VILLAGE OF FAIRPORT SECTION 8
HOUSING ASSISTANCE PAYMENTS PROGRAM

NEW YORK

FINANCIAL STATEMENTS

For Years Ended September 30, 2011 and 2010

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 5
Statement 1 - Statement of Net Assets	6
Statement 2 - Statement of Revenues, Expenses, and Changes in Net Assets	7
Statement 3 - Statement of Cash Flows	8
Notes to Financial Statements	9 - 12
Supplemental	
Schedule 1 - Schedule of Expenditures of Federal Awards	13
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	14 - 15

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Council Members of
Village of Fairport Section 8
Housing Assistance Payments Program

We have audited the accompanying financial statements of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency, New York as of and for the years ended September 30, 2011 and 2010 as listed in the table of contents. These financial statements are the responsibility of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency, New York's management. Our responsibility is to express an opinion on these 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency, New York as of September 30, 2011 and 2010, and the respective changes in its financial position and its cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011 on our consideration of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency, New York's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

1020 Lehigh Station Road • Suites 2 & 3 • Henrietta, New York 14467
Tel: (585) 321-5643 • Fax: (585) 321-5644 • E-Mail: theoffice@raymondfwagercpa.com

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise of the Village of Fairport Section 8 Housing Assistance Payment Program, a component unit of the Village of Fairport Urban Renewal Agency, New York's basic financial statements. The other schedule, listed in the table of contents as a supplemental schedule, is presented for purposes of additional analysis and is not a required part of the financial statements. This schedule, listed in the table of contents as a supplemental schedule, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Raymond F. Wager CPA PC

December 12, 2011

Village of Fairport Section 8
Housing Assistance Payments Program, New York

Management's Discussion and Analysis (MD&A)

September 30, 2011 and 2010

Introduction

Our discussion and analysis of the Village of Fairport Section 8 Housing Assistance Payments Program, a component united of the Village of Fairport Urban Renewal Agency, New York's (Agency) financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2011 and 2010. It should be read in conjunction with the basic financial statements to enhance understanding of the Agency's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2011 are as follows:

- The assets of the Agency exceeded its liabilities at the close of the most recent year by $208,934 (net assets).
- $208,934 is available for the Agency's ongoing operations. These funds are segregated for HUD $6,567 for investment in capital assets, net of related debt, $66,918 for Housing Assistance Payments Equity and $135,449for Administrative Fee Equity.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's financial statements. The Agency's financial statements are comprised of two components: (1) government-wide financial statements, and (2) notes to the financial statements.

1. *Government-Wide Financial Statements*

The *government-wide financial statements* are the same as the fund financial statements for proprietary funds, so no additional schedules were necessary. The Agency's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Agency's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

- The *statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. Evaluation of the overall health of the Agency would extend to other nonfinancial factors, such as diversification of the tenants base or the condition of agency infrastructure, in addition to the financial information provided in this report.

- The *statement of activities* presents information showing how the government's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. An important purpose of the design of this statement is to show the financial reliance of the Agency's distinct activities or functions on revenues provided by the Agency's lessees and grantors.

2. *Notes to the Financial Statements*

   The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the financial statement section of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Agency's financial position. In the case of the Agency, net assets at the close of the current year were $208,934. This represents a decrease in net assets of $20,744 from the prior year.

Net Assets

ASSETS	2011	2010	Variance
Current Assets	$ 248,511	$ 271,644	$ (23,133)
Capital Assets, Net	6,567	9,598	(3,031)
Total Assets	**$ 255,078**	**$ 281,242**	**$ (26,164)**
LIABILITIES			
Current Liabilities	$ 27,971	$ 38,517	$ (10,546)
Long-Term Liabilities	18,173	13,047	5,126
Total Liabilities	**$ 46,144**	**$ 51,564**	**$ (5,420)**
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	$ 6,567	$ 9,598	$ (3,031)
Unrestricted			
Housing Assistance Equity	66,918	50,875	16,043
Administrative Fee Equity	135,449	169,205	(33,756)
Total Net Assets	**$ 208,934**	**$ 229,678**	**$ (20,744)**

The major assets of the Agency are cash and amounts due from other governments. Liabilities consist of FSS-Escrow deposits and compensated absences.

