

**CITY OF GLOVERSVILLE
COMMUNITY DEVELOPMENT AGENCY
PUBLIC AUTHORITIES COMPLIANCE MANUAL**

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**GLOVERSVILLE COMMUNITY DEVELOPMENT AGENCY
PUBLIC AUTHORITIES COMPLIANCE MANUAL**

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Section 1: General Information

Gloversville Community Development Agency

Mission Statement:

The mission of the Gloversville Community Development Agency is to improve the quality of life for the citizens of the City of Gloversville by undertaking projects to revitalize neighborhoods, improve the quality of housing, support creation and expansion of the local business and creation of jobs, eliminate blight, and improve public infrastructure.

Board of Directors:

Mayor Dayton King

Janette Ryder

Steven Kirk

Karen Smith

Ron Briggs

Contracting Officer:

The Community Development Agency Contracting Officer is:

Nicholas Zabawsky

Gloversville Community Development Agency

City Hall, 3 Frontage Road

Gloversville, NY 12078

Listing of All Staff:

Acting CEO:

Acting CFO:

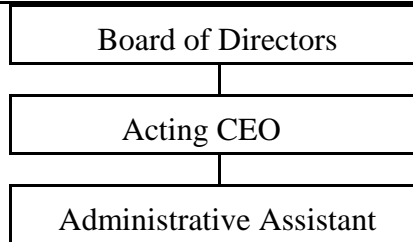
Administrative Assistant:

Nicholas Zabawsky

Bruce Van Gendren

Rachel Frasier

Organizational Chart:



Governance Committee:

The Governance Committee shall be the entire Board of Directors of the Community Development Agency.

Audit Committee:

The Audit Committee shall be the entire Board of Directors of the Community Development Agency.

Enabling Statute:

The enabling statute for the Gloversville Community Development Agency is General Municipal Law, Article 15-B, Title 20.

Agency Bylaws:

BY-LAWS OF THE GLOVERSVILLE COMMUNITY DEVELOPMENT AGENCY GLOVERSVILLE, NEW YORK

ARTICLE I - THE AGENCY

Section 1. Name of Agency. The name of the Agency shall be "Gloversville Community Development Agency".

Section 2. Members. The Agency shall consist of five members appointed in accordance with the provisions of Chapter 772 of the Laws of the State of New York for the year 1963, enacted by the Legislature pursuant to the provisions of Section 553, subdivision 2 of the General Municipal Law of the State of New York.

Section 3. Seal of Agency. The seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.

Section 4. Office of Agency. The office of the Agency shall be located in the City of Gloversville, New York, at such place as the Agency may, from time to time, designate by resolution.

ARTICLE II - OFFICERS

Section 1. Officers. The officers of the Agency shall be a Chairman, a Vice-Chairman, a Treasurer, and a Secretary who shall be the Executive Director of the Agency.

Section 2. Chairman. The Chairman of the Agency shall preside at all meetings of the Agency. He shall have general supervision over the business and affairs of the Agency, subject to the direction of the Agency, and shall sign all official orders thereof. He shall execute all contracts, agreements, bonds, certificates of indebtedness, deeds, mortgages and leases, and all other instruments necessary or convenient for the exercise of its powers and functions. At each meeting, the Chairman shall submit

such recommendations and proposals as he may consider proper concerning the business affairs and. policies of the Agency.

Section 3. Vice-Chairman. The Vice-Chairman of the Agency shall perform the duties and exercise the powers of the Chairman in the absence of the Chairman, in the event of the incapacity of the Chairman, and in case of a vacancy in the office of Chairman.

Section 4. Treasurer. The Treasurer of the Agency shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Agency, except as otherwise authorized by resolution of the Agency. The Agency may by resolution designate one or more members to countersign such orders and checks, and may, from time to time, qualify, change or cancel such designation. The Treasurer shall file and execute a bond for the faithful performance of his duties. He shall serve without compensation, except for actual and necessary expenses incurred in the performance of his duties.

Section 5. Executive-Director. The Executive Director of the Agency shall be the ex-officio Secretary of the Agency, and shall have general supervision over the administration of its business and affairs, subject to the direction of the Agency. He shall have the care and custody of all funds of the Agency and shall deposit the same in the name of the Agency in such bank or banks as the Agency may designate by resolution. He shall keep regular books of account showing receipts and expenditures and shall render to the Agency at each regular meeting, or when otherwise directed, an account of his transactions and a statement of the financial condition of the Agency. The compensation of the Executive Director shall be fixed and determined by the Agency, and he shall execute and file a bond for the faithful performance of his duties, but a member of the Agency serving as Secretary and Executive Director of the Agency in a temporary capacity shall serve without compensation, except for actual and necessary expenses incurred in the performance of such duties.

Section 6. Secretary. The Secretary of the Agency shall keep the records of the Agency, and shall act as Secretary at its meetings and record all votes. He shall keep a record of the proceedings of the Agency in a minute book to be kept for such

purpose, except that documents, resolutions and supplementary materials forming a part of the minutes may be kept in a supplementary document book or books, and shall perform all duties incident to his office and such other duties as may, from time to time, be imposed upon him by resolution of the Agency. He shall keep in safe custody the seal of the Agency and shall have the power and authority to affix such seal to all contracts and instruments to be executed by the Agency as may be required. In the event of the absence Of the Secretary at a regular or special meeting of the Agency, an Acting Secretary may be appointed by the Chairman from among the members of the Agency, who shall serve without compensation, except for actual and necessary expenses incurred in the performance of such duties.

Section 7. Duties of Members. The Members of the Agency shall perform such duties as are incumbent upon them by reason of their office and shall perform such other duties and functions as may, from time to time, be required by the Agency or the by-laws, or which may arise by reason of their appointment to serve on committees functioning within the Agency or in cooperation with other persons or groups.

Section 8. Election or Appointment. The Members of the Agency shall hold office until their successors are appointed by the Common Council of the City of Gloversville: The term of office of a Member of the Agency who is an official or employee of the Municipality shall terminate at the expiration of the term of his municipal office, provided, however, that such Member may hold over after the expiration of the term of his municipal office until the appointment and qualification of his successor. Officers of the Agency shall hold office until their successors are elected or appointed. The Agency shall appoint one person to fill the office of Secretary and Executive Director. Any person appointed to fill the office of Secretary and Executive Director, or any vacancy therein, shall have such term as the Agency shall fix, but no Member of the Agency shall be eligible to hold such office except as a temporary appointee.

Section 9. Vacancies. Should the office of Chairman or other Member of the Agency become vacant, a successor shall be appointed by the Common Council of the City of Gloversville, New York.

Section 10. Additional Personnel. The Agency may, from time to time, employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by Article XV-A of the General Municipal Law of the State of New York and all other laws of the State of New York applicable thereto.

ARTICLE III - MEETINGS

Section 1. Regular Meetings. Regular meetings of the Agency may be held without written notice at such times or places as may, from time to time, be determined by resolution of the Agency.

Section 2. Special Meetings. The Chairman of the Agency may, when he deems it necessary or proper, and shall, upon the written request of two or more Members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. Every special meeting of the Agency shall be held at such time and place as shall be designated in the notice thereof, which shall be served upon each Member of the Agency, either personally or by mail, at least two days prior to the date of such special meeting.

Section 3. Quorum. The powers of the Agency shall be vested in the Members thereof in office. A majority of the Members of the Agency shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. When a quorum is in attendance, action may be taken by the Agency only upon the concurring vote of a majority of the Members of the Agency.

Section 4. Order of Business. At the regular meetings of the Agency, the following shall be the order of business:

1. Roll call.
2. Reading and approval of the minutes of the previous regular meeting and any intervening special meeting.
3. Bills and communications.
4. Report of Executive Director.
5. Reports of Committees.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 5. Manner of Voting. All questions coming before the Agency shall be presented in the form of motions or resolutions. The vote on all resolutions shall be by roll call, and the ayes and noes shall be recorded.

