

**VILLAGE OF FAIRPORT  
URBAN RENEWAL AGENCY**

**NEW YORK**

**FINANCIAL STATEMENTS**

**For Year Ended September 30, 2009**

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

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
Village of Fairport  
Urban Renewal Agency

We have audited the accompanying statement of financial position of the Village of Fairport Urban Renewal Agency, New York as of September 30, 2009, and the related statement of activities for the year then ended. These financial statements are the responsibility of the Village of Fairport Urban Renewal Agency. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Agency as of September 30, 2008 were audited by other auditors whose report dated December 5, 2008, expressed a qualified opinion on those financial statements.

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 accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009 on our consideration 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 considered in assessing the results of our audit.

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. This supplementary information is the responsibility of the Agency's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 2009 supplementary information. However, we did not audit the information and do not express an opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Fairport Urban Renewal Agency, New York as of September 30, 2009, and the results of its changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Raymond F. Wager, CPA PC*

December 14, 2009

**Village of Fairport  
Urban Renewal Agency, New York**

**Management's Discussion and Analysis (MD&A)**

**September 30, 2009**

**Introduction**

Our discussion and analysis 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 year ended September 30, 2009. It should be read in conjunction with the financial statements to enhance understanding of the Agency's financial performance, which immediately follows this section.

**Financial Highlights**

Key financial highlights for year 2009 are as follows:

- ◆ The assets of the Agency exceeded its liabilities at the close of the most recent year by \$1,073,291 (net assets).
- ◆ \$1,073,291 (unrestricted net assets) is available for the Agency's ongoing operations related to Urban Renewal.

**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 \$1,073,291. This represents a decrease in net assets of \$75,952 from the prior year.

**Net Assets**

| <u>ASSETS</u>            | <u>2009</u>         | <u>2008</u>         | <u>Variance</u>    |
|--------------------------|---------------------|---------------------|--------------------|
| Current Assets           | \$ 774,266          | \$ 828,744          | \$ (54,478)        |
| Noncurrent Assets        | 323,827             | 357,253             | (33,426)           |
| Capital Assets, Net      | 12,629              | -                   | -                  |
| <b>Total Assets</b>      | <b>\$ 1,110,722</b> | <b>\$ 1,185,997</b> | <b>\$ (87,904)</b> |
| <br><u>LIABILITIES</u>   |                     |                     |                    |
| Current Liabilities      | \$ 25,634           | \$ 24,702           | \$ 932             |
| Long-Term Liabilities    | 11,797              | 12,052              | (255)              |
| <b>Total Liabilities</b> | <b>\$ 37,431</b>    | <b>\$ 36,754</b>    | <b>\$ 677</b>      |
| <br><u>NET ASSETS</u>    |                     |                     |                    |
| Unrestricted             | \$ 1,073,291        | \$ 1,149,243        | \$ (75,952)        |
| <b>Total Net Assets</b>  | <b>\$ 1,073,291</b> | <b>\$ 1,149,243</b> | <b>\$ (75,952)</b> |

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

**Changes in Net Assets**

| <u>Revenues:</u>                      | <u>2009</u>                       | <u>2008</u>                       | <u>Variance</u>                   |
|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| HUD Grant Revenue                     | \$ 1,741,791                      | \$ 1,758,391                      | \$ (16,600)                       |
| Charges and Fees                      | 1,769                             | 1,905                             | (136)                             |
| Interest Income                       | 49,041                            | 25,138                            | 23,903                            |
| <b>Total Revenues</b>                 | <b><u>\$ 1,792,601</u></b>        | <b><u>\$ 1,785,434</u></b>        | <b><u>\$ 7,167</u></b>            |
| <br>                                  |                                   |                                   |                                   |
| <u>Expenditures:</u>                  |                                   |                                   |                                   |
| Housing Assistance Payments           | 1,542,497                         | 1,468,260                         | 74,237                            |
| Personal Services                     | 218,246                           | -                                 | 218,246                           |
| Employee Benefits                     | 61,081                            | -                                 | 61,081                            |
| Depreciation Expense                  | 2,526                             | -                                 | 2,526                             |
| Professional Services                 | 4,300                             | -                                 | 4,300                             |
| Office                                | 16,300                            | -                                 | 16,300                            |
| Other                                 | 15,423                            | 3,300                             | 12,123                            |
| <b>Total Expenditures</b>             | <b><u>\$ 1,860,373</u></b>        | <b><u>\$ 1,471,560</u></b>        | <b><u>\$ 388,813</u></b>          |
| Transfers to Other Funds              | <u>\$ (8,180)</u>                 | <u>\$ (24,442)</u>                | <u>\$ 16,262</u>                  |
| <b>Change in Net Assets</b>           | <b><u>\$ (75,952)</u></b>         | <b><u>\$ 289,432</u></b>          | <b><u>\$ (365,384)</u></b>        |
| <b>Net Assets - Beginning of Year</b> | <u>1,149,243</u>                  | <u>1,111,111</u>                  | <u>38,132</u>                     |
| <b>Net Assets - End of Year</b>       | <b><u><u>\$ 1,073,291</u></u></b> | <b><u><u>\$ 1,400,543</u></u></b> | <b><u><u>\$ (327,252)</u></u></b> |