Changes in Net Assets

Revenues:	2011	2010	Variance
HUD Grant Revenue	$ 1,890,228	$ 1,850,143	$ 40,085
Charges and Fees	4,544	4,924	(380)
Interest Income	498	724	(226)
Total Revenues	**$ 1,895,270**	**$ 1,855,791**	**$ 39,479**
Expenditures:			
Administrative Expenses	$ 306,838	$ 297,220	$ 9,618
Housing Assistance Payments	1,588,205	1,586,061	2,144
Depreciation Expense	3,031	3,031	-
Total Expenditures	**$ 1,898,074**	**$ 1,886,312**	**$ 11,762**
Transfers to Other Funds	$ (17,940)	$ (5,417)	$ (12,523)
Change in Net Assets	**$ (20,744)**	**$ (35,938)**	**$ 15,194**
Net Assets - Beginning of Year	229,678	265,616	(35,938)
Net Assets - End of Year	**$ 208,934**	**$ 229,678**	**$ (20,744)**

Capital Assets

The Agency's investment in capital assets as of September 30, 2011 and 2010 amounts to $6,567 and $9,598 (net of accumulated depreciation). This investment in capital assets includes equipment.

	2011	2010
Equipment	$ 15,155	$ 15,155
Less: Accumulated Depreciation	(8,588)	(5,557)
Total	**$ 6,567**	**$ 9,598**

Future Factors

- HUD has awarded the Agency 104 units increasing the program size from 393 to 497 units. This will increase on-going administrative fees once the units are fully leased.

- There is a continued concern about Congress reducing administrative fees, latest information indicates another 7% reduction staring in January 2012. However, Housing Assistance Payments funding remains stable.

- Other factors that will impact the Agency, Rochester Housing Authority has been awarded the Phillips Village project. We will temporarily lose 82 families until we re-lease these units from our waiting list. This will take some time, and will affect our 2012 budgeted administrative fee projection.

Requests for Information

This financial report is designed to provide a general overview of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency, New York's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: The Chairman of the Council, Village of Fairport Section 8 Program, 31 South Main Street, Fairport, New York 14450.

VILLAGE OF FAIRPORT SECTION 8

HOUSING ASSISTANCE PAYMENTS PROGRAM, NEW YORK

Statement of Net Assets

September 30, 2011 and 2010

ASSETS:	2011	2010
Current Assets -		
Cash	$ 140,521	$ 133,742
Restricted cash - FSS escrow	23,429	23,401
Accounts receivable - fraud repayments	3,913	4,355
Due from other governments	80,648	110,146
Total Current Assets	$ 248,511	$ 271,644
Capital Assets -		
Office equipment	$ 15,155	$ 15,155
Less: accumulated depreciation	(8,588)	(5,557)
Total Capital Assets	$ 6,567	$ 9,598
TOTAL ASSETS	**$ 255,078**	**$ 281,242**
LIABILITIES:		
Current Liabilities -		
FSS - escrow	$ 23,428	$ 23,401
Due to ERS	-	11,854
Current portion compensated absences	4,543	3,262
Total Current Liabilities	$ 27,971	$ 38,517
Long-Term Liabilities -		
Long-term portion compensated absences	$ 18,173	$ 13,047
Total Long-Term Liabilities	$ 18,173	$ 13,047
TOTAL LIABILITIES	**$ 46,144**	**$ 51,564**
NET ASSETS:		
Investment in capital assets, net of related debt	$ 6,567	$ 9,598
Unrestricted	202,367	220,080
TOTAL NET ASSETS	$ 208,934	$ 229,678
TOTAL LIABILITIES AND NET ASSETS	**$ 255,078**	**$ 281,242**

(The accompanying notes are an integral part of these financial statements)

VILLAGE OF FAIRPORT SECTION 8
HOUSING ASSISTANCE PAYMENTS PROGRAM, NEW YORK
Statement of Revenues, Expenses, and Changes in Net Assets
For Years Ended September 30, 2011 and 2010

