COUNTY OF MONROE
INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the County of Monroe, New York)

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

Bonadio & Co., LLP
Certified Public Accountants

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the County of Monroe, New York)

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 9, 2015

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

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of the County of Monroe Industrial Development Agency (COMIDA), a discretely presented component unit of the County of Monroe, New York, as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, which collectively comprise COMIDA'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.

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(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 COMIDA, 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 - 6 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 9, 2015 on our consideration of COMIDA'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 COMIDA's internal control over financial reporting and compliance.

Bonadio & Co., LLP

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

FINANCIAL HIGHLIGHTS

- The assets of COMIDA exceeded its liabilities at December 31, 2014 and 2013 by $3,997,798 and $3,008,411, respectively.
- COMIDA's net position increased by $989,387 in 2014 and increased by $664,245 in 2013 as a result of 2014 and 2013 operations.
- COMIDA's total revenues (operating and non-operating) were $2,248,798 and $2,287,941 in 2014 and 2013, respectively.
- COMIDA's total expenses were $1,259,411 and $1,623,696 in 2014 and 2013, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The statements of net position and the statements of revenue, expenses, and change in net position report information about COMIDA 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. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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

NOTES TO FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

The analysis below summarizes the statements of net position (Table 1) and changes in net position (Table 2) of COMIDA 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:			
Current assets	$ 4,014	$ 3,022	$ 2,357
Capital assets, net of accumulated depreciation	2	1	2
Total assets	4,016	3,023	2,359
Liabilities:			
Current liabilities	18	15	15
Total liabilities	18	15	15
Net position:			
Net investment in capital assets	2	1	2
Unrestricted	3,996	3,007	2,342
Total net position	$ 3,998	$ 3,008	$ 2,344

Cash increased approximately $1,000,000 in 2014 because of operating results for the year. Liabilities increased approximately $3,000 due to the timing of a monthly payment at year end. Unrestricted net position, which is the result of these factors, increased approximately $989,000 in 2014 and can be primarily attributed to a number of large projects closing in the current year.

Cash increased approximately $657,000 in 2013 because of operating results for the year. Unrestricted net position, which is the result of these factors, increased approximately $664,000 in 2013 and can be primarily attributed to a number of large projects closing in the current year.

FINANCIAL HIGHLIGHTS (Continued)

Table 2 shows the changes in net position for the years ended December 31, 2014, 2013 and 2012.

Table 2 - Changes in Net Position (000s omitted)

	2014	2013	2012
Revenues:			
Fee income	$ 2,033	$ 2,112	$ 1,653
PTAC income	189	149	147
Payroll analyst contract income	24	23	22
Interest income	2	4	3
Total revenues	2,248	2,288	1,825
Expenses:			
Program and community development	613	662	716
Professional services	212	490	433
Salaries	255	246	307
Payroll taxes and employee benefits	73	91	106
Rent	60	60	60
Travel, meetings and entertainment	17	14	13
Office supplies and postage	10	11	11
Advertising and promotion	9	35	15
Legal notices	4	8	10
Staff development	3	3	3
Dues and subscriptions	2	3	2
Depreciation	1	1	2
Total expenses	1,259	1,624	1,678
Change in net position	$ 989	$ 664	$ 147

Fee income decreased approximately $79,000, or 4%, in 2014. This account is based on the number of projects which close in the year. 2014 saw a decrease in projects which were closed. PTAC income increased approximately $40,000 as PTAC saw an increase in their budget. Total expenses decreased approximately $365,000, or 22%. This was due to a decrease in professional services because COMIDA did not renew a contract beginning in 2014.

Fee income increased approximately $459,000, or 28%, in 2013. This account is based on the number of projects which close in the year. In 2013, 53 total projects were closed. Total expenses decreased $54,000 from 2012, or just 3%.

FUTURE FACTORS

COMIDA staff will continue to promote IDA benefits to the community as well as prospective tenants as a means to level the playing field for expanding businesses in Monroe County. The IDA offers critical incentives to businesses to insure they expand and grow in New York State and Monroe County.

