MUNIPRO, INC.
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE TOWN OF GREECE, NEW YORK)

Financial Statements
as of December 31, 2013 and 2012
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

MUNIPRO, INC.
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE TOWN OF GREECE, NEW YORK)

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 27, 2014

To the Board of Directors of
MUNIPRO, Inc.:

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of MUNIPRO, Inc. (the Corporation), a discretely presented component unit of the Town of Greece, New York, as of and for the years ended December 31, 2013 and 2012, 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.

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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 the Corporation as of December 31, 2013 and 2012, 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 27, 2014 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

THE ORGANIZATION

MUNIPRO, Inc. (the Corporation) was created for the purpose of acquiring land through purchase or donation within the boundaries of the Town of Greece, New York (the Town) in the County of Monroe. The Corporation prepares land acquired for marketability and enters into long-term lease agreements with unrelated entities and remits a portion of net income from such property to the Town. The Corporation is a discretely presented component unit of the Town. Accordingly, the financial statements report only the activities of the Corporation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The financial statements of the Corporation include management's discussion and analysis (MD&A) (this section), the statements of net position, statements of revenues, expenses and change in net position, statements of cash flows, and related notes to the financial statements. The statement of net position presents information on all of the Corporation's assets, deferred outflows, liabilities and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Corporation is improving or deteriorating. The statement of revenues, expenses and change in net position presents information showing how the Corporation's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as rental income receivable and services rendered but not yet paid for. The statement of cash flows provides information about the Corporation's receipts, payments, and net changes in cash resulting from operating, financing, and investing activities. The notes to the financial statements contain information that is essential to the understanding of the financial statements, such as the Corporation's accounting methods and policies.

BASIS OF ACCOUNTING

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments, including public benefit corporations. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash transactions take place. All of the Corporation's activities are classified as proprietary activities.

FINANCIAL HIGHLIGHTS

The Statement of Net Position provides perspective of the Corporation as a whole. Assets of the Corporation exceeded liabilities by $4,704,484 at the close of 2013.

STATEMENTS OF NET POSITION

	2013	2012	2011
ASSETS:			
Current assets	$ 555,509	$ 636,268	$ 715,475
Capital assets	4,150,000	4,150,000	4,150,000
Total assets	4,705,509	4,786,268	4,865,475
LIABILITIES:			
Current liabilities	1,025	8,339	7,191
Total liabilities	1,025	8,339	7,191
NET POSITION:			
Net investment in capital assets	4,150,000	4,150,000	4,150,000
Unrestricted	554,484	627,929	708,284
Total net position	$ 4,704,484	$ 4,777,929	$ 4,858,284

Current Assets
The Corporation's current assets decreased approximately $81,000 in 2013 from 2012. This was due to a decrease in cash and cash equivalents of $271,000 offset by an increase in accounts receivable of $37,000 and an increase in notes and interest receivable of $153,000. The increase in accounts receivable was due to timing of receipt of certain lease payments. The increase in notes and interest receivable of $153,000 was due to the current year issuance of a promissory note to Greece Economic Development Projects, Inc. (GEDPRO), another discretely presented component unit of the Town in the amount of $150,000 plus interest.

The Corporation's current assets decreased approximately $79,000 in 2012 from 2011. This was mainly due to the collection in the amount of approximately $232,000 of the previous note receivable from GEDPRO offset by a negative change in net position in 2012.

Capital Assets
The largest portion of the Corporation's net position reflects its investment in capital assets (i.e., land). The Corporation uses these capital assets to generate revenue; consequently, these assets are not available for future spending. There were no acquisitions or disposals of capital assets in 2013 or 2012.