**Capital Assets**

The Agency’s investment in capital assets as of September 30, 2009 amounts to \$12,629 (net of accumulated depreciation). This investment in capital assets includes land and equipment.

|                                       | <u>2009</u>                    | <u>2008</u>               |
|---------------------------------------|--------------------------------|---------------------------|
| Equipment                             | \$ 15,155                      | \$ 10,000                 |
| <u>Less: Accumulated Depreciation</u> | <u>(2,526)</u>                 | <u>(10,000)</u>           |
| <b>Total</b>                          | <b><u><u>\$ 12,629</u></u></b> | <b><u><u>\$ -</u></u></b> |

**Future Factors**

The Urban Renewal Agency will invest significant time in refining and improving its reporting requirements as required by P-AAA and ABO.

Section 8 will continue to use the web to create easy access to information for its clients and landlords. One goal of the program in 2010 it to retain its “high performer” status under hud.

**Requests for Information**

This financial report is designed to provide a general overview 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: Ms. Kal Wysokowski, Village of Fairport, 31 South Main Street, Fairport, New York 14450.

VILLAGE OF FAIRPORT  
URBAN RENEWAL AGENCY, NEW YORK

Statement of Net Assets

September 30, 2009

| <u>ASSETS:</u>                          | <u>2009</u>         |
|---|---------------------|
| <u>Current Assets -</u>                 |                     |
| Cash                                    | \$ 148,617          |
| Restricted cash - FSS escrow            | 23,509              |
| Accounts receivable - fraud repayments  | 3,137               |
| Due from other governments              | 568,406             |
| Notes receivable, net                   | 28,219              |
| Mortgage receivable, net                | 2,378               |
| <b>Total Current Assets</b>             | <b>\$ 774,266</b>   |
| <u>Noncurrent Assets -</u>              |                     |
| Notes receivable, net                   | \$ 305,038          |
| Mortgage receivable, net                | 18,789              |
| <b>Total Noncurrent Assets</b>          | <b>\$ 323,827</b>   |
| <u>Capital Assets -</u>                 |                     |
| Office equipment                        | \$ 15,155           |
| Less: accumulated depreciation          | (2,526)             |
| <b>Total Capital Assets</b>             | <b>\$ 12,629</b>    |
| <b>TOTAL ASSETS</b>                     | <b>\$ 1,110,722</b> |
| <u>LIABILITIES:</u>                     |                     |
| <u>Current Liabilities -</u>            |                     |
| FSS - escrow                            | \$ 23,509           |
| Current portion compensated absences    | 2,125               |
| <b>Total Current Liabilities</b>        | <b>\$ 25,634</b>    |
| <u>Long-Term Liabilities -</u>          |                     |
| Long-term portion compensated absences  | \$ 11,797           |
| <b>Total Long-Term Liabilities</b>      | <b>\$ 11,797</b>    |
| <b>TOTAL LIABILITIES</b>                | <b>\$ 37,431</b>    |
| <u>NET ASSETS:</u>                      |                     |
| Unrestricted                            | \$ 1,073,291        |
| <b>TOTAL NET ASSETS</b>                 | <b>\$ 1,073,291</b> |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 1,110,722</b> |

