

ONTARIO COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NEW YORK
FINANCIAL STATEMENTS
For Years Ended December 31, 2014 and 2013

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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 Members
Ontario County Economic
Development Corporation, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Ontario County Economic Development Corporation, New York which comprise the statement of financial position as of December 31, 2014 and 2013, 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

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 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 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 Corporation'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 Ontario County Economic Development Corporation, New York as of December 31, 2014 and 2013, and the changes in its net position 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 project reporting information 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 February 24, 2015 on our consideration of Ontario County Economic Development Corporation, New York'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 Ontario County Economic Development Corporation, New York's internal control over financial reporting and compliance.

Raymond F. Wager, CPA, P.C.

February 24, 2015

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION

NEW YORK

Statement of Financial Position

December 31, 2014 and 2013

<u>ASSETS:</u>	<u>2014</u>	<u>2013</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 1,067,967	\$ 1,046,819
Accounts receivable	5,000	-
Due from other governments	-	6,215
Loans receivable	635,107	385,287
Late fees receivable	150	150
Total Current Assets	<u>\$ 1,708,224</u>	<u>\$ 1,438,471</u>
<u>Noncurrent Assets -</u>		
Loans receivable, net	\$ 2,182,066	\$ 1,519,700
Deferred notes/interest receivable	28,616	15,674
Total Noncurrent Assets	<u>\$ 2,210,682</u>	<u>\$ 1,535,374</u>
TOTAL ASSETS	<u><u>\$ 3,918,906</u></u>	<u><u>\$ 2,973,845</u></u>
 <u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 6,208	\$ 23,436
Unearned revenues	1,494	718
Total Current Liabilities	<u>\$ 7,702</u>	<u>\$ 24,154</u>
TOTAL LIABILITIES	<u>\$ 7,702</u>	<u>\$ 24,154</u>
 <u>NET ASSETS:</u>		
<u>Unrestricted -</u>		
Operating	\$ 574,489	\$ 626,877
Designated	766,939	434,418
<u>Temporarily Restricted -</u>	<u>2,569,776</u>	<u>1,888,396</u>
TOTAL NET ASSETS	<u>\$ 3,911,204</u>	<u>\$ 2,949,691</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,918,906</u></u>	<u><u>\$ 2,973,845</u></u>

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

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION

NEW YORK

Statement of Activities

For Years Ended December 31, 2014 and 2013

	2 0 1 4			2 0 1 3		
	Unrestricted	Temporarily Restricted	2014 Total	Unrestricted	Temporarily Restricted	2013 Total
REVENUES:						
Grant administrative revenue	\$ 3,881	\$ -	\$ 3,881	\$ 24,151	\$ -	\$ 24,151
Program income	118,112	-	118,112	85,670	-	85,670
Application income	1,300	-	1,300	2,900	-	2,900
State aid	-	-	-	-	940	940
Federal aid	-	1,061,500	1,061,500	-	98,060	98,060
Net assets released from restrictions	380,120	(380,120)	-	319,498	(319,498)	-
TOTAL REVENUES	\$ 503,413	\$ 681,380	\$ 1,184,793	\$ 432,219	\$ (220,498)	\$ 211,721
EXPENSES:						
Management and General -						
Mileage and travel	\$ 1,901	\$ -	\$ 1,901	\$ 1,696	\$ -	\$ 1,696
Ontario County services	19,998	-	19,998	17,559	-	17,559
Advertising & public relations	1,183	-	1,183	1,570	-	1,570
Meals	57	-	57	776	-	776
Insurance	2,409	-	2,409	1,953	-	1,953
Training and conferences	6,430	-	6,430	5,310	-	5,310
Miscellaneous	716	-	716	86	-	86
Total Management and General	\$ 32,694	\$ -	\$ 32,694	\$ 28,950	\$ -	\$ 28,950
Program -						
Miscellaneous	\$ 275	\$ -	\$ 275	\$ 281	\$ -	\$ 281
Grants	28,160	-	28,160	6,440	-	6,440
Ontario County services	31,398	-	31,398	50,662	-	50,662
Professional fees	19,368	-	19,368	26,654	-	26,654
Legal costs	18,920	-	18,920	14,207	-	14,207
Bad debt expense	92,465	-	92,465	403,750	-	403,750
Total Program	\$ 190,586	\$ -	\$ 190,586	\$ 501,994	\$ -	\$ 501,994
TOTAL EXPENSES	\$ 223,280	\$ -	\$ 223,280	\$ 530,944	\$ -	\$ 530,944
Excess (deficiency) in unrestricted net assets	\$ 280,133	\$ 681,380	\$ 961,513	\$ (98,725)	\$ (220,498)	\$ (319,223)
NET ASSETS - BEGINNING OF YEAR	1,061,295	1,888,396	2,949,691	1,160,020	2,108,894	3,268,914
NET ASSETS - END OF YEAR	\$ 1,341,428	\$ 2,569,776	\$ 3,911,204	\$ 1,061,295	\$ 1,888,396	\$ 2,949,691