Since January 31, 2008, COMIDA's fee income has been reduced by the inability to issue civic facility bonds as a result of the enabling State legislation sunset provisions. COMIDA's mission since this time has remained committed to the economic development of the region and therefore has continued to fund these programs at historical amounts. The COMIDA Board feels it is important to support these important community and economic development projects. Each year, the Board and Management evaluate our current cash position, projected cash inflows, and community and economic development projects to determine the best use of our economic development initiatives.

CONTACTING COMIDA'S ADMINISTRATION

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of COMIDA'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 County of Monroe Industrial Development Agency's Executive Director, Judy Seil, at 50 West Main Street, Suite 8100, Rochester, New York, 14614.

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENTS OF NET POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 3,991,914	$ 2,992,652
Fee income receivable	15,138	29,700
PTAC receivable	6,486	-
Total current assets	4,013,538	3,022,352
CAPITAL ASSETS, net	1,939	1,121
Total assets	4,015,477	3,023,473
LIABILITIES		
CURRENT LIABILITIES:		
Accrued payroll and related expenses	17,679	15,062
Total current liabilities	17,679	15,062
NET POSITION		
Net investment in capital assets	1,939	1,121
Unrestricted	3,995,859	3,007,290
Total net position	$ 3,997,798	$ 3,008,411

The accompanying notes are an integral part of these statements.

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the County of Monroe, New York)

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

	2014	2013
REVENUES:		
Fee income	$ 2,033,385	$ 2,111,715
PTAC income	189,716	149,232
Total revenues	2,223,101	2,260,947
PROGRAM AND COMMUNITY DEVELOPMENT EXPENSES:		
Community development	202,879	191,754
Community development - The Entrepreneurs Network	150,000	165,000
Community development - Greater Rochester Enterprise, Inc.	50,000	100,000
Program support	210,000	205,000
Total program and community development expenses	612,879	661,754
OPERATING EXPENSES:		
Salaries	255,631	245,393
Professional services	211,937	490,067
Payroll taxes and employee benefits	73,081	90,557
Rent	60,000	60,000
Travel, meetings and entertainment	17,503	14,161
Office supplies and postage	10,573	10,847
Advertising and promotion	8,573	35,499
Legal notices	3,726	8,590
Staff development	2,700	2,625
Dues and subscriptions	1,795	3,295
Depreciation	1,013	908
Total operating expenses	646,532	961,942
Total expenses	1,259,411	1,623,696
Operating income	963,690	637,251
NONOPERATING REVENUE:		
Contract reimbursement income	23,689	23,495
Interest income	2,008	3,499
Total nonoperating revenue	25,697	26,994
CHANGE IN NET POSITION	989,387	664,245
NET POSITION - beginning of year	3,008,411	2,344,166
NET POSITION - end of year	$ 3,997,798	$ 3,008,411

The accompanying notes are an integral part of these statements.

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the County of Monroe, New York)

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

	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 2,231,177	$ 2,253,010
Cash paid to employees for services	(282,401)	(359,631)
Cash paid to suppliers for goods and services	(360,501)	(601,589)
Cash paid for program and community development	(612,879)	(661,754)
Net cash flow from operating activities	975,396	630,036
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITES:		
Cash received from contract reimbursement income	23,689	23,495
Net cash flow from noncapital financing activities	23,689	23,495
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,831)	(351)
Net cash flow from capital and related financing activities	(1,831)	(351)
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest income	2,008	3,499
Net cash flow from investing activities	2,008	3,499
CHANGE IN CASH	999,262	656,679
CASH - beginning of year	2,992,652	2,335,973
CASH - end of year	$ 3,991,914	$ 2,992,652
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income	$ 963,690	$ 637,251
Adjustments to reconcile operating income to net cash flow from operating activities -		
Depreciation	1,013	908
Changes in:		
Fee income receivable	14,562	(13,575)
PTAC receivable	(6,486)	5,638
Accrued payroll and related expenses	2,617	(186)
Net cash flow from operating activities	$ 975,396	$ 630,036

The accompanying notes are an integral part of these statements.

1. COMIDA

On June 6, 1972, the County of Monroe Industrial Development Agency (COMIDA) was established by a special act of the County Legislature under the New York State Industrial Development Act of 1969. COMIDA's purpose is to provide, develop, encourage and assist existing and new businesses to acquire, construct, reconstruct, improve, maintain, equip and furnish facilities in the County of Monroe and Rochester, New York area.

