

ONTARIO COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NEW YORK
FINANCIAL STATEMENTS
For Years Ended December 31, 2015 and 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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 22, 2016 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 22, 2016

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION

NEW YORK

Statement of Financial Position

December 31, 2015 and 2014

<u>ASSETS:</u>	<u>2015</u>	<u>2014</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 521,716	\$ 1,067,967
Accounts receivable	7,708	5,000
Loans receivable	744,474	635,107
Late fees receivable	-	150
Total Current Assets	<u>\$ 1,273,898</u>	<u>\$ 1,708,224</u>
<u>Noncurrent Assets -</u>		
Loans receivable, net	\$ 2,672,209	\$ 2,182,066
Deferred notes/interest receivable	47,961	28,616
Total Noncurrent Assets	<u>\$ 2,720,170</u>	<u>\$ 2,210,682</u>
<u>Capital Assets -</u>		
Equipment	\$ 5,708	\$ -
(Accumulated Depreciation)	(1,142)	-
Total Capital Assets	<u>\$ 4,566</u>	<u>\$ -</u>
TOTAL ASSETS	<u><u>\$ 3,998,634</u></u>	<u><u>\$ 3,918,906</u></u>
<u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 11,072	\$ 6,208
Unearned revenues	2,308	1,494
Total Current Liabilities	<u>\$ 13,380</u>	<u>\$ 7,702</u>
TOTAL LIABILITIES	<u><u>\$ 13,380</u></u>	<u><u>\$ 7,702</u></u>
<u>NET ASSETS:</u>		
<u>Unrestricted -</u>		
Net investment in capital assets	\$ 4,566	\$ -
Operating	520,649	1,070,704
Designated	1,791,699	657,772
<u>Temporarily Restricted -</u>	1,668,340	2,182,728
TOTAL NET ASSETS	<u>\$ 3,985,254</u>	<u>\$ 3,911,204</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,998,634</u></u>	<u><u>\$ 3,918,906</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, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	2015 Total	Unrestricted	Temporarily Restricted	2014 Total
REVENUES:						
Grant administrative revenue	\$ -	\$ -	\$ -	\$ 3,881	\$ -	\$ 3,881
Program income	111,402	-	111,402	118,112	-	118,112
Application income	800	-	800	1,300	-	1,300
Federal aid	-	-	-	-	1,061,500	1,061,500
Net assets released from restrictions	514,388	(514,388)	-	436,093	(436,093)	-
TOTAL REVENUES	\$ 626,590	\$ (514,388)	\$ 112,202	\$ 559,386	\$ 625,407	\$ 1,184,793
EXPENSES:						
Management and General -						
Mileage and travel	\$ 2,763	\$ -	\$ 2,763	\$ 1,901	\$ -	\$ 1,901
Ontario County services	30,364	-	30,364	19,998	-	19,998
Advertising & public relations	1,775	-	1,775	1,183	-	1,183
Meals	216	-	216	57	-	57
Insurance	2,507	-	2,507	2,409	-	2,409
Training and conferences	5,771	-	5,771	6,430	-	6,430
Miscellaneous	2,861	-	2,861	716	-	716
Total Management and General	\$ 46,257	\$ -	\$ 46,257	\$ 32,694	\$ -	\$ 32,694
Program -						
Miscellaneous	\$ 349	\$ -	\$ 349	\$ 275	\$ -	\$ 275
Grants	46,469	-	46,469	28,160	-	28,160
Ontario County services	36,084	-	36,084	31,398	-	31,398
Professional fees	15,772	-	15,772	19,368	-	19,368
Legal costs	10,625	-	10,625	18,920	-	18,920
Total Program	\$ 109,299	\$ -	\$ 109,299	\$ 98,121	\$ -	\$ 98,121
TOTAL EXPENSES	\$ 155,556	\$ -	\$ 155,556	\$ 130,815	\$ -	\$ 130,815
Excess (deficiency)	\$ 471,034	\$ (514,388)	\$ (43,354)	\$ 428,571	\$ 625,407	\$ 1,053,978
Bad debt adjustment	117,404	-	117,404	(92,465)	-	(92,465)
NET ASSETS - BEGINNING OF YEAR	1,728,476	2,182,728	3,911,204	1,392,370	1,557,321	2,949,691
NET ASSETS - END OF YEAR	\$ 2,316,914	\$ 1,668,340	\$ 3,985,254	\$ 1,728,476	\$ 2,182,728	\$ 3,911,204

