defined by GASB Statement No. 40, as all cash is maintained in demand deposit accounts or short-term time deposits.

The carrying amount of the Agency's cash at August 31, 2025 was \$47,024, and the corresponding bank balance was \$63,604. All cash deposits are held at a single financial institution.

**Note 3 - Due From Other Governments**

Amounts due from other governments represent receivables from Nassau County for grant-related reimbursements. These receivables are recorded at their invoiced amounts. All amounts relate to reimbursable Community Development Block Grant expenditures submitted under cost-reimbursement provisions.

Based on historical collection experience and the absence of any disputed claims, management determined that the amounts are fully collectible and no allowance for doubtful accounts was necessary at August 31, 2025.

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 4 - Due To Other Governments**

At August 31, 2025, the Agency reported a balance of \$57,942 in Due to Other Governments. This balance represents the amount payable to the Village of Freeport for public facilities improvement activities completed by the Village on behalf of the Agency under the Community Development Block Grant (CDBG) program. The Village performs these activities pursuant to intergovernmental arrangements in which it carries out eligible project work and then bills the Agency for the actual costs incurred.

The amount outstanding at year-end relates to project expenditures for playground resurfacing and other eligible improvements that were fully completed prior to August 31, 2025 and submitted to the Agency for reimbursement. The payable is expected to be settled from current financial resources as federal reimbursement funds are received by the Agency.

The Village of Freeport is a related party because it provides program services to the Agency, its Mayor serves as Chairman of the Agency's Board, and the Village appoints the Agency's Executive Director. Amounts charged for services are based on actual costs and are consistent with cost-reimbursement terms permitted under HUD program requirements. During the year ended August 31, 2025, total billings from the Village for these activities amounted to \$1,215,561. No other intergovernmental payables or related-party transactions requiring disclosure were identified.

**Note 5 - New York State and Local Retirement System**

*a. Plan Description and Benefits Provided*

The Agency participates in the System, which is a cost-sharing, multiple-employer public employee retirement system. The System provides retirement benefits, including an automatic cost-of-living adjustment, as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. The net position of the System is held in the New York Common Retirement Fund (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 (Comptroller) serves as the Trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. The System's benefits are established under the provisions of the New York State Retirement and Social Security Law. 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 New York State statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the System at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier, with pension factors determined based on tier and an employee's years of service, among other factors. The System uses a tier concept to distinguish groups as follows:

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 5 - New York State and Local Retirement System (continued)**

- Tier 1 - Those individuals who last became members before July 1, 1973.
- Tier 2 - Those individuals who last became members on or after July 1, 1973 but before July 27, 1976.
- Tier 3 - Generally, those individuals who are state corrections officers who last became members on or after July 27, 1976 but before January 1, 2010, and all others who last became members on or after July 27, 1976 but before September 1, 1983.
- Tier 4 - Generally, except for corrections officers, those individuals who last became members on or after September 1, 1983 but before January 1, 2010.
- Tier 5 - Those individuals who last became members on or after January 1, 2010 but before April 1, 2012.
- Tier 6 - Those who first became members on or after April 1, 2012.

Generally, members of the System may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100% vested. Members who joined on or after January 1, 2010 need 10 years of service credit to be 100% vested.

Subsequent to March 31, 2022, legislation was passed that reduced the number of years of service credit from 10 years to five years. Therefore, all members are vested when they reach five years of service credit. Typically, the benefit for members in all tiers within the System is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or Tier 3 member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. If a Tier 3, Tier 4 or Tier 5 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 Tier 3, Tier 4, or Tier 5 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. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20% of the previous year (Tier 1) or no more than 20% of the average of the previous two years (Tier 2). For Tier 3, Tier 4, and Tier 5 members, each year used in the final average salary calculation is limited to no more than 10% of the average of the previous two years. For Tier 6 members, final average salary is currently based on the highest three consecutive years of salary (changed from five years by Chapter 56 of the Laws of 2024), with each year limited to no more than 10% above the average of the previous two years.

An automatic post-employment benefit is provided annually to pensioners who have reached age 62 and been retired for five years; pensioners who have reached age 55 and been retired for 10 years; all disabled pensioners, regardless of age, who have been retired for five years; recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 5 - New York State and Local Retirement System (continued)**

eligible spouse is entitled to one-half of the cost-of-living adjustment amount that would have been paid to the retiree when the retiree 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 Statistics but cannot be less than 1% or greater than 3%.

