

**ONTARIO COUNTY**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**NEW YORK**  
**FINANCIAL STATEMENTS**  
**For Years Ended December 31, 2013 and 2012**

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**Certified Public Accountants**

**Shareholders:**

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Members of  
American Institute of  
Certified Public Accountants  
and  
New York State Society of  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Ontario County Economic Development Corporation

We have audited the accompanying financial statements of the Ontario County Economic Development Corporation (OCEDC), which comprise the statement of financial position as of December 31, 2013 and 2012 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

The OCEDC's 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Corporation'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 OCEDC'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.

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ontario County Economic Development Corporation as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2014 on our consideration of the Ontario County Economic Development 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 Ontario County Economic Development Corporation's internal control over financial reporting and compliance.



March 5, 2014

## ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION

## NEW YORK

## Statement of Financial Position

December 31, 2013 and 2012

<u>ASSETS:</u>	<u>2013</u>	<u>2012</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 1,046,819	\$ 922,290
Due from other governments	6,215	5,224
Loans receivable	385,287	580,434
Late fees receivable	150	-
<b>Total Current Assets</b>	<u>\$ 1,438,471</u>	<u>\$ 1,507,948</u>
<u>Noncurrent Assets -</u>		
Loans receivable, net	\$ 1,519,700	\$ 1,749,747
Deferred notes/Interest receivable	15,674	18,965
<b>Total Noncurrent Assets</b>	<u>\$ 1,535,374</u>	<u>\$ 1,768,712</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,973,845</u>	<u>\$ 3,276,660</u>
<u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 23,436	\$ 7,539
Unearned revenues	718	207
<b>Total Current Liabilities</b>	<u>\$ 24,154</u>	<u>\$ 7,746</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 24,154</u>	<u>\$ 7,746</u>
<u>NET ASSETS:</u>		
<u>Unrestricted -</u>		
Operating	\$ 626,877	\$ 923,522
Designated	434,418	236,498
<u>Temporarily Restricted -</u>	1,888,396	2,108,894
<b>TOTAL NET ASSETS</b>	<u>\$ 2,949,691</u>	<u>\$ 3,268,914</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,973,845</u>	<u>\$ 3,276,660</u>

**ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION**  
**NEW YORK**  
**Statement of Activities**  
**For Years Ended December 31, 2013 and 2012**

	<b>2 0 1 3</b>			<b>2 0 1 2</b>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2012 Total</u>
<b>REVENUES:</b>						
Grant administrative revenue	\$ 24,151	\$ -	\$ 24,151	\$ 15,349	\$ -	\$ 15,349
Program income	85,670	-	85,670	70,295	-	70,295
Application income	2,900	-	2,900	800	-	800
State aid	-	940	940	-	84,000	84,000
Federal aid	-	98,060	98,060	-	316,000	316,000
Net assets released from restrictions	319,498	(319,498)	-	731,999	(731,999)	-
<b>TOTAL REVENUES</b>	<b>\$ 432,219</b>	<b>\$ (220,498)</b>	<b>\$ 211,721</b>	<b>\$ 818,443</b>	<b>\$ (331,999)</b>	<b>\$ 486,444</b>
<b>EXPENSES:</b>						
<b>Management and General -</b>						
Mileage and travel	\$ 1,696	\$ -	\$ 1,696	\$ 1,073	\$ -	\$ 1,073
Ontario County services	17,559	-	17,559	18,449	-	18,449
Advertising & public relations	1,570	-	1,570	1,642	-	1,642
Meals	776	-	776	-	-	-
Contributions	-	-	-	100	-	100
Insurance	1,953	-	1,953	1,854	-	1,854
Training and conferences	5,310	-	5,310	537	-	537
Miscellaneous	86	-	86	52	-	52
<b>Total Management and General</b>	<b>\$ 28,950</b>	<b>\$ -</b>	<b>\$ 28,950</b>	<b>\$ 23,707</b>	<b>\$ -</b>	<b>\$ 23,707</b>
<b>Program -</b>						
Miscellaneous	\$ 281	\$ -	\$ 281	\$ 322	\$ -	\$ 322
Grants	6,440	-	6,440	16,242	-	16,242
Ontario County services	50,662	-	50,662	26,764	-	26,764
Professional fees	26,654	-	26,654	35,141	-	35,141
Legal costs	14,207	-	14,207	13,598	-	13,598
Bad debt expense	403,750	-	403,750	-	-	-
<b>Total Program</b>	<b>\$ 501,994</b>	<b>\$ -</b>	<b>\$ 501,994</b>	<b>\$ 92,067</b>	<b>\$ -</b>	<b>\$ 92,067</b>
<b>TOTAL EXPENSES</b>	<b>\$ 530,944</b>	<b>\$ -</b>	<b>\$ 530,944</b>	<b>\$ 115,774</b>	<b>\$ -</b>	<b>\$ 115,774</b>
<b>Excess (deficiency) in unrestricted net assets</b>	<b>\$ (98,725)</b>	<b>\$ (220,498)</b>	<b>\$ (319,223)</b>	<b>\$ 702,669</b>	<b>\$ (331,999)</b>	<b>\$ 370,670</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,160,020</b>	<b>2,108,894</b>	<b>3,268,914</b>	<b>457,351</b>	<b>2,440,893</b>	<b>2,898,244</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,061,295</b>	<b>\$ 1,888,396</b>	<b>\$ 2,949,691</b>	<b>\$ 1,160,020</b>	<b>\$ 2,108,894</b>	<b>\$ 3,268,914</b>