OPERATING INCOME:	2011	2010
HUD grant revenue	$ 1,890,228	$ 1,850,143
Charges and fees	4,544	4,924
TOTAL OPERATING INCOME	**$ 1,894,772**	**$ 1,855,067**
OPERATING EXPENSES:		
Administrative expenses -		
Payroll	$ 192,425	$ 188,652
Benefits	81,977	77,663
Professional services	7,650	7,670
Office	14,650	14,300
Other	10,136	8,935
Housing assistance payments	1,588,205	1,586,061
Depreciation expense	3,031	3,031
TOTAL OPERATING EXPENSES	**$ 1,898,074**	**$ 1,886,312**
NET OPERATING INCOME (LOSS)	**$ (3,302)**	**$ (31,245)**
NONOPERATING INCOME		
Interest income	$ 498	$ 724
INCOME (LOSS) BEFORE OPERATING TRANSFERS	$ (2,804)	$ (30,521)
Operating transfers out	$ (17,940)	$ (5,417)
NET INCOME (LOSS)	$ (20,744)	$ (35,938)
NET ASSETS - BEGINNING OF YEAR	229,678	265,616
NET ASSETS - END OF YEAR	**$ 208,934**	**$ 229,678**

(The accompanying notes are an integral part of these financial statements)

VILLAGE OF FAIRPORT SECTION 8
HOUSING ASSISTANCE PAYMENTS PROGRAM, NEW YORK
Statement of Cash Flows
For Years Ended September 30, 2011 and 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	2011	2010
Receipts from charges, fees, and grants	$ 1,919,726	$ 1,855,152
Payments to suppliers	(1,632,495)	(1,605,112)
Payments to employees	(267,995)	(263,928)
Other receipts	5,013	3,598
Net Cash Provided (Used) by Operating Activities	**$ 24,249**	**$ (10,290)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	$ 498	$ 724
Net Cash Provided (Used) by Investing Activities	**$ 498**	**$ 724**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Payments to other funds	$ (17,940)	$ (5,417)
Net Cash Provided (Used) by Noncapital Financing Activities	**$ (17,940)**	**$ (5,417)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$ 6,807**	**$ (14,983)**
BEGINNING CASH AND CASH EQUIVALENTS	**157,143**	**172,126**
ENDING CASH AND CASH EQUIVALENTS	**$ 163,950**	**$ 157,143**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Operating Income (Loss)	$ (3,302)	$ (31,245)
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
(Increase)/decrease in due from other governments	29,498	5,009
(Increase)/decrease in accounts receivable	442	(1,218)
Depreciation expense	3,031	3,031
Increase/(decrease) in due to ERS	(11,854)	11,854
Increase in FSS escrow liability	27	(108)
Increase in compensated absences	6,407	2,387
Total Adjustments	$ 27,551	$ 20,955
Net Cash Provided (Used) by Operating Activities	**$ 24,249**	**$ (10,290)**

(The accompanying notes are an integral part of these financial statements)

VILLAGE OF FAIRPORT SECTION 8
HOUSING ASSISTANCE PAYMENTS PROGRAM

NEW YORK

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

I. Organization:

The accompanying financial statements present the financial position and revenues and expenditures of the Fairport Section 8 Housing Assistance Payments Program (Agency), a department of the Fairport Urban Renewal Agency (FURA) and do not purport to, and do not present the financial position and changes in its financial position and cash flows of the FURA. All federal financial assistance funding administered by the FURA is reported in these financial statements. The FURA was audited and reported on in a separate report dated December 13, 2011. The Village of Fairport Section 8 Housing Assistance Payments Program is administered in accordance with laws and regulations of the Department of Housing and Urban Development.

The FURA is a component unit of the Village of Fairport, New York. There are five commissioners who are members of the community and are appointed to 5-year terms. The accounting records of the Village of Fairport Urban Renewal Agency are separate from those of the Village of Fairport, New York. The fiscal year of the FURA and HUD contracts provide for a year end of September 30.

II. Summary of Significant Accounting Policies:

The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

The financial statements presented are prepared from the accounts and financial transactions of the FURA. Management must make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to proprietary funds on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

III. Compensated Absences:

The Agency's employees are granted vacation and sick leave and earn compensated absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation leave subject to certain maximum limitations. Estimated vacation leave is recorded as an expense when earned.

IV. Reclassification:

Certain amounts have been reclassified in the 2010 financial statements to conform with the current year presentation.

V. Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Agency considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

At September 30, 2011 and 2010, the carrying amount of the Agency's cash accounts was $140,521 and $133,742, respectively, which is checking and money market accounts. Deposits in financial institutions are covered by federal depository insurance on bank accounts in the FURA's name. Other collateral has been assigned to funds over the FDIC coverage. Restricted cash is for FSS escrow with a balance of $23,429 and $23,401, which has a corresponding liability account to the FSS tenants.

VI. Capital Assets:

Property and equipment owned by the Agency is stated at original cost upon acquisition. Property acquired is considered to be owned by the Section 8 Program while used in the program for which it was purchased or while used in other future authorized programs. Depreciation is computed using the straight-line method over estimated useful lives. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

A summary of capital assets is as follows:

	2011	2010
Equipment	$ 15,155	$ 15,155
Less: Accumulated Depreciation	(8,588)	(5,557)
Total	**$ 6,567**	**$ 9,598**

VII. Due From Other Governments:

The Village of Fairport Industrial Development Agency (IDA) maintains a combined account which invests funds on behalf of the FURA. These funds are invested in various time deposit accounts which are collateralized with securities held by the pledging financial institution. As of September 30, 2011 and 2010, the Agency's due from other governments (IDA) amounted to $80,648 and $110,146, respectively.

VIII. Unrestricted Net Assets:

The unrestricted net assets consist of the following:

	2011	2010
Housing assistance equity	$ 66,918	$ 50,875
Administrative fee equity	135,449	169,205
Total	**$ 202,367**	**$ 220,080**

IX. Operating Transfer:

Operating transfers out (other uses) were to the IDA Fund in the amounts of $17,940 and $5,417.

X. Pension Plan:

A. General Information

The Agency participates in the New York State and Local Employees' Retirement System (NYSERS), This System is a cost sharing multiple employer public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

B. Provisions and Administration

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to NYSERS, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

C. Funding Policies

The Systems are noncontributory for the employee, except for those who joined the systems after July 27, 1976 and before January 1, 2010 with less than ten years membership, who contribute 3% of their salary. Those joining on or after January 1, 2010 are required to contribute 3.5% of their annual salary for their entire career. For NYSERS the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund.

The Agency is required to contribute at an actuarially determined rate. The Agency contributions made to the System were equal to 100 percent of the contributions required for each year. The required contributions for the current year and the preceding year were:

	NYSERS
2011	$ 23,500
2010	$ 11,854

XI. Litigation:

Management is not aware of any pending litigation as of the date of this report.

XII. Housing Assistance Payment Contract (HAP Contract):

The Agency has a Housing Assistance Payment Contract with HUD to provide rent subsidies on behalf of qualified tenants, and a limited rent subsidy for vacant apartments. The project must operate according to HUD regulations to retain the subsidies. No rent increases are allowed without HUD approval.

XIII. Current Vulnerability Due to Certain Concentrations:

The Agency's operations are concentrated in the low-income real estate market. In addition, the Section 8 Program operates in a heavily regulated environment. The operations of the Section 8 Program are subject to the administrative directives, rules, and regulations and are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change.

Supplemental
Schedule 1

VILLAGE OF FAIRPORT SECTION 8
HOUSING ASSISTANCE PAYMENTS PROGRAM, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Direct -			
Section 8 housing choice vouchers	14.871	NY406-V046/047	$ 1,890,228
Total U.S. Department of Housing and Urban Development			**$ 1,890,228**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 1,890,228**

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Council Members of
Village of Fairport Section 8
Housing Assistance Payments Program

We have audited the financial statements of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency as of and for the year ended September 30, 2011, and have issued our report thereon dated December 12, 2011. 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.

Internal Control Over Financial Reporting

The management of Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 combination of deficiencies in internal controls, such that there is a reasonable possibly that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

1020 Lehigh Station Road • Suites 2 & 3 • Henrietta, New York 14467
Tel: (585) 321-5643 • Fax: (585) 321-5644 • E-Mail: theoffice@raymondfwagercpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency's 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*.

We noted certain matters that we reported to the management of the Village of Fairport Section 8 Housing Assistance Payments Program, a component unit of the Village of Fairport Urban Renewal Agency in a separate letter dated December 12, 2011.

This report is intended solely for the information and use of the Council, management, and the Federal Awarding Agencies and is not intended to be and should not be used by anyone other than these specified parties.

Raymond F. Wager CPA, PC

December 12, 2011