*b. Contributions*

Employees in System Tiers 1 through 4 are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary, Tier 5 employees who contribute 3% of their salary, and Tier 6 employees who contribute between 3% and 6% of their salary. Tier 1 and Tier 2 are generally non-contributory; Tier 3 and 4 contribute 3% until they reach 10 years of service; Tier 5 contributes 3% for all years; Tier 6 contributes 3–6% based on wages. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers.

Participating employers of the System are required to contribute at an actuarially determined rate adopted annually by the Comptroller. For the fiscal year ended March 31, 2025, the average contribution rate for employers of the Employee Retirement System (ERS) was approximately 10.99% of covered payroll. Delinquent employer contribution bills accrue interest at the actuarial interest rate applicable during the year; for the fiscal year ended March 31, 2025, this rate was 5.9%. The Agency’s required contributions for the current year and the two preceding years were as follows:

Year ended August 31,	
2025	\$ 7,280
2024	8,327
2023	9,162

All employer contributions for the fiscal year ended August 31, 2025 were remitted prior to the March 31, 2025 measurement date. Therefore, no deferred outflows of resources are reported for contributions made subsequent to the measurement date.

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

*c. Pension Liability, Pension Deferred Outflows of Resources and Pension Deferred Inflows of Resources*

At August 31, 2025, the Agency reported a net pension liability of \$18,937. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency’s proportion of the System’s net pension liability was determined based on its projected long-term contributions to the System relative to projected contributions of all participating employers actuarially determined. At August 31, 2025, the

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 5 - New York State and Local Retirement System (continued)**

Agency's proportion was 0.0001104%, a decrease from 0.0001258% in the prior year. There were no changes in the basis for determining the Agency's proportion compared to the prior year.

At August 31, 2025, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 4,700	\$ 222
Change in assumptions	794	-
Net difference between projected and actual investment earnings on pension plan investments	1,486	-
Changes in proportion and differences between employer contribution and proportionate share of contributions	6,347	2,574
Employer contributions subsequent to the measurement date	-	-
	<u>\$ 13,327</u>	<u>\$ 2,796</u>

Deferred outflows and deferred inflows are amortized over the average remaining service life of System members.

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

Year ended August 31,	
2026	\$ 7,064
2027	4,803
2028	(1,562)
2029	227
2030	-
	<u>\$ 10,532</u>

*d. Pension Expense*

For the year ended August 31, 2025, the Agency recognized pension expense of \$11,121.

*e. Actuarial Assumptions*

The net pension asset was measured as of March 31, 2025, and the total pension liability was determined by an actuarial valuation as of April 1, 2024. The actuarial assumptions used in the April 1, 2024 valuation, with updated procedures used to roll forward the total pension asset to March 31, 2025, were based on the results of an actuarial experience study for the period of April 1, 2015 to March 31, 2020. These assumptions are:

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 5 - New York State and Local Retirement System (continued)**

Actuarial cost method	Aggregate cost method
Asset valuation period	Eight-year level smoothing of the difference between the actual gain and the expected gain using the assumed rate of return
Inflation rate	2.90%
Salary scale	4.3%, indexed by service
Investment rate of return adjustments	5.9% compounded annually, net of expenses;
Cost-of-living	1.5% annually
Active member decrements	Based upon FY 2016 - 2020 experience
Pensioner mortality	Gender/Collar specific tables based upon 2016 - 2020 experience
Mortality improvement	Society of Actuaries' Scale MP-2021

Annuitant mortality rates are based on April 1, 2015 - April 31, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

*f. Investment Asset Allocation*

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025, are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate</u>
Domestic equity	25.00%	3.54%
International equity	14.00%	6.57%
Private equity	15.00%	7.25%
Real estate	12.00%	4.95%
Opportunistic/absolute return strategy	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	4.00%	5.55%
Fixed income	22.00%	2.00%
Cash	1.00%	0.25%
	<u>100.00%</u>	<u>          </u>

*g. Discount Rate*

The discount rate used to calculate the total pension liability was 5.9%. The discount rate projection of cash flows assumes that contributions from members will be made at the current member contribution

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 5 - New York State and Local Retirement System (continued)**

rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based on 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 benefits payments to determine the total pension asset.