(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, 2015 and 2014

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2015</u>	<u>2014</u>
Cash received from providing services	\$ 108,212	\$ 1,183,092
Cash payments contractual expenses	(168,745)	(160,985)
Net Cash Provided (Used) by Operating Activities	<u>\$ (60,533)</u>	<u>\$ 1,022,107</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES:</u>		
Purchase of equipment	\$ (5,708)	\$ -
Net Cash Provided (Used) by Capital and Related Activities	<u>\$ (5,708)</u>	<u>\$ -</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</u>		
Loans made to companies	\$ (1,450,000)	\$ (1,561,500)
Payments received on loans	969,990	560,541
Net Cash Provided (Used) by Capital Financing Activities	<u>\$ (480,010)</u>	<u>\$ (1,000,959)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (546,251)	\$ 21,148
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,067,967</u>	<u>1,046,819</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 521,716</u></u>	<u><u>\$ 1,067,967</u></u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Operating Income (Loss)	<u>\$ 74,050</u>	<u>\$ 961,513</u>
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	\$ 1,142	\$ -
Increase/(decrease) in accounts payable	4,864	(17,228)
Increase/(decrease) in unearned revenues	814	776
(Increase)/decrease in allowance for loan impairment	(117,404)	92,465
(Increase)/decrease in accounts receivable	(2,558)	1,215
(Increase)/decrease in deferred notes/interest receivable	(21,441)	(16,634)
Total Adjustments	<u>\$ (134,583)</u>	<u>\$ 60,594</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (60,533)</u></u>	<u><u>\$ 1,022,107</u></u>

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

**ONTARIO COUNTY ECONOMIC
DEVELOPMENT CORPORATION, NEW YORK**

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

(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, 2015.

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.

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.

(Note 1) (Continued)

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, 2015, 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, 2015 there was one approved company within FTZ 289.

(Note 2) **Reclassification:**

Certain amounts in the 2014 financial statements have been reclassified to conform with the current year presentation.

(Note 3) **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 3) (Continued)

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

	2015	
	<u>Canandaigua National Bank</u>	<u>Lyons National Bank</u>
Cash	\$ 126,077	\$ 395,639
Less: FDIC Insurance	(126,077)	(250,000)
Under Insured	\$ -	\$ 145,639

	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	\$ 373,937	\$ 194,330

(Note 4) **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>2015</u>	<u>2014</u>
Administrative Fees Receivable	\$ 7,708	\$ 5,000

(Note 5) **Capital Assets**

The following is a summary of capital assets for the OCIDA at December 31, 2015:

	<u>Balance @ 1/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance @ 12/31/2015</u>
Depreciable Assets				
Equipment	\$ -	\$ 5,708	\$ -	\$ 5,708
Total Depreciable Assets	\$ -	\$ 5,708	\$ -	\$ 5,708
Accumulated Depreciation				
Equipment	\$ -	\$ (1,142)	\$ -	\$ (1,142)
Total Accumulated Depreciation	\$ -	\$ (1,142)	\$ -	\$ (1,142)
Total Capital Assets	\$ -	\$ 4,566	\$ -	\$ 4,566

Equipment is depreciated by the OCEDC using the straight line method with an estimated useful life of 5 years.

(Note 6) **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>2015</u>	<u>2014</u>
Notes Receivable	\$ 3,788,109	\$ 3,308,099
Interest Receivable	7,385	5,289
Subtotal	\$ 3,795,494	\$ 3,313,388
<u>Less: Current Portion</u>	<u>(744,474)</u>	<u>(635,107)</u>
Total Long-Term Notes Receivable	\$ 3,051,020	\$ 2,678,281
<u>Less: Allowance for loan impairment</u>	<u>(378,811)</u>	<u>(496,215)</u>
Total Long-Term Notes Receivable, net	\$ 2,672,209	\$ 2,182,066

An allowance for loan impairment has been established based upon a review of the repayment status of outstanding loans. This allowance, which totals \$378,811 is considered by management to be sufficient for any losses.

Principal maturities are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 737,090
2017	845,910
2018	635,257
2019	382,599
2020	349,080
Thereafter	838,173
Total	\$ 3,788,109

(Note 7) **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>2015</u>	<u>2014</u>
Office of Community Renewal (OCR)	\$ 76,051	\$ 267,308
HUD	1,592,289	1,915,420
Total	\$ 1,668,340	\$ 2,182,728

(Note 8) 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 \$58,936 and \$48,600 retainer was paid to the County in 2015 and 2014, respectively and was payable in equal monthly installments of \$4,911 for 2015. If the total amount of expense incurred in 2015 or 2014 exceeds the retainer amount of \$58,936 or \$46,800, 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 \$66,448 and \$51,396 to Ontario County for 2015 and 2014, respectively.

(Note 9) Commitment and Contingencies:

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

(Note 10) Subsequent Events:

Events and transactions which have occurred from January 1, 2015 through February 22, 2016, the date of these financials have been evaluated by the OCEDC's management for the purpose of determining whether there were any events that might require disclosure in these financial statements. No such events were noted.