(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, 2014 and 2013

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2014</u>	<u>2013</u>
Cash received from providing services	\$ 1,183,092	\$ 213,402
Cash payments contractual expenses	<u>(160,985)</u>	<u>(108,156)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,022,107</u>	<u>\$ 105,246</u>
<u>FINANCING ACTIVITIES:</u>		
Loans made to companies	\$ (1,561,500)	\$ (560,881)
Payments received on loans	<u>560,541</u>	<u>580,164</u>
Net Cash Provided (Used) by Capital Financing Activities	<u>\$ (1,000,959)</u>	<u>\$ 19,283</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 21,148	\$ 124,529
 BEGINNING CASH AND CASH EQUIVALENTS	 <u>1,046,819</u>	 <u>922,290</u>
 ENDING CASH AND CASH EQUIVALENTS	 <u>\$ 1,067,967</u>	 <u>\$ 1,046,819</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Operating Income (Loss)	<u>\$ 961,513</u>	<u>\$ (319,223)</u>
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Increase/(decrease) in accounts payable	\$ (17,228)	\$ 15,897
Increase/(decrease) in unearned revenues	776	511
(Increase)/decrease in allowance for loan impairment	92,465	403,750
(Increase)/decrease in accounts receivable	1,215	(991)
(Increase)/decrease in deferred notes/interest receivable	<u>(16,634)</u>	<u>5,302</u>
Total Adjustments	<u>\$ 60,594</u>	<u>\$ 424,469</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,022,107</u>	<u>\$ 105,246</u>

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

**ONTARIO COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

(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, 2014.

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.

I. Foreign Trade Zone

On March 7, 2014, Ontario County received a Grant of Authority from the United States Foreign-Trade Zones Board to operate Foreign-Trade Zone 289 (FTZ 289) with the Ontario County Economic Development Corporation as the designated administrator of the zone. The Foreign-Trade Zone was established for the benefit of companies engaged in international trade located within Ontario, Wayne, Seneca, Yates and Livingston counties. Companies may apply for foreign trade zone status if they are within 60 miles or 90 minutes from the local port of entry, which for FTZ 289 is the Rochester International Airport. As of December 31, 2014 there was one approved company within FTZ 289.

(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:

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

	2014	
	<u>Canandaigua National Bank</u>	<u>Lyons National Bank</u>
Cash	\$ 623,937	\$ 444,330
Less: FDIC Insurance	(250,000)	(250,000)
Under Insured	<u>\$ 373,937</u>	<u>\$ 194,330</u>

	2013	
	<u>Canandaigua National Bank</u>	<u>Lyons National Bank</u>
Cash	\$ 604,669	\$ 442,781
Less: FDIC Insurance	(250,000)	(250,000)
Under Insured	<u>\$ 354,669</u>	<u>\$ 192,781</u>

(Note 3) **Accounts Receivable:**

Accounts receivable represents administrative fees for the foreign trade zone from Crosman Corporation due to the Corporation as of December 31st as follows:

	<u>2014</u>	<u>2013</u>
Administrative Fees Receivable	<u>\$ 5,000</u>	<u>\$ -</u>

(Note 4) **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 31st, the OCEDC had the following:

	<u>2014</u>	<u>2013</u>
Ontario County	<u>\$ -</u>	<u>6,215</u>

(Note 5) Loans Receivable:

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

	<u>2014</u>	<u>2013</u>
Notes Receivable	\$ 3,308,099	\$ 2,307,140
Interest Receivable	5,289	1,597
Subtotal	\$ 3,313,388	\$ 2,308,737
<u>Less: Current Portion</u>	<u>(635,107)</u>	<u>(385,287)</u>
Total Long-Term Notes Receivable	\$ 2,678,281	\$ 1,923,450
<u>Less: Allowance for loan impairment</u>	<u>(496,215)</u>	<u>(403,750)</u>
Total Long-Term Notes Receivable, net	\$ 2,182,066	\$ 1,519,700

An allowance for loan impairment has been established based upon a review of the repayment status of outstanding loans. This allowance, which totals \$496,215 is considered by management to be sufficient for any losses.

