

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

**FINANCIAL STATEMENTS**

**For The Year Ended May 31, 2011**

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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**

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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statement of financial position of the Village of Victor Urban Renewal Agency, New York as of May 31, 2011, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Village of Victor Urban Renewal Agency, New York's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Victor Urban Renewal Agency, New York as of May 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2011 on our consideration of the Village of Victor Urban Renewal Agency, New York's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's financial statements. The accompanying supplemental schedule of investments is presented for purposes of additional analysis and is not a required part of the financial statements. This schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

August 2, 2011



VILLAGE OF VICTOR URBAN RENEWAL  
AGENCY, NEW YORK

Statement of Financial Position

May 31, 2011

<u>ASSETS:</u>	<u>2011</u>
<u>Current Assets -</u>	
Cash	\$ 28,645
<b>Total Current Assets</b>	<u>\$ 28,645</u>
<u>Capital Assets -</u>	
Land	\$ 189,500
<b>Total Capital Assets, Net</b>	<u>\$ 189,500</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 218,145</u></u>
 <u>NET ASSETS:</u>	
<u>Net Assets -</u>	
Investment in Capital Assets, net of related debt	\$ 189,500
Unrestricted - operations	28,645
<b>TOTAL NET ASSETS</b>	<u>\$ 218,145</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 218,145</u></u>

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

VILLAGE OF VICTOR URBAN RENEWAL  
AGENCY, NEW YORK

Statement of Activities

For The Year Ended May 31, 2011

<u>OPERATING REVENUES:</u>	<u>2 0 1 1</u>
Interest on program income	\$ 23
Miscellaneous revenue	503
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 526</b>
<u>OPERATING EXPENSES:</u>	
<u>Program</u>	
Program expenses	\$ 6,350
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 6,350</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (5,824)</b>
<b>NET ASSETS - BEGINNING OF YEAR - Restated</b>	<b>223,969</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 218,145</b>

(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 Year Ended May 31, 2011

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2 0 1 1</u>
Cash received from providing services	\$ 526
Cash payments contractual expenses	(6,350)
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,824)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (5,824)
BEGINNING CASH AND CASH EQUIVALENTS	<u>34,469</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 28,645</u></u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Net Operating Income (Loss)	<u>\$ (5,824)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (5,824)</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, 2011

**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 assets. Expenditures are recognized when the liability is incurred.

The Agency reports information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted net assets. At May 31, 2011 the Agency only had unrestricted net assets.

**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.

( I. ) ( Continued )

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 Assets:

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>2011</u>
Land	\$ 189,500
Total	<u>\$ 189,500</u>

IV. Related Party:

A Board member 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.

VI. Restatement of Beginning Net Assets:

The June 1, 2010 balances were restated to account for the land acquired by the Village of Victor Urban Renewal Agency in previous years.

	<u>Reported</u>	<u>Restated</u>	<u>Difference</u>
<u>Investment in Capital Assets,</u> net of related debt	<u>\$ 34,469</u>	<u>\$ 223,969</u>	<u>\$ 189,500</u>

VILLAGE OF VICTOR URBAN RENEWAL  
AGENCY, NEW YORK  
Schedule of Investments  
For The Year Ended May 31, 2011

	<u>2011</u>
Operating	\$ 28,645
<b>Total Investments</b>	<u><u>\$ 28,645</u></u>

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

**Shareholders:**

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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***

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 as of and for the year ended May 31, 2011, and have issued our report thereon dated August 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Village of Victor Urban Renewal Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village of Victor 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Victor 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 Victor Urban Renewal Agency, New York in a separate letter dated August 2, 2011.

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

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

August 2, 2011

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

**LETTER OF COMMUNICATION**

**For Year Ended May 31, 2011**

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

**Shareholders:**

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August 2, 2011

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, 2011, and have issued our report thereon dated August 2, 2011. 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 2, 2011, 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 2, 2011.

**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 are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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 may be 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. The estimates used in the financial statements are based upon management's judgments. The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures may be 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 August 2, 2011.

**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 governmental unit'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.

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

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 governmental unit'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 report 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.

*Raymond F. Wager, CPA PC*

August 2, 2011