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

**VILLAGE OF FAIRPORT  
URBAN RENEWAL AGENCY, NEW YORK**

**Statement of Activities**

**For Year Ended September 30, 2009**

| <b><u>OPERATING INCOME:</u></b>                     | <b><u>2009</u></b>         |
|---|----------------------------|
| HUD grant revenue                                   | \$ 1,741,791               |
| Charges and fees                                    | 1,769                      |
| <b>TOTAL OPERATING INCOME</b>                       | <b><u>\$ 1,743,560</u></b> |
| <b><u>OPERATING EXPENSES:</u></b>                   |                            |
| Housing assistance payments                         | \$ 1,542,497               |
| Personal services                                   | 218,246                    |
| Employee benefits                                   | 61,081                     |
| Depreciation expense                                | 2,526                      |
| Professional services                               | 4,300                      |
| Office  | 16,300                     |
| Other   | 15,423                     |
| <b>TOTAL OPERATING EXPENSES</b>                     | <b><u>\$ 1,860,373</u></b> |
| <b>NET OPERATING INCOME (LOSS)</b>                  | <b><u>\$ (116,813)</u></b> |
| <b>NONOPERATING INCOME</b>                          |                            |
| Interest income                                     | \$ 49,041                  |
| <b>INCOME (LOSS) BEFORE<br/>OPERATING TRANSFERS</b> | <b><u>\$ (67,772)</u></b>  |
| Operating transfers out                             | \$ (8,180)                 |
| <b>NET INCOME (LOSS)</b>                            | <b><u>\$ (75,952)</u></b>  |
| <b>NET ASSETS - BEGINNING OF YEAR</b>               | <b><u>1,149,243</u></b>    |
| <b>NET ASSETS - END OF YEAR</b>                     | <b><u>\$ 1,073,291</u></b> |

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

VILLAGE OF FAIRPORT  
URBAN RENEWAL AGENCY, NEW YORK  
Statement of Cash Flows  
For Year Ended September 30, 2009

|  | <u>2009</u>                      |
|--|----------------------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>  |                                  |
| Receipts from charges, fees, and grants  | \$ 1,766,562                     |
| Payments to suppliers  | (1,548,177)                      |
| Payments to employees  | (269,363)                        |
| Depreciation   | (12,629)                         |
| Other receipts   | 1,769                            |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <b><u>\$ (61,838)</u></b>        |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>  |                                  |
| Interest income  | \$ 1,634                         |
| <b>Net Cash Provided (Used) by Investing Activities</b>  | <b><u>\$ 1,634</u></b>           |
| <b><u>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</u></b>   |                                  |
| Payments to other funds  | \$ (8,180)                       |
| <b>Net Cash Provided (Used) by Financing Activities</b>  | <b><u>\$ (8,180)</u></b>         |
| <b>NET INCREASE (DECREASE) IN CASH<br/>AND CASH EQUIVALENTS</b>  | <b>\$ (68,384)</b>               |
| <b>BEGINNING CASH AND CASH EQUIVALENTS</b>   | <b><u>240,510</u></b>            |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>  | <b><u><u>\$ 172,126</u></u></b>  |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>  |                                  |
| <b>Net Operating Income (Loss)</b>   | <b>\$ (74,657)</b>               |
| <b>Adjustments to Reconcile Net Operating Income to<br/>Net Cash Provided By (Used In) Operating Activities:</b> |                                  |
| Decrease in due from other governments   | 22,576                           |
| Decrease in accounts receivable  | 2,195                            |
| Increase in depreciation expense   | (12,629)                         |
| Increase in FSS escrow liability   | 146                              |
| Increase in compensated absences   | 531                              |
| <b>Total Adjustments</b>   | <b><u>\$ 12,819</u></b>          |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <b><u><u>\$ (61,838)</u></u></b> |

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

**VILLAGE OF FAIRPORT URBAN RENEWAL AGENCY  
NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2009**

**I. Organization:**

The accompanying financial statements present the financial position and revenues and expenditures of the Village of Fairport Urban Renewal Agency (FURA). The FURA is a component unit of the Village of Fairport and has the power to transact business and other powers defined by law. The FURA has five commissioners who are members of the community and are appointed to 5-year terms. The accounting records of the FURA are separate from those of the Village of Fairport. The FURA was created to develop and oversee the Village's urban renewal efforts. As part of that effort the FURA administers the Rehabilitation Loan Fund to benefit entities within the Village. The FURA also operates the Section 8 Housing Assistance Payments Program which covers the eastern part of Monroe County.

**II. Summary of Significant Accounting Policies:**

The financial statements of the Village of Fairport Urban Renewal Agency, New York have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the liability is incurred. It is the policy of the FURA that administrative costs are provided by the Village of Fairport Industrial Development Agency (IDA).