COMIDA is a discretely presented component unit of the County of Monroe, New York (County of Monroe) and is a New York State not-for-profit public benefit corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
COMIDA'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 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 applicable. 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.

- 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, COMIDA has no 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 COMIDA's policy to use restricted resources first, and then unrestricted resources as they are needed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Activities
COMIDA administers programs that assist local businesses in obtaining long-term financing for property and equipment. COMIDA accomplishes this through two types of transactions, a lease-leaseback or issuance of an industrial development bond. COMIDA also funds various community development activities, which provide economic benefits for the County of Monroe.

- *Lease-Leaseback*
  In a lease-leaseback transaction, the lessee (local business) negotiates the terms and conditions of a financing arrangement with a bank or other commercial lender. COMIDA obtains title to, and possession and/or control of the property financed and enters into a lease agreement with the lessee for a term equal to the lesser of the term of the financing or the benefit period. The rent from the lease includes debt service payments to the lender and is paid directly by the lessee to the lender.

- *Industrial Development Bonds*
  The transaction for a bond issue is similar to a lease-leaseback except that COMIDA issues tax-exempt or taxable bonds to provide financial assistance to private-sector entities 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 private-sector entity served by the bond issuance. COMIDA 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.

The terms of these transactions generally provide for reductions in property taxes paid by recipients of the financing in return for commitments to provide jobs and other economic benefits for the County of Monroe.

As of December 31, 2013, there were 47 series of Industrial Development Bonds outstanding with an approximate aggregate amount payable of approximately $547 million. This information for 2014 was unavailable at the time of issuance of these financial statements.

Related Parties
COMIDA is related through common managerial and operational personnel and common Board of Directors members with several organizations involved in promoting economic development in the County of Monroe. These related organizations include Monroe County Industrial Development Corporation; Greater Rochester Outdoor Sports Facility Corporation; and Monroe County Sports Development Corporation. COMIDA also works together with other organizations related to the County of Monroe to promote economic development.

Cash
Cash includes cash on hand, demand deposits, money market funds, and savings accounts.

Accounts Receivable
Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the use of the allowance method for recording bad debts. However, the use of the direct write-off method is not materially different from the results that would be obtained under the allowance method. Amounts for which no payments have been received for several months are considered delinquent and when customary collection efforts are exhausted, the account is written-off.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets
Assets purchased or acquired with a useful life exceeding one year are capitalized. Contributed capital assets are recorded at fair value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. COMIDA depreciates assets on the straight-line basis over estimated useful lives ranging from 3 to 10 years.

Compensated Absences/Accrued Liabilities
Pursuant to resolutions of COMIDA's Board, COMIDA employees are entitled to accrue a limited number of days of unused sick and vacation time. Accrued sick and vacation time is based on the number of years of employment with COMIDA. An individual who leaves the employment of COMIDA may be paid for unused vacation time earned but not sick time. Unused vacation time is recorded as a liability when earned.

Revenue Recognition
Operating revenue consists of revenue from fees earned on lease-leaseback transactions and taxable bond issues which are equal to .50% of the project amount. For the various tax abatement programs, which provide tax incentives for organizations to increase jobs while using local labor on projects, an additional .25% fee is charged. The fee earned on tax-exempt bond issues is equal to 1% of the project amount. Fee income is recorded as revenue when the financing closes, regardless of when the related cash is received. For projects receiving a sales tax letter, 25% of the fee is recognized as revenue when the sales tax letter is issued. Fee income received prior to closing is recorded as unearned revenue. COMIDA defines non-operating revenue as interest earnings.

Program and Community Development Expenses
Program and community development expenses represent amounts committed to fund program and community development projects as determined by the Board. Program and community development expenses are recognized when paid, as the board determinations, when made, are merely budgetary in nature. Actual payments are based on COMIDA operating results.

Income Taxes
COMIDA is a not-for-profit public benefit corporation and is exempt from income taxes under the Internal Revenue Code.

COMIDA 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.

