VILLAGE OF FAIRPORT
LOCAL DEVELOPMENT CORPORATION

NEW YORK

FINANCIAL STATEMENTS

For Years Ended September 30, 2015 and 2014

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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 Council Members of
Village of Fairport
Local Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Fairport Local Development Corporation, a component unit of the Village of Fairport, New York, (The Corporation) which comprise the statement of net position as of September 30, 2015 and 2014, and the related statements of revenues, expenses, and changes in fund net position, 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 Corporation'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 Corporation'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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Fairport Local Development Corporation, a component unit of the Village of Fairport, New York as of September 30, 2015 and 2014, 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–5 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Fairport Local Development Corporation, New York's financial statements. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying supplemental schedules as listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the Village of Fairport Local Development Corporation, a component unit of the Village of Fairport, 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 Fairport Local Development Corporation, a component unit of the Village of Fairport, New York's internal control over financial reporting and compliance.

Raymond F. Wager, CPA, PC

December 21, 2015

Village of Fairport
Local Development Corporation

Management's Discussion and Analysis (MD&A)

September 30, 2015

Introduction

Our discussion and analysis of the Village of Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, New York's financial performance provides an overview of the Corporation's financial activities for the year ended September 30, 2015. It should be read in conjunction with the basic financial statements to enhance understanding of the Corporations financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2015 are as follows:

- The assets of the Corporation exceeded its liabilities at the close of the most recent year by $1,083,751 (net position) an increase of $125,254 over the prior year.
- $253,843 (net investment in capital assets) represents the Corporation's investment in land (there is no capital-related debt) and this amount is not available for future spending.
- $9M in tax-exempt revenue bonds were issued by the Fairport LDC in 2015 for the construction of the RPH-East Memory Care Facility in the Town of Perinton. This is the very first bond project for the Corporation.

Overview of the Financial Statements

The statement of net position, the statement of activities and statement of cash flows report information about the Corporation as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses would be accounted for regardless of when cash is received or paid.

These two statements report the Corporation's net position and changes in them. The Corporation's net position, the difference between assets and liabilities, are one way to measure the Corporation's financial health or financial position. Over time, increases or decreases in the Corporation's net position are one indicator of whether its financial health is improving or deteriorating.

Additionally, the statement of cash flows provides information about the Corporation's cash receipts, cash disbursements, and net changes in cash resulting from operating, financing and investing activities.

Government-Wide Financial Analysis

The Corporation was established in 2012 as a local development corporation.

As noted earlier, net position may serve over time as a useful indicator of the Corporation's financial position. In the case of the Corporation, net position at the close of the current year were $1,083,751.

Net Position

ASSETS	2015	2014	2013
Current Assets	$ 291,013	$ 158,965	$ 80,405
Noncurrent Assets	541,204	578,322	455,959
Capital Assets, Net	253,843	259,260	264,677
Total Assets	**$ 1,086,060**	**$ 996,547**	**$ 801,041**
LIABILITIES			
Current Liabilities	$ 2,309	$ 38,050	$ 33,893
Total Liabilities	**$ 2,309**	**$ 38,050**	**$ 33,893**
NET POSITION			
Net Investment in Capital Assets	$ 253,843	$ 259,260	$ 264,677
Unrestricted	829,908	699,237	502,471
Total Net Position	**$ 1,083,751**	**$ 958,497**	**$ 767,148**

Changes in Net Position

OPERATING REVENUES	2015	2014	2013
Program Income	$ 32,944	$ 32,853	$ 2,500
Rental of Real Property	5,500	6,500	11,772
Miscellaneous Revenue	240	921	-
Program Income-Processing Fees	90,250	-	-
Total Operating Revenues	**$ 128,934**	**$ 40,274**	**$ 14,272**
Operating Expenses:			
Administrative & Contractual	$ 4,856	$ 5,637	$ 8,393
Home & Community Services	4,500	12,286	-
Depreciation	5,417	5,417	282
Total Operating Expenses	**$ 14,773**	**$ 23,340**	**$ 8,675**
Net Operating Income	**$ 114,161**	**$ 16,934**	**$ 5,597**
Nonoperating Revenues (Expenses):			
Contributed Capital	$ 143,367	$ 175,000	$ 505,669
Allowance for Doubtful Accounts	486	(585)	(8,795)
Donations collected for Veterans Park Project	50,770	-	-
Venterans Park Project Grant Program	(183,530)	-	-
Total Nonoperating Revenues (Expenses)	**$ 11,093**	**$ 174,415**	**$ 496,874**
NET INCOME	**$ 125,254**	**$ 191,349**	**$ 502,471**

