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

Independent Auditors' Report

Regulatory Financial Statements

Years Ended December 31, 2012 and 2011

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INDEPENDENT AUDITORS' 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, 2012 and 2011 as presented in the Annual Financial Report Update Document and the related notes, which collectively comprise the Community Development Agency's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these regulatory financial statements in accordance with practices prescribed or permitted by 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 regulatory financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the regulatory 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 regulatory 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 regulatory financial statements.

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

Basis of Accounting

We draw attention to the notes to the financial statements, which describes the basis of accounting. The financial statements are prepared using accounting practices prescribed or permitted by 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. The differences between regulatory accounting practices and accounting principles generally accepted in the United States of America are described in the notes.

Opinions

In our opinion, the regulatory financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund equity of the Community Development Agency (a component unit of the City of Gloversville, New York) as of December 31, 2012 and 2011, and the results of its operations for the years then ended in conformity with the basis of accounting described in the notes to the financial statements.

Other Matters

Our audit was conducted for the purpose of forming opinions on the regulatory financial statements that collectively comprise the Community Development Agency's (a component unit of the City of Gloversville, New York) financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2013 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 grants 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.

Whittemore, Dowen & Ricciardelli, LLP

Whittemore, Dowen & Ricciardelli, LLP
Queensbury, New York

March 4, 2013

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

Annual Financial Report Update Document
Regulatory Basis

December 31, 2012 and 2011

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2011	EdpCode	2012
Assets			
Cash	$ 104,987	CD200	$ 66,752
Total Cash	**104,987**		**66,752**
Rehabilitation Loans Receivable	66,098	CD390	64,030
Total Other Receivables	**66,098**		**64,030**
State and Federal Aid Receivables	-	CD410	61,927
Total State and Federal Aid Receivables	**-**		**61,927**
Due From Other Funds	-	CD391	-
Total Due From Other Funds	**-**		**-**
Total Assets	**171,085**		**192,709**

See Independent Auditors' 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, 2012 and 2011

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2011	EdpCode	2012
Liabilities And Fund Equity			
Accounts Payable	$ 11,950	CD600	$ 51,581
Total Accounts Payable	**11,950**		**51,581**
Accrued Liabilities	-	CD601	9,147
Total Accrued Liabilities	**-**		**9,147**
Due To Other Funds	1,673	CD630	100
Total Due To Other Funds	**1,673**		**100**
Due To Other Governments	14	CD631	11
Total Due To Other Governments	**14**		**11**
Deferred Revenues	66,098	CD691	64,030
Total Deferred Revenues	**66,098**		**64,030**
Total Liabilities	**79,735**		**124,869**
Assigned Fund Balance Unappropriated	91,350	CD915	67,840
Total Assigned Fund Balance - Unappropriated	**91,350**		**67,840**
Total Fund Equity	**91,350**		**67,840**
Total Liabilities And Fund Equity	**171,085**		**192,709**

See Independent Auditors' 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, 2012 and 2011

(CD) SPECIAL GRANT

Results Of Operations

Code Description	2011	EdpCode	2012
Detail Revenues And Other Sources			
Community Development Income	$ 2,013	CD2170	$ 2,068
Total Departmental Income	**2,013**		**2,068**
Interest And Earnings	643	CD2401	587
Total Use of Money And Property	**643**		**587**
Unclassified (Specify)	8,093	CD2770	-
Total Miscellaneous Local Sources	**8,093**		**-**
Federal Aid - Other	291,979	CD4089	348,907
Total Federal Aid	**291,979**		**348,907**
Total Revenues	**302,728**		**351,562**
Total Detail Revenues And Other Sources	**302,728**		**351,562**

See Independent Auditors' 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, 2012 and 2011

(CD) SPECIAL GRANT

Results of Operation

Code Description	2011	EdpCode	2012
Expenditures			
Rehab Loans & Grant, Pers Serv	$ -	CD86681	$ -
Rehab Loans & Grant, Contr Expend	271,197	CD86684	326,371
Rehab Loans & Grant, Empl Bnfts	-	CD86688	-
Rehab Loans & Grant, Business Loan	-	CD86689	-
Total Rehab Loans & Grant	**271,197**		**326,371**
Administration, Pers Serv	16,838	CD86861	13,722
Administration, Cont Expend	26,740	CD86864	30,102
Administration, Empl Bnfts	4,397	CD86868	4,877
Total Administration	**47,975**		**48,701**
Total Home And Community Services	**319,172**		**375,072**
Total Expenditures	**319,172**		**375,072**
Total Detail Expenditures And Other Uses	**319,172**		**375,072**

See Independent Auditors' Report and Notes

COMMUNITY DEVELOPMENT AGENCY
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Annual Financial Report Update Document
Regulatory Basis

Years Ended December 31, 2012 and 2011

(CD) SPECIAL GRANT

Changes in Fund Equity

Code Description	2011	EdpCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	**$ 107,794**	**CD8021**	**$ 91,350**
Prior Period Adj. - Decrease In Fund Equity	-	CD8015	-
Restated Fund Equity - Beginning of Year	**107,794**	**CD8022**	**91,350**
ADD - REVENUES AND OTHER SOURCES	302,728		351,562
DEDUCT - EXPENDITURES AND OTHER USES	319,172		375,072
Fund Equity - End of Year	**91,350**	**CD8029**	**67,840**

See Independent Auditors' Report and Notes

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 state funds 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 U.S Generally Accepted Accounting Principles.

