

**STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL INVESTMENT REPORT
DECEMBER 31, 2020**

INDEPENDENT ACCOUNTANTS' REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3 OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK

To the Board of Directors
Steuben County Industrial Development Agency
Bath, New York

We have examined Steuben County Industrial Development Agency's (the Agency), a component unit of the County of Steuben, New York, compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended December 31, 2020. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the Agency's compliance with the specified requirements referenced above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with Section 201.3.

In our opinion, the Agency complied, in all material respects, with the requirements of Section 201.3 for the year ended December 31, 2020.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021, in which we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws and regulations that have a material effect on the Agency's compliance with Section 201.3 and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Agency complied with the aforementioned requirements and not for the purpose of expressing an opinion on the effectiveness of internal control over compliance with those requirements or other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Agency's management, the Governing Board, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
March 25, 2021

STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Annual Investment Report
December 31, 2020

The following represents the annual investment report as required by Section 2925 of Public Authorities Law:

Permitted Investments

Pursuant to GML Section 11, the Agency is authorized to invest moneys not required for immediate expenditures for terms not to exceed its projected cash flow needs in the following type of investments:

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

*Special time deposit accounts and certificates of deposit are permitted investment provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in Section VII(C) below for deposits of public funds.

**All investment obligations shall be payable or redeemable at the option of the Agency with such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bond or notes, shall be payable or redeemable at the option of the Agency within two years of the date of purchase.

Amendments Made to Investment Guidelines

None

Safeguards

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank.

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

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Authorized Financial Institutions and Dealers

The Agency shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition at the request of the Agency. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with New York Federal Reserve Bank, as primary dealers. The Executive Director or Chairman is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

Provisions for Reporting on Investments

The Agency retains an independent accountant to provide an examination report of all investment practices on an annual basis.

Fees Related to Investment Service

There were no amounts paid by the Agency for fees related to investment services.

Investments

Investments included certificates of deposit amounting to \$1,409,153 for the year ended December 31, 2020.

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN EXAMINATION OF THE ANNUAL INVESTMENT REPORT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Steuben County Industrial Development Agency
Bath, New York

We have examined, in accordance with the attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the annual investment report of the Steuben County Industrial Development Agency, as of and for the year ended December 31, 2020, and have issued our report thereon dated March 25, 2021.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Steuben County Industrial Development Agency annual investment report is 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 determination of annual investment report amounts. However, providing an opinion on compliance with those provisions was not an objective of our examination, 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 examination 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.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
March 25, 2021