**III. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**IV. 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.

**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.

( V. ) ( Continued )

At September 30, 2009, the carrying amount of the Agency cash accounts was \$148,617, 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 \$23,509, 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 property and equipment is as follows:

|                                | <u>2009</u>             | <u>2008</u>        |
|--------------------------------|-------------------------|--------------------|
| Equipment                      | \$ 15,155               | \$ 10,000          |
| Less: Accumulated Depreciation | <u>(2,526)</u>          | <u>(10,000)</u>    |
| <b>Total</b>                   | <b><u>\$ 12,629</u></b> | <b><u>\$ -</u></b> |

**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, as well as the funds of the IDA. Excess funds on hand are invested and are collateralized with securities pledged by the financial institution. The amount invested by the IDA on behalf of the Agency as of September 30, 2009 was \$568,406.

**VIII. Notes Receivable, Net:**

The Agency administers notes receivable having an outstanding balance of \$335,800 as of September 30, 2009. Loans have been issued to various individuals and organizations in accordance with policies, laws, and regulations of the FURA. An allowance for doubtful accounts of \$2,543 has been estimated and recorded by management.

**IX. Mortgages Receivable:**

The Agency also administers a mortgage receivable with an outstanding balance of \$22,506 as of September 30, 2009, in accordance with laws and regulations applicable to the Agency. An allowance for doubtful accounts of \$1,339 has been estimated and recorded by management.

**X. Operating Transfer:**

Operating transfers out (other uses) were to the IDA Fund in the amount of \$8,180.

**XI. Pension Plan:**

**A. Plan Descriptions**

The Agency participates in the New York State Local Employees' Retirement System. This is a cost sharing multiple employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. Reports may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

**B. Funding Policies**

The System is contributory except for those who joined the system prior to July 27, 1976. Under the authority of the 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 two preceding years were:

|      | <u>NYSERS</u> |
|------|---------------|
| 2009 | \$ 27,692     |
| 2008 | \$ 25,814     |
| 2007 | \$ 30,047     |

**XII. Litigation:**

The management of the Agency indicated that they are aware of no asserted or unasserted claims as of September 30, 2009.

**XIII. 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.

**VILLAGE OF FAIRPORT  
URBAN RENEWAL AGENCY, NEW YORK**

**Statement of Net Assets**

**September 30, 2009**

|   | <b>Rehabilitation<br/>Loan Fund</b> | <b>Section 8<br/>Housing</b> | <b>Total<br/>2009</b> |
|---|-------------------------------------|------------------------------|-----------------------|
| <b><u>ASSETS:</u></b>                   |                                     |                              |                       |
| <b><u>Current Assets -</u></b>          |                                     |                              |                       |
| Cash                                    | \$ -                                | \$ 148,617                   | \$ 148,617            |
| Restricted cash - FSS escrow            | -                                   | 23,509                       | 23,509                |
| Accounts receivable - fraud repayments  | -                                   | 3,137                        | 3,137                 |
| Due from other governments              | 453,251                             | 115,155                      | 568,406               |
| Notes receivable, net                   | 28,219                              | -                            | 28,219                |
| Mortgage receivable, net                | 2,378                               | -                            | 2,378                 |
| <b>Total Current Assets</b>             | <b>\$ 483,848</b>                   | <b>\$ 290,418</b>            | <b>\$ 774,266</b>     |
| <b><u>Noncurrent Assets -</u></b>       |                                     |                              |                       |
| Notes receivable, net                   | \$ 305,038                          | \$ -                         | \$ 305,038            |
| Mortgage receivable, net                | 18,789                              | -                            | 18,789                |
| <b>Total Noncurrent Assets</b>          | <b>\$ 323,827</b>                   | <b>\$ -</b>                  | <b>\$ 323,827</b>     |
| <b><u>Capital Assets -</u></b>          |                                     |                              |                       |
| Office equipment                        | \$ -                                | \$ 15,155                    | \$ 15,155             |
| Less: accumulated depreciation          | -                                   | (2,526)                      | (2,526)               |
| <b>Total Capital Assets</b>             | <b>\$ -</b>                         | <b>\$ 12,629</b>             | <b>\$ 12,629</b>      |
| <b>TOTAL ASSETS</b>                     | <b>\$ 807,675</b>                   | <b>\$ 303,047</b>            | <b>\$ 1,110,722</b>   |
| <b><u>LIABILITIES:</u></b>              |                                     |                              |                       |
| <b><u>Current Liabilities -</u></b>     |                                     |                              |                       |
| FSS - escrow                            | \$ -                                | \$ 23,509                    | \$ 23,509             |
| Current portion compensated absences    | -                                   | 2,125                        | 2,125                 |
| <b>Total Current Liabilities</b>        | <b>\$ -</b>                         | <b>\$ 25,634</b>             | <b>\$ 25,634</b>      |
| <b><u>Long-Term Liabilities -</u></b>   |                                     |                              |                       |
| Long-term portion compensated absences  | \$ -                                | \$ 11,797                    | \$ 11,797             |
| <b>Total Long-Term Liabilities</b>      | <b>\$ -</b>                         | <b>\$ 11,797</b>             | <b>\$ 11,797</b>      |
| <b>TOTAL LIABILITIES</b>                | <b>\$ -</b>                         | <b>\$ 37,431</b>             | <b>\$ 37,431</b>      |
| <b><u>NET ASSETS:</u></b>               |                                     |                              |                       |
| Unrestricted                            | \$ 807,675                          | \$ 265,616                   | \$ 1,073,291          |
| <b>TOTAL NET ASSETS</b>                 | <b>\$ 807,675</b>                   | <b>\$ 265,616</b>            | <b>\$ 1,073,291</b>   |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 807,675</b>                   | <b>\$ 303,047</b>            | <b>\$ 1,110,722</b>   |