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

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Policies
COMIDA follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

COMIDA monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within and authorized to do business in New York State. Collateral is required for deposits and certificates of deposit not covered by FDIC insurance.

Interest Rate Risk
Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. COMIDA has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk
COMIDA'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. COMIDA's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Obligations of the United States of America;
- Obligations where payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Special time deposit accounts;
- Certificates of deposit.

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. In accordance with COMIDA's investment and deposit policy, all deposits of COMIDA including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured in the following manner:

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

- Pledge of eligible securities with an aggregate market value equal to the aggregate amount of deposits;

- Eligible irrevocable letter of credit issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any;

- Eligible surety bond payable to the government for an amount of at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

Cash

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

	2014		2013	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Demand deposits	$ 2,024,811	$ 2,021,943	$ 1,030,172	$ 1,024,690
Time deposits	1,970,096	1,969,971	1,968,213	1,967,962
Total	$ 3,994,907	$ 3,991,914	$ 2,998,385	$ 2,992,652

These deposits were insured or collateralized as follows:

	2014	2013
FDIC insurance	$ 500,000	$ 512,549
Collateralized by third party	3,564,805	2,535,554
Total FDIC insurance and collateral	$ 4,064,805	$ 3,048,103

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance January 1	Additions	Deletions	Balance December 31
Capital assets being depreciated:				
Office equipment	$ 25,860	$ 965	$ -	$ 26,825
Furniture and fixtures	6,858	866	-	7,724
Total capital assets being depreciated	32,718	1,831	-	34,549
Less accumulated depreciation for:				
Office equipment	(24,775)	(688)	-	(25,463)
Furniture and fixtures	(6,822)	(325)	-	(7,147)
Total accumulated depreciation	(31,597)	(1,013)	-	(32,610)
Capital assets, net	$ 1,121	$ 818	$ -	$ 1,939

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance January 1	Additions	Deletions	Balance December 31
Capital assets being depreciated:				
Office equipment	$ 25,509	$ 351	$ -	$ 25,860
Furniture and fixtures	6,858	-	-	6,858
Total capital assets being depreciated	32,367	351	-	32,718
Less accumulated depreciation for:				
Office equipment	(23,904)	(871)	-	(24,775)
Furniture and fixtures	(6,785)	(37)	-	(6,822)
Total accumulated depreciation	(30,689)	(908)	-	(31,597)
Capital assets, net	$ 1,678	$ (557)	$ -	$ 1,121

5. PENSION PLAN

Plan Description

COMIDA participates in the New York State and Local Employees' Retirement System (the System). This is a cost sharing multiple employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building Albany, NY 12244.

Funding Policy

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

The System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the System contribute 3% of their salary throughout their active membership. The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who join on or after April 1, 2012 contribute 3% of their reportable salary.

The System cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York State Legislature. COMIDA is required to contribute at an actuarially determined rate. The required contributions for the current and two preceding years were:

2014	$	25,872
2013	$	48,735
2012	$	39,460

6. SECTION 457 DEFERRED COMPENSATION PLAN

Employees of COMIDA may elect to participate in the NYS Public Employees Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan is available to all employees and permits the employee to defer a portion of his or her salary until future years, usually after retirement. At December 31, 2014 and 2013, the value of the Plan was $134,724 and $115,304, respectively.

Benefits paid from the Plan consist of retirement benefits, certain hardship withdrawals and loans to participants as applicable. Participants should refer to the Plan's document for a complete description of the Plan's provisions. That report may be obtained by writing to the New York State Deferred Compensation Plan, Gov. Alfred E. Smith, State Office Building, Albany, NY 12244.

7. MONROE COUNTY FINGER LAKES PROCUREMENT TECHNICAL ASSISTANCE CENTER (PTAC)

Under its Monroe County Finger Lakes Procurement Technical Assistance Center (PTAC), COMIDA, as the host agency for PTAC, receives grants from the United States Department of Defense and Monroe County. For the years ended December 31, 2014 and 2013, respectively, COMIDA recognized PTAC income of $189,716 and $149,232 and corresponding expenses recorded in accordance with their natural classifications in the accompanying statements of revenue, expenses, and change in net position.

