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

Basic Financial Statements
as of December 31, 2011 and 2010
Together with
Independent Auditors' Report

Bonadio & Co., LLP
Certified Public Accountants

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

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (UNAUDITED)	3 - 6
Basic Financial Statements:	
Statements of Net Assets	7
Statements of Activities and Change in Net Assets	8
Statements of Cash Flows	9
Notes to Basic Financial Statements	10 - 14
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*	15 - 16

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

March 15, 2012

To the Board of Directors of
GEDPRO, Inc.:

We have audited the accompanying financial statements of the business-type activities of GEDPRO, Inc. (the Corporation), a discretely presented component unit of the Town of Greece, New York, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2011 and 2010, and the changes in net assets, and cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2012, 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* and should be considered in assessing the results of our audits.

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

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
NYC • PERRY • GENEVA

www.bonadio.com

INDEPENDENT AUDITORS' REPORT
(Continued)

Accounting principles generally accepted in the United States require that the management's discussion and analysis (MD&A) on pages 3 through 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, 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.

Bonadio & Co., LLP

THE ORGANIZATION

GEDPRO, Inc. (the Corporation) was created for the sole 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 the land it acquires for marketability and for eventual sale to unrelated entities. 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 assets, statements of activities and change in net assets, statements of cash flows, and related notes to the financial statements. The statement of net assets presents information on all of the Corporation's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating. The statement of activities and change in net assets presents information showing how the Corporation's net assets changed during the most recent year. All changes in net assets 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 operations, 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent they do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The Corporation has elected not to follow subsequent private sector guidance.

The financial statements are reported using the economic resources measurement focus and 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

Net assets may serve over time as a useful indicator of a government's financial position. The Statement of Net Assets provides a perspective of the Corporation as a whole. Assets of the Corporation exceeded liabilities by $865,392 at the close of 2011.

STATEMENT OF NET ASSETS

	2011	2010	2009
ASSETS			
Current assets	$ 397,788	$ 41,278	$ 148,198
Non-current assets	1,636,422	4,222,689	4,222,689
Total assets	2,034,210	4,263,967	4,370,887
LIABILITIES			
Current liabilities	291,865	144,682	51,697
Long-term liabilities	876,953	886,848	942,948
Total liabilities	1,168,818	1,031,530	994,645
NET ASSETS			
Invested in Capital assets	690,759	3,279,741	3,228,044
Unrestricted	174,633	(47,304)	148,198
Total net assets	$ 865,392	$ 3,232,437	$ 3,376,242

Current Assets
The Corporation's cash and cash equivalents have increased by $356,510 in 2011 from 2010 due to cash proceeds received from land sales during 2011. Cash and cash equivalents decreased by $106,920 in 2010 from 2009 because there were no sales of land in 2010; therefore, the 2009 existing cash was required to pay 2010 expenses and debt payments.

Non-Current Assets
The largest portion of the Corporation's net assets reflects its investment in capital assets (i.e., land) less any related debt used to acquire those assets that is still outstanding. The Corporation is holding these assets for sale, and consequently, until sales are made, these assets are not available for future spending. Although the Corporation's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of 2011, the Corporation had approximately $1,615,000 invested in land and construction in progress. This amount decreased from approximately $4,223,000 at the end of 2010, due to land sales made and an impairment loss recognized during 2011. The Corporation refinanced its mortgage in 2011 (discussed in greater detail in note 4 of the notes the financial statements), incurring $23,705 of closing costs, of which $21,730 remained unamortized at year-end. Mortgage closing costs are amortized over the five year term of the mortgage.

Liabilities

On March 3, 2010, the Board of Directors of MUNIPRO, Inc. (MUNIPRO), another component unit of the Town, approved a motion to extend a loan to the Corporation in the form of a demand note payable in an amount not to exceed $75,000. The note was drawn on an as-needed basis. Interest was fixed at the prime percentage rate of interest as published in the Wall Street Journal at the date of each borrowing.

During 2011, the Board of Directors of MUNIPRO approved motions to extend additional loans to the Corporation in the form of additional demand notes payable, at the same terms, for amounts totaling $150,000. The Corporation's total notes payable to MUNIPRO were $225,000 and $75,000, plus accrued interest of $6,985 and $832, as of December 31, 2011, and 2010, respectively.

In May 2011, the Corporation signed a new mortgage note with its lender to refinance its previous mortgage. The new mortgage requires 60 monthly payments of $3,915, plus interest at the one month LIBOR rate plus 350 basis points annually through 2016. The mortgage is guaranteed by MUNIPRO's lease agreements in addition to the real property of the Corporation.

