

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

FINANCIAL STATEMENTS

For The Years Ended May 31, 2013 and 2012

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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 Board of Directors of
Village of Victor Urban Renewal
Agency, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Victor Urban Renewal Agency, New York, which comprise the statement of financial position as of May 31, 2013 and 2012, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

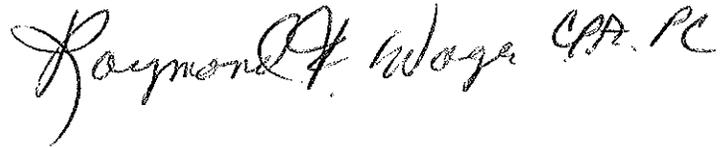
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Victor Urban Renewal Agency, New York as of May 31, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2013 on our consideration of the Village of Victor Urban Renewal Agency, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Victor Urban Renewal Agency, New York's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Raymond F. Wager CPA, P.C." The signature is written in a cursive style.

September 24, 2013

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

Statement of Financial Position

May 31, 2013 and 2012

<u>ASSETS:</u>	<u>2013</u>	<u>2012</u>
<u>Current Assets -</u>		
Cash	\$ 27,198	\$ 24,522
Total Current Assets	\$ 27,198	\$ 24,522
<u>Capital Assets -</u>		
Land	\$ 189,500	\$ 189,500
Total Capital Assets, Net	\$ 189,500	\$ 189,500
TOTAL ASSETS	\$ 216,698	\$ 214,022
 <u>NET ASSETS:</u>		
<u>Net Assets -</u>		
Investment in Capital Assets, net of related debt	\$ 189,500	\$ 189,500
Unrestricted - operations	27,198	24,522
TOTAL NET ASSETS	\$ 216,698	\$ 214,022
TOTAL LIABILITIES AND NET ASSETS	\$ 216,698	\$ 214,022

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

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

Statement of Activities

For The Years Ended May 31, 2013 and 2012

<u>OPERATING REVENUES:</u>	<u>2 0 1 3</u>	<u>2 0 1 2</u>
Interest on program income	\$ 13	\$ 16
Contributions - Village	10,000	-
Miscellaneous revenue	-	120
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	\$ 10,013	\$ 136
	<hr/>	<hr/>
<u>OPERATING EXPENSES:</u>		
<u>Program</u>		
Program expenses	\$ 7,337	\$ 4,259
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 7,337	\$ 4,259
	<hr/>	<hr/>
NET OPERATING INCOME (LOSS)	\$ 2,676	\$ (4,123)
NET ASSETS - BEGINNING OF YEAR	<hr/> 214,022	<hr/> 218,145
NET ASSETS - END OF YEAR	<hr/> \$ 216,698	<hr/> \$ 214,022

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

VILLAGE OF VICTOR URBAN RENEWAL
AGENCY, NEW YORK
Statement of Cash Flows
For The Years Ended May 31, 2012 and 2011

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2 0 1 3</u>	<u>2 0 1 2</u>
Cash received from providing services	\$ 10,013	\$ 136
Cash payments contractual expenses	(7,337)	(4,259)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,676</u>	<u>\$ (4,123)</u>
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	\$ 2,676	\$ (4,123)
BEGINNING CASH AND CASH EQUIVALENTS	<u>24,522</u>	<u>28,645</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 27,198</u></u>	<u><u>\$ 24,522</u></u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Operating Income (Loss)	<u>\$ 2,676</u>	<u>\$ (4,123)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 2,676</u></u>	<u><u>\$ (4,123)</u></u>

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

VILLAGE OF VICTOR URBAN RENEWAL AGENCY, NEW YORK

NOTES TO FINANCIAL STATEMENTS

May 31, 2013

I. Summary of Significant Accounting Policies:

A. Organization

The accompanying financial statements present the financial position and revenues and expenditures of the Village of Victor Urban Renewal Agency (the Agency). The Agency was formed on July 27, 1982 under Articles 15 and 15-A of the General Municipal Law. The accounting records of the Agency are separate from those of the Village of Victor. The Agency was created to develop and oversee the Village's urban renewal efforts.

B. Basis of Accounting

The financial statements of the Village of Victor Urban Renewal Agency, New York have been prepared in conformity with generally accepted accounting principles as applied to governmental units on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current position. Expenditures are recognized when the liability is incurred.

The Agency reports information regarding its financial position and activities according to three classes of net position, unrestricted, temporarily restricted, and permanently restricted net position. At May 31, 2013 the Agency only had unrestricted net position.

C. 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.

D. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

II. Cash and Cash Equivalents:

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. While the Agency does not have a specific policy for custodial credit risk, New York State statutes govern the Agency's investment policies, as discussed previously in these notes.

The Village of Victor Urban Renewal Agency's bank balances were fully covered by FDIC insurance.

III. Capital Position:

Property owned by the Agency is stated at original cost upon acquisition. 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.

A summary of property is as follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 189,500	\$ 189,500
Total	<u>\$ 189,500</u>	<u>\$ 189,500</u>

IV. Related Party:

The Board Chairperson of the Village of Victor Urban Renewal Agency is also a Village of Victor Board Trustee.

V. Commitments and Contingencies:

A. Litigation

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

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**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***

Independent Auditors' Report

To the Board of Directors of
Village of Victor Urban Renewal
Agency, 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 financial statements of the Village of Victor Urban Renewal Agency, New York, which comprise the statement of financial position as of May 31, 2013 and 2012, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Village of Victor Urban Renewal Agency, New York's financial statements, and have issued our report thereon dated September 24, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Victor Urban Renewal Agency, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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 Village of Victor Urban Renewal Agency, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Victor Urban Renewal Agency, New York'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 Agency'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.

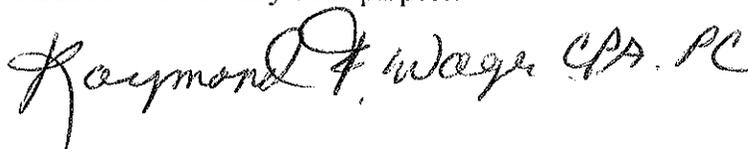
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Village of Victor Urban Renewal Agency, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Raymond F. Wager CPA, P.C." The signature is written in a cursive style.

September 24, 2013

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

LETTER OF COMMUNICATION

For Year Ended May 31, 2013

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

Shareholders:

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September 24, 2013

To the Board of Directors of
Village of Victor Urban Renewal
Agency, New York

We have audited the financial statements of the Village of Victor Urban Renewal Agency, New York for the year ended May 31, 2013, and have issued our report thereon dated September 24, 2013. Professional standards require that we provide you with the following information related to our audit.

A. Our Responsibility Under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated June 10, 2013, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Village of Victor Urban Renewal Agency, New York. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village of Victor Urban Renewal Agency, New York's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

B. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management and the Board in our engagement letter dated June 10, 2013.

To the Board of Directors of
Village of Victor Urban Renewal
Agency, New York

C. Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of Victor Urban Renewal Agency, New York are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events effecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no individually sensitive disclosures affecting the financial statements.

D. Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

E. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

F. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

G. Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 24, 2013.

To the Board of Directors of
Village of Victor Urban Renewal
Agency, New York

H. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

I. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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This information is intended solely for the use of the Board and management of the Village of Victor Urban Renewal Agency, New York and is not intended to be and should not be used by anyone other than these specified parties.



September 24, 2013