

GREATER ROCHESTER SPORTS AUTHORITY

**Communication of Matters Related
to Internal Control over Financial Reporting
June 5, 2008**

Bonadio & Co., LLP
Certified Public Accountants

June 5, 2008

To the Board of Directors of
Greater Rochester Sports Authority:

In planning and performing our audit of the financial statements of Greater Rochester Sports Authority (the Authority) as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States, we considered the Authority'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 organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization'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.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

This communication is intended solely for the information and use of management, Board of Directors and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

BONADIO & Co., LLP

GREATER ROCHESTER SPORTS AUTHORITY

SUGGESTIONS FOR THE CONSIDERATION OF MANAGEMENT JUNE 2008

1. REVIEW OF PRIOR YEAR RECOMMENDATIONS

In connection with our audit of the financial statements of the Authority for the year ended December 31, 2007, we reviewed the status of our prior year's suggestions for the consideration of management. The following suggestions were made during the prior year and have been addressed:

- **Segregation of duties** - The Authority has limited accounting staff, which makes full segregation of duties over cash disbursements nearly impossible. Management has responded to this inherent limitation by requiring dual signatures on every check, with one of them being a Board member, and by having the bank statement and cancelled checks sent directly to a Board member other than the Board member with check signing authorization. The Board member reviews the information before it is forwarded to the accounting department for reconciliation.
- **Year-end reclassification entries** - During the course of our 2006 audit, we recorded a year-end reclassification entry on behalf of management. This entry was to reclassify the fourth quarter Hotel Tax, out of cash and into accounts receivable, since it was not received until 2007. Management has implemented procedures to reclassify these items throughout the year, thereby enhancing the reliability of interim financial reports and enhancing internal control over financial reporting.

2. CURRENT YEAR RECOMMENDATIONS

We noted no matters during the 2007 audit that we consider to be material weaknesses in internal control.