The financing transactions discussed above, offset by mortgage payments to M&T Bank, caused the Corporation's liabilities to increase by $137,288 from 2010 to 2011 and by $36,885 from 2009 to 2010.

The Corporation used the proceeds of the December 2011 land sales repay these notes payable to MUNIPRO in January 2012.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

	2011	2010	2009
OPERATING REVENUES			
Charge for services	$ 3,750	$ 3,750	$ 3,750
Total operating revenue	3,750	3,750	3,750
OPERATING EXPENSES			
Net loss on land sales	789,404	-	-
Interest	68,067	80,495	83,721
Services and supplies	80,511	67,152	34,528
Total operating expenses	937,982	147,647	118,249
Operating loss	(934,232)	(143,897)	(114,499)
NON-OPERATING REVENUES (EXPENSES)			
Loss on impairment of land	(1,430,853)	-	-
Interest income	16	92	727
Amortization expense	(1,976)	-	-
Total non-operating revenues (expenses)	(1,432,813)	92	727
CHANGE IN NET ASSETS	(2,367,045)	(143,805)	(113,772)
NET ASSETS - beginning of year	3,232,437	3,376,242	3,490,014
NET ASSETS - end of year	$ 865,392	$ 3,232,437	$ 3,376,242

Revenues
During 2011, charges for services consisted of lease income and non-operating revenues. Interest income decreased by $76 due to lower cash balances through December, which is when the proceeds from the land sale were received.

Expenses
During 2011, the Corporation sold approximately 128 acres of land to the Town and approximately three acres of land to unrelated entities. Proceeds from these sales totaled approximately $388,000, and the Corporation recognized a total loss of approximately $789,000 on these sales. Due to these losses, the Corporation also determined that the land held at December 31, 2011 was impaired, and recognized a loss on impairment of approximately $1,430,000 in 2011. Operating expenses increased by $2,221,188 during 2011, primarily due to these losses. During 2010, operating expenses increased by $29,398 primarily due to a large increase in real estate taxes.

Change in Net Assets
In 2011, net assets decreased from the prior year by $2,367,045. The decrease is attributable to the loss on sale of land and the fact that operating expenses exceeded operating revenues. In 2010, net assets decreased from the prior year by $143,805.

ECONOMIC FACTORS

The struggles of the United States' real estate market have made land sales exceedingly difficult. The tightening of the credit market also made it more difficult for developers to obtain credit and has made them, as a whole, less likely to want to buy land. The Corporation was able to make multiple land sales in 2011; however, the Corporation experienced realized losses on those sales. Prior to the current year sales, the Corporation had not had sales since 2008.

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 request for additional information should be addressed in writing to GEDPRO Inc., c/o Town of Greece, 1 Vince Tofany Blvd., Greece, New York 14612.

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

STATEMENTS OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CASH AND CASH EQUIVALENTS	$ 394,038	$ 37,528
ACCOUNTS RECEIVABLE	3,750	3,750
MORTGAGE CLOSING COSTS	21,730	-
CAPITAL ASSETS -		
LAND	1,601,087	4,209,084
CONSTRUCTION IN PROGRESS	13,605	13,605
Total assets	2,034,210	4,263,967
LIABILITIES		
ACCOUNTS PAYABLE	12,900	12,750
NOTES AND INTEREST PAYABLE	231,985	75,832
DUE WITHIN ONE YEAR -		
MORTGAGE PAYABLE	46,980	56,100
DUE WITHIN MORE THAN ONE YEAR -		
MORTGAGE PAYABLE	876,953	886,848
Total liabilities	1,168,818	1,031,530
NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	690,759	3,279,741
UNRESTRICTED	174,633	(47,304)
Total net assets	$ 865,392	$ 3,232,437

The accompanying notes are an integral part of these statements.

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

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING REVENUES:		
Charges for services	$ 3,750	$ 3,750
Total operating revenues	3,750	3,750
OPERATING EXPENSES:		
Net loss on land sales	789,404	-
Interest	68,067	80,495
Service and supplies	80,511	67,152
Total operating expenses	937,982	147,647
Operating loss	(934,232)	(143,897)
NON-OPERATING REVENUES (EXPENSES):		
Loss on impairment of land	(1,430,853)	-
Interest income	16	92
Amortization	(1,976)	-
Total non-operating revenues (expenses)	(1,432,813)	92
CHANGE IN NET ASSETS	(2,367,045)	(143,805)
NET ASSETS - beginning of year	3,232,437	3,376,242
NET ASSETS - end of year	$ 865,392	$ 3,232,437

The accompanying notes are an integral part of these statements.