Adoption of New Accounting Pronouncement

During the year ended December 31, 2012, the CDA adopted the provisions of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to change its fund balance classifications for governmental funds. The new classifications are as follows:

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 government's 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.

Summary of Significant Accounting Policies – Continued

Adoption of New Accounting Pronouncement - 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 City'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 the general fund the remaining balance is unassigned. Unassigned balances are available for general use. In addition, any deficit fund balance in any other fund is considered to be unassigned. Stabilization amounts may be formally set aside by the Common Council and may be used from any unassigned balance.

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 $74,717 and $109,710 as of December 31, 2012 and 2011, 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.

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 $61,927 and $-0- as of December 31, 2012 and 2011, respectively.

Summary of Significant Accounting Policies – Continued

Interfund Receivables and Payables:
Balances receivable and payable were as follows:

	2012	2011
Due to General Fund	$ 100	$ 1,673

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 $11 and $14 as of December 31, 2012 and 2011, respectively.

Deferred Revenues
CDA had deferred revenue recorded in the amount of $64,030 and $66,098 as of December 31, 2012 and 2011 related to note receivables and federal grant receivable balances that had not been received by March 4, 2013.

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 4, 2013, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.

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

Schedule of Expenditures of Federal Awards
(Schedule 1)

Year Ended December 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Disbursements/ Expenditures	Total By Federal Agency
U.S. Dept. of HUD:			
Direct Programs:			
Community Development Block Grant Entitlement Grants	14.228	$ 270,403	
Passed-Through New York State:			
HOME Investment Partnership Program	14.239	78,504	
Total			$ 348,907

See Independent Auditors' Report and Notes

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

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2012

General

The accompanying schedule of expenditures of federal awards presents the activity of all Federal financial assistance programs of the Community Development Agency (a component unit of the City of Gloversville, New York). The Community Development Agency's reporting entity is defined in the notes to the general purpose financial statements. All Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in the notes to the Community Development Agency's basic financial statements.

Sub-Recipients

There were no sub-recipients of these grants.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT 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, 2012 and 2011, 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 4, 2013.

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, Dowen & Ricciardelli, LLP

Whittemore, Dowen & Ricciardelli, LLP
Queensbury, New York

March 4, 2013

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the Community Development Agency's (a component unit of the City of Gloversville, New York) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2012. Community Development Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to it federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Development Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Community Development Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Community Development Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, Community Development Agency complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Community Development Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Community Development Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Community Development Agency's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the regulatory financial statements of the Community Development Agency as of and for the year ended December 31, 2012, and have issued our report thereon dated March 4, 2013, which contained an unmodified opinion on those regulatory financial statements. Our audit was conducted for the purpose of forming an opinion on the regulatory financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the regulatory financial statements as a whole.

Whittemore, Dowen & Ricciardelli, LLP

Whittemore, Dowen & Ricciardelli, LLP
Queensbury, New York

March 4, 2013

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

Schedule of Findings and Questioned Costs
(Schedule 2)

December 31, 2012

Section 1 – Summary of Auditors' Results

I. Financial Statements

A. Type of auditor's report issued:
1. A unqualified opinion has been issued on the regulatory financial statements.

B. Internal control over financial reporting:
1. No material weaknesses were identified.
2. No deficiencies were identified that are not considered to be material weaknesses.

C. No instances of noncompliance were noted.

II. Federal Awards

A. Internal control over major programs:
1. No material weaknesses were identified.
2. No significant deficiencies were identified.

B. Type of auditor's report issued on compliance for major programs:
1. An unqualified opinion has been issued on the Community Development Agency's compliance for major programs.

C. No audit findings were disclosed that are required to be reported in accordance with Section 510(a) of Section A-133.

D. Identification of major programs:

CFDA Numbers	Name of Federal Program
14.228	Community Development Block Grants Entitlement Grants

E. The dollar threshold used to distinguish Type A and Type B programs is $300,000.

F. The auditee does not qualify as a low-risk auditee.

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings

None

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

Schedule of Status of Findings and Questioned Costs From 2011 Report
(Schedule 3)

None