Section 6. Resolutions and Motions. All resolutions of the Agency shall be in writing and chronologically numbered, and the originals thereof shall be kept in a separate Resolution Book of the Agency. The number and title of each resolution shall be entered upon the minute book of the Agency, together with the action taken thereon, and a copy of such resolutions shall be appended to the minutes of the meeting at which such action was taken. All motions shall be entered in full upon the minutes of the meetings of the Agency.

ARTICLE IV - AMENDMENTS

Section 1. Amendments to By-Laws. The By-Laws of the Agency may be amended by resolution adopted by the affirmative vote of at least a majority of the members of the Agency at a regular or special meeting; but no such amendment shall be adopted unless at least seven days' written notice of the substance of the proposed amendment shall have been previously given to all of the members of the Agency.

Section 2: Policies and Guidelines

Procurement Policy:

All procurement shall be undertaken in accordance with regulations and procedures prescribed by General Municipal Law, and applicable regulations of State and Federal funding sources.

Procurement of Consultants

Consultants shall be selected by the competitive proposal method. This shall include professional services, lead inspection services, community development consultants, architects, engineers, and accountants.

Request for Proposals

A written Request for Proposals (RFP) shall be prepared and the beginning of the process. The RFP shall contain the following information:

- a. Identifying information that the Gloversville Community Development Agency is seeking proposals.
- b. A description of the services requested, and the associated project. This will include nature and scope of the project and the services requested, and a time frame for the services.
- c. A description of the qualifications sought in a consultant, in terms of experience, specific skills, education, and particular areas of expertise.
- d. A description of the materials that the consultant is to submit in response to the RFP. This will include resumes, a track record, references, and other relevant information.
- e. A time frame for project completion, along with major milestones.
- f. Method of compensation of the consultant, or options in terms of consultant compensation.
- g. Contact information, name of person coordination RFP process, and address and phone number of person who can answer questions regarding the RFP.
- h. A deadline for response submittal by the consultant.
- i. Method employed for selection of the consultant, and selection criteria.

Solicitation of Proposals

Solicitation of proposals shall be as follows:

- a. Proposals shall be solicited by means of an advertisement in the Leader Herald, or other newspaper designated as the official paper of the City of Gloversville.

b. Any parties responding to the advertisement shall be provided with a copy of the full Request for Proposals.

c. Consultants shall be permitted at least 2 weeks to respond to Requests for Proposals.

Consultant Selection

Consultants will be reviewed and selected according to the competitive proposal process as outlined in part 24 of the Federal Code of Federal Regulations. The consultant will be selected based upon the technical skills and relevant experience of the individual project staff as follows:

a. Technical Capability - The relevant education in a closely related field to that proposed in the RFP. Working knowledge of State and Federal funding programs and community development projects.

b. Experience/Track Record - The number of years and type of experience in working on relevant projects prior employment history, and record of successfully addressing needs of clients.

c. Administrative Ability - Record of setting up and successfully completing similar projects. Evidence of ability to work with State and Federal programs that were completed in a timely manner, without undue problems or administrative obstacles.

d. Cost - The total cost of providing consulting services in relation to other factors. Consultant's ability and willingness to comply with procurement and cost documentation requirements as established with State and Federal funding sources.

e. References - References from previous clients that indicates adequacy of consultants services, including timeliness of work, knowledge of project in question, willingness to work with local staff, and fees in line with original proposals.

Consultants Already Under Contract

Consultants already under multi-year contracts can be utilized, as long as the original procedures were in compliance with the standards as spelled out above.

Procurement of Contractors

Selection of Contractors - Private Property Owners

Participating contractor List

A list of participating contractors shall be established and be kept on file at the Community Development Offices. This list shall be developed by periodic advertizing in the local newspaper.

Such advertizing shall take place at least once a year. Any contractor can be place upon the list upon request, but shall not be selected to perform any work until the criteria on the following pages are met. A contractor does not have to be on the participating contractor list in order to be allowed to bid on work for the Community Development Agency, but will have to meet the qualifications as for any contractor who is on the participating contractor list.

Selection Process

The selection of contractors to perform construction work on privately owned properties shall be done in the following manner:

- a. The Agency will provide copies of work write-ups and specifications to the property owner;
- b. The Agency will, on behalf of the property owner, will secure at least two proposals from contractors who have been approved by the Agency.
- c. All proposals will be received by the Agency and opened at a predetermined time and place; at least one witness shall be present at the bid opening, and a tabulation of bids shall be prepared.
- d. The Contracting Officer will determine which bid is the lowest qualified and will recommend that the homeowner accept the lowest qualified bid. The property owner can choose to accept a bid that is not the lowest qualified, but the owner will be required to pay the difference in cost. In no case will the homeowner be allowed to accept a bid that the Agency deems unqualified.

Contractor Qualifications

A selected contractor shall be of good reputation, financially sound, have adequate financial resources to carry out his bid and proposal and be qualified to do the required work. The contractor shall be required to carry sufficient comprehensive public liability, bodily injury, and workman's compensation insurance for all employees as required by N.Y.S. Law and the City.

A contractor may be denied participation in the program, or be removed from the list of participating contractors in the program for any of the following reasons:

- a. Failure to complete a contract within the deadline specified in the contract.
- b. Repeated complaints from homeowners or the rehabilitation specialist about work quality, scheduling of work, or oversight of subcontractors.
- c. Failure to follow specifications or program procedures in completing work, including but not limited to change order procedures, bidding procedures, or billing procedures.
- d. Repeated disputes with Agency staff regarding specifications or completeness of the work.
- e. Failure to pay subcontractors or building materials suppliers in a timely manner.

- f. Being placed on the Federal List of Debarred Contractors.
- g. Violation of any rules or regulations of HUD, including Fair Housing and Equal Employment Opportunity, any acts of discrimination, failure to pay prevailing wage scale on projects involving Davis Bacon requirements, or any other State or Federal regulation.
- h. Allowing required insurance coverage to lapse during the performance of a contract.
- i. Threatening, abusive, or harassing behavior toward Agency staff, homeowners, or inspectors.
- j. Any acts of collusion with any other bidder, or refusal to sign a certification of non-collusion.
- k. Any conduct that undermines the efficient operation, effectiveness, or integrity of the program.
- l. Charging an owner for work that is already included in the contract specifications.
- m. Not following codes, laws, or regulations regarding the use of licensed contractors or subcontractors where such licenses are required.

Acceptance of Proposals

The Contracting Officer will review all proposals to insure that they cover the work specified in the work write-up, the materials and method of work is acceptable, and the price is reasonable for that type of work in the locality. A bid tabulation form will be prepared. After bid opening, contractors are not to contact owners to discuss bids or to coerce homeowners to accept any particular bid over another.

Contracts

A contract will not be awarded until all required submissions are in place and all requirements for insurance, permits, and bonding (if applicable) are in place.

Selection of Contractors - Public Projects

For public owner projects, all of the above provisions will apply, with the following additional requirements.

- a. All public contract work will be awarded by a formal competitive bid, publicly advertized, with a public bid opening at a pre-announced time and place.
- b. All public work shall be bid according to the regulations for public work as established by General Municipal Law, and laws ordinances of the City of Gloversville.

Code of Ethics:

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

Responsibility of Directors and Employees

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

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

8. Directors and employees shall not use Agency property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the Agency's mission and goals.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

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

Penalties

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

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Agency to the Chairman, who shall serve as the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Agency.

Salary & Compensation Policy:

The provisions of the Agency Salary and Compensation Policy are as follows:

- a. All salary and compensation matters shall be decided by the Board of Directors of the Community Development Agency.