8. COMMITMENTS

Community Development
COMIDA entered into a subscription agreement to invest $1,000,000 in a private investment partnership established to fund private enterprises in the Monroe County area. In 2005, this commitment was assumed by a separate non-profit entity. Through December 31, 2014 and 2013, cumulative funding of $797,694 has been provided by COMIDA. COMIDA did not contribute in 2013 or 2014. The balance of this commitment has been funded by the separate non-profit entity in the amount of $159,414. It is anticipated that the remaining commitment will be satisfied by the separate non-profit entity.

In 2006, COMIDA entered into a three-year agreement to establish The Entrepreneurs Network (TEN) committing $765,000, subject to annual renewal, to fund recurring six-month programs designed to optimize young entrepreneurs' exposure to, and interaction with, leading local and national entrepreneurial experts. The program offers TEN participants the opportunity to take their businesses to the next level in securing venture capital, forming strategic alliances, and defining market strategies. Through December 31, 2009, cumulative funding of $600,881 had been provided. Management of the TEN program was taken over by another not-for-profit organization in 2010, and COMIDA provided $150,000 and $165,000 in funding to this organization in 2014 and 2013. COMIDA expects to contribute $150,000 to TEN in 2015.

In 2009, COMIDA entered into an agreement with a separate non-profit organization to promote local and economic development efforts. In 2014 and 2013, amounts contributed to this organization were $50,000 and $100,000, respectively. COMIDA expects to contribute $50,000 to this organization in 2015.

8. COMMITMENTS (Continued)

Management Services - Related Party

Annually, COMIDA enters into an agreement with the County of Monroe for administrative support and facilities provided to COMIDA. The agreement required a payment in the amount of $270,000 and $265,000 for 2014 and 2013, respectively. COMIDA expects to pay $270,000 for these services in 2014.

9. RELATED PARTIES

COMIDA is the sole corporate member of the Greater Rochester Outdoor Sports Facility Corporation (the Company), a New York corporation formed to acquire and operate real and personal property for the economic benefit of the people in the County of Monroe and Rochester, New York area. The primary activity of the Company is the operation of a sports stadium in Rochester, New York, known as Frontier Field which is used for the recreation, entertainment, amusement and benefit of the citizens of the County of Monroe. There were no amounts recognized in the 2014 or 2013 financial statements for transactions related to the Company.

In 2012, COMIDA entered into a contract with the Monroe County Industrial Development Corporation (the Corporation), 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 for the next three years. For the year ended December 31, 2014 and 2013, the Corporation paid approximately $24,000 and $23,500, respectively to COMIDA under the terms of this agreement.

10. LOAN CONTINGENCY

In 2009, COMIDA signed a restated mortgage note agreement with a bank as a guarantor with an unrelated not-for-profit corporation for an original loan amount of $1,211,160. At December 31, 2013, the balance of this loan was approximately $966,500. This mortgage note bore interest at 5.75% until October 1, 2012, when interest is calculated at one-month LIBOR + 350 basis points through maturity on October 1, 2014. The unrelated not-for-profit corporation was required to repay the loan in monthly installments of approximately $10,000 with a final balloon payment due at maturity. No amounts were accrued or recognized as part of this agreement in the financial statements as COMIDA was not the primary obligor. The not-for-profit corporation paid off this loan as of October 1, 2014 and COMIDA was not obligated for this debt at December 31, 2014.

11. ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations.* This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. COMIDA is required to adopt the provisions of this Statement for the year ending December 31, 2014.

In April 2013 the GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. This Statement improves accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. COMIDA is required to adopt the provisions of Statement No. 70 for the year ending December 31, 2014.

12. SUBSEQUENT EVENT

Subsequent to year-end, COMIDA purchased approximately 128 acres of land on Brew Road from the County for approximately $1,369,000 for the purpose of economic development. COMIDA used existing available cash to purchase this parcel.

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 9, 2015

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

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 the County of Monroe Industrial Development Agency (COMIDA), a discretely presented component unit of the County of Monroe, New York, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise COMIDA's basic financial statements, and have issued our report thereon dated March 9, 2015.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered COMIDA'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 COMIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of COMIDA'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.

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(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 COMIDA'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