

GLEN COVE INDUSTRIAL
DEVELOPMENT AGENCY
ANNUAL INVESTMENT REPORT
December 31, 2018

INDEPENDENT ACCOUNTANTS' REPORT ON 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
Glen Cove Industrial Development Agency
Glen Cove, New York

We have examined Glen Cove Industrial Development Agency's (the IDA) compliance with the requirements of 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, 2018. Management is responsible for the IDA's compliance with those requirements. Our responsibility is to express an opinion on the IDA'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 IDA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the IDA complied 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 IDA's compliance with Section 201.3.

In our opinion, the IDA complied, in all material respects, with the requirements of Section 201.3 for the year ended December 31, 2018.

In accordance with Government Auditing Standards, we have issued our report dated March 27, 2019, 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 IDA'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 IDA 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 opinion. 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 IDA'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

Williamsville, New York
March 27, 2019

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

Annual Investment Report

December 31, 2018

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

Permitted Investments

Pursuant to GML Section 11, the IDA 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:

- U.S. Treasury obligations which carry the full faith and credit guarantee of the United States government.
- U.S. Government agency and instrumentality obligations that have a liquid market with a readily determinable market value.
- Certificates of deposit
- Special time deposit accounts

Amendments Made to Investment Guidelines

None

Safeguards

Eligible securities used for collateralizing deposits shall be held by a third party bank, trust company or trust department of the bank subject to security and custodial agreements at the discretion of the IDA.

The security and custodial agreements shall provide that securities held by the bank or trust company or agent of and the custodian for, the IDA, will be kept separate and apart from the general assets of the custodial bank trust company.

The security and custodial agreement shall provide that eligible securities are being pledged to secure the IDA deposits and investments together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.

GLEN COVE INDUSTRIAL DEVELOPMENT AGENCY

Annual Investment Report

December 31, 2018

Authorized Financial Institutions and Dealers

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

Fees Related to Investment Service

The IDA paid no fees related to investment services for the year ended December 31, 2018.

Investments

Investments included Certificates of Deposit amounting to \$952,413 as of December 31, 2018.

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
Glen Cove Industrial Development Agency
Glen Cove, 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 Glen Cove Industrial Development Agency, as of and for the year ended December 31, 2018, and have issued our report thereon dated March 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our examination of the annual investment report, we considered the Glen Cove Industrial Development Agency's internal control over financial reporting (internal control) to determine the 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 Glen Cove Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Glen Cove Industrial Development Agency's internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Glen Cove Industrial Development Agency's 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 IDA'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 IDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 27, 2019