(The accompanying notes are an integral part of these financial statements)

**ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION  
NEW YORK**

**Statement of Cash Flows**

**For The Years Ended December 31, 2013 and 2012**

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Cash received from providing services	\$ 213,402	\$ 501,219
Cash payments contractual expenses	(108,156)	(143,625)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 105,246</u></b>	<b><u>\$ 357,594</u></b>
<b><u>FINANCING ACTIVITIES:</u></b>		
Loans made to companies	\$ (560,881)	\$ (617,533)
Payments received on loans	580,164	731,999
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<b><u>\$ 19,283</u></b>	<b><u>\$ 114,466</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 124,529</b>	<b>\$ 472,060</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b><u>922,290</u></b>	<b><u>450,230</u></b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 1,046,819</u></b>	<b><u>\$ 922,290</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
<b>Net Operating Income (Loss)</b>	<b><u>\$ (319,223)</u></b>	<b><u>\$ 370,670</u></b>
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:</b>		
Increase/(decrease) in accounts payable	\$ 15,897	\$ (8,884)
Increase/(decrease) in unearned revenues	511	207
(Increase)/decrease in allowance for loan impairment	403,750	-
(Increase)/decrease in due from other governments	(991)	14,566
(Increase)/decrease in deferred notes/interest receivable	5,302	(18,965)
<b>Total Adjustments</b>	<b><u>\$ 424,469</u></b>	<b><u>\$ (13,076)</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 105,246</u></b>	<b><u>\$ 357,594</u></b>

**ONTARIO COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2013**

**(Note 1)      Summary of Significant Accounting Policies:**

**A.      Organization**

The Ontario County Economic Development Corporation, New York (OCEDC) was incorporated as a nonprofit local development corporation on January 11, 2010. The purposes for which the OCEDC is to be formed and operated, are exclusively for charitable purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code, to relieve and reduce unemployment, to better and maintain job opportunities, promote and provide for additional employment, to help increase the tax base of Ontario County through the attraction of private sector investment, lessen the burdens of government and otherwise act in the public interest.

The OCEDC has established a revolving loan fund from grants obtained from Federal Grants that Pass-Through Ontario County. The OCEDC offers low interest loans to businesses who are located, or wish to relocate to Ontario County. Loans are approved by the governing board after consideration of various criteria. As the loans are repaid to the OCEDC the program income is considered defederalized and unrestricted.

**B.      Basis of Presentation**

The OCEDC financial statements have been prepared on the accrual basis of accounting. The OCEDC reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the OCEDC is required to present a Statement of Cash Flows. The OCEDC reports only unrestricted and temporarily restricted net assets at December 31, 2013.

**C.      Cash**

Cash and cash equivalents are carried at cost plus accrued interest, which approximates fair value. For purposes of presenting the statement of cash flows, the OCEDC considers all highly liquid short-term investments with maturities of three months or less from the date of purchase to be cash or cash equivalents.

**D.      Income Taxes**

The OCEDC is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position since events could potentially occur that jeopardize tax-exempt status. Management is not aware of any events that could jeopardize the Corporation's tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. The Corporation has received a determination letter from the IRS.

(Note 1) (Continued)

**E. Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on the functional basis in the financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**F. Loans Receivable**

Loans receivable are stated at principal balances net of the amounts deemed by management to be uncollectible.