FINANCIAL HIGHLIGHTS (Continued)

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

	2013	2012	2011
OPERATING REVENUES:			
Charges for services	$ 542,322	$ 543,594	$ 543,417
Total operating revenue	542,322	543,594	543,417
OPERATING EXPENSES:			
Services and supplies	19,290	25,107	19,514
Total operating expenses	19,290	25,107	19,514
Operating income	523,032	518,487	523,903
NON-OPERATING REVENUES:			
Interest income	3,523	1,158	7,677
Total non-operating revenues	3,523	1,158	7,677
CHANGE IN NET POSITION BEFORE TRANSFERS TO THE TOWN OF GREECE, NEW YORK	526,555	519,645	531,580
TRANSFERS TO THE TOWN OF GREECE, NEW YORK	(600,000)	(600,000)	(600,000)
CHANGE IN NET POSITION	(73,445)	(80,355)	(68,420)
NET POSITION - beginning of year	4,777,929	4,858,284	4,926,704
NET POSITION - end of year	$ 4,704,484	$ 4,777,929	$ 4,858,284

Revenues
Operating revenues slightly decreased approximately $1,000 in 2013 from 2012 due to fluctuations in lease and rental payments. Operating revenues remained consistent in 2012 with 2011. Non-operating revenues, which represent primarily interest income on the related party notes receivable, increased approximately $2,000 in 2013 from 2012 and decreased approximately $6,500 in 2012 from due to repayment of the prior notes in 2012 and the issuance of a new promissory note in 2013.

Expenses
Total operating expenses decreased approximately $6,000 in 2013 from 2012, due primarily to a decrease in legal fees. Total operating expenses increased approximately $6,000 in 2012 from 2011, due primarily to an increase in legal fees of approximately $5,000, due to the Corporation's attorney writing pro-rated costs and common area maintenance agreements.

Transfers to the Town of Greece, New York
Transfers to the Town, recorded in the statement of revenues, expenses and change in net position, were $600,000 in 2013 and 2012. These transfers were in accordance with the agreement between the Corporation and the Town.

ECONOMIC FACTORS

The Corporation is largely unaffected by other current economic factors, as all of its land is currently being leased, much of it for several years into the future.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Corporation's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to MUNIPRO, Inc., c/o Town of Greece, 1 Vince Tofany Blvd., Greece, New York 14612.

MUNIPRO, INC.
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE TOWN OF GREECE, NEW YORK)

STATEMENTS OF NET POSITION
DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
CASH AND CASH EQUIVALENTS	$ 348,864	$ 619,505
ACCOUNTS RECEIVABLE	53,924	16,763
NOTES AND INTEREST RECEIVABLE - RELATED PARTY	152,721	-
CAPITAL ASSETS - LAND	4,150,000	4,150,000
Total assets	4,705,509	4,786,268
LIABILITIES		
ACCOUNTS PAYABLE	1,025	4,046
RENT RECEIVED IN ADVANCE	-	4,293
Total liabilities	1,025	8,339
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	4,150,000	4,150,000
UNRESTRICTED	554,484	627,929
Total net position	$ 4,704,484	$ 4,777,929

The accompanying notes are an integral part of these statements.

MUNIPRO, INC.
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE TOWN OF GREECE, NEW YORK)

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
OPERATING REVENUES:		
Charges for services	$ 542,322	$ 543,594
Total operating revenues	542,322	543,594
OPERATING EXPENSES:		
Services and supplies	19,290	25,107
Total operating expenses	19,290	25,107
Operating income	523,032	518,487
NON-OPERATING REVENUES:		
Interest income	3,523	1,158
Total non-operating revenues	3,523	1,158
CHANGE IN NET POSITION BEFORE TRANSFERS TO THE TOWN OF GREECE, NEW YORK	526,555	519,645
TRANSFERS TO THE TOWN OF GREECE, NEW YORK	(600,000)	(600,000)
CHANGE IN NET POSITION	(73,445)	(80,355)
NET POSITION - beginning of year	4,777,929	4,858,284
NET POSITION - end of year	$ 4,704,484	$ 4,777,929

The accompanying notes are an integral part of these statements.

MUNIPRO, INC.
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE TOWN OF GREECE, NEW YORK)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 500,868	547,785
Cash paid to suppliers	(22,311)	(24,239)
Net cash flow from operating activities	478,557	523,546
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES:		
Payments to Town of Greece, New York	(600,000)	(600,000)
Net cash flow from non-capital financing activities	(600,000)	(600,000)
CASH FLOW FROM INVESTING ACTIVITIES:		
Collection (issuance) of notes receivable, net	(150,000)	231,985
Cash received for interest	802	1,158
Net cash flow from investing activities	(149,198)	233,143
NET CHANGE IN CASH AND CASH EQUIVALENTS	(270,641)	156,689
CASH AND CASH EQUIVALENTS - beginning of year	619,505	462,816
CASH AND CASH EQUIVALENTS - end of year	$ 348,864	$ 619,505
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income	$ 523,032	$ 518,487
Adjustments to reconcile operating income to net cash flow from operating activities:		
Changes in:		
Accounts receivable	(37,161)	3,911
Accounts payable	(3,021)	868
Rent received in advance	(4,293)	280
Net cash flow from operating activities	$ 478,557	$ 523,546

The accompanying notes are an integral part of these statements.