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES:		
Proceeds from land sales	$ 387,740	$ -
Receipts from customers	3,750	3,750
Payments to suppliers	(80,361)	(54,402)
Interest paid	(68,067)	(80,495)
Net cash flow from operating activities	243,062	(131,147)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayments on debt	(42,721)	(51,697)
Borrowings on notes payable	156,153	75,832
Net cash flow from capital and related financing activities	113,432	24,135
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest	16	92
Net cash flow from investing activities	16	92
CHANGE IN CASH AND CASH EQUIVALENTS	356,510	(106,920)
CASH AND CASH EQUIVALENTS - beginning of year	37,528	144,448
CASH AND CASH EQUIVALENTS - end of year	$ 394,038	$ 37,528
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating loss	$ (934,232)	$ (143,897)
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Loss on impairment of land	(1,430,853)	-
Changes in:		
Land	2,607,997	-
Accounts payable	150	12,750
Net cash flow from operating activities	$ 243,062	$ (131,147)

The accompanying notes are an integral part of these statements.

1. ORGANIZATION AND REPORTING ENTITY

Reporting Entity
The financial statements of GEDPRO, Inc. (the Corporation), are intended to present only that portion of the activities that are attributable to the transactions of GEDPRO, Inc. 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, 2011 and 2010, 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 Corporation was established by the Town's Board and approved and formed as a not-for-profit corporation, established under section 501(c)(3) of the Internal Revenue Code. The Town Board maintains the authority to appoint the Board of Directors of the Corporation. The Corporation is governed by the Board of Directors, which is responsible for overall operations. 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 at acquisition cost plus closing costs. The Corporation prepares the land for marketability and either will sell the land to, or enter into long-term lease agreements with, unrelated entities.

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 prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial reporting principles. The Corporation is engaged only in business-type activities as defined in GASB Statement No. 34.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent they do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The Corporation has elected not to follow subsequent private sector guidance.

The financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the cash is received or paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Accounts Receivable

The Corporation leases some of its property to individuals and does not accrue interest on these receivables. 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 accounts receivable balance totaled $3,750 at December 31, 2011 and 2010, respectively, which the Corporation believes to be fully collectable. Consequently, the Corporation has not recorded an allowance for doubtful accounts.

Capital Assets

Capital assets are defined by the Corporation within its 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 cost or estimated historical cost. 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 expensed when incurred. The Corporation has no depreciable capital assets as of December 31, 2011 and 2010. All land of the Corporation is available for sale.

Mortgage Closing Costs

Costs incurred in connection with mortgage acquisitions are capitalized and are amortized using the straight-line method over the term of the mortgage.

Notes Payable

The Corporation's notes payable are reported at its outstanding principal plus accrued interest.

Mortgage Payable

The Corporation's mortgage payable is reported as due within one year or due in more than one year in the Statement of Net Assets.

Net Assets

The financial statements display net assets in three components as follows:

- **Invested in Capital Assets, Net of Related Debt**
  These net assets consist of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted Net Assets**
  These net assets consist of resources with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation. The Corporation currently has no restricted net assets as of December 31, 2011 and 2010.

- **Unrestricted Net Assets**
  These net assets consist of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues
The Corporation's primary revenue sources are sales of land, rental income and interest income.

Income Taxes
The Corporation is a not-for-profit corporation exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Corporation has also been classified as an organization that is not a private foundation.

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. CASH AND CASH EQUIVALENTS

Demand deposits at year-end were entirely covered by FDIC insurance or secured by trust companies located within the state. At December 31, 2011 and 2010, cash and cash equivalents are composed entirely of a demand deposit account and a money market account. All deposits are carried at cost, which approximates fair value.

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. At times during the year, the cash balances may exceed collateralized balances but the management of the Corporation believes the risk associated with its uninsured balances to be insignificant. As of December 31, 2011 and 2010, the bank balance of the Corporation cash and cash equivalents was $394,038 and $37,528 was exposed to custodial credit risk as follows:

	2011	2010
FDIC	$ 258,249	$ 37,528
Uninsured and collateral held by pledging bank	138,506	-
Total	$ 396,755	$ 37,528

The Corporation is collateralized at 102 percent of all deposits not covered by the FDIC.