Principal maturities are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 629,818
2016	671,616
2017	631,263
2018	509,811
2019	253,642
Thereafter	611,949
Total	\$ 3,308,099

(Note 6) 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 31st, the outstanding balance is as follows:

	<u>2014</u>	<u>2013</u>
Office of Community Renewal (OCR)	\$ 267,308	\$ 338,952
HUD	2,302,468	1,549,444
Total	\$ 2,569,776	\$ 1,888,396

During the year \$380,120 was released from restrictions as a result of principal repayments.

(Note 7) 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 \$48,600 and \$46,000 retainer was paid to the County in 2014 and 2013, respectively and was payable in equal monthly installments of \$4,050 for 2014. If the total amount of expense incurred in 2014 or 2013 exceeds the retainer amount of \$48,600 or \$46,000, 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 \$51,396 and \$68,221 to Ontario County for 2014 and 2013, respectively.

(Note 8) Commitment and Contingencies:

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



Grant Information

- 1. Source of Grant Funds: Not for Profit
 Name of Grant Recipient: CAR Engineering & Manufacturing, Inc
 Address Line1: 51 Victor Heights Parkway
 Address Line2:
 City: VICTOR State: NY
 Zip - Plus4: 14564
 Province/Region:
 Country: USA
 Amount of Grant Award Provided
 During Reporting Year: \$3,917.38
 Date Grant Awarded: 08/20/2012
 Purpose of Grant: Commercial Property
 Construction/Acquisition/Revitalization/Im
 provement
 Was the grant expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 2
 If yes, how many jobs have been
 created to date? 4

- 2. Source of Grant Funds: Not for Profit
 Name of Grant Recipient: Downtown Geneva Business Improvement Distri
 Address Line1: One Franklin Sq
 Address Line2:
 City: GENEVA State: NY
 Zip - Plus4: 14456
 Province/Region:
 Country: USA
 Amount of Grant Award Provided
 During Reporting Year: \$4,850
 Date Grant Awarded: 10/29/2012
 Purpose of Grant: Education/Training (Business Development)
 Was the grant expected to result
 in new jobs being created? No
 If yes, how many jobs were planned
 to be created?
 If yes, how many jobs have been
 created to date?



Grant Information

3. Source of Grant Funds: Not For Profit
 Name of Grant Recipient: G W Lisk, Inc
 Address Line1: 2 South Street
 Address Line2:
 City: CLIFTON SPRINGS
 State: NY
 Zip - Plus4: 14432
 Province/Region:
 Country: USA
 Amount of Grant Award Provided
 During Reporting Year: \$4,392.31
 Date Grant Awarded: 04/24/2014
 Purpose of Grant: Education/Training (Business Development)

Was the grant expected to result
 in new jobs being created? Yes
 If yes, how many jobs were planned
 to be created? 10
 If yes, how many jobs have been
 created to date? 0

4. Source of Grant Funds: Not for Profit
 Name of Grant Recipient: Ontario County Workforce Development
 Address Line1: 3010 County Complex Dr
 Address Line2:
 City: CANANDAIGUA
 State: NY
 Zip - Plus4: 14424
 Province/Region:
 Country: USA
 Amount of Grant Award Provided
 During Reporting Year: \$15,000
 Date Grant Awarded: 03/25/2014
 Purpose of Grant: Education/Training (Business Development)

Was the grant expected to result
 in new jobs being created? No
 If yes, how many jobs were planned
 to be created?
 If yes, how many jobs have been
 created to date?