1. ORGANIZATION AND REPORTING ENTITY

Reporting Entity

The financial statements of MUNIPRO, Inc. (the Corporation), are intended to present only that portion of the activities that are attributable to the transactions of the Corporation. The financial statements do not purport to and do not present the financial position of the Town of Greece, New York (the Town) as of December 31, 2013 and 2012, or the changes in its financial position or its cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States.

Nature of Operations

The Board of Directors governs the Corporation. The Board of Directors is the body responsible for overall operations.

The Corporation was established by the Town's Board and formed as a not-for-profit corporation, established under section 501(c)(2) of the Internal Revenue Code. The Town Board maintains the authority to appoint the Board of Directors of the Corporation. Since the Town Board has control over the Corporation, it is considered a discretely presented component unit of the Town and, therefore, operating results are included as a separate column in the Town's basic financial statements.

The purpose of the Corporation is to acquire land through purchase or donation. The land is valued upon acquisition at cost plus closing costs. The Corporation prepares the land for marketability and enters into long-term lease agreements with unrelated entities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments, including public benefit corporations. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash transactions take place. All of the Corporation's activities are classified as proprietary activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 invested in capital assets, net of related debt. 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, 2013 and 2012, the Corporation has no restricted net position.

- Unrestricted net position - This component of net position consists of those amounts that do 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.

Cash and Cash Equivalents
The Corporation considers cash and cash equivalents to be cash on hand and demand deposits.

Accounts Receivable
The Corporation provides credit to customers in the normal course of operations, but does not accrue interest on outstanding accounts receivable. Accounts for which no payments have been received for several months are considered delinquent and the account is written-off when customary collection efforts are exhausted. The Corporation has not recorded an allowance for doubtful accounts and does not anticipate future write-offs.

Notes Receivable-Related Party
The Corporation’s notes receivable-related party are reported at the outstanding principal balance plus accrued interest. The notes are considered by management to be fully collectable and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the borrower’s financial condition and current economic conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets at year-end consist of land. Capital assets are defined by the Corporation within the capitalization policy as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost including closing costs. Donated capital assets are recorded at estimated fair market value at the date of donation. Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Rent Received in Advance

Rent received in advance represents advance lease payments received and will be recognized as revenue as it is earned.

Revenues

The Corporation's primary operating revenue source is from long-term lease agreements for land use with unrelated entities. Non-operating revenue consists of interest income.

Income Taxes

The Corporation is a not-for-profit corporation exempt from income taxes as an organization qualified under Section 501(c)(2) of the Internal Revenue Code.

Transfers to Town of Greece

Transfers are made to the Town annually pursuant to the Corporation's Articles of Incorporation. The transfers are expensed when they are made. The Corporation transferred $600,000 to the Town during both the years ended December 31, 2013 and 2012.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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

Policies

The Corporation follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; and conform with the Public Authorities Law.

The Corporation's monies must be deposited in a bank or banks designated by the Board of Directors and, to the extent practicable; consistent with the cash requirements of the Corporation, all such money shall be deposited in interest bearing accounts. The Board authorizes the use of all commercial banks or trust companies located and authorized to do business in New York State.

The Corporation is incorporated as a not-for-profit and as such is not required to maintain collateral on its accounts, but has elected to do so. Collateral is required for deposits and certificates of deposit not covered by FDIC insurance. The market value of collateral at all times must equal or exceed 102% of the principal amount of the certificate of deposit.