4. FINANCING ARRANGEMENTS

Mortgage Payable

In May 2011, the Corporation refinanced its mortgage payable with a bank for vacant land, known as KPV/ KPY. The new mortgage requires monthly principal payments of $3,915, plus interest at the one month LIBOR rate plus 350 basis points annually through 2016, at which time the remaining principal balance of $704,695 is due. The previous mortgage required monthly payments of $10,947 including principal and interest at 8.09% annually through May 2011 at which time the remaining principal balance was due. The real property of the Corporation serves as collateral for both mortgages. In addition, the MUNIPRO Board of Directors passed a resolution in April 2001 to authorize guarantee of this mortgage with the lease agreements of MUNIPRO serving as additional collateral. These lease agreements also serve as collateral on the new mortgage payable.

Future maturities of the mortgage payable are as follows at December 31:

2012	$	46,980
2013		46,980
2014		46,980
2015		46,980
2016		736,013
		923,933
Less: Current portion		(46,980)
	$	876,953

Cash paid for interest totaled $61,914 and $79,663 for 2011 and 2010, respectively.

As a stipulation of this mortgage, the Corporation must be in compliance with certain debt covenants. As of December 31, 2011 and 2010 the Corporation has met the requirements of these covenants.

Mortgage Closing Costs

Costs of $23,705, incurred in connection with the May 2011 mortgage refinancing, have been capitalized and are being amortized using the straight-line method over the 5-year term of the mortgage. Amortization expense related to mortgage closing costs was $1,976 in the year ended December 31, 2011. Unamortized mortgage closing costs were $21,730 at December 31, 2011.

Notes Payable

In 2011 and 2010, the Corporation entered into demand notes payable to MUNIPRO to be drawn upon on an as-needed basis, for amounts not to exceed $225,000 at December 31, 2011 ($75,000 at December 31, 2010). 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 (3.25% on all borrowings). The notes had balances of $225,000 and $75,000, plus accrued interest of $6,985 and $832, at December 31, 2011 and 2010, respectively. Principal and accrued interest are due on demand.

On January 4, 2012, the Corporation transferred $232,026 to MUNIPRO to satisfy the balance of all principal and accrued interest on the notes payable.

5. CAPITAL ASSETS

A summary of changes in capital assets was as follows:

Type	Balance 1/1/11	Increases	Decreases	Balance 12/31/11
Capital assets not being depreciated:				
Land	$ 4,209,084	$ -	$ 2,607,997	$ 1,601,087
Construction in progress	13,605	-	-	13,605
Total capital assets not being depreciated	$ 4,222,689	$ -	$ 2,607,997	$ 1,614,692

Type	Balance 1/1/10	Increases	Decreases	Balance 12/31/10
Capital assets not being depreciated:				
Land	$ 4,209,084	$ -	$ -	$ 4,209,084
Construction in progress	13,605	-	-	13,605
Total capital assets not being depreciated	$ 4,222,689	$ -	$ -	$ 4,222,689

There were no depreciable assets as of December 31, 2011 and 2010.

After land sales made during 2011, it was determined that the fair market value of the remaining land held by the Corporation was significantly below its carrying value. Due to the decrease in value, the Corporation recorded an impairment loss of $1,430,853 in 2011.

In accordance with a sales agreement from 2002, the Corporation began to install a road to provide for a right-of-way for a buyer and future buyers. The buyer from the 2002 agreement had committed to share equally with the Corporation construction costs up to $50,000. $13,605 was spent in 2008 towards the cost of the road. Further construction is on hold until the buyer is ready to develop the parcel. The road will be maintained by the Corporation until such time as all land has been sold. Once all land owned by the Corporation has been sold, the road will either be dedicated to the Town or turned over to the land owners of the adjacent property.

6. RELATED PARTY TRANSACTION

On June 23, 2011, the Corporation accepted a proposal from the Town to purchase 127.8 acres of land at a price of approximately $3,000 per acre. This price was determined based on appraised value of the land. Total proceeds from this sale were approximately $379,000.

Bonadio & Co., LLP
Certified Public Accountants

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 15, 2012

To the Board of Directors of
GEDPRO, Inc.:

We have audited the financial statements of the business-type activities of GEDPRO, Inc. (the Corporation), a New York not-for-profit corporation and a discretely presented component unit of the Town of Greece, New York, as of and for the year ended December 31, 2011, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated March 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
NYC • PERRY • GENEVA

www.bonadio.com

(Continued)

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 of 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*.

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

Bonadio & Co., LLP