*h. Crossover Test*

The System met the GASB 68 crossover test, meaning its fiduciary net position is projected to fully cover expected benefit payments. Therefore, the long-term expected rate of return was applied to all periods.

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

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Share of net pension liability (asset)	\$54,807	\$18,937	\$(11,014)

*j. Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the System as of March 31, 2025 were as follows (dollars in thousands):

Employers' total pension liability	\$ 247,600,239
Plan net position	230,454,512
Employers' net pension asset	\$ 17,145,727
Ratio of fiduciary net position to employers' total pension liability	93.08%

The System's fiduciary net position is measured in accordance with GAAP for pension plans.

**Note 6 - Other Postemployment Benefits**

The Agency administers a single-employer defined benefit healthcare plan (Plan). The Plan provides for continuation of medical insurance benefits for certain retirees and their families. Substantially all of the Agency's employees become eligible for the Plan provided that the employee has a minimum of five years of full-time employment with the Agency, reached 55 years of age and terminated employment with the agency within five years of the date on which the employee is entitled to receive retirement benefits under the System. The Plan does not issue a publicly available financial report.

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 6 - Other Postemployment Benefits (continued)**

A summary of active and retired employees covered under the plan as of August 31, 2025 is as follows:

Active employees	1
Retirees	<u>2</u>
Total	<u>3</u>

3

The Agency pays the full cost of coverage for retirees as well as the retiree's spouse and children. The Agency is not required to fund the Plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended August 31, 2025, the Agency paid \$25,865 on behalf of the members of the Plan.

At August 31, 2025, the Agency reported a liability of \$545,130 for its liability in the Plan. The total OPEB liability was measured as of August 31, 2025, and was determined by rolling forward an actuarial valuation dated September 1, 2023. For the year ended August 31, 2025, the Agency recognized Plan expense of \$67,837. A summary of changes in the Agency's Plan liability is as follows:

September 1, 2024	\$	559,019
<i>Changes for the year</i>		
Service cost		33,205
Interest		26,431
Changes in assumptions		(47,660)
Benefit payments		<u>(25,865)</u>
Net changes for the year		<u>(13,889)</u>
August 31, 2025	\$	<u><u>545,130</u></u>

At August 31, 2025, the Agency reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Impact due to changes in assumptions	\$ <u><u>-</u></u>	\$ <u><u>47,660</u></u>

Amounts reported as deferred inflows of resources at August 31, 2025 will be recognized in Plan expense as follows:

Year ended August 31,	
2026	\$ 22,804
2027	<u>2,052</u>
Total	<u><u>\$ 24,856</u></u>

The Plan liability actuarial valuation was determined using the following actuarial assumptions:

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 6 - Other Postemployment Benefits (continued)**

Valuation date	September 1, 2023
Measurement date	August 31, 2025
Discount rate	4.84%
Actuarial cost method	Entry age normal as a level percentage of payroll 7.00%, grading 0.25% per year to the ultimate trend of
Healthcare cost trend	4.5%
Participation rate	100.00%
Salary increase	3.00%
Mortality rate	Society of Actuaries' PUB-2010 Public Retirement Plans Healthy Male and Female mortality tables

No assets are accumulated in a trust that meets the GASB criteria for prefunding OPEB benefits. All benefits are financed on a pay-as-you-go basis.

The discount rate reflects the municipal bond index rate at the measurement date because the Plan is not funded through a qualifying trust.

The discount rate assumption and the healthcare cost trend rate assumption represent significant assumptions used in the valuation. Changes in these assumptions result in changes to the total OPEB liability, as shown in the sensitivity analyses below.

There were no changes in benefit terms during the measurement period.

The actuarial valuation incorporates age-based claims cost assumptions and an aging curve consistent with expectations for the covered population.

Mortality assumptions reflect Society of Actuaries' PUB-2010 public-sector mortality tables, adjusted for future mortality improvements using Scale MP-2021.