Loan Information

1. Source of Loan Funds: Not for Profit
 Name of Loan Recipient: Berryfield Bottling, LLC
 Address Line1: 3655 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 Prinicpal Repaid
 to Date: \$139,758.10
 Purpose of Loan: Business Expansion/Startup

2. Source of Loan Funds: Not for Profit
 Name of Loan Recipient: BioWorks, Inc.
 Address Line1: 100 Rawson Rd
 Address Line2:
 City: VICTOR
 State: NY
 Zip - Plus4: 14564
 Province/Region:
 Country: USA
 Original Amount of Loan: \$200,000
 Date Loan Awarded: 01/13/2015
 Interest Rate(%): 3
 Length of Loan(# of years
 to repay): 5
 Amount of Loan Principal Repaid
 to Date: \$24,967.57
 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? 5
 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? 5
 If yes, how many jobs have been
 created to date? 6
 Have the terms of the loan been
 completed? No

Loan Information

3. 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: \$41,158.00
Purpose of Loan: Business Expansion/Startup

4. 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: \$62,847.83
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

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

Loan Information

5. 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 Prinicpal Repaid
to Date: \$120,856.36
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

6. Source of Loan Funds: Not for Profit
Name of Loan Recipient: Grosslockner, Inc./Artisen Meat
Address Line1: 2640 Brickyard Rd
Address Line2:
City: CANANDAIGUA
State: NY
Zip - Plus4: 14424
Province/Region:
Country: USA
Original Amount of Loan: \$400,000
Date Loan Awarded: 12/10/2015
Interest Rate(%): 3
Length of Loan(# of years
to repay): 7
Amount of Loan Prinicpal Repaid
to Date: \$0.00
Purpose of Loan: Equipment and Fixed Asset Acquisition

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



Loan Information

7. Source of Loan Funds: Not for Profit
Name of Loan Recipient: Janiuary/Zoetek
Address Line1: 668 Phillips Rd
Address Line2:
City: VICTOR
State: NY
Zip - Plus4: 14564
Province/Region:
Country: USA
Original Amount of Loan: \$400,000
Date Loan Awarded: 09/25/2015
Interest Rate(%): 3

Length of Loan(# of years
to repay): 10

Amount of Loan Prinicpal Repaid
to Date: \$5,732.02

Purpose of Loan: Commercial Property
Construction/Acquisition/Revitalization/I
mprovement

Was the Loan expected to result
in new jobs being created? Yes
If yes, how many jobs were planned
to be created? 6
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: 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 Prinicpal Repaid
to Date: \$217,091.37

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? 26
If yes, how many jobs have been
created to date? 28
Have the terms of the loan been
completed? No

Loan Information

9. 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 Prinicpal Repaid
to Date: \$214,613.98
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

10. 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 Prinicpal Repaid
to Date: \$350,000.00
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? Yes

Loan Information

<p>11. 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: \$223,087.45 Purpose of Loan: Business Expansion/Startup</p> <p>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</p>	<p>12. Source of Loan Funds: Not for Profit Name of Loan Recipient: PhillipsVictor, LLC/Swiftlift Address Line1: 820 Phillips Rd Address Line2: City: VICTOR State: NY Zip - Plus4: 14564 Province/Region: Country: USA Original Amount of Loan: \$400,000 Date Loan Awarded: 01/01/2015 Interest Rate(%): 3 Length of Loan(# of years to repay): 10 Amount of Loan Principal Repaid to Date: \$26,021.00 Purpose of Loan: Commercial Property Construction/Acquisition/Revitalization/I mprovement</p> <p>Was the Loan expected to result in new jobs being created? Yes If yes, how many jobs were planned to be created? 4 If yes, how many jobs have been created to date? 3 Have the terms of the loan been completed? No</p>
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Loan Information

13. 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 Prinicpal Repaid
to Date: \$115,975.80
Purpose of Loan: Business Expansion/Startup

14. Source of Loan Funds: Federal
Name of Loan Recipient: Surmotech, Inc.
Address Line1: 7676 Netlink 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 Prinicpal Repaid
to Date: \$139,758.10
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? 58
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? 20
Have the terms of the loan been
completed? No

Loan Information

15. 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: \$99,000.00
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? Yes

16. Source of Loan Funds: Not for Profit
Name of Loan Recipient: Victor LDC
Address Line1: 85 East Main St
Address Line2:
City: VICTOR
State: NY
Zip - Plus4: 14564
Province/Region:
Country: USA
Original Amount of Loan: \$50,000
Date Loan Awarded: 12/16/2015
Interest Rate(%): 0
Length of Loan(# of years
to repay): 2
Amount of Loan Principal Repaid
to Date: \$0.00
Purpose of Loan: Business Expansion/Startup

Was the Loan 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?
Have the terms of the loan been
completed? No

Loan Information

17. 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: \$103,627.97
 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? 21
 Have the terms of the loan been
 completed? No

18. 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: \$173,144.99
 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? 62
 Have the terms of the loan been
 completed? No

Loan Information

19. 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: \$176,631.20
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? 102
If yes, how many jobs have been
created to date? 0
Have the terms of the loan been
completed? No

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, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated February 22, 2016.

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.

Raymond F. Wager, CPA P.C.

February 22, 2016