

**VILLAGE OF FAIRPORT
INDUSTRIAL DEVELOPMENT AGENCY
dba FAIRPORT OFFICE OF
ECONOMIC DEVELOPMENT**

NEW YORK

**COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT**

For Year Ended September 30, 2009

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

December 14, 2009

To the Members of
Village of Fairport
Industrial Development Agency
dba Fairport Office of Economic Development

In planning and performing our audit of the financial statements of the Village of Fairport Industrial Development Agency (the Agency), a component unit of the Village of Fairport, New York as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Fairport Industrial Development Agency, a component unit of the Village of Fairport, New York'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be control deficiencies.

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.

The Agency's written responses to the deficiencies identified in our audit have not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Current Year Control Deficiencies:

Compensated Absences –

As part of our examination of the calculations of year end accruals for compensated absences we noted minor differences between the amounts reported on the year end accrual calculation and the individual detail which tracks days earned and days used. In addition, there was not an indication of an independent review and verification of the individual detail which indicates days used and days earned.

We recommend the calculation for the year end compensated absences accrual be reviewed and signed off by in individual independent of the calculation process. In addition, prior to preparing the year end calculation the individuals vacation & sick time schedule should be reviewed for accuracy and signed off by the Executive Director, and or her designee.

Agency's Response –

The IDA Board accepts the recommendations in the management letter and the executive director will review and approve the time off accrual sheets on a quarterly basis and will perform a time study to ensure the allocation of personal services and benefits are supported in addition to coding those expenses specific to the IDA and URA.

Urban Renewal Agency –

As a result of the public authorities accountability act the IDA entered into an agreement with the Urban Renewal Agency to allocate certain administrative expenditures to the Urban Renewal Agency. As a result of this agreement we adjusted the books for both the Urban Renewal Agency and the IDA to reflect this allocation.

As the IDA continues to enhance its accounting and reporting procedures we recommend consideration be given to the coding of items when they are specific to the IDA, Urban Renewal Agency, or a combination of both. In addition, a time study should be completed to ensure that the allocation of personal services and benefits is based on a methodology which can be supported with the time study.

Agency's Response –

The IDA Board accepts the recommendations in the management letter and the executive director will review and approve the time off accrual sheets on a quarterly basis and will perform a time study to ensure the allocation of personal services and benefits are supported in addition to coding those expenses specific to the IDA and URA.

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We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.

Raymond F. Wager, CPA, P.C.

December 14, 2009