The following presents the Plan liability as of August 31, 2025, calculated using the current health care cost trend rate, as well as what the Plan liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Plan Liability	<u>\$474,363</u>	<u>\$545,130</u>	<u>\$630,938</u>

The following presents the Plan liability as of August 31, 2025, calculated using the current discount rate of 4.84%, as well as what the Plan liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
	3.84%	4.84%	5.84%
Plan Liability	<u>\$610,616</u>	<u>\$545,130</u>	<u>\$490,013</u>

**Freeport Community Development Agency**  
**(A Component unit of the Village of Freeport, New York)**  
**Notes to Financial Statements (continued)**  
**August 31, 2025**

**Note 7 – Compensated Absences**

The Agency provides vacation and sick leave under its approved benefits policy. Vacation leave is earned evenly over the employee's anniversary year, does not carry over, and is not payable upon separation; unused amounts lapse on the next anniversary date. Sick leave is earned at 1.5 days per month, accumulates without limit, and may be used only for future paid absences.

In accordance with GASB Statement No. 101, compensated absences are recognized when earned and unused to the extent the leave is expected to be used for future absences. The liability is measured using the pay rate in effect at year-end.

At August 31, 2025, the compensated-absences liability was \$874, consisting of \$624 of vacation leave and \$250 of sick leave expected to be used in future periods. Because the entire amount is expected to be used within one year, it is reported in Accounts Payable in the government-wide Statement of Net Position.

The entire amount is expected to be used within one year and is reported within Accounts Payable in the government-wide Statement of Net Position. The compensated-absences liability is not reported in the governmental fund financial statements because it does not require the use of current financial resources.

**Note 8 - Contingencies**

The Agency receives funding under various federal and local grant programs, including the Community Development Block Grant (CDBG), which represents the Agency's primary source of revenue. These grants are subject to audit by the respective governmental agencies. Such audits may result in questioned costs or findings that could lead to the disallowance of expenditures and the return of funds to the granting agencies. Based on prior audits and the Agency's compliance history, management believes that any such disallowances, if incurred, would be immaterial to the financial statements.

A significant portion of the Agency's operations is dependent on continued CDBG funding. Any substantial reduction or loss of this grant could adversely affect the Agency's ability to carry out its programs and activities. Management is not aware of any pending legislative or federal actions that would materially affect CDBG allocations.

The Agency is not a party to any pending or threatened litigation, claims, or assessments that would have a material effect on the financial statements.

**Note 9 – Subsequent Events**

Management has evaluated subsequent events through November XX, 2025, the date the financial statements were available to be issued. This evaluation was performed in accordance with GASB Statement No. 56, Subsequent Events. No events requiring adjustment to, or disclosure in, the financial statements were identified.

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Required Supplementary Information**  
**Schedule of Other Postemployment Benefits Liability**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 559,019	\$ 468,813	\$ 423,154	\$ 493,798	\$ 453,411	\$ 576,029
Changes for the year						
Service cost	33,205	37,279	34,806	31,927	51,879	50,683
Interest	26,431	18,599	17,692	22,186	10,154	12,788
Changes in assumptions	(47,660)	60,233	14,677	103,891	(1,668)	165,741
Benefit payments	(25,865)	(25,905)	(21,516)	(20,866)	(19,978)	(20,348)
				-		-
Net changes for the year	<u>(13,889)</u>	<u>90,206</u>	<u>45,659</u>	<u>-70,644</u>	<u>40,387</u>	<u>122,618</u>
End of year	\$ <u>545,130</u>	\$ <u>559,019</u>	\$ <u>468,813</u>	\$ <u>423,154</u>	\$ <u>493,798</u>	\$ <u>453,411</u>
Covered-employee payroll	\$ 66,250	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
OPEB liability as a percentage of covered-employee payroll	822.84%	860.03%	721.25%	651.01%	759.69%	697.56%

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

*No assets are accumulated in a trust that meets the criteria to pay related benefits of the other postemployment benefits liability.*

*See Independent Auditor's Report.*

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Agency's proportion of the net pension liability (asset)	0.0001104%	0.0001258%	0.0001351%	0.0001613%
Agency's proportionate share of the net pension liability (asset)	\$ 18,937	\$ 18,520	\$ 28,980	\$ (13,190)
Agency's covered-employee payroll	\$ 66,250	\$ 60,000	\$ 65,000	\$ 65,000
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.58%	30.87%	44.58%	(20.29)%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%