**VILLAGE OF FAIRPORT**  
**URBAN RENEWAL AGENCY, NEW YORK**

**Statement of Activities**

**For Year Ended September 30, 2009**

|                                       | <b>Rehabilitation</b>   | <b>Section 8</b>      | <b>Total</b>        |
|---------------------------------------|-------------------------|-----------------------|---------------------|
| <b><u>OPERATING INCOME:</u></b>       | <b><u>Loan Fund</u></b> | <b><u>Housing</u></b> | <b><u>2009</u></b>  |
| HUD grant revenue                     | \$ -                    | \$ 1,741,791          | \$ 1,741,791        |
| Charges and fees                      | -                       | 1,769                 | 1,769               |
| <b>TOTAL OPERATING INCOME</b>         | <b>\$ -</b>             | <b>\$ 1,743,560</b>   | <b>\$ 1,743,560</b> |
| <br>                                  |                         |                       |                     |
| <b><u>OPERATING EXPENSES:</u></b>     |                         |                       |                     |
| Housing assistance payments           | \$ -                    | \$ 1,542,497          | \$ 1,542,497        |
| Personal services                     | 26,584                  | 191,662               | 218,246             |
| Employee benefits                     | 5,662                   | 55,419                | 61,081              |
| Depreciation expense                  | -                       | 2,526                 | 2,526               |
| Professional services                 | -                       | 4,300                 | 4,300               |
| Office                                | -                       | 16,300                | 16,300              |
| Other                                 | 9,910                   | 5,513                 | 15,423              |
| <b>TOTAL OPERATING EXPENSES</b>       | <b>\$ 42,156</b>        | <b>\$ 1,818,217</b>   | <b>\$ 1,860,373</b> |
| <b>NET OPERATING INCOME (LOSS)</b>    | <b>\$ (42,156)</b>      | <b>\$ (74,657)</b>    | <b>\$ (116,813)</b> |
| <br>                                  |                         |                       |                     |
| <b>NONOPERATING INCOME</b>            |                         |                       |                     |
| Interest income                       | \$ 47,407               | \$ 1,634              | \$ 49,041           |
| <br>                                  |                         |                       |                     |
| <b>INCOME (LOSS) BEFORE</b>           |                         |                       |                     |
| <b>OPERATING TRANSFERS</b>            | \$ 5,251                | \$ (73,023)           | \$ (67,772)         |
| Operating transfers out               | \$ -                    | \$ (8,180)            | \$ (8,180)          |
| <b>NET INCOME (LOSS)</b>              | <b>\$ 5,251</b>         | <b>\$ (81,203)</b>    | <b>\$ (75,952)</b>  |
| <b>NET ASSETS - BEGINNING OF YEAR</b> | <b>802,424</b>          | <b>346,819</b>        | <b>1,149,243</b>    |
| <b>NET ASSETS - END OF YEAR</b>       | <b>\$ 807,675</b>       | <b>\$ 265,616</b>     | <b>\$ 1,073,291</b> |

