MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

Financial Statements
as of December 31, 2014 and 2013
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

TABLE OF CONTENTS

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 27, 2015

To the Board of Directors of
Monroe County Industrial Development Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Monroe County Industrial Development Corporation (the Corporation) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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 audits. We conducted our audits 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 entity'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 entity'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.

171 Sully's Trail, Suite 201
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Corporation, as of December 31, 2014 and 2013, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on 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 basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2015, on our consideration of the Corporation'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 Corporation's internal control over financial reporting and compliance.

Bonadio & Co., LLP

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

The following Management's Discussion and Analysis (MD&A) of Monroe County Industrial Development Corporation's (the Corporation) financial statements provides an overview of the Corporation's financial activities for the years ended December 31, 2014 and 2013. The MD&A should be read in conjunction with the Corporation's financial statements and related notes, which follow the MD&A.

The purpose of the Corporation is to provide financial assistance to small job creating businesses that demonstrate a need for financing which cannot be met entirely from conventional financing sources.

FINANCIAL HIGHLIGHTS

- The Corporation's net position increased by $99,439 and $445,796 in 2014 and 2013, respectively, as a result of each year's operations.
- The assets of the Corporation exceeded its liabilities by $7,394,943 and $7,295,504 at December 31, 2014 and 2013, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The statements of net position and the statements of revenues, expenses, and changes in net position 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. Revenue and expenses are recorded when earned and incurred, respectively, regardless of when cash is received or paid.

These two statements report the Corporation's net position and changes in them from one year to the next. The Corporation's net position, the difference between assets and liabilities, is one way to measure the Organization's financial health, or financial position. Over time, increases or decreases in the Corporation's net position is one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other factors, such as changes in the Corporation's income and the fluctuation of the Corporation's expenses, to assess the overall health of the Corporation.

NOTES TO THE FINANCIAL STATEMENTS

The financial statements also include the notes to the financial statements, which explain certain information in the financial statements. They are essential to a full understanding of the information provided in the financial statements.

THE CORPORATION

The analysis below summarizes the statements of net position (Table 1) and change in net position (Table 2) of the Corporation as of and for the years ended December 31, 2014, 2013 and 2012.

Table 1 - Statements of Net Position (000s omitted)

	2014	2013	2012
ASSETS:			
Cash and equivalents	$ 4,644	$ 4,613	$ 4,144
Investment in limited partnerships	1,496	2,028	2,027
Loans receivable	1,223	604	643
Investment in Laser Max, Inc.	50	50	50
Total assets	7,413	7,295	6,864
LIABILITIES:			
Accounts payable	18	-	14
Total liabilities	18	-	14
NET POSITION:			
Unrestricted	$ 7,395	$ 7,295	$ 6,850

Cash and net position increased at December 31, 2014 from December 31, 2013 as a result of the operations of the Corporation; see the analysis on the following page of this MD&A. Loans receivable increased by approximately $619,000 due to the current year principal payments of approximately $141,000 on the loans offset by the issuance of four new loans of approximately $760,000. In 2013, the Corporation determined that an outstanding loan issued to Boundary Fence of Rochester (Boundary) was in default for lack of payment. Boundary has since begun bankruptcy proceedings and the Corporation was notified that a confession of judgment was executed. It is anticipated that payments will be received on this loan in April 2015. Management has reviewed the remaining loans in the portfolio and has determined that all payments have been made in accordance with established agreements and no collection issues exist at this time.

Cash and net position increased at December 31, 2013 from December 31, 2012 as a result of the operations of the Corporation; see the analysis on the following page of this MD&A. Loans receivable decreased by approximately $39,000 due to the current year principal payments on the loans offset by the issuance of two new loans.

THE CORPORATION (Continued)

Table 2 - Statements of Revenues, Expenses, and Change in Net Position (000s omitted)

	2014	2013	2012
REVENUES:			
Bond fee income	$ 528	$ 862	$ 210
Fees	230	235	231
Interest, dividends, and investment income	8	7	8
Contributions	-	-	4
Other	6	5	6
Total revenues	772	1,109	459
EXPENSES:			
Program	533	550	497
Management and general	139	113	114
Total expenses	672	663	611
Change in net position	$ 100	$ 446	$ (152)

In 2014, bond fee income decreased as there was a large decrease in the monetary value of closed projects at year end. Management and general expenses increased as a result of the increase in the contract for administrative services with the County of Monroe, New York and certain professional services related to a manufacturing student training program.