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Revenues**

The OCEDC receives federal grants from the County of Ontario for various economic development programs in Ontario County. These grants are received by the Ontario County Economic Development Corporation, and then loaned to other organizations once the conditions of the grants are met.

The Corporation receives application fees from organizations for the various economic deals the OCEDC participates in.

The Corporation receives interest on the loans given out to the various organizations.

(Note 2) **Detail Notes on All Funds and Account Groups:**

**A. Assets**

**1. Cash and Investments**

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity. The Statement of Cash Flows uses the indirect method of reporting cash flows.

Deposits at year-end were not entirely covered by federal depository insurance. The deposits and investments consisted of:

(Note 2) (Continued)

**Deposits** - All deposits are carried at cost and covered by FDIC insurance.

	<b>Canandaigua National Bank</b>	<b>Lyons National Bank</b>
Cash	\$ 604,669	\$ 442,781
Less: FDIC Insurance	(251,426)	(250,000)
<b>Under Insured</b>	<b>\$ 353,243</b>	<b>\$ 192,781</b>

(Note 3) **Due From Other Governments:**

Due From Other Governments represents the expenses incurred by the EDC that are reimbursed by Ontario County and are due to the EDC as of December 31, 2013.

As of December 31, the OCEDC had the following:

Ontario County	\$ 6,215
<b>Total</b>	<b>\$ 6,215</b>

(Note 4) **Loans Receivable:**

The OCEDC has outstanding notes receivable from the revolving loan program that have various maturities through 2025. As of December 31<sup>st</sup> the OCEDC had the following:

Notes Receivable	\$ 2,307,140
Interest Receivable	1,597
<b>Subtotal</b>	<b>\$ 2,308,737</b>
<u>Less: Current Portion</u>	<u>(385,287)</u>
<b>Total Long-Term Notes Receivable</b>	<b>\$ 1,923,450</b>
<u>Less: Allowance for loan impairment</u>	<u>(403,750)</u>
<b>Total Long-Term Notes Receivable, net</b>	<b>\$ 1,519,700</b>

An allowance for loan impairment has been established based upon a review of the repayment status of outstanding loans. This allowance, which totals \$403,750 is considered by management to be sufficient for any losses.

Principal maturities are as follows:

<b><u>Year</u></b>	<b><u>Amount</u></b>
2014	\$ 383,690
2015	437,608
2016	450,919
2017	429,647
2018	259,790
Thereafter	345,486
<b>Total</b>	<b>\$ 2,307,140</b>

(Note 5) **Net Assets:**

A. **Unrestricted Net Assets**

**Operating** – represents funds available for operations.

**Designated** – represents funds which have been designated to offset outstanding loan balances made with local dollars.

B. **Temporarily Restricted Net Assets**

Temporarily restricted net assets represents community development block grants drawn down from Ontario County and loaned to other organizations that are restricted until they are defederalized when repaid. At December 31, 2013 the outstanding balance is as follows:

Office of Community Renewal (OCR)	\$ 338,952
HUD	1,549,444
<b>Total</b>	<b><u>\$ 1,888,396</u></b>

During the year \$319,498 was released from restrictions as a result of principal repayments.

(Note 6) **Master Agreement with Ontario County:**

The OCEDC executed an agreement with Ontario County in which the County would provide office, parking, and storage space and managerial and administrative services. The County would also arrange to host and update a webpage for the OCEDC on the same website used by the ED Department. In exchange for the services rendered by the County a \$46,000 and \$40,000 retainer was paid to the County in 2013 and 2012, respectively and was payable in equal monthly installments of \$3,833.33 for 2013. If the total amount of expense incurred in 2013 or 2012 exceeds the retainer amount of \$46,000 or \$40,000, respectively, calculated in accordance with the reimbursement schedule in Schedule A of the agreement then the excess amount will be paid to the County at the discretion of the OCEDC Board based on ability to pay from the current year earnings. A copy of the agreement can be obtained from the Ontario County Board of Supervisors office. In accordance with this agreement, the OCEDC paid \$68,221 and \$45,213 to Ontario County for 2013 and 2012, respectively.

(Note 7) **Commitment and Contingencies:**

Management is not aware of any pending or threatening litigation as of the date of this report.

(Note 8) **Foreign Trade Zone:**

In 2012, the OCEDC began the process of developing a foreign trade zone. The formal application to the federal government was submitted in 2013.

(Note 9) **Subsequent Events:**

In January 2014 the EDC issued four loans totaling \$1,340,000 in which \$840,000 was drawn from the County then loaned out and \$500,000 came from available EDC funds.

