

**VICTOR LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**FINANCIAL STATEMENTS**

**For Years Ended December 31, 2015 and 2014**

# TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
<u>Statement 1</u> - Statement of Financial Position	3
<u>Statement 2</u> - Statement of Activities	4
<u>Statement 3</u> - Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
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	9 - 10

**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

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Victor Local Development  
Corporation, New York

We have audited the accompanying financial statements of the Victor Local Development Corporation, 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 the Victor Local Development Corporation as of December 31, 2015 and 2014, 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2016 on our consideration of the Victor Local 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 Victor Local Development Corporation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Raymond F. Wager, CPA, P.C." The signature is written in a cursive style.

May 2, 2016

VICTOR LOCAL 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	\$ 215,592	\$ 142,858
Accounts receivable	250	-
Loans receivable	7,274	6,989
State aid receivable - main street program	-	7,600
<b>Total Current Assets</b>	<u>\$ 223,116</u>	<u>\$ 157,447</u>
<u>Noncurrent Assets -</u>		
Loans receivable, net	\$ 7,570	\$ 14,844
<b>Total Noncurrent Assets</b>	<u>\$ 7,570</u>	<u>\$ 14,844</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 230,686</u></u>	<u><u>\$ 172,291</u></u>
 <u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 3,357	\$ 790
<b>Total Current Liabilities</b>	<u>\$ 3,357</u>	<u>\$ 790</u>
<u>Noncurrent Liabilities -</u>		
Loan payable	\$ 50,000	\$ -
<b>Total Noncurrent Liabilities</b>	<u>\$ 50,000</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 53,357</u></u>	<u><u>\$ 790</u></u>
 <u>NET ASSETS:</u>		
<u>Net Assets -</u>		
Unrestricted - designated	\$ 33,410	\$ 34,643
Unrestricted - operations	143,919	136,858
<b>TOTAL NET ASSETS</b>	<u>\$ 177,329</u>	<u>\$ 171,501</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 230,686</u></u>	<u><u>\$ 172,291</u></u>

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

**VICTOR LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**Statement of Activities**

**For The Years Ended December 31, 2015 and 2014**

<b><u>OPERATING REVENUES:</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contributions	\$ 52,253	\$ 56,632
Interest on notes, loans, and program income	746	1,122
State aid - main street program - pass through	90,915	45,293
State aid - main street program - administrative	-	5,000
Miscellaneous revenue	-	61
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$ 143,914</u></b>	<b><u>\$ 108,108</u></b>
<b><u>OPERATING EXPENSES:</u></b>		
<b><u>Management &amp; General</u></b>		
Payroll	\$ -	\$ 13,338
Benefits	-	4,687
Conferences/travel	190	443
Dues and subscriptions	110	50
Insurance	500	916
Printing, postage, and shipping	4,040	566
Utilities and maintenance	857	3,220
Legal	7,598	7,358
Miscellaneous	750	1,064
<b>Total Management &amp; General</b>	<b><u>\$ 14,045</u></b>	<b><u>\$ 31,642</u></b>
<b><u>Program</u></b>		
Program expenses	\$ 31,696	\$ 25,591
State aid - main street program - pass through	90,915	45,293
State aid - main street program - administrative	-	5,000
Marketing - advertising	1,430	1,496
<b>Total Program</b>	<b><u>\$ 124,041</u></b>	<b><u>\$ 77,380</u></b>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$ 138,086</u></b>	<b><u>\$ 109,022</u></b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 5,828</b>	<b>\$ (914)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b><u>171,501</u></b>	<b><u>172,415</u></b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 177,329</u></b>	<b><u>\$ 171,501</u></b>

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

**VICTOR LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**Statement of Cash Flows**

**For The Years Ended December 31, 2015 and 2014**

<u><b>CASH FLOWS FROM OPERATING ACTIVITIES:</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Cash received from providing services	\$ 60,349	\$ 134,338
Cash payments contractual expenses	(44,604)	(119,857)
Cash payments personal services and benefits	-	(18,025)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><b>\$ 15,745</b></u>	<u><b>\$ (3,544)</b></u>
<u><b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b></u>		
Loan from Ontario County EDC	\$ 50,000	\$ -
Loan repayments	6,989	6,715
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u><b>\$ 56,989</b></u>	<u><b>\$ 6,715</b></u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 72,734</b>	<b>\$ 3,171</b>
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	 <u><b>142,858</b></u>	 <u><b>139,687</b></u>
 <b>ENDING CASH AND CASH EQUIVALENTS</b>	 <u><b>\$ 215,592</b></u>	 <u><b>\$ 142,858</b></u>
<u><b>CASH FLOWS FROM OPERATING ACTIVITIES:</b></u>		
<b>Net Operating Income (Loss)</b>	<u><b>\$ 5,828</b></u>	<u><b>\$ (914)</b></u>
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:</b>		
(Increase)/decrease in accounts receivable	\$ 7,350	\$ 26,230
Increase/(decrease) in accounts payable	2,567	(28,860)
Total Adjustments	<u><b>\$ 9,917</b></u>	<u><b>\$ (2,630)</b></u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><b>\$ 15,745</b></u>	<u><b>\$ (3,544)</b></u>