In 2013, bond fee income increased as there was a large increase in the monetary value of closed projects at year end. Program expenses increased as there was a larger participation of companies using the different rewards programs that the Corporation offers. Also during the year the Corporation established a new program, Helmets for Hardhats, which contributed to the increase as well. Management and general expenses increased due to an increase in legal notices during the year.

REQUEST FOR INFORMATION

This financial report is designed to provide financial statement users with a general overview of the Corporation's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact the Monroe County Industrial Development Corporation's Executive Director at 50 West Main Street, Suite 8100, Rochester, New York, 14614.

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

STATEMENTS OF NET POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 4,643,689	$ 4,613,292
Loans receivable - current portion	220,566	168,769
Total current assets	4,864,255	4,782,061
NON-CURRENT ASSETS:		
Investment in limited partnerships	1,496,095	2,028,032
Investment in Laser Max, Inc.	49,950	49,950
Loans receivable - net of current portion	1,002,847	435,461
Total non-current assets	2,548,892	2,513,443
Total assets	7,413,147	7,295,504
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	18,204	-
Total current liabilities	18,204	-
NET POSITION		
UNRESTRICTED	$ 7,394,943	$ 7,295,504

The accompanying notes are an integral part of these statements.

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
REVENUES:		
Bond fee income	$ 528,275	$ 861,900
Fees	230,195	234,596
Interest earned on loans	7,544	7,246
Interest and dividends	4,272	5,453
Other	1,788	-
Total revenues	772,074	1,109,195
EXPENSES:		
Program -		
Rewards programs	512,722	526,249
Legal fees	20,000	20,810
Other	504	2,912
Total program	533,226	549,971
Management and general -		
Administrative expense	90,000	65,000
Professional fees	38,546	38,988
Travel	4,325	4,433
Supplies	1,801	1,115
Other	4,737	3,892
Total management and general	139,409	113,428
Total expenses	672,635	663,399
CHANGE IN NET POSITION	99,439	445,796
NET POSITION - beginning of year	7,295,504	6,849,708
NET POSITION - end of year	$ 7,394,943	$ 7,295,504

The accompanying notes are an integral part of these statements.

MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from providing services	$ 152,891	$ 1,148,090
Payments to suppliers	(654,431)	(677,672)
Net cash flow from operating activities	(501,540)	470,418
CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in limited partnership interests	(3,750)	(38,010)
Distributions from limited partnership interests	535,687	37,032
Net cash flow from investing activities	531,937	(978)
NET CHANGE IN CASH AND EQUIVALENTS	30,397	469,440
CASH AND EQUIVALENTS - beginning of year	4,613,292	4,143,852
CASH AND EQUIVALENTS - end of year	$ 4,643,689	$ 4,613,292
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net position	$ 99,439	$ 445,796
Adjustments to reconcile change in net position to net cash flow from operating activities:		
Principal payments received on loans	140,787	141,795
Issuance of new loans	(759,970)	(102,900)
Change in accounts payable	18,204	(14,273)
Net cash flow from operating activities	$ (501,540)	$ 470,418

The accompanying notes are an integral part of these statements.

1. THE CORPORATION

The Monroe County Industrial Development Corporation (the Corporation) is a not-for-profit corporation organized under the laws of the State of New York in 1962. In December 2009, the County of Monroe (the County) authorized the Corporation to issue tax exempt and/or taxable bonds and/or notes on behalf of certain not-for-profit organizations. As a result, the by-laws of the Corporation were amended to provide for control over Board appointments by the Monroe County Executive.

The purpose of the Corporation is to provide financial assistance to small job creating businesses that demonstrate a need for financing which cannot be met entirely from conventional financing sources. In addition, the Corporation acts as a Certified Development Corporation for the Small Business Administration (SBA) 504 Program.