Capital Assets

The Corporation's investment in capital assets as of September 30, 2015, 2014, and 2013 amounts to $253,843, $259,260, and $264,677, respectively. This net investment in capital assets includes land.

	2015	2014	2013
Land	$ 48,000	$ 48,000	$ 48,000
Buildings	216,677	216,677	216,677
Less: Accumulated Depreciation	(10,834)	(5,417)	-
Total	**$ 253,843**	**$ 259,260**	**$ 264,677**

Future Factors

- The LDC will release an RFP for professional services in 2016 to support the administrative and compliance work of the Corporation.
- Written purchase offers have been received for the property at 99 South Main Street, current home to one of Monroe County's first craft breweries, Fairport Brewing Company.
- The LDC Board approved a $250,000 commercial loan for a mixed-use project on South Main Street known as Hupp Motors, LLC. The loan is scheduled to close in the first quarter of 2016, with construction starting in early 2016.

Requests for Information

This financial report is designed to provide a general overview of the Village of Fairport Local Development Corporation, a component unit of the Village of Fairport, 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 Local Development Corporation, 31 South Main Street, Fairport, New York 14450.

VILLAGE OF FAIRPORT
LOCAL DEVELOPMENT CORPORATION
NEW YORK
Statement of Net Position
September 30, 2015 and 2014

ASSETS:	2015	2014
Current Assets -		
Cash	$ 254,015	$ 112,902
Current portion of notes and mortgages receivable	36,998	46,063
Total Current Assets	$ 291,013	$ 158,965
Noncurrent Assets -		
Long-term notes and mortgages receivable (net)	$ 541,204	$ 578,322
Capital Assets -		
Land	$ 48,000	$ 48,000
Building	216,677	216,677
Less: accumulated depreciation	(10,834)	(5,417)
Total Capital Assets, Net	$ 253,843	$ 259,260
TOTAL ASSETS	**$ 1,086,060**	**$ 996,547**
LIABILITIES:		
Current Liabilities -		
Accrued liabilities	$ 1,000	$ -
Security deposit-99 Main Street	500	500
Due to other governments	809	37,550
Total Current Liabilities	$ 2,309	$ 38,050
TOTAL LIABILITIES	**$ 2,309**	**$ 38,050**
NET POSITION:		
Net investment in capital assets	$ 253,843	$ 259,260
Unrestricted	829,908	699,237
TOTAL NET POSITION	**$ 1,083,751**	**$ 958,497**
TOTAL LIABILITIES AND NET POSITION	**$ 1,086,060**	**$ 996,547**

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

VILLAGE OF FAIRPORT
LOCAL DEVELOPMENT CORPORATION
NEW YORK
Statement of Revenues, Expenses, and Changes in Fund Net Position
For Years Ended September 30, 2015 and 2014

OPERATING REVENUES:	2015	2014
Program income (notes and loans)	$ 32,944	$ 32,853
Rental of real property	5,500	6,500
Miscellaneous revenue	240	921
Program income - processing fees	90,250	-
TOTAL OPERATING REVENUES	**$ 128,934**	**$ 40,274**
OPERATING EXPENSES:		
Administrative and contractual	$ 4,856	$ 5,637
Home and community services	4,500	12,286
Depreciation	5,417	5,417
TOTAL OPERATING EXPENSES	**$ 14,773**	**$ 23,340**
NET OPERATING INCOME	**$ 114,161**	**$ 16,934**
NONOPERATING REVENUES (EXPENSES)		
Contributed capital	$ 143,367	$ 175,000
Allowance for doubtful accounts	486	(585)
Donations collected for Veterans Park Project	50,770	-
Veterans Park Project grant program	(183,530)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ 11,093**	**$ 174,415**
NET INCOME	$ 125,254	$ 191,349
NET POSITION - BEGINNING OF YEAR	958,497	767,148
NET POSITION - END OF YEAR	**$ 1,083,751**	**$ 958,497**