- b. Board members and officers of the Agency shall serve without compensation. Such persons, however, may be compensated for out of pocket costs for expenses incurred in carrying out their duties. Such reimbursement shall be reviewed and approved by the Board of Directors.

- c. All salaries shall be commensurate with the duties and responsibilities of the position held. In rendering all compensation decisions, the Board of Directors shall consider comparable salaries in other departments within the City of Gloversville, as well as similar positions in the private sector.

Time and Attendance Policy:

All employees will be required to fill out time sheets which document the time worked for the Agency. All such time sheets shall be reviewed and signed off by a person in a supervisory capacity. Employees will be credited only for hours actually worked, consistent with the Personnel Policy. Under no circumstances will employees be credited for time not actually worked, and documented on time sheets.

Defense and Indemnification Policy for Board Members:

Board Members shall be indemnified for all acts undertaken in good faith on behalf of the Agency. The Gloversville Community Development Agency indemnifies and holds harmless the members of the Board of Directors of the Community Development Agency, and will defend all members against actions brought against them for any acts undertaken as Board members of the Agency. In addition, the Board members shall be covered by the City of Gloversville's liability insurance coverage, including Officers and Directors Liability Coverage.

Personnel Policy (Including Whistleblower Protection):

Introduction

The Gloversville Community Development Agency is dedicated to fair and consistent treatment of all of its employees. This policy is intended to provide standard procedures for all of the employees. This is not a contract of employment. The Gloversville Community Development Agency reserves the right to change, interpret, withdraw or add to any of the policies, benefits, or terms and conditions of employment without prior notice to an employee. This policy supercedes all prior personnel policies of the Community Development Agency.

Work Hours

The office of the Gloversville Community Development Agency will conform to the regular office hours of City Hall as closely as possible. The hours for full time staff will be from 8:00 a.m. to 4:00 p.m., with one hour off for lunch (or any such schedule as deemed by the Board). Part time staff will work a schedule that is established when the employee is hired.

Full-time Employees

An employee who occupies a full-time line item and regularly works 1,560 scheduled hours or more annually (average 30 hours per week) or the hours specified in the job description.

Part-time Employees

An employee who works less than 1,560 hours annually (average 30 hours per week) or the hours specified in the job description.

Since the Community Development Agency serves the public, staff must assume the responsibility for covering the office and telephones during office hours. Accordingly, staff should make arrangements to stagger lunch hours, if necessary, to keep the office open to the public as much as possible.

On occasion, employees may be asked to work extra hours, particularly in the event of a project deadline or an evening meeting. Employees are expected to cooperate with these requests, and will take compensatory time off for the extra hour worked.

Overtime & Compensatory Time

As discussed above, there are times when employees may have to work overtime due to project deadlines, Board meetings, or other reasons. No employee is to incur overtime without prior knowledge and approval of the Executive Director of the Community Development Agency. Compensatory time is to be taken in the same week that it is incurred, if possible.

Any overtime incurred by employees (in excess of 40 hours in one week) is to be compensated by

the employee taking time off equal to 1 times the overtime hours worked. This compensatory time is to be taken in the week following the week that the overtime was incurred. Employees are not to work overtime with the expectation of being paid overtime, unless such overtime pay is authorized in writing by the Executive Director of the Agency prior to incurring the overtime.

Jury Duty Leave

Jury duty leave is granted with pay. The pay shall be the difference between the employee's average weekly salary over the past three (3) months and the payment for jury duty. An employee who is excused from jury duty or relieved for the day is required to return to work. To be eligible for payment, an employee must produce evidence of appearance for jury duty and verification of the jury duty payment from the court.

Time Sheets

Due to the fact that the Agency works entirely with public funds, and must be accountable to the public and to the various Agency funding sources, employees must fill out time sheets. These sheets must accurately reflect the hours worked by each employee and the specific projects worked on. Each day, every employee is expected to fill out the appropriate section of a weekly time sheet as designated by the Agency. Review of the time sheets will be undertaken by the Executive Director of the Agency, who will sign the time sheets upon such review.

Petty Cash Policy

The petty cash fund shall not exceed \$100. Petty cash is available to cover small, unexpected, and necessary expenses incurred by an employee or Board member for Agency purposes. Funds may be requested from the secretary, who records all withdrawals from the petty cash fund. The person who withdraws funds will be expected to promptly return cash and receipts totaling the amount of funds withdrawn, and is responsible and liable for the amount of funds withdrawn, until the cash and/or receipts are returned. Petty cash is to be managed on the imprest system, whereby the total amount of cash and receipts combined is always at a constant level.

Compensation Policy

Salaries for all employees is established on a case-by-case basis. Full-time employees will be compensated on an annual salary basis. Part-time employees will be compensated on an hourly basis. Raises will be considered on an annual basis at the time of a performance evaluation.

Sexual Harassment Policy

The Agency does not and will not condone sexual harassment, on any level. Sexual harassment affects both men and women, and may be in a variety of forms. Pursuant to guidelines issued by the Federal Equal Employment Opportunity Commission, the Agency is required to maintain a working environment for its employees that is free from sexual harassment.

Sexual harassment is defined as follows:

Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;

1. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions;
2. Such conduct has the effect of unreasonably interfering with an individual's work performance or creating an intimidating or offensive working environment for other employees.

It is the responsibility of every member of management to insure that this policy is enforced strictly. This responsibility includes insuring that each employee is aware of the Agency's policy and that this facility is free from sexual conduct that causes, or reasonably could be considered to cause, an intimidating or offensive working environment. All employees are responsible to conduct themselves in ways that insure others are enabled to work in an atmosphere free from sexual harassment. An employee has the right and may feel it appropriate to inform the individual directly that they find their conduct personally offensive. Any incident of sexual harassment should be immediately reported to the Executive Director, who will immediately investigate the complaint. If substantiated, appropriate disciplinary action up to and including dismissal will be taken.

Performance Evaluation

A performance evaluation will be conducted on an annual basis to determine if any adjustments should be made regarding the position, job title, responsibilities, or salary of an employee. The performance evaluation will be made by the Executive Director of the Agency. In carrying out this review many factors in the employee's performance will be considered including overall performance, development of job skills, contribution to completion of goals of the Agency, cooperation with other staff or Board members, effective use of time, problem solving abilities, and work habits.

As part of the performance evaluation, an evaluation session will be held between the Executive Director and the employee, and a written job performance evaluation will be provided to the employee. This evaluation will be maintained as part of the employee's personnel file.

Vacation Policy

Vacation time is earned by each full time employee based on the period of employment with the Agency.

Vacation Schedule

There is some carry over of vacation time, but it is limited. An employee can carry over up to five days of vacation from a prior year. However, any time in excess of five days of carry over vacation time must be used by the employee. There will be no compensation for vacation time not used by the employee, except by express written approval of the Executive Director and Board of Directors. There will be no reimbursement for unused vacation time in the event of termination of employment. All vacation must be taken in no less than 2 day blocks.

Vacation requests must be:

1. In writing and are subject to approval by the Chairman,
2. Submitted at least two weeks before the start of the requested vacation period, and

3. For no more than the vacation credit at the time the vacation period begins.

Holidays falling within a vacation period are counted as holidays. Any vacation time granted for that day is credited to the employee, and is to be taken at another time.

Sick Leave

Full-time employees are entitled to take time off with pay in the event of personal illness or illness of a member of their household which requires time away from work, subject to the conditions below. Part-time employees are not entitled to paid sick leave.

A new employee is entitled to sick leave after six months of full-time employment. After the first six months, five days of sick time are earned. Thereafter, the employee earns one day of sick time for each month worked. Up to 30 days of sick leave can be carried over from one year to the next. Any time in excess of thirty days of sick leave cannot be carried over from one year to the next, and is lost. (Days are calculated based on a 30 or 40 hour work week.) There will be no reimbursement for unused sick leave either at the end of a year or in the event of termination of employment. Sick leave must be used in increments of at least 1/2 day.