A revolving loan fund was established in 1984 through an initial contribution of $350,000 from the County of Monroe Industrial Development Agency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Corporation's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

Basis of Presentation
GASB requires the classification of net position into three classifications defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. At December 31, 2014 and 2013, the Corporation had no net investment in capital assets.

- Restricted net position - This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. At December 31, 2014 and 2013, the Corporation does not have restricted net position.

- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted".

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, and then unrestricted resources as they are needed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes
The Corporation is a New York not-for-profit corporation qualified under Section 501(c)(6) of the Internal Revenue Code.

The Corporation is exempt from Federal reporting requirements under Internal Revenue Service Revenue Procedure 95-48, 1992 C.C 418 as a governmental unit or affiliate of a governmental unit as described in the procedure.

Cash and Equivalents
Cash and equivalents includes demand deposits, money markets, and certificates of deposit with original maturities of twelve months or less. The Corporation maintains its cash and equivalents in bank accounts. The balances in these accounts may, at times, exceed federally insured limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and equivalents. Interest and dividend income from cash and equivalents is reported in operating revenue in the statements of revenues, expenses, and change in net position.

Loans Receivable
Loans receivable are carried at unpaid principal balances. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. The Corporation reviews outstanding loans receivable for uncollectibility and records an allowance for uncollectible accounts based on that review. When all collection efforts have been exhausted, the account is written-off as uncollectible. At December 31, 2014 and 2013, management considers all amounts fully collectible and, accordingly, no allowance has been established.

Revenue Recognition
Fees are assessed on a monthly basis for those loans processed by the Corporation and granted through the Small Business Administration. These fees are for processing and maintenance of the loans and are based on 0.5% of the outstanding principal balance.

Contributions
Contributions are recognized when unconditional promises to give are received by the Corporation. Contributions represent amounts provided by unrelated third parties to support the activities of the Corporation.

Investment in Laser Max, Inc.
The Corporation owns 333 shares of common stock of Laser Max, Inc. The investment is stated at cost in the amount of $49,950 and the market value is not readily available.

Investment in Limited Partnership Interests
The Corporation has investments in limited partnership interests of Trillium Lakefront Partners, III, LP, The Monroe Fund LLC, and University Technology Seed Fund. These investments are valued at cost in the statements of net position. The market value of these assets is not readily available. Distributions from the investment in limited partnership interests are treated as a reduction to the cost basis of the respective limited partnership interests.

Administrative Expense
The Monroe County Department of Planning and Development has executed contracts with the Corporation to provide administrative services. The 2014 and 2013 contracts required a payment of $90,000 and $65,000, respectively, for general administrative and overhead fees to the County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rewards Programs

The Corporation provides various incentive programs to local businesses and individuals to support local economic development initiatives. The summary of the programs in place are as follows:

- The Monroe Manufactures Jobs LoansPlus program lends manufacturing companies 10% of the purchase price of new manufacturing equipment, up to $100,000, at 1% interest.
- The Monroe Manufactures Jobs program connects graduates of the Monroe Community College Applied Technology Center with local manufacturing companies by providing both the employee and employer a $1,500 bonus if the employee works for the company for one full year.
- The Monroe Manufacturing Rewards Program provides manufacturing businesses with a rebate of $2,000 on qualified equipment purchases from $25,000 to $49,999.
- The Monroe On-the-Job program provides matching funds for skilled trades training that leads to industry recognized certifications for employees.
- The GreatRebate program is a two year program for companies who buy $50,000 or more of equipment. The Corporation will give a rebate of $5,000 to companies who buy equipment locally or a rebate of $4,000 to companies who buy equipment outside the local area.
- The GreatRate program is a three-year program that subsidizes interest rates by 4% for bank loans or capital leases for job creating companies purchasing equipment locally or 3% for bank loans or capital leases for job creating companies not purchasing locally.
- The Helmets to Hardhats program offers veterans enrolled in the Rochester Building and Trades Council (RBTC) an award for completion of a training program. Qualified veterans completing a minimum of three years in the RBTC training program will be awarded $1,500 while those qualified veterans who have already received a certification through RBTC and are currently employed in that field of certification will be awarded $500.

Expenses are recognized when an eligible program disbursement is provided by the participating company under these programs in the accompanying financial statements.