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

VILLAGE OF FAIRPORT
LOCAL DEVELOPMENT CORPORATION
NEW YORK
Statement of Cash Flows
For Years Ended September 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from loan and lease agreements	$ 254,113	$ 75,368
Receipts from projects induced	90,250	-
Payments to suppliers	(8,547)	(13,766)
Issuance of new loans	(169,000)	(175,000)
Miscellaneous receipts	240	-
Net Cash Provided (Used) by Operating Activities	**$ 167,056**	**$ (113,398)**
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES:		
Contributed capital	$ 143,367	$ -
Donations received for Veterans Park Project	50,770	-
Payments to suppliers for Veterans Park Project	(182,530)	-
Net Cash Provided (Used) by Capital Related Financing Activities	**$ 11,607**	**$ -**
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES:		
Contributed capital	$ -	$ 175,000
Cash advances from Village of Fairport IDA	(37,550)	-
Net Cash Provided (Used) by Financing Activities	**$ (37,550)**	**$ 175,000**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$ 141,113**	**$ 61,602**
BEGINNING CASH AND CASH EQUIVALENTS	112,902	51,300
ENDING CASH AND CASH EQUIVALENTS	**$ 254,015**	**$ 112,902**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Operating Income (Loss)	$ 114,161	$ 16,934
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Increase/(decrease) in due to other governments	809	4,157
(Increase)/decrease in notes receivable	46,183	(139,321)
Depreciation expense	5,417	5,417
Allowance for doubtful accounts	486	(585)
Total Adjustments	$ 52,895	$ (130,332)
Net Cash Provided (Used) by Operating Activities	**$ 167,056**	**$ (113,398)**

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

VILLAGE OF FAIRPORT
LOCAL DEVELOPMENT CORPORATION
NEW YORK

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

I. Summary of Significant Accounting Policies:

The financial statements of the Village of Fairport Local Development Corporation (The Corporation) have been prepared in conformity with generally accepted accounting principles (GAAP) that provides for proprietary fund accounting for Local Development Corporations.

A. Organization

The Village of Fairport Local Development Corporation is a local development corporation of the State of New York authorized under Section 1411 of the Not-for-Profit Corporation Law. The Corporation was created through a Local Law enacted in 2014 by the Village of Fairport Board of Directors. The Corporation's operating certificate was granted by the New York State Department of State on April 17, 2012. The Board consists of five members, all appointed by the Village of Fairport Board of Trustees. They serve at the pleasure of the Village of Fairport Board of Trustees.

B. Basis of Accounting

The financial statements of the Corporation 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. Management must make estimates and assumptions that affect the reported amount of 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. Financial instruments, including borrowings, are all carried at amounts that approximate fair value.

The government-wide financial statements are the same as the fund financial statements for proprietary funds, so no additional schedules were necessary. The first of these government-wide statements is the Statement of Net Position. This is the Corporation-wide statement of position presenting information that includes all of the Corporation's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation as a whole is improving or deteriorating. Evaluation of the overall health of the Corporation would extend to other nonfinancial factors, such as diversification of the tenants base or the condition of Corporation infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the Corporation's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of this statement is to show the financial reliance of the Corporation's distinct activities or functions on revenues provided by the Corporation's lessees and grantors.

C. Related Party

The Corporation is related through common management with the Village of Fairport Industrial Development Corporation (IDA), which also promotes economic development in the Village. Annually, employees of the IDA provide certain administrative and management services to the Corporation. The cost of these services are covered by the IDA and are not reflected in the accompanying financial statements.

D. Income Taxes

The Corporation is a not-for-profit public benefit corporation and is exempt from income taxes under the Internal Revenue Code.

E. Assets and Net Position

1. Capital Assets

The capital assets are recorded at cost and are depreciated utilizing the straight-line method of depreciation over the estimated useful life of the asset.