Personal Leave

Full time employees are entitled to time off for personal leave. Part time employees are not entitled to paid personal leave. A new employee is entitled to personal leave after six months of full time employment. After the first six months, two days of personal time is earned. Thereafter, the employee earns 1/6 day of personal time for each month worked. At the start of each subsequent year of employment, the employee is entitled to three personal days. Up to two days of personal leave can be carried over from one year to the next. Any time in excess of two days of personal leave cannot be carried over from one year to the next, and it is lost. There will be no reimbursement for unused personal leave either at the end of a year or in the event of termination of employment. Personal leave must be used in increments of at least 1 day.

Bereavement Leave

All full-time and part-time employees of the Agency are eligible for bereavement leave. Bereavement leave is granted for a period of three (3) days with pay following the death in the employee's immediate family. Immediate family is defined as: parents, brother, sister, children, husband, wife, mother or father-in-law, brother or sister-in-law, grandparents, step parents, step brother or sister, and foster parents.

Holidays

Full-time employees are entitled to paid holidays. The holiday schedule will conform to the schedule set up through the City of Gloversville Holiday Policy. As stated in the Policy, in the event that one of the designated holidays falls on a weekend, the employee shall be entitled to the previous Friday of the following Monday as a paid day off.

Health Insurance

Health insurance is available to all full-time employees. In some instances, employees may opt to be covered under a spouse's plan through another employer. The cost of health insurance coverage is not automatically paid by the Agency. Health insurance arrangements are to be made on a case by case basis at the time a person is hired, and will be negotiated as part of the employee's compensation package at the time of hiring. In the event of termination of employment, the Agency will continue to provide health insurance coverage for thirty days after termination, at the employee's expense.

Other Benefits

The Agency will also provide other benefits as mandated by State and Federal Law including Federal Unemployment Insurance, State Unemployment Insurance, worker's compensation, and disability insurance. The costs of these benefits is paid by the Agency.

Retirement Plan

Full-time employees will be enrolled in the New York State Retirement system for public employees. The details of this plan are available to employees upon request.

Business Gifts

Gifts from vendors are discouraged. A token gift can be accepted provided it is a non-cash item worth less than \$25. Cash or any item valued at more than \$25 must be refused.

Termination Policy

Termination by employee:

It is expected that an employee who leaves the Agency will give at least 2 weeks advance notice prior to leaving the Agency. It is preferred that 30 days notice be given, so that a replacement can be sought to fill the position and ensure a smooth transition without disruption of service to the public. At the time of resignation, arrangements must be made with the Executive Director of the Agency regarding accumulated vacation time and other employee benefits such as health insurance coverage. It is understood that the manner in which an employee handles the termination will be reflected in any recommendation that the Agency gives to a future prospective employer.

Termination by the Agency:

All hiring decisions and staffing will be made in the best interests of the Agency considering its financial condition, workload, and availability of grant funds to support staff. All employees acknowledged that they are employed at the will of the Agency and may be terminated for poor work habits, violation of personnel policies, failure to complete assigned tasks, conduct detrimental to the interests of the Agency, due to the lack of sufficient funds to continue the employee's salary, or for any other valid reason.

Equal Employment Opportunity

The Gloversville Community Development Agency is an equal opportunity employer. There will be no discrimination against any employee or prospective employee on the basis of race, color, religion, sex, disability, or national origin. The Agency will take affirmative action to ensure that goal. Such action shall cover employment, upgrading, demotion or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeships. The Agency will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

The Agency will, in all solicitation or advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, or disability.

Section 3 Requirements

The work to be performed by the Agency under programs providing direct federal financial assistance is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 lu. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of a project area and contracts for work in connection with a project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the areas of a project.

The Agency will comply with the provision of Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, and all applicable rules and orders of the Department issued thereunder.

Conflict of Interest

The Agency and its employees will avoid conflicts of interest in carrying out activities of the Agency. No employee of the Agency shall have any private interest, direct or indirect, in any Agency contract or in its proceeds.

Whistle Blower Protection

Whistleblowers are employees who report fraud, abuse, or any improper activities on the part of the Community Development Agency, its staff, its Board members or other parties with which the Agency transacts business to others, including Board Members, elected officials, or other 3rd parties, such as law enforcement or State or Federal officials. Employees shall be protected from any retaliation of any kind whatsoever for any such whistle blowing activities. Employees are encouraged to report any improper activities to the Board of Directors of the Community Development Agency, if an effort to bring such activities to the attention of the Board.

The protections extended under this provision of the Personnel Policy do not cover any acts by an employee to create, report, or disseminate false or misleading information.

Summary

Realizing that every conceivable situation cannot be covered entirely, we have attempted to cover those areas most important to you as an employee. It may be necessary to make further revisions in our policies and we reserve this right. Any conflicts arising from differences between present and past policies will be settled on an individual basis. If you have any questions or problems in this regard, please refer the matter to the Executive Director of the Agency. It should be noted by employees that this manual is not a binding work contract.

Policy Prohibiting Extension of Credit to Board and Staff Members:

The Gloversville Community Development Agency will not provide any advances, loans, or extend credit of any kind to Board Members or employees of the Gloversville Community Development Agency.

This prohibition against the extension of credit will include any elected officials of the City of Gloversville, or City of Gloversville personnel in supervisory or policy making positions, including all City department heads.

All such prohibitions above shall include not only the affected person, but any member of that person's immediate family, or any person having business ties to said affected person.

Investment Guidelines:

Investments of the Community Development Agency shall be as follows:

All funds shall be placed only in FDIC insured institutions. The Agency will not invest its funds in any type of investment other than checking accounts, savings accounts, and certificates of deposits with FDIC insured institutions. For any deposit with any one financial institution that exceeds the FDIC insurance limit, such institution will be required to collateralize the deposit. Acceptable collateral will be limited to eligible securities as defined by General Municipal Law Section 10 (3), eligible surety bonds, or an eligible letter of credit as defined under Section 10 (1) of General Municipal Law.

Travel Policy

Employees and Board members shall be entitled for reimbursement for travel costs associated with their duties. Reimbursement for mileage shall be at the rate established by the IRS each year. Travel by common carrier shall be reimbursed at actual cost, and shall be approved by the Agency prior to incurring such costs. All travel costs shall be documented by logs or copies of actual bills for travel costs incurred.

All travel costs shall be necessary, and the most economical means of travel and accommodations shall be utilized. First class travel accommodations shall not be eligible for reimbursement. Any hotel or meal costs shall be approved only on a case-by-case basis by the Agency Board of

Directors.

Policy Regarding Real Property Transactions

The following shall govern all real estate transactions of the Community Development Agency:

Acquisition of Real Estate:

1. The Agency shall acquire real estate only when such acquisition is necessary to achieve the public benefit purposes of the Agency. All such purchases shall be approved by the Board of Directors, stating the reason for such acquisition.

2. Prior to making any real estate acquisition, efforts will be made to ensure that the property being acquired does not present environmental liability issues. A transaction screening questionnaire (TSQ) will be performed for all realty acquisitions, and if there are indications of environmental issues, a Phase I environmental review will be completed prior to entering into a transaction.

2. All real estate acquired shall be purchased for a fair market price or a better price negotiated between the Agency and the seller. Under no circumstances will the Agency pay more than the appraised fair market value for any real estate acquisition. Such appraisal shall be undertaken by a qualified independent appraiser.

3. All such real estate purchases shall be publicly announced at an Agency Board of Directors meeting, and shall be posted on the State Comptroller's web site, pursuant to State Law, and shall be included in annual reporting by the Agency.

Disposition of Real Estate:

1. Definitions.

"Contracting officer" shall mean the officer or employee of the (hereinafter, the "Agency") who shall be appointed by resolution to be responsible for the disposition of property.

"Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the New York State Public Authorities Law.

"Property" shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may

be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

2. Duties.

The Agency shall:

(i) maintain adequate inventory controls and accountability systems for all property owned by the Agency and under its control;

(ii) periodically inventory such property to determine which property shall be disposed of;

(iii) produce a written report of such property ; and

(iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

(v) publish, not less frequently than annually, a report listing all real property owned in fee by the Agency. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Agency and the name of the purchaser for all such property sold by the Agency during such period; and

(vi) shall deliver copies of such report to the Comptroller of the State of New York.

3. Transfer or Disposition of Property.

(i)The Agency shall have the right to dispose of its property for any valid corporate purpose.

(ii) Unless otherwise permitted, the Agency shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Agency and/or contracting officer deems proper. The Agency may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.

(iii) Except as permitted by all applicable law, all disposals or contracts for disposal of property

made or authorized by the Agency shall be made after publicly advertising for bids except as provided below.

(iv) Whenever public advertising for bids is required under subsection the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition; all bids shall be publicly disclosed at the time and place stated in the advertisement; and the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Agency, price and other factors considered; provided, that all bids may be rejected at the Agency's discretion.

(vi) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to the above provisions, if :

- the personal property involved is of a nature and quantity which, if disposed of under the above provisions, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation; or
- the fair market value of the property does not exceed fifteen thousand dollars (\$15,000.00); or
- bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition; or
- the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or
- the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the Agency, the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the authority's enabling legislation permits or other economic development initiatives, the purpose and the terms of such disposal are documented in writing and approved by resolution of the board

of the Agency; or such action is otherwise authorized by law.

(vii) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

- any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000.00);

- any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) through (5) of this subparagraph;

- any real property disposed of by lease for a term of five (5) years or less, if the estimated fair annual rent is in excess of one hundred thousand dollars(\$100,000.00) for any of such years.

- any real property disposed of by lease for a term of more than five (5) years, if the total estimated rent over the term of the lease is in excess of one hundred thousand dollars (\$100,000.00); or

- any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

Audit Committee Charter

Purpose

The purpose of the audit committee shall be to:

1. Assure that the Agency's board fulfills its responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and
2. Provide an avenue of communication between management, the independent auditors, staff, and the Board of Directors.

Powers of the Audit Committee

It shall be the responsibility of the audit committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Agency employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Retain, at the Agency's expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Gloversville Community Development Agency Board of Directors will ensure that the audit committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The audit committee shall be established as set forth herein. The audit committee shall consist of at least three members of the board of directors who are independent of Agency operations. The Agency's board will appoint the audit committee members and the audit committee chair. Audit committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, audit committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

All members on the audit committee shall possess or obtain a basic understanding of governmental financial reporting and auditing. The audit committee shall have access to the services of at least one

financial expert; whose name shall be disclosed in the annual report of the Agency. The audit committee's financial expert should have

1. An understanding of generally accepted accounting principles and financial statements;
2. Experience in preparing or auditing financial statements of comparable entities;
3. Experience in applying such principles in connection with the accounting for estimates, accruals and reserves;
4. Experience with internal accounting controls, and,
5. An understanding of audit committee functions.

Meetings

The audit committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. Members of the audit committee are expected to attend each committee meeting, in person. The audit committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. The audit committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency. Meeting agendas will be prepared for every meeting and provided to the audit committee members along with briefing materials 5 business days before the scheduled audit committee meeting. The audit committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

Responsibilities of the Audit Committee

The audit committee shall have responsibilities related to:

- (a) the independent auditor and annual financial statements;
- (b) oversight of management's internal controls, compliance and risk assessment practices;
- (c) special investigations and whistleblower policies; and
- (d) miscellaneous issues related to the financial practices of the Agency.

A. Independent Auditors and Financial Statements

The audit committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services

unless having received previous written approval from the audit committee. Non-audit services include tasks that directly support the Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

- Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The audit committee shall:

- Review management's assessment of the effectiveness of the Agency's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The audit committee shall:

- Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

D. Other Responsibilities of the Audit Committee

The audit committee shall:

- Present annually to the Agency's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Agency. The audit committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

Governance Committee Charter

Purpose

Pursuant to the Agency's bylaws, the purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Gloversville Community Development Agency;
- Updating the Agency's corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Governance Committee

The Board of Directors has delegated to the governance committee the power and Agency necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Agency staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Agency's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities.

The governance committee shall have the power to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The membership of the committee shall be comprised of at least 3 independent members. The governance committee members shall be appointed by, and will serve at the discretion of the Board of Directors. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition. Governance committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, governance committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business

transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency. The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings

The governance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person. Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

Reports

The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.
- Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the governance committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to:

- (a) the Agency's Board;
- (b) evaluation of the Agency's policies; and
- (c) other miscellaneous issues.

Relationship to the Agency's Board

The Board of Directors has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the governance committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board.
- Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the board, its committees and senior management in the Agency's governance process.

Evaluation of the Agency's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Agency's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to the Agency's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the Agency's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Agency's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.
- Develop and recommend to the Board any required updates on the Agency's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, such as the Agency's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The governance committee shall:

- Review on an annual basis the compensation and benefits for the Managing Director and other senior Agency officials.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.

Discretionary Funds Policy

The Office of the Attorney General determined that the expenditure of authority funds must relate directly to an enumerated power, duty or purpose of the authority. The funds of an authority may not be spent in support of the private or personal interests or to the benefit of directors, management or staff. Accordingly, the Authorities Budget Office recommends that all state and local authorities adopt written policies that specifically delineate the proper use of an authority's discretionary funds. This policy should address not only what constitutes a proper discretionary expenditure related to the mission and public purpose of the authority, but also address what would be considered an improper use of those funds.

For example, at the discretion of the board or management certain out-of-town business travel and travel-related expenses may be appropriate to advance the mission of an authority. While such an expense would be permissible under the authority's policy, the policy should also provide guidance as to reasonable amounts for such expenses and require that employees perform due diligence to obtain the lowest cost. The policy should also require prior approval of or authorization by an appropriate individual to ensure that such travel is reasonable and necessary.

The policy should require documentation to justify the nature and purpose of such expenses, require the employee to provide receipts for expenses and provide dollar thresholds for what will be considered reasonable (such as amounts allowed by federal GSA guidelines for travel expenses including per diems, government lodging rates and amounts for meals and other incidental expenses). Certain meal costs also may be incurred through participation in, or sponsorship of, activities integral to meeting the core public purpose of the authority. Similar to appropriate travel expenses, eligible meal costs must be properly documented and reasonable cost thresholds established.

At the same time, the policy should explicitly outline the types of expenses for which the board will not give approval. This section should specifically note the impropriety of purchases using authority cash or credit that are personal in nature, that would benefit one or more staff of the authority rather than benefit those dependent on the authority's services, or are not necessary to advance the mission of the authority.

Examples of inappropriate use of authority funds would include, but need not be limited to:

- Food, beverages, and other refreshments purchased for the personal use of directors, management or other employees, or by persons with whom the authority conducts business (unless prior authorization is received);
- Flowers and gifts for staff, directors or family members;
- Subsidized or free use of authority services for the personal use of current or former board members, staff, or family members of staff;
- Celebrations for special occasions that do not directly relate to the purpose of the authority, such as catering or decorations for summer picnics, office parties or holiday or retirement parties;

- Charitable contributions or sponsorships of events not associated with the authority's mission;
- Purchases of alcohol or tobacco products;
- Membership dues in professional organizations on behalf of employees;
- Renewal of professional licenses for staff;
- Personal use of authority vehicles, unless properly documented for tax purposes;
- Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or families of authority staff; or
- Assignment of cell phones or vehicles to non-authority staff.