Bond Fee Income

The Corporation is authorized by the County to issue Tax-Exempt Civic Facility Bonds on behalf of certain not-for-profit organizations. Associated with each issuance are application fees, administrative fees and/or counsel fees incurred by those organizations, which are recognized in the statements of revenues, expenses, and change in net position as bond fee income.

Industrial Development Bonds

The Corporation issues tax-exempt bonds and special issue bonds to provide financial assistance on behalf of certain not-for-profit organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers back to the not-for-profit organization served by the bond issuance. The Corporation is not obligated in any manner for repayment of the bonds at any time. Accordingly, related property is not reported as assets, and the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2014, there were 24 tax-exempt bonds outstanding with an aggregate amount payable of approximately $1,014,100,000. At December 31, 2013, there were 20 tax-exempt bonds outstanding with an aggregate amount payable of approximately $912,800,000.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Policies
The Corporation follows an investment and deposit policy, the overall objective of which is to adequately safeguard the funds of the Corporation and funds under the control of the Corporation; to provide sufficient liquidity of invested funds in order to meet obligations as they become due; and to earn the maximum yield possible given the objectives previously listed. Oversight of investment activity is the responsibility of the Executive Director. The Corporation's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies as designated by the Board of Directors. Permissible investments include: a) obligations of the United States or of federal agencies whose principal and interest payments are fully guaranteed by the federal or state government, b) obligations of New York State or in general obligations of the State's political subdivisions, c) certificates of deposits or deposits with banks with an investment grade rating by a Rating Agency, d) commercial paper rated Prime-1 and/or A-1, e) money market funds with AAA ratings, and f) investments in Laser Max, Inc. and various other investments in entities.

Interest Rate Risk
Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Corporation's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk
The Corporation's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations.

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits.

At December 31, 2014 and 2013, the Corporation's cash was covered by FDIC insurance, or by eligible securities held in the Corporation's name by a third-party custodial bank or by the bank's trust department. The Corporation's deposits consisted of the following at December 31:

	2014		2013	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Demand deposits	$ 3,642,447	$ 3,573,407	$ 3,799,535	$ 3,779,356
Time deposits	1,070,282	1,070,282	833,936	833,936
Total	$ 4,712,729	$ 4,643,689	$ 4,633,471	$ 4,613,292

These deposits were insured or collateralized as follows:

	2014	2013
FDIC insurance	$ 2,836,967	$ 2,597,562
Collateralized by third party	1,913,278	2,076,628
Total FDIC insurance and collateral	$ 4,750,245	$ 4,674,190

4. LOANS RECEIVABLE

The following is a summary of the Corporation's balance of outstanding loans receivable at December 31, 2014 and 2013:

Borrower	Date of Issue	Original Loan	Rate of Interest	Maturity Date	Balance at 12/31/2014	Balance at 12/31/2013
XLI Corporation	9/2010	$ 57,890	1.00%	9/2017	$ 23,227	$ 31,516
Diamond Paperbox Co.	12/2010	100,000	1.00%	12/2017	43,715	57,995
Roccera, LLC	12/2010	50,000	1.25%	5/2014	-	4,287
Stamper Technology, Inc.	5/2011	28,250	1.00%	12/2018	14,036	18,054
Webster Precision, Inc.	4/2011	66,000	1.00%	12/2018	32,005	41,400
Duncan Industrial Equip.	1/2011	22,500	1.00%	1/2018	10,100	13,308
4659, LLC	8/2011	54,000	5.00%	12/2016	20,361	31,315
545 Colfax, Inc.	12/2011	100,000	1.00%	5/2017	48,957	68,872
Mastro Graphic Arts, Inc.	3/2011	100,000	1.00%	3/2018	47,300	61,547
Parlec, Inc.	2/2011	100,000	1.00%	5/2016	25,439	43,932
Boundary Fence of Rochester	3/2012	100,000	1.00%	12/2017	72,172	72,172
Roccera, LLC 2	4/2012	73,527	1.00%	12/2017	44,556	59,114
Eyeworks, Inc.	7/2013	37,900	1.00%	7/2020	30,443	35,718
Canfield & Tack, Inc.	11/2013	65,000	2.00%	12/2018	52,514	65,000
Trillitek Inc./Steel Works	8/2014	40,000	1.00%	9/2021	38,618	-
Retrotech, Inc.	10/2014	500,000	2.00%	4/2018	500,000	-
Northern Air Sys. Holdings	11/2014	180,000	4.00%	12/2024	180,000	-
RocCera, LLC	11/2014	39,970	4.00%	1/2020	39,970	-
Total		$ 1,715,037			$ 1,223,413	$ 604,230