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

*See Independent Auditor's Report.*

**Freeport Community Development Agency**  
**(A Component Unit of the Village of Freeport, New York)**  
**Required Supplementary Information**  
**Schedule of Pension Contributions**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 7,280	\$ 8,327	\$ 9,162	\$ 15,498	\$ 4,303	\$ 4,304	\$ 4,359	\$ 4,322	\$ 2,523	\$
Contributions in relation to the contractually required contribution	\$ 7,280	\$ 8,327	\$ 9,162	\$ 15,498	\$ 4,303	\$ 4,304	\$ 4,359	\$ 4,322	\$ 2,523	\$
Contribution deficiency (excess)										
Agency's covered payroll	\$ 66,250	\$ 60,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 72,406	\$ 66,459	\$ 37,685
Contributions as a percentage of covered payroll	10.99%	13.88%	14.10%	23.84%	6.62%	6.62%	6.71%	5.97%	3.80%	0.00%

*See Independent Auditor's Report*



Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)  
Single Audit Reports  
Year Ended August 31, 2025

Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)

Schedule of Expenditures of Federal Awards

Federal Grantor/ Pass-Through Grantor/ Program Title	Year Ended August 31, 2025			Total Federal Expenditures
	Assistance Listing Number	Pass-Through Award Number	Passed Through to Subrecipient	
U.S. Department of Housing and Urban Development/ Nassau County, New York/ Community Development Block Grants/Entitlement Grants	14.218	CQHI22000045 CQHI23000047 CQHI24000016	<u>                    </u>	<u>\$1,529,856</u>

*See accompanying Notes to Schedule of Expenditures of Federal Awards, 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, and Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.*

Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)

Notes to Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2025

Note 1 - Basis of Presentation

The schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Freeport Community Development Agency (a Component Unit of the Village of Freeport, New York) (Agency), for the year ended August 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule only presents a selected portion of the operations of the Agency, it is not intended to, and does not, present the financial position and changes in net position of the Agency.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Cost Rate

The Agency has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**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**

Honorable Mayor and Board of Directors  
Freeport Community Development Agency  
Village of Freeport, New York

We have audited, 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, the financial statements of the Freeport Community Development Agency (Agency), a component unit of the Village of Freeport, New York, which comprise the Statement of Net Position as of August 31, 2025, the related Statement of Activities, the Balance Sheet – Governmental Fund, the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

## Purpose of This Report

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

A handwritten signature in blue ink that reads "TABRIZCHI & Co., CPA, P.C." The signature is written in a cursive, slightly slanted style.

Astoria, NY  
November 25, 2025

**Report on Compliance for Each Major Federal Program and Report on  
Internal Control Over Compliance Required by the Uniform Guidance  
Independent Auditors' Report**

Honorable Mayor and Board of Directors  
Freeport Community Development Agency  
Village of Freeport, New York

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Freeport Community Development Agency ("Agency") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs for the year ended August 31, 2025. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in blue ink that reads "TABRIZCHI & Co., CPA, P.C." The signature is written in a cursive, flowing style.

Astoria, NY  
November 25, 2025

Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)

Schedule of Findings and Questioned Costs Year  
Ended August 31, 2025

Section I - Summary of Auditor's Results

*Financial Statements*

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified

_____	Yes	_____ X _____	No
_____	Yes	_____ X _____	None reported

Noncompliance material to financial statements noted?

_____	Yes	_____ X _____	No
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*Federal Awards*

Internal control over major federal program:

- Material weakness(es) identified?
- Significant deficiency(ies) identified

_____	Yes	_____ X _____	No
_____	Yes	_____ X _____	None reported

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

Unmodified

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

_____	Yes	_____ X _____	No
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Identification of major federal program:

Assistance Listing Number

Name of Federal Program or Cluster

14.218

Community Development Block Grants/Entitlement Grants

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

\$750,000

Auditee qualified as low-risk auditee?

_____	Yes	_____ X _____	No
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Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)

Schedule of Findings and Questioned Costs

Year Ended August 31, 2025

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Freeport Community Development Agency  
(A Component Unit of the Village of Freeport, New York)

Schedule of Prior Audit Findings  
Year Ended August 31, 2025

<b>Prior-Year Finding Reference</b>	<b>Prior-Year Finding</b>	<b>Current-Year Status</b>
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None

None

None

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