Annual Report for Ontario County Economic Development Corporation
 Fiscal Year Ending: 12/31/2014

Run Date: 02/26/2015
 Status: UNSUBMITTED

Loan Information

1. Source of Loan Funds: Not for Profit
 Name of Loan Recipient: Berryfield Bottling, LLC
 Address Line1: 3635 Berryfield Rd.
 Address Line2:
 City: GENEVA
 State: NY
 Zip - Plus4: 14456
 Province/Region:
 Country: USA
 Original Amount of Loan: \$400,000
 Date Loan Awarded: 01/31/2014
 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

2. Source of Loan Funds: Federal
 Name of Loan Recipient: CCN International, Inc.
 Address Line1: 200 Lehigh St.
 Address Line2:
 City: GENEVA
 State: NY
 Zip - Plus4: 14456
 Province/Region:
 Country: USA
 Original Amount of Loan: \$221,500
 Date Loan Awarded: 06/06/2014
 Interest Rate(%): 3
 Length of Loan(# of years
 to repay): 7
 Amount of Loan Principal Repaid
 to Date: \$14,327.28
 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? 15
 If yes, how many jobs have been
 created to date? 4
 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? 2
 If yes, how many jobs have been
 created to date? 0
 Have the terms of the loan been
 completed? No

Annual Report for Ontario County Economic Development Corporation
Fiscal Year Ending:12/31/2014

Run Date: 02/26/2015
Status: UNSUBMITTED

Loan Information

3. Source of Loan Funds: Not for Profit
Name of Loan Recipient: Cheribundi Inc.
Address Line1: 500 Technology Farm Drive
Address Line2:
City: GENEVA
State: NY
Zip - Plus4: 14456
Province/Region:
Country: USA
Original Amount of Loan: \$100,000
Date Loan Awarded: 01/30/2014
Interest Rate(%): 3
Length of Loan(# of years to repay): 3
Amount of Loan Principal Repaid
to Date: \$29,607.58
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? 2
If yes, how many jobs have been created to date? 11
Have the terms of the loan been completed? No

4. 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: \$96,466.56
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? 5
If yes, how many jobs have been created to date? 5
Have the terms of the loan been completed? No



Annual Report for Ontario County Economic Development Corporation
 Fiscal Year Ending: 12/31/2014

Run Date: 02/26/2015
 Status: UNSUBMITTED

Loan Information

5. 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: \$162,491.54
 Purpose of Loan: Business Expansion/Startup
6. 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: \$131,374.20
 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



Annual Report for Ontario County Economic Development Corporation
Fiscal Year Ending: 12/31/2014

Run Date: 02/26/2015
Status: UNSUBMITTED

Loan Information

7. 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: \$181,758.54
 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? 0
 Have the terms of the loan been
 completed? No

8. 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: \$161,216.11
 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? 14
 Have the terms of the loan been
 completed? No

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Loan Information

- | | |
|---|--|
| <p>9. 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: \$91,744.17
Purpose of Loan: Business Expansion/Startup</p> | <p>10. Source of Loan Funds: Federal
Name of Loan Recipient: Surmotech, Inc.
Address Line1: 7676 Metlink Dr.
Address Line2:
City: VICTOR
State: NY
Zip - Plus4: 14564
Province/Region:
Country: USA
Original Amount of Loan: \$400,000
Date Loan Awarded: 01/28/2014
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</p> |
|---|--|

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? 42
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? 12
If yes, how many jobs have been created to date? 19
Have the terms of the loan been completed? No



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Loan Information

- 11. 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: \$17,291.84
 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

- 12. Source of Loan Funds: Federal
 Name of Loan Recipient: Z-AXIS, Inc.
 Address Line1: 1916 State Rt. 96
 Address Line2:
 City: PHELPS
 State: NY
 Zip - Plus4: 14532
 Province/Region:
 Country: USA
 Original Amount of Loan: \$440,000
 Date Loan Awarded: 01/16/2014
 Interest Rate(%): 4
 Length of Loan (# of years
 to repay): 7
 Amount of Loan Principal Repaid
 to Date: \$50,865.74
 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? 13
 If yes, how many jobs have been
 created to date? 11
 Have the terms of the loan been
 completed? No



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Loan Information

13. 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: \$136,410.40
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? 67
Have the terms of the loan been
completed? No

14. 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: \$65,576.45
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

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Bond Information

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



PARIS
Public Authorities Reporting Information System

Annual Report for Ontario County Economic Development Corporation
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Grant Information

No Data has been entered by the Authority for this section in PARIS

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, New York

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, New York, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ontario County Economic Development Corporation, New York's internal control over financial reporting 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 Ontario County Economic Development Corporation, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ontario County Economic Development Corporation, New York'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 Corporation'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, New York'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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 24, 2015

A handwritten signature in black ink that reads "Raymond F. Wager, CPA, PC". The signature is written in a cursive style with a large, stylized initial 'R'.