Principal Repayment Schedule	2015	2016	2017	2018	2019	Thereafter	Total
XLI Corporation	$ 8,372	$ 8,456	$ 6,399	$ -	$ -	$ -	$ 23,227
Diamond Paperbox Co	14,426	14,571	14,718	-	-	-	43,715
Stamper Technology, Inc.	4,059	4,099	4,141	1,737	-	-	14,036
Webster Precision, Inc.	9,490	9,585	9,681	3,249	-	-	32,005
Duncan Industrial Equip.	3,241	3,274	3,307	278	-	-	10,100
4659, LLC	11,467	8,894	-	-	-	-	20,361
545 Colfax, Inc.	20,115	20,317	8,525	-	-	-	48,957
Mastro Graphic Arts, Inc.	14,390	14,535	14,681	3,694	-	-	47,300
Parlec, Inc.	20,368	5,071	-	-	-	-	25,439
Boundary Fence of Rochester	46,702	20,351	5,119	-	-	-	72,172
Roccera, LLC 2	14,704	14,852	15,000	-	-	-	44,556
Eyeworks, Inc.	5,328	5,382	5,436	5,490	5,545	3,262	30,443
Canfield & Tack, Inc.	12,738	12,995	13,257	13,524	-	-	52,514
Trillitek Inc./Steel Works	5,558	5,614	5,670	5,727	5,785	10,264	38,618
Retrotech, Inc.	-	-	-	500,000	-	-	500,000
Northern Air Sys. Holdings	14,941	15,550	16,183	16,842	17,529	98,955	180,000
RocCera, LLC	14,667	16,000	9,303	-	-	-	39,970
Total	$ 220,566	$ 179,546	$ 131,420	$ 550,541	$ 28,859	$ 112,481	$ 1,223,413

5. RELATED PARTY

The Corporation has a contract with COMIDA which states that the Corporation will reimburse COMIDA for the cost of certain professional services. The contract states that the Corporation will not reimburse COMIDA more than $30,000 each year through February 1, 2015. For the years ended December 31, 2014 and 2013, the Corporation paid approximately $24,000 and $23,500, respectively, to COMIDA under the terms of this agreement.

5. RELATED PARTY (Continued)

The Corporation is related to the County through the appointment of board members to the Corporation. In 2014 and 2013, the Corporation paid $90,000 and $65,000, respectively, to the County based on an annual administrative agreement between the entities.

6. INVESTMENTS IN LIMITED PARTNERSHIP INTERESTS

Investments in limited partnership interests consisted of the following at December 31:

	Ownership %	2014
The Monroe Fund, LLC	12.48%	$ 790,360
Trillium Lakefront Properties III, LP	4.48%	331,420
University Technology Seed Fund	8.06%	374,315
		$ 1,496,095

Investments in limited partnership interests consisted of the following at December 31:

	Ownership %	2013
The Monroe Fund, LLC	12.48%	$ 790,360
Trillium Lakefront Properties III, LP	4.48%	737,672
University Technology Seed Fund	8.06%	500,000
		$ 2,028,032

7. COMMITMENTS

Future payments under the GreatRebate and GreatRate programs are anticipated as follows for the years ending December 31:

2015	$ 462,066
2016	192,158
2017	107,904
	$ 762,128

At December 31, 2014, several companies have been approved for GreatRebate and GreatRate programs, but have not submitted final documentation for payment. Therefore, the Corporation has conditional payments of $135,692 outstanding until such time as all program requirements have been satisfied.

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

March 27, 2015

To the Board of Directors of
Monroe County Industrial 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 business-type activities of Monroe County Industrial Development Corporation (the Corporation) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 27, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 entity'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.

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.

171 Sully's Trail, Suite 201
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S 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*
(Continued)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Corporation'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP