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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-32162

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 4/1/07 AND ENDING 3/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Fairport Capital, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

830 Post Road East

(No. and Street)

Westport, CT 06880

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Patrick A. Conway (203) 227-1008
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Hope & Hernandez, P.C.

(Name - if individual, state last, first, middle name)

2600 Main Street, Bridgeport, CT 06606

(Address)

(City)

(State)

SEC
Mail Process
Section

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Washington, DC
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CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

FAIRPORT CAPITAL, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
MARCH 31, 2008

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fairport Capital, Inc.
830 Post Road East
Westport, Connecticut

We have audited the accompanying statement of financial condition of Fairport Capital, Inc., as of March 31, 2008, and the related statements of income, retained earnings, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company'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. 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 Fairport Capital, Inc., at March 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedules E through H is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

HOPE & HERNANDEZ, P.C.
Bridgeport, Connecticut
May 15, 2008

FAIRPORT CAPITAL, INC.
STATEMENT OF FINANCIAL CONDITION
MARCH 31, 2008

	<u>ASSETS</u>		
	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
<u>CURRENT ASSETS</u>			
Cash - Checking	\$ -0-	\$ -0-	\$ -0-
Cash - Savings	170,411	-0-	170,411
Receivables from Brokers or Dealers, Other	<u>28,870</u>	<u>3,208</u>	<u>32,078</u>
<u>TOTAL CURRENT ASSETS</u>	<u>199,281</u>	<u>3,208</u>	<u>202,489</u>
<u>OTHER ASSETS</u>			
Note Receivable - Stock Subscription	-0-	9,900	9,900
Officer Loan	-0-	4,280	4,280
Security Deposit	<u>-0-</u>	<u>999</u>	<u>999</u>
<u>TOTAL ASSETS</u>	<u>\$199,281</u>	<u>\$18,387</u>	<u>\$217,668</u>

See Notes to Financial Statements and Accountant's Report.

**FAIRPORT CAPITAL, INC.
STATEMENT OF FINANCIAL CONDITION
MARCH 31, 2008**

LIABILITIES AND OWNERSHIP EQUITY

	<u>A.1 Liabilities</u>	<u>Non A.1 Liabilities</u>	<u>Total</u>
<u>CURRENT LIABILITIES</u>			
Payable to Brokers or Dealers, Other	\$161,987	\$ -0-	\$ 161,987
Accounts Payable, Accrued Liabilities, Expenses and Other	<u>1,255</u>	<u>-0-</u>	<u>1,255</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>163,242</u>	<u>-0-</u>	<u>163,242</u>
<u>TOTAL LIABILITIES</u>	<u>\$163,242</u>	<u>\$ -0-</u>	<u>\$163,242</u>
<u>OWNERSHIP EQUITY</u>			
Common Stock - Authorized 5,000 Shares No Par Value Issued and Outstanding 2,000 Shares			43,950
Retained Earnings			<u>10,476</u>
<u>TOTAL OWNERSHIP EQUITY</u>			<u>54,426</u>
<u>TOTAL LIABILITIES AND OWNERSHIP EQUITY</u>			<u>\$217,668</u>

See Notes to Financial Statements and Accountant's Report.

**FAIRPORT CAPITAL, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2008**

REVENUES

Commissions - All Other Securities Commissions		<u>\$1,461,461</u>
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TOTAL SECURITIES COMMISSIONS

		1,461,461
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Other Revenue - Interest Income	\$ 5,538	
- Reimbursement of Fees and Other Income	<u>49,454</u>	<u>54,992</u>

TOTAL REVENUE

		1,516,453
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EXPENSES

Regulatory Fees and Expense	\$ 15,047	
Other Expense:		
Telephone	3,375	
Professional Fees	11,435	
Travel and Entertainment	40,246	
Rent Expense	20,484	
Other Expenses	26,335	
Office Expense	21,653	
State Income Taxes	1,006	
Commissions Expense	1,366,519	
Medical Expenses	<u>9,920</u>	

TOTAL EXPENSES

		<u>1,516,020</u>
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INCOME BEFORE FEDERAL INCOME TAX

		433
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Provision for Federal Income Tax		<u>-0-</u>
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NET INCOME

		<u>\$ 433</u>
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See Notes to Financial Statements and Accountant's Report.

FAIRPORT CAPITAL, INC.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2008

<u>BALANCE, APRIL 1, 2007</u>	\$10,043
Income for the Year	<u>433</u>
<u>BALANCE, MARCH 31, 2008</u>	<u>\$10,476</u>

See Notes to Financial Statements and Accountant's Report.

**FAIRPORT CAPITAL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Income	\$ 433
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities:	
Decrease in Receivables from Brokers, Dealers, and Others	64,775
Increase in Payable to Brokers, Dealers, and Others	<u>41,429</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>106,637</u>
 <u>NET INCREASE IN CASH</u>	 106,637
 <u>CASH - APRIL 1, 2007</u>	 <u>63,774</u>
 <u>CASH - MARCH 31, 2008</u>	 <u>\$170,411</u>

See Notes to Financial Statements and Accountant's Report.

FAIRPORT CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - INCORPORATION/NATURE OF OPERATIONS

Fairport Capital, Inc., was incorporated on March 6, 1984, in the State of Connecticut. The Corporation has authorized common stock no par value of 5,000 shares.

Fairport Capital, Inc., is a registered broker/dealer with the U.S. Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc., and the Securities Investor Protection Corporation. The Corporation is qualified to underwrite and sell direct placement programs, mutual funds, and variable annuities. The Corporation does not carry customer accounts, hold funds or securities of, or for, customers. The Corporation does business and files tax returns in Connecticut, New York, Massachusetts, and Florida.

NOTE 2 - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Corporation uses the accrual method of accounting for financial statement presentation. Under this method of accounting, income is recorded when earned and expenses are recorded when incurred, irrespective of when cash is received or when cash is disbursed.

Income Taxes

There are no material differences between the income shown on the financial statements and the income reflected on the tax returns.

Medical Reimbursement Plan

On October 1, 1984, the Corporation adopted a medical reimbursement plan. This plan will pay premiums on Health Insurance and Disability Insurance contracts, and any medical, dental, and optical expenses which are not reimbursed by insurance policies of any officers of the Corporation.

FAIRPORT CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 4 - NOTE RECEIVABLE - STOCK SUBSCRIPTION

The Corporation issued two hundred shares of its common stock on April 1, 1988, in exchange for a note receivable totaling \$33,000. The note bears interest at the rate of five percent per annum. The principal of the note is to be collected from amounts due to the stockholder. The March 31, 2008 balance is \$9,900. This note is secured by a pledge of stock of Fairport Capital, Inc. The officers of Fairport Capital, Inc., elected to forgo the interest income earned on this note for the year ended March 31, 2008.

NOTE 5 - RELATED PARTY TRANSACTIONS

The officers of Fairport Capital, Inc., are also salesmen for the Corporation. These officers have elected to receive commissions or expense reimbursements in lieu of salaries. Included in non-allowable receivables at March 31, 2008 is an officer loan in the amount of \$4,280.

NOTE 6 - CASH FLOWS

The amount of cash paid for the year ended March 31, 2008, for the following items were:

Interest	<u>\$ -0-</u>
Income Taxes	<u>\$1,006</u>

NOTE 7 - SIGNIFICANT SOURCES OF REVENUE

Approximately 55% of the entity's commission income was generated by three sales representatives, one of which is an officer. The majority of the entity's commission income is derived from the sales of private placements, annuities and mutual funds.

NOTE 8 - LEASING ARRANGEMENTS

The company leases office space under a one year operating lease which commenced March 1, 2008. The agreement calls for an annual base rent of \$19,500.

Net future minimum rental payments required under the operating lease is as follows:

Years Ending March 31,

2009	\$19,500
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Rental expenses charged to operations for the year ended March 31, 2008 totaled \$20,484.

SUPPLEMENTARY INFORMATION

FAIRPORT CAPITAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2008

<u>BALANCE, APRIL 1, 2007</u>	\$53,993
Income for the Year	<u>433</u>
<u>BALANCE, MARCH 31, 2008</u>	<u>\$54,426</u>

See Accountant's Report.

**FAIRPORT CAPITAL, INC.
STATEMENT OF COMPUTATION OF NET WORTH
FOR THE YEAR ENDED MARCH 31, 2008**

COMPUTATION OF NET CAPITAL

Total Ownership Equity	\$ 54,426
Deduct: Ownership Equity Not Allowable for Net Capital	<u>-0-</u>
<u>TOTAL OWNERSHIP EQUITY QUALIFIED FOR NET CAPITAL</u>	54,426
Deductions and/or Charges Non-Allowable Assets	<u>(18,387)</u>
<u>NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS</u>	36,039
Haircuts on Securities	<u>-0-</u>
<u>NET CAPITAL</u>	<u>\$ 36,039</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum Net Capital Required (6-2/3%) of A.I.	\$ 10,883
Minimum Dollar Net Capital Requirement of Reporting Broker or Dealer	<u>5,000</u>
Net Capital Requirement	<u>10,883</u>
Excess Net Capital	<u>25,156</u>
Excess Net Capital at 1000%	<u>\$ 19,715</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total A.1 Liabilities from Statement of Financial Condition	<u>\$163,242</u>
<u>TOTAL AGGREGATE INDEBTEDNESS</u>	<u>\$163,242</u>
Percentage of Aggregate Indebtedness to Net Capital	<u>452.96%</u>

See Accountant's Report.

FAIRPORT CAPITAL, INC.
RECONCILIATION OF AUDITED COMPUTATION OF NET CAPITAL
WITH BROKERS/DEALERS' UNAUDITED COMPUTATION OF NET CAPITAL
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Audited</u>	<u>Unaudited</u>	<u>Differences</u>
<u>COMPUTATION OF NET CAPITAL</u>			
Total Ownership Equity	\$ 54,426	\$ 54,426	\$ -0-
Deduct: Ownership Equity Not Allowable for Net Capital	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL OWNERSHIP EQUITY QUALIFIED FOR NET CAPITAL</u>	54,426	54,426	-0-
Deductions and/or Charges Non-Allowable Assets	(18,387)	(18,387)	<u>-0-</u>
Net Capital Before Haircuts on Securities Positions	36,039	36,039	-0-
Haircuts on Securities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>NET CAPITAL</u>	<u>\$ 36,039</u>	<u>\$ 36,039</u>	<u>\$ -0-</u>
<u>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT</u>			
Minimum Net Capital Required (6-2/3%) of A.I.	\$ 10,883	\$ 10,882	
Minimum Dollar Net Capital Requirement of Reporting Broker or Dealer	<u>5,000</u>	<u>5,000</u>	
Net Capital Requirement	<u>10,883</u>	<u>10,882</u>	
Excess Net Capital	<u>25,156</u>	<u>25,157</u>	
Excess Net Capital at 1000%	<u>\$ 19,715</u>	<u>\$ 19,714</u>	
<u>COMPUTATION OF AGGREGATE INDEBTEDNESS</u>			
Total A.1 Liabilities from Statement of Financial Condition	<u>\$163,242</u>	<u>\$163,242</u>	
<u>TOTAL AGGREGATE INDEBTEDNESS</u>	<u>\$163,242</u>	<u>\$163,242</u>	
Percentage of Aggregate Indebtedness to Net Capital	<u>452.96%</u>	<u>453.00%</u>	

See Accountant's Report.



Schedule "H"

**FAIRPORT CAPITAL, INC.
INDEPENDENT AUDITOR'S REPORT
ON INTERNAL ACCOUNTING CONTROL
FOR THE YEAR ENDED MARCH 31, 2008**

To the Board of Directors of Fairport Capital, Inc.
830 Post Road East
Westport, CT 06880

In planning and performing our audit of the financial statements and supplemental schedules of Fairport Capital, Inc., (the Company) as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) 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 Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by Fairport Capital Inc. This study included tests of such practices and procedures, that we considered relevant to the objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

FAIRPORT CAPITAL, INC.
INDEPENDENT AUDITOR'S REPORT
ON INTERNAL ACCOUNTING CONTROL
FOR THE YEAR ENDED MARCH 31, 2008

Continued...

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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 deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

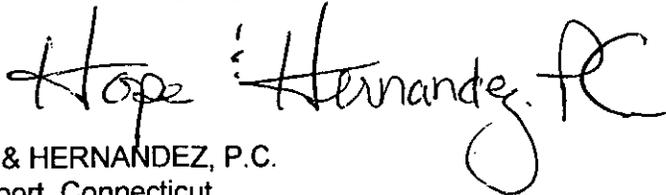
Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

FAIRPORT CAPITAL, INC.
INDEPENDENT AUDITOR'S REPORT
ON INTERNAL ACCOUNTING CONTROL
FOR THE YEAR ENDED MARCH 31, 2008

Continued...

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at March 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



HOPE & HERNANDEZ, P.C.
Bridgeport, Connecticut
May 15, 2008

END