2. Net Position

a. Government-Wide Statements

Net position are categorized as follows:

1. **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

3. **Unrestricted net position** - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

3. Notes Receivable

Notes receivable are stated at principal balances, less the estimated portion that is expected to be uncollectible as of September 30, 2015.

F. Recently Issued Accounting Pronouncements

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* effective for the year ending September 30 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 74, *Financial reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending September 30, 2016.

The Corporation is currently studying these statements and plans on adoption as required.

II. Reclassification:

Certain amounts in the 2014 financial statements have been reclassified to conform with the current year presentation.

III. Cash and Cash Equivalents:

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

At September 30, 2015, the carrying amount of the Corporation's cash accounts was $254,015, which are in checking and savings accounts. Deposits in financial institutions are covered by federal, depository insurance on bank accounts in the Corporation's name.

IV. Capital Assets:

A summary of changes in capital assets follows:

	Beginning 10/1/2014	Additions	Deletions	Ending 9/30/2015
Land	$ 48,000	$ -	$ -	$ 48,000
Building	216,677	-	-	216,677
Accumulated Depreciation	(5,417)	(5,417)	-	(10,834)
Total	**$ 259,260**	**$ (5,417)**	**$ -**	**$ 253,843**

V. Notes Receivable and Mortgages Receivable:

The Corporation has established a revolving loan fund offering low interest loans to area businesses. The loans are approved by the governing board after giving consideration to the major criteria, i.e., enhancement of the economic environment. Revenue recognition on these loans is limited to the receipt of interest. A provision for uncollectible accounts has been deemed necessary by management where substantial delinquencies exist totaling $8,894. Non-accruing portions of interest, rents, and PILOTs are not recorded as receivables or revenues.

Interest at below market rates is considered an element of a grant provided by the Corporation; therefore, the face amount of the obligation is not discounted nor is an effective rate of interest imputed.

	2015	2014
Notes and Mortgages Receivable	$ 587,096	$ 633,765
Less: Allowance for doubtful accounts	(8,894)	(9,380)
Total Notes and Mortgages Receivable	$ 578,202	$ 624,385
Less: Current Portion	(36,998)	(46,063)
Total Long-Term Portion of Notes and Mortgages Receivable	**$ 541,204**	**$ 578,322**

VI. Due To Other Governments:

Due to other governments represents amounts loaned to the Corporation by the IDA to provide funds to support operations.

	2015	2014
Village of Fairport Industrial Development Agency	$ 809	$ 37,550
Total Due To Other Governments	**$ 809**	**$ 37,550**

VII. Rental Income:

The Corporation has entered into an agreement to rent all of its capital assets, with rental payments received monthly by the Corporation, and terminating on April 30, 2016. Future noncancelable rentals are as follows:

Year Ending September 30,	Lease Description	Amount
2016	Land and Building	$ 3,500

VIII. Contributed Capital:

On December 15, 2014 the Board of Director of Fairport Industrial Development Agency (IDA) approved a capital contribution of up to $200,000 to the Corporation for the Veterans Memorial renovation project at Potter Park. During the year ended September 30, 2015 the Corporation received $143,367 from the IDA for construction of the Veterans Memorial project.

During the year ended September 30, 2014 the Corporation received $175,000 of contributed capital from the IDA to issue two new loans as approved by the Board on September 11, 2014.

IX. Litigation:

As of the date of this report, management is not aware of any pending or threatened litigation.

X. Related Party:

During the year ended September 30, 2015 the LDC issued a loan of $159,000 to a company which leases its facilities from a company in which a member of the LDC Board has a financial interest.

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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 Council Members of
Village of Fairport
Local Development Corporation

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 Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, New York, which comprise the statement of net position as of September 30, 2015 and 2014, and the related statements of revenues, expenses, and changes in fund net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Village of Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, New York's financial statements, and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, 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 Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, New York's internal control. Accordingly, we do not express an opinion on the effectiveness the Village of Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, 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 Corporation'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.

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

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 Fairport Local Development Corporation (Corporation), a component unit of the Village of Fairport, 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Raymond F. Wager, CPA, PC

December 21, 2015