Absent specific statutory power, public authorities may not use public funds to purchase items considered personal expenses or that are intended to personally benefit an employee or director. Expenses such as those listed above do not advance a public purpose and should be considered personal in nature.

Conflict of Interest Policy

All Board Members and employees should be provided with this Conflict of Interest policy upon commencement of employment or appointment and required to acknowledge that they have read, understand and are in compliance with the terms of the policy.

Board members and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.

Conflicts of Interest:

A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority.

Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority.

The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties.

Outside Employment of Authority's Employees: No employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties with the authority.

PROCEDURES

Duty to Disclose:

All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or the Ethics Officer.

Such written disclosure shall be made part of the official record of the proceedings of the authority.

Determining Whether a Conflict of Interest Exists:

The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

Recusal and Abstention:

No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest:

The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations:

Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the public authority's ethics officer, general counsel or human resources representative in accordance with the authority's Whistleblower Policy and Procedures.

Penalties:

Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.

Section 3: Agency Reports

Annual Investment Report:

During 2015, all funds of the Gloversville Community Development Agency were deposited in FDIC insured accounts at NBT Bank. All accounts in excess of \$100,000 are collateralized on compliance with the provisions of Section 10 of General Municipal Law. The Agency had no other investments, and did not invest its funds in any manner other than FDIC insured accounts. As of the close of the fiscal year, the Agency had \$160,118 in cash or cash equivalents.

Annual Audit:

The most recent audit of the Gloversville Community Development Agency is enclosed on the following pages.

Management Letter:

The management letter for the Gloversville Community Development Agency is included in the annual audit which is included on the following pages.

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF
GLOVERSVILLE, NEW YORK)

Independent Auditor's Report

Regulatory Financial Statements

Years Ended December 31, 2015 and 2014

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Common Council of the
City of Gloversville, New York

Report on the Financial Statements

We have audited the accompanying regulatory financial statements of the Community Development Agency, a component unit of the City of Gloversville, New York, as of and for the years ended December 31, 2015 and 2014 as presented in the Annual Financial Report Update Document and the related notes to the regulatory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these regulatory financial statements in accordance with the accounting practices prescribed and permitted by and the financial reporting provisions of the Office of the Comptroller of the State of New York; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the assets, liabilities, deferred inflows of resources and fund balance of the Community Development Agency (a component unit of the City of Gloversville, New York) as of December 31, 2015 and 2014, and

the revenues and expenditures thereof for the years then ended in accordance with the requirements of the New York State Comptroller as described in the notes to the regulatory financial statements.

Basis of Accounting

We draw attention to the footnotes to the regulatory financial statements, which describe the basis of accounting. The regulatory financial statements are prepared on the basis of the accounting practices prescribed or permitted by and the financial reporting provisions of the Office of the State Comptroller of the State of New York, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2016 on our consideration of the Community Development Agency's (a component unit of the City of Gloversville, New York) 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 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 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 Community Development Agency's (a component unit of the City of Gloversville, New York) internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, City of Gloversville, New York's Common Council, others within the City of Gloversville, New York, the Office of the Comptroller of the State of New York and the U.S. Department of HUD and is not intended to be and should not be used by anyone other than these specified parties.

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

March 18, 2016

COMMUNITY DEVELOPMENT AGENCY
 (A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Annual Financial Report Update Document
 Regulatory Basis

December 31, 2015 and 2014

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2014	EdpCode	2015
Assets			
Cash	\$ 174,740	CD200	\$ 160,118
Total Cash	174,740		160,118
Rehabilitation Loans Receivable	59,764	CD390	57,312
Total Other Receivables	59,764		57,312
Due From Other Funds	-	CD391	11,015
Total Due From Other Funds	-		11,015
State And Federal Aid Receivables	184,520	CD410	88,682
Total State And Federal Aid Receivables	184,520		88,682
Total Assets	\$ 419,024		\$ 317,127

See Independent Auditor's Report and Notes

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Annual Financial Report Update Document
Regulatory Basis

December 31, 2015 and 2014

(CD) SPECIAL GRANT

Balance Sheet

Code Description	<u>2014</u>	<u>EdpCode</u>	<u>2015</u>
Liabilities, Deferred Inflows And Fund Balance			
Accounts Payable	\$ 163,898	CD600	\$ 20,598
Total Accounts Payable	163,898		20,598
Accrued Liabilities	7,400	CD601	24,523
Total Accrued Liabilities	7,400		24,523
Due To Other Funds	150,000	CD630	152,787
Total Due To Other Funds	150,000		152,787
Total Liabilities	321,298		197,908
Deferred Inflows of Resources			
Deferred Revenues	72,863	CD691	57,448
Total Deferred Inflows of Resources	72,863		57,448
Assigned Fund Balance - Unappropriated	24,863	CD915	61,771
Total Assigned Fund Balance - Unappropriated	24,863		61,771
Total Fund Balance	24,863		61,771
Total Liabilities, Deferred Inflows And Fund Balance	\$ 419,024		\$ 317,127

See Independent Auditor's Report and Notes

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Annual Financial Report Update Document
Regulatory Basis

Years Ended December 31, 2015 and 2014

(CD) SPECIAL GRANT

Results Of Operations

Code Description	2014	EdpCode	2015
Unclassified (Specify)-Program Income	\$ 5,498	CD2770	\$ 14,897
Total Miscellaneous Local Sources	5,498		14,897
Federal Aid - Other	480,666	CD4089	347,398
Total Federal Aid	480,666		347,398
Total Revenues	486,164		362,295
Interfund Transfers	-	CD5031	26,279
Total Interfund Transfers	-		26,279
Total Other Sources	-		26,279
Total Detail Revenues And Other Sources	\$ 486,164		\$ 388,574

See Independent Auditor's Report and Notes

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Annual Financial Report Update Document
Regulatory Basis

Years Ended December 31, 2015 and 2014

(CD) SPECIAL GRANT

Results of Operation

Code Description	2014	EdpCode	2015
Expenditures			
Rehab Loans & Grant, Contr Expend	\$ 476,066	CD86684	\$ 301,637
Total Rehab Loans & Grant	476,066		301,637
Administration, Pers Serv	12,472	CD86861	12,808
Administration, Cont Expend	28,843	CD86864	26,536
Administration, Empl Bnfts	4,771	CD86868	10,685
Total Administration	46,086		50,029
Total Home And Community Services	522,152		351,666
Total Expenditures	522,152		351,666
Total Detail Expenditures And Other Uses	\$ 522,152		\$ 351,666

See Independent Auditor's Report and Notes

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Annual Financial Report Update Document
Regulatory Basis

Years Ended December 31, 2015 and 2014

(CD) SPECIAL GRANT

Changes in Fund Equity

Code Description	2014	EdpCode	2015
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning Of Year	\$ 60,851	CD8021	\$ 24,863
Prior Period Adj. - Decrease In Fund Equity	-	CD8015	-
Restated Fund Equity - Beginning Of Year	60,851	CD8022	24,863
ADD - REVENUES AND OTHER SOURCES	486,164		388,574
DEDUCT - EXPENDITURES AND OTHER USES	522,152		351,666
Fund Equity - End Of Year	\$ 24,863	CD8029	\$ 61,771

See Independent Auditor's Report and Notes

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Notes to Regulatory Financial Statements

December 31, 2015 and 2014

Summary of Significant Accounting Policies

The Office of the State Comptroller (OSC) Annual Financial Report Update Document (AFRUD) for the City of Gloversville Community Development Agency has been prepared in conformity with OSC guidelines. The more significant government's accounting policies are described below:

Financial Reporting Entity

The City of Gloversville Community Development Agency (CDA) is a legally separate entity, governed by a board appointed by the City Council. The CDA's sole activity is to administer federal funds passed through New York State received by the City for urban renewal including Community Development Block Grants, Urban Development Action Grants and other community development programs. The CDA is accounted for in the City of Gloversville, New York's Special Grant Fund as a blended component unit.