4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

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. The Corporation's investment and deposit policy authorizes the following types of investments for investing the Corporation's monies with commercial banks or trust companies located and authorized to do business with Monroe County:

- Savings Accounts;
- NOW Accounts;
- Money Market Deposit Accounts;
- Super NOW Accounts;
- 7 to 31 Day Accounts;
- Certificates of Deposit;
- Repurchase Agreements;
- US Treasury Bonds, Bills, Notes;
- Obligations of the United States and the State of New York and any obligations of any municipality and school district authorized within the state;
- Other investment instruments as may be approved by the Office of the State Comptroller from time to time.

Cash and cash equivalents

At December 31, 2013 and 2012, 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:

	2013		2012	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Demand deposits	$ 499,806	$ 348,864	$ 619,505	$ 619,505

These deposits were insured or collateralized as follows:

	2013	2012
FDIC insurance	$ 404,093	$ 252,594
Collateralized by third party	97,573	374,250
Total FDIC insurance and collateral	$ 501,666	$ 626,844

4. NOTES RECEIVABLE – RELATED PARTY

In 2013 the Corporation issued demand notes receivable to Greece Economic Development Projects, Inc. (GEDPRO) another component unit of the Town, in the form of lines-of-credit, to be drawn upon on an as-needed basis, not to exceed $200,000. Interest on these notes is fixed at the prime percentage rate of interest as published in the Wall Street Journal at the date of each borrowing (currently 3.25% on all borrowings). The notes had an outstanding balance of $150,000 plus accrued interest of $2,721 at December 31, 2013. Principal and accrued interest are due on demand.

5. LEASING AGREEMENTS

The Corporation has various lease agreements with unrelated parties for the use of its land. The lease agreements vary in terms ranging from 15 to 51 years and expire at various dates through 2049. They also vary in terms of annual payments, which range from $48,000 to $229,000. All of them have escalation clauses and various options to renew.

The following is a schedule of the future minimum lease income under these operating leases as of December 31:

2014	$ 455,383
2015	447,820
2016	447,820
2017	358,487
2018	190,833
Thereafter	6,483,678
	$ 8,384,021

The leases noted above are considered operating leases. Generally accepted accounting principles require lessors to recognize operating leases as rental income over the course of the lease using the straight-line basis; however, due to the significant terms of the underlying leases and the uncertainty of them continuing to termination, management has determined that recording revenue on a straight-line basis would not represent an accurate financial picture. As such, the Corporation recognizes revenue in accordance with the terms of the underlying lease agreements. Management evaluates each lease on an annual basis to determine if any changes should be made to the manner of recognition in the event that changes in the underlying lessees' operations impact the lease terms.

The leases described above serve as collateral for a mortgage payable for vacant land owned by GEDPRO. The mortgage requires monthly principal payments of $3,915 plus interest at the one month LIBOR rate plus 350 basis points annually through August 2016, at which time the remaining principal balance of $704,695 is due. The amount of outstanding principal on the mortgage was $829,973 and $876,953 at December 31, 2013 and 2012, respectively. The Board of Directors of the Corporation agreed to the terms in the mortgage. The mortgage has not been recorded by the Corporation, but is reported on GEDPRO's financial statements.

6. ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED

In March 2012, the GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. This Statement improves accounting and financial reporting by clarifying guidance regarding risk financing, operating lease payments, and accounting for loans. The Corporation is required to adopt the provisions of Statement No. 66 for the year ending December 31, 2014.

In June 2012, the GASB issued Statements No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, No. 68 Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and No. 71 Pension Transition for Contributions made subsequent to the measurement date – an amendment to GASB Statement 68.* The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans. Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The objective of Statement No. 71 is to address an issue regarding application of the transition provisions of *Statement No. 68.* The Corporation is required to adopt the provisions of Statement No. 67 for the year ending December 31, 2014 and Statement No. 68 and No.71 for the year ending December 31, 2015, with early adoption encouraged.

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. The Corporation is required to adopt the provisions of this Statement for the year ending December 31, 2014. A prospective basis should be applied and early adoption is encouraged

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. The Corporation is required to adopt the provisions of Statement No. 70 for the year ending December 31, 2014.

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, 2014

To the Board of Directors of
MUNIPRO, Inc.:

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 MUNIPRO, Inc. (the Corporation), as of and for the year ended December 31, 2013, 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, 2014.

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.

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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