Grant Information

- |   |   |
|---|---|
| <p>1. Source of Grant Funds: Not for Profit<br/>Name of Grant Recipient: CAR Engineering &amp; Manufacturing, Inc.<br/>Address Line1: 51 Victor Heights Parkway<br/>Address Line2:<br/>City: VICTOR<br/>State: NY<br/>Zip - Plus4: 14564<br/>Province/Region:<br/>Country: USA<br/>Amount of Grant Award Provided<br/>During Reporting Year: \$3,801.7<br/>Date Grant Awarded: 08/20/2012<br/>Purpose of Grant: Commercial Property<br/>Construction/Acquisition/Revitalization/Im<br/>provement<br/>Was the grant expected to result<br/>in new jobs being created? Yes<br/>If yes, how many jobs were planned<br/>to be created? 2<br/>If yes, how many jobs have been<br/>created to date? 4</p> | <p>2. Source of Grant Funds: Not for Profit<br/>Name of Grant Recipient: Downtown Geneva Business Improvement Distri<br/>Address Line1: One Franklin Square, Ste 211<br/>Address Line2:<br/>City: GENEVA<br/>State: NY<br/>Zip - Plus4: 14456<br/>Province/Region:<br/>Country: USA<br/>Amount of Grant Award Provided<br/>During Reporting Year: \$2,638.21<br/>Date Grant Awarded: 10/29/2012<br/>Purpose of Grant: Education/Training (Business Development)<br/>Was the grant expected to result<br/>in new jobs being created? No<br/>If yes, how many jobs were planned<br/>to be created?<br/>If yes, how many jobs have been<br/>created to date?</p> |
|---|---|

Loan Information

1. Source of Loan Funds: State  
Name of Loan Recipient: Chosen Spot Brewing Company, Inc.  
Address Line1: 4048 Route 5 & 20  
Address Line2:  
City: CANANDAIGUA  
State: NY  
Zip - Plus4: 14424  
Province/Region:  
Country: USA  
Original Amount of Loan: \$150,000  
Date Loan Awarded: 03/17/2010  
Interest Rate(%): 3  
Length of Loan(# of years  
to repay): 7  
Amount of Loan Principal Repaid  
to Date: \$74,644.85  
Purpose of Loan: Business Expansion/Startup

2. Source of Loan Funds: Federal  
Name of Loan Recipient: L & D Acquisition Corp. LLC  
Address Line1: One Lake Niagara Lane  
Address Line2:  
City: NAPLES  
State: NY  
Zip - Plus4: 14512  
Province/Region:  
Country: USA  
Original Amount of Loan: \$500,000  
Date Loan Awarded: 09/10/2010  
Interest Rate(%): 3  
Length of Loan(# of years  
to repay): 10  
Amount of Loan Principal Repaid  
to Date: \$113,858.69  
Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
in new jobs being created? Yes  
If yes, how many jobs were planned  
to be created? 5  
If yes, how many jobs have been  
created to date? 2  
Have the terms of the loan been  
completed? No

Was the Loan expected to result  
in new jobs being created? Yes  
If yes, how many jobs were planned  
to be created? 26  
If yes, how many jobs have been  
created to date? 29  
Have the terms of the loan been  
completed? No

Loan Information

3. Source of Loan Funds: Not for Profit  
 Name of Loan Recipient: New Scale Technologies, Inc.  
 Address Line1: 121 Victor Heights Parkway  
 Address Line2:  
 City: VICTOR  
 State: NY  
 Zip - Plus4: 14564  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$461,881  
 Date Loan Awarded: 06/21/2013  
 Interest Rate(%): 3  
 Length of Loan(# of years  
 to repay): 5  
 Amount of Loan Principal Repaid  
 to Date: \$43,137.01  
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned  
 to be created? 7  
 If yes, how many jobs have been  
 created to date? 2  
 Have the terms of the loan been  
 completed? No

4. Source of Loan Funds: State  
 Name of Loan Recipient: Newtex Industries, Inc.  
 Address Line1: 8050 Victor Mendon Road  
 Address Line2:  
 City: VICTOR  
 State: NY  
 Zip - Plus4: 14564  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$350,000  
 Date Loan Awarded: 08/30/2010  
 Interest Rate(%): 3  
 Length of Loan(# of years  
 to repay): 7  
 Amount of Loan Principal Repaid  
 to Date: \$123,936.26  
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned  
 to be created? 11  
 If yes, how many jobs have been  
 created to date? 4  
 Have the terms of the loan been  
 completed? No