Basis of Accounting/Measurement Focus

Basis of accounting refers to the timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus. Measurement focus is the determination of what is being measured.

The regulatory basis of accounting (which is the modified accrual basis) is followed by the CDA. Grant revenue, where expenditures are the prime factor for determining eligibility, is recognized when the expenditure is made unless the revenues are not received by 60 days after year end. In that case, the amounts are recorded as deferred revenues. Expenditures are recorded when the liability is incurred. Also, the CDA has not adopted GASB 34 and thus does not present government-wide financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Balances

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

Nonspendable fund balance – Amounts that are not in a spendable form such as inventory, prepaid expenses or long-term portion of loans receivable.

Restricted fund balance – Amounts subject to a constraint imposed by providers such as creditors, grantors, contributors or higher levels of government or through constitutional provisions or enabling legislation.

Committed fund balance – Amounts subject to a purpose imposed by a formal action of the governments' highest level of decision-making authority before the end of the fiscal year and that require the same level of formal action to remove the constraint.

Assigned fund balance – Amounts subject to a constraint that represents an intended use established by government's highest level of decision-making authority or by their designated body or official, which is the Common Council.

Unassigned fund balance – Amounts available for any purpose, which are only found in the general fund or as a deficit balance in any other fund.

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Notes to Regulatory Financial Statements

December 31, 2015 and 2014

Summary of Significant Accounting Policies – Continued

Fund balances - Continued

Order of use of fund balance:

In determining the order that expenditures will be applied to the various classifications of fund balance, it is the CDA's policy to first determine the total fund balance that is nonspendable and to then determine the amount of restricted fund balance. Any remaining fund balance is first committed and/or assigned to a specific purpose. In addition, any deficit fund balance is considered to be unassigned.

The fund balance at December 31, 2015 and 2014 in the amounts of \$61,771 and \$24,863, respectively, are assigned.

Future Impacts of Accounting Pronouncements

The Agency has not completed the process of evaluating the impact that will result from adopting; GASB Statement No. 72, *Fair Value Measurement and Applications*. This pronouncement is not effective as of December 31, 2015. The Agency is, therefore, unable to disclose the impact that adopting this pronouncement will have on the financial position and results of operations in the future.

General Budget Policies

The CDA operates within the constraint of grant budgets.

Estimates

The preparation of the AFRUD requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Risk Management

The CDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The CDA has assumed the risk for the losses.

Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Cash Deposits and Investments

The CDA's investment policies are governed by the statutes of the State. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the state.

Bank balances of the CDA's deposits totaled \$170,603 and \$176,877 as of December 31, 2015 and 2014, respectively. The balances are covered in full by Federal Deposit Insurance Corporation (FDIC) insurance.

Rehabilitation Loans Receivable

The Community Development Agency is a recipient of several community development block grants to operate a revolving loan fund. These funds are to be loaned to industry for the purpose of creating and retaining permanent jobs within the City. The loans require periodic payments of principal and interest and each loan may be collateralized by machinery and/or equipment.

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Notes to Regulatory Financial Statements

December 31, 2015 and 2014

Summary of Significant Accounting Policies – Continued

State and Federal Aid Receivables

The CDA is reimbursed for amounts expended under community development grants. The balance of expenditures incurred not yet received under the grants was \$88,682 and \$184,520 as of December 31, 2015 and 2014, respectively.

Interfund Receivables and Payables:

Interfund balances receivable and payable to the City of Gloversville were as follows:

	<u>2015</u>	<u>2014</u>
Due From General Fund	\$ 11,015	\$ -
Due to General Fund	<u>\$ 152,787</u>	<u>\$ 150,000</u>

Due to Other Governments

The revolving loan cash balances are required to be held in an interest bearing account. Interest received on the account is considered interest earned on grant advances and must be remitted to HUD. The balance payable to HUD was \$- and \$- as of December 31, 2015 and 2014, respectively.

Deferred Revenues

CDA had deferred revenue recorded in the amount of \$57,448 and \$72,863 as of December 31, 2015 and 2014, respectively, related to note receivables and federal grant receivable balances that had not been received by February 29, 2016 and February 28, 2015, respectively.

Commitments and Contingencies

The CDA has received several state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, CDA management believes such disallowances, if any, would not be material.

Subsequent Events

The CDA has evaluated all events through March 18, 2016, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.

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

To The Mayor and Common Council
Community Development Agency
City of Gloversville, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the Community Development Agency (a component unit of the City of Gloversville, New York), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements which collectively comprise the Community Development Agency's (a component unit of the City of Gloversville, New York) basic financial statements and have issued our report thereon dated March 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Community Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Development 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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Development Agency's regulatory financial statements are free of 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 financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

March 18, 2016

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Schedule of Findings and Responses
(Schedule 1)

December 31, 2015

None

COMMUNITY DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF GLOVERSVILLE, NEW YORK)

Schedule of Status of Findings and Responses From 2014 Report
(Schedule 2)

Condition: The general ledger for the Gloversville Community Development Agency did not reflect \$29,419 in expenditures and accounts payable for 2014. In addition the general ledger did not reflect \$150,147 in federal revenues and due from federal/deferred revenue.

Status: Not a recurring issue.

Part 1 - Governance (Authority Related)

1. Accomplishments

The Gloversville Community Development Agency has achieved the following accomplishments during the 2015 year:

Grants - The Agency was awarded one grant in 2015 and applied for two additional grants in 2015. These grants include a \$400,000 under the HOME program and a \$200,000 economic development grant under the CDBG program. The Agency also assisted the City in seeking and grants for the Police Department and Department of Public Works..

Loans - The Agency continued to manage its small business loan portfolio during the year. The portfolio included 3 active loans, with a total outstanding principal balance of approximately \$51,000.

Housing Rehabilitation - The Agency completed the rehabilitation of eight residential buildings under the HOME program, representing an investment of approximately \$240,000 in improvements. The Agency also completed the rehabilitation of 12 homes totaling 16 units of housing under the HUD CDBG program representing a total of approximately \$420,000 in investment in housing rehabilitation.

Other Projects - The Community Development Agency has worked closely with the City of Gloversville in moving several projects forward. Activities included working on the following projects:

1. Working with the City in increasing oversight of the UDAG loan pool administered by the Fulton County Center for Regional Growth.
2. Assisting in the redevelopment of the former Estee School site and redevelopment as affordable senior housing. The Agency is working with private developers on this \$6.5 million project to develop the former school as a senior residential project.
3. Working with small businesses and prospective businesses to develop or expand their businesses in Gloversville.
4. Working with the Gloversville Library with its plans to undertake a major multi-million dollar renovation of the Library.

2. Assessment of Internal Controls

An assessment of internal controls was completed and is included in the audit report prepared by the independent Certified Public Accountants, which is included earlier in this section.

3. Has lead audit partner for the independent auditor changed within the last 5 years ? Yes
4. Does the auditor provide non-audit services to the Agency ? No
5. Has an organizational chart been prepared ? Yes, the chart is presented in this manual.
6. Are any staff employed by other government agencies?

The administrative assistant is also employed by the Mayor's office. The agency consultant/CEO is employed by several other local government agencies.

7. Has the Agency's Mission Statement been posted on its website ?
Yes, the Mission statement is also provided at the beginning of this manual.
8. Has the Agency's Mission Statement been revised and adopted during the reporting period ?
No
9. Has a measurement report, as required by Section 2824-a of PAL been prepared ?
Yes, the summary is enclosed in this manual.