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

**VICTOR LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**I. Summary of Significant Accounting Policies:**

**A. Organization**

The Victor Local Development Corporation, New York (the Corporation) was incorporated on December 1, 1999 under Section 402 of the Not-For-Profit Corporation Law. The mission of the Victor LDC is to conduct activities that will relieve and reduce unemployment, promote and provide for additional and maximum employment; better and maintain job opportunities, assist individuals to improve or develop their capabilities for jobs, carry on scientific research for the purpose of aiding the community or geographic area by attracting industry to the community; and lessening the burdens of government and acting in the public interest.

**B. Basis of Accounting**

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States. Revenues are recognized when earned and expenses are recognized when incurred.

The Corporation reports information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2015 the Corporation only had unrestricted net assets.

**C. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Corporation considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

**D. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**E. Income Taxes**

The Corporation is a not-for-profit Corporation organized pursuant to Sections 402 and 1411 of the New York State Not-for-Profit Corporation law and is, therefore, exempt from income taxes. The Corporation is also exempt from Federal reporting requirements under Internal Revenue Procedure 95-48, 1995-2 C.B. 418 as a governmental unit or affiliate of a governmental unit described in the procedure.

(I.) (Continued)

F. Accounts Receivable

Accounts receivable are stated at unpaid balances, less allowance for doubtful accounts. The Victor LDC provides for losses on accounts receivable using the allowance method. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is Victor LDC's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

G. Prepaid Items

Expenses paid in the current fiscal year but related to the subsequent year are recorded as prepaid items. These items include website hosting and health insurance.

II. Cash and Cash Equivalents:

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. While the Corporation does not have a specific policy for custodial credit risk, New York State statutes govern the Corporation's investment policies, as discussed previously in these notes.

The Victor LDC's bank balances were fully covered by FDIC insurance.

III. Loan Funds:

A. Revolving Loan Funds

The Victor LDC has established a revolving loan funds for the purpose of fostering economic development. The source of funds to finance the loan payment may be from state grants, or from funds of the Victor LDC itself. Loans to commercial enterprises and principal repayments are not recorded through revenue and expense. Any interest income is reported as program income.

B. Loans Receivable

The Victor LDC has an outstanding note receivable from the revolving loan program that has an interest rate of 4% and matures in 2017. As of December 31<sup>st</sup> the Victor LDC had the following:

	<u>2015</u>	<u>2014</u>
Loan Receivable on December 31	\$ 14,844	\$ 21,833
<b>Loan Receivable, net on December 31</b>	<b>\$ 14,844</b>	<b>\$ 21,833</b>
Less: Current Portion	(7,274)	(6,989)
<b>Long-Term Portion</b>	<b>\$ 7,570</b>	<b>\$ 14,844</b>

**IV. Loan Payable:**

The Victor LDC received a \$50,000 loan from the Ontario County Economic Development Corporation (OCEDC) to be utilized for Victor LDC loans to Victor LDC borrowers in accordance with the Victor LDC's revolving loan fund program policies. Any monies not loaned out by December 15, 2017 will be repaid to the OCEDC and loaned monies will be repaid in quarterly installments in an amount equal to the LDC Loan Payment amounts allocable to principal and 0% interest. As of the date of this report no monies have been loaned out by the Victor LDC.

**V. Mutual Services Agreement with the Town of Victor:**

The Victor LDC entered into a mutual services agreement with the Town of Victor to provide for mutual cooperation and assistance in furtherance of their respective purposes, in the best interest of the community they both serve, and in which the Town would provide the services of its Director and the Director's part time typist, both on a part time basis, with the extent of the services provided to be determined mutually by the Town of Victor and the Victor LDC. Pursuant to this agreement, the Town will pay the Victor LDC an annual payment. The Town paid the Victor LDC \$13,925 in 2015 and \$31,906 in 2014, respectively.

**VI. Commitments and Contingencies:**

**A. Litigation**

There is no litigation pending against the Corporation as of the balance sheet date.

**VII. Subsequent Events:**

Events and transactions which have occurred from January 1, 2016 through May 2, 2016, the date of these financials, have been evaluated by the Corporation's management for the purpose of determining whether there were any events that might require disclosure in these financial statements. No such events or transactions were noted.

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

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**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 of Directors of  
Victor Local 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 Victor Local Development Corporation, 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, which collectively comprise the Victor Local Development Corporation's financial statements, and have issued our report thereon dated May 2, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Victor Local 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Victor Local Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Victor Local 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 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 Victor Local 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 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.

May 2, 2016

*Raymond F. Wager, CPA, P.C.*