**VILLAGE OF FAIRPORT**  
**URBAN RENEWAL AGENCY, NEW YORK**

**Statement of Cash Flows**

**For Year Ended September 30, 2009**

|   | <b>Rehabilitation</b>   | <b>Section 8</b>      | <b>Total</b>       |
|---|-------------------------|-----------------------|--------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>         | <b><u>Loan Fund</u></b> | <b><u>Housing</u></b> | <b><u>2009</u></b> |
| Receipts from charges, fees, and grants                     | \$ -                    | \$ 1,766,562          | \$ 1,766,562       |
| Payments to suppliers                                       | -                       | (1,548,177)           | (1,548,177)        |
| Payments to employees                                       | -                       | (269,363)             | (269,363)          |
| Depreciation  | -                       | (12,629)              | (12,629)           |
| Other receipts  | -                       | 1,769                 | 1,769              |
| <b>Net Cash Provided (Used) by Operating Activities</b>     | <b>\$ -</b>             | <b>\$ (61,838)</b>    | <b>\$ (61,838)</b> |
| <br>  |                         |                       |                    |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>         |                         |                       |                    |
| Interest income   | \$ -                    | \$ 1,634              | \$ 1,634           |
| <b>Net Cash Provided (Used) by Investing Activities</b>     | <b>\$ -</b>             | <b>\$ 1,634</b>       | <b>\$ 1,634</b>    |
| <br>  |                         |                       |                    |
| <b><u>CASH FLOWS FROM NONCAPITAL</u></b>                    |                         |                       |                    |
| <b><u>FINANCING ACTIVITIES:</u></b>                         |                         |                       |                    |
| Payments to other funds                                     | \$ -                    | \$ (8,180)            | \$ (8,180)         |
| <b>Net Cash Provided (Used) by Financing Activities</b>     | <b>\$ -</b>             | <b>\$ (8,180)</b>     | <b>\$ (8,180)</b>  |
| <br>  |                         |                       |                    |
| <b>NET INCREASE (DECREASE) IN CASH</b>                      |                         |                       |                    |
| <b>AND CASH EQUIVALENTS</b>                                 | <b>\$ -</b>             | <b>\$ (68,384)</b>    | <b>\$ (68,384)</b> |
| <b>BEGINNING CASH AND CASH EQUIVALENTS</b>                  | <b>-</b>                | <b>240,510</b>        | <b>240,510</b>     |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>                     | <b>\$ -</b>             | <b>\$ 172,126</b>     | <b>\$ 172,126</b>  |
| <br>  |                         |                       |                    |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>         |                         |                       |                    |
| <b>Net Operating Income (Loss)</b>                          | <b>\$ -</b>             | <b>\$ (74,657)</b>    | <b>\$ (74,657)</b> |
| <br>  |                         |                       |                    |
| <b>Adjustments to Reconcile Net Operating Income to</b>     |                         |                       |                    |
| <b>Net Cash Provided By (Used In) Operating Activities:</b> |                         |                       |                    |
| Decrease in due from other governments                      | -                       | 22,576                | 22,576             |
| Decrease in accounts receivable                             | -                       | 2,195                 | 2,195              |
| Increase in depreciation expense                            | -                       | (12,629)              | (12,629)           |
| Increase in FSS escrow liability                            | -                       | 146                   | 146                |
| Increase in compensated absences                            | -                       | 531                   | 531                |
| <b>Total Adjustments</b>                                    | <b>\$ -</b>             | <b>\$ 12,819</b>      | <b>\$ 12,819</b>   |
| <b>Net Cash Provided (Used) by Operating Activities</b>     | <b>\$ -</b>             | <b>\$ (61,838)</b>    | <b>\$ (61,838)</b> |

**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 Members of  
Village of Fairport  
Urban Renewal Agency

We have audited the financial statements of the Village of Fairport Urban Renewal Agency, New York as of and for the year ended September 30, 2009, and have issued our report thereon dated December 14, 2009. 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**

In planning and performing our audit, we considered the Village of Fairport Urban Renewal Agency, New York'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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Fairport Urban Renewal Agency, New York'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 Urban Renewal Agency, New York in a separate letter dated December 14, 2009.

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

December 14, 2009