Part 2 - Governance (Board Related)

1. Has a Governance Committee been established ? Yes
2. Has and Audit Committee been established? Yes
3. Has the Board established a Finance Committee? Yes
4. Does Authority have a URL link to post a list of Board committees ?
Yes, the Board serves as a Committee of the Whole.
5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?
Yes
6. Does the CDA have a URL link to post the minutes of the Board and committee meetings held during the covered fiscal year? Yes
7. Has the Board adopted bylaws and made them available to Board and staff? Yes
8. Has the Board adopted a code of ethics for Board members and staff? Yes
9. Does the Board review and monitor the authority's implementation of financial and management controls? Yes
10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL? Yes

11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL:
Salary and Compensation? Yes

Time and Attendance? Yes

Whistleblower Protection? Yes

Defense and Indemnification of Board Members? Yes

12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL? Yes

13. Are the authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?

Yes, the Board Members submit financial disclosures annually pursuant to the City of Gloversville Ethic Law.

14. Was a performance evaluation of the Board completed ? Yes

15. Was compensation paid by the Agency made in accordance with employee or union contracts?
Yes

16. Has the Board adopted a conditional/additional compensation policy governing all employees?
No, there are not provisions for additional or conditional compensation.

Part 3 - Board of Directors

1. Board of Directors Listing

The Board of Directors is provided, and is presented earlier in this manual, and is posted on the ABO Web Site.

Part 4 - Staff Listing

1. Staff Listing

The staff listing is provided, and is enclosed earlier in this manual and is posted on the ABO website.

Part 5 - Benefits

1. Benefits

Benefits for staff are as provided in the Personnel Policy, and spelled out in this manual, and on the ABO website. Board members receive no benefits.

Part 6 - Subsidiaries

1. Subsidiaries

The Gloversville Community Development Agency has no subsidiaries. It is affiliated with the City of Gloversville, as the City's Community Development Agency.

Part 7 - Balance Sheet and Statement of Revenues and Expenditures

1. Financial Information

A Balance Sheet and Statement of Revenues and Expenditures are included in this manual in the audit report.

Part 8 - Agency Debt

1. Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period? Yes, The Agency borrowed \$150,000 from the City of Gloversville.

2. Has the Authority issued any debt during the reporting period? Yes, see \$150,000 loan above.

Part 9 - Real Property Acquisition / Disposal

Real Property Transactions - Provide information on any real property of the authority having an estimated fair market value in excess of \$15,000 that the authority either acquired or disposed of during the reporting period.

There were no real property transactions during the reporting period

Part 10 - Personal Property Acquisition / Disposal

Personal Property Transactions - Provide information on any personal property of the authority having an estimated fair market value in excess of \$5,000 that the authority disposed of during the reporting period.

There were no personal property transactions in excess of \$5,000 during the reporting period.

Part 11 - Property Documents

1. In accordance with Section 2896(3) of PAL, the authority is required to prepare a report at least annually of all real property of the authority. Has this report been prepared? Yes, the agency owns no real property.

2. Has the authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property? Yes, the policy is provided earlier in this manual.

3. In accordance with Section 2896(1) of PAL, has the authority named a contracting officer who shall be responsible for the authority's compliance with and enforcement of such guidelines? Yes.

Assessment of Internal Controls:

An assessment of internal controls is included in the annual audit which is presented in this manual.

Board and Committee Meetings Minutes:

Minutes of the Gloversville Community Development Agency are maintained in a separate minutes book, and are available upon request during normal business hours, and are posted on the Agency's website at:

<http://www.cityofgloversville.com/index.php/residents/community-development/>

Statement of Assets and Liabilities:

A statement of assets and liabilities is included in the Annual Audit in this manual.

Statement of Revenues, Expenses, and Change in Net Assets :

A statement of revenues, expenses, and change in net assets is included in the Annual Audit included in this manual.

Real Property Transaction Report:

During the year, there were no real property transactions as defined under the Public Authorities Accountability Act of 2005.

Financial Disclosure for Board Members:

The Board Members have submitted financial disclosures annually pursuant to the City of Gloversville Ethics Law.

Annual Budget:

The annual budget is presented on the following page.

**Gloversville Community Development Agency
2016 Budget**

<u>Revenue</u>	<u>CDA Format</u>		<u>OSC Format</u>	
Grants:	2012 HOME	\$110,000		
	2013 CDBG	\$240,000		
	2014 CDBG	\$400,000		
			Federal Grants:	\$750,000
	Other	\$0	State Grants:	\$0
Administrative Fees:		\$19,000	Other Earned Inc	\$19,000
Program Income:		\$0	Non- Operating Inc.	\$0
Total Revenue		\$769,000		\$769,000

<u>Expenditures</u>	<u>CDA Format</u>		<u>OSC Format</u>	
Administrative Costs:	Payroll	\$18,000	Salaries & Wages	\$18,000
	Fringe	\$2,800	Other Emp. Benefits	\$2,800
	Consulting Fees	\$18,000	Professional Services	\$18,000
	Office Supplies/ Phone	\$1,500	Supplies & Materials	\$1,500
	Advertizing & Legal Notices	\$500		
	Audit & Bookkeeping	\$7,800		
	Legal & Filing Fees	\$1,500	Other Operating Expenses	\$9,800
Total Administrative		\$50,100		
Project Costs				
	Rehab Grants - HOME prog	\$97,000		
	Rehab Grants - CDBG	\$203,500	Grants and Donations	\$690,500
	Demolition Grant	\$390,000		
	Rehab Specialists Fees	\$20,000		
	Lead & Energy Inspectors	\$7,000		
	Lab Fees	\$1,400	Other Operating Costs	\$28,400
Total Project Costs		\$718,900		
Total Expenditures		\$769,000		\$769,000

Annual Board of Directors Evaluation:

The annual Board of Directors evaluation, following the Authority Budget Office format, is enclosed on the following page.

Authority Mission Statement and Performance Measurements

Name of Public Authority:

Gloversville Community Development Agency

Public Authority's Mission Statement:

The mission of the Gloversville Community Development Agency is to improve the quality of life for the citizens of the City of Gloversville by undertaking projects to revitalize neighborhoods, improve the quality of housing, support creation and expansion of the local business and creation of jobs, eliminate blight, and improve public infrastructure.

Date Adopted:

8/10/10

List of Performance Goals (If additional space is needed, please attach):

1. Collaborate with the City Council, Mayor's Office, City Departments, and community organizations in defining Community Development needs, goals, priorities and projects.
2. Seek to implement community development goals identified in the City's Comprehensive plan and identify resources to pursue those goals.
3. Develop plans and strategies to address community development needs and seek funding to undertake projects to address those needs.
4. Pursue grant funding opportunities to the greatest extent available in areas of housing, neighborhood revitalization, public works, public safety, and other related areas. The Agency shall have an annual goal of applying for at least 4 major grants per year, and procure at least \$500,000 per year in new grant funding.
5. Administer programs for which funding has been obtained. The Agency shall have a goal of successfully administering all grants received in a timely manner. Activity specific goals, depending on grant funding, shall include the rehabilitation at least 20 houses a year, undertaking at least one public works project a year, and on public safety or related project each year.

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

The Board was instrumental in developing the Mission Statement. All current Board members were on the Board of directors at the time the Mission Statement was drafted and adopted and are fully familiar with its contents.

2. Who has the power to appoint the management of the public authority?

The Board of Directors has the power to appoint the management of the public authority.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

All appointments including management are undertaken in compliance with all Agency policies and procedures, including the By-Laws, Personnel Policy, Procurement Policy, and other Agency policies.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The management is responsible for day-to-day administration of the Agency. However, the Board of Directors meets on a monthly basis, and reviews the activities of the Agency. Regular monthly reports are submitted to the Board for review and commentary. These reports cover all aspects of Agency activity. The Board makes all policy decisions and provides oversight over all activities of the Agency. All expenditures are approved by the Board. Management does not have any signature authority over any financial accounts, and the Board signs off on all financial transactions.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

The Board has acknowledged that all members have read and understood the responses to the questions herein.