Loan Information

5. Source of Loan Funds: Federal  
 Name of Loan Recipient: Pacemaker Steel & Piping of Rochester, Inc  
 Address Line1: 7 West Avenue  
 Address Line2:  
 City: MANCHESTER  
 State: NY  
 Zip - Plus4: 14504  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$400,000  
 Date Loan Awarded: 11/30/2011  
 Interest Rate(%): 3  
 Length of Loan(# of years  
 to repay): 7  
 Amount of Loan Principal Repaid  
 to Date: \$110,409.41  
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned  
 to be created? 11  
 If yes, how many jobs have been  
 created to date? 18  
 Have the terms of the loan been  
 completed? No

6. Source of Loan Funds: Federal  
 Name of Loan Recipient: Rochester Regional Recycling Recovery  
 Address Line1: 7318 Victor Mendon Road  
 Address Line2:  
 City: VICTOR  
 State: NY  
 Zip - Plus4: 14564  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$400,000  
 Date Loan Awarded: 10/29/2010  
 Interest Rate(%): 3  
 Length of Loan(# of years  
 to repay): 15  
 Amount of Loan Principal Repaid  
 to Date: \$70,160.71  
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned  
 to be created? 12  
 If yes, how many jobs have been  
 created to date? 46  
 Have the terms of the loan been  
 completed? No

Loan Information

7. Source of Loan Funds: Federal  
 Name of Loan Recipient: TCTI, Inc.  
 Address Line1: 7424 Victor Mendon Road  
 Address Line2:  
 City: VICTOR  
 State: NY  
 Zip - Plus4: 14564  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$99,000  
 Date Loan Awarded: 09/06/2013  
 Interest Rate(%): 3  
 Length of Loan(# of years  
 to repay): 7  
 Amount of Loan Principal Repaid  
 to Date: \$3,189.82  
 Purpose of Loan: Education/Training(Business Development)

Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned  
 to be created? 3  
 If yes, how many jobs have been  
 created to date? 0  
 Have the terms of the loan been  
 completed? No

8. Source of Loan Funds: Federal  
 Name of Loan Recipient: Zotos International  
 Address Line1: 300 Forge Avenue  
 Address Line2:  
 City: GENEVA  
 State: NY  
 Zip - Plus4: 14456  
 Province/Region:  
 Country: USA  
 Original Amount of Loan: \$250,000  
 Date Loan Awarded: 12/30/2010  
 Interest Rate(%): 3  
 Length of Loan(# of years  
 to repay): 7  
 Amount of Loan Principal Repaid  
 to Date: \$100,760.15  
 Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
 in new jobs being created? Yes  
 If yes, how many jobs were planned  
 to be created? 18  
 If yes, how many jobs have been  
 created to date? 42  
 Have the terms of the loan been  
 completed? No

Loan Information

9. Source of Loan Funds: Federal  
Name of Loan Recipient: e2e Materials, Inc  
Address Line1: 2916 Lyons Road  
Address Line2:  
City: GENEVA  
State: NY  
Zip - Plus4: 14456  
Province/Region:  
Country: USA  
Original Amount of Loan: \$400,000  
Date Loan Awarded: 04/12/2012  
Interest Rate(%): 3  
Length of Loan(# of years  
to repay): 5  
Amount of Loan Principal Repaid  
to Date: \$62,575.56  
Purpose of Loan: Business Expansion/Startup

Was the Loan expected to result  
in new jobs being created? Yes  
If yes, how many jobs were planned  
to be created? 102  
If yes, how many jobs have been  
created to date? 0  
Have the terms of the loan been  
completed? No

Bond Information

This Authority has indicated that it did not have any outstanding bonds during the reporting period.

Additional Comments:

**Raymond F. Wager, CPA, P.C.**  
**Certified Public Accountants**

**Shareholders:**

**Raymond F. Wager, CPA**  
**Thomas J. Lauffer, CPA**  
**Thomas C. Zuber, CPA**

Members of  
American Institute of  
Certified Public Accountants  
and  
New York State Society of  
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***

**Independent Auditors' Report**

To the Board Members  
Ontario County Economic Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ontario County Economic Development Corporation, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Ontario County Economic Development Corporation's basic financial statements, and have issued our report thereon dated March 5, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Ontario County Economic Development Corporation's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ontario County Economic Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ontario County Economic Development 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 OCEDC'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.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Ontario County Economic Development 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 OCEDC'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 OCEDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 5, 2014

