



2016 Annual Report

Prepared by:

**William Wagner
Chairman**

Wheatfield Local Development Corporation

Table of Contents

	Page
WLDC History 2013 to Present	3
Mission Statement	4
Board of Directors	4
Committees	4
Organizational Chart	5
Annual Meeting	5
Website	5
2016 Operations	6
2016 Accomplishments	7
2017 Outlook	7
Final Remarks	8
Addendum A - 2016 Financials	9-10
Addendum B - 2017 Budget	11

WLDC History 2013 to Present

The Wheatfield Local Development Corporation (WLDC) was officially formed by the Town of Wheatfield Board by unanimous vote at the December 16th 2013 Town Board meeting. The following is a list of initial significant dates:

- January 14th 2014, the WLDC received its Articles of Incorporation from the State of NY establishing the initial 9 member Board of Directors
- The first official meeting of the Board occurred on January 29th 2014
- WLDC By Laws were first generated for discussion on Feb 25th 2014
- The organization received its official Certificate of Incorporation from the State on May 2, 2014

The WLDC met a total of 4 times in 2014 and there were no projects identified or attempted. The organization did not have any funding and did not establish a banking relationship. The website www.wheatfieldbusiness.com was created and maintained for use by the LDC to post the necessary information as required by Public Authority Law.

In 2015, because there were no projects identified or available – the organization only met once on Feb 25th 2015 with the primary discussion being about the future of the WLDC. It was decided that even though there was no activity, having the entity available for the future was a positive thing for the community. There was no further activity in 2015. No funding was obtained and no banking relationship was established.

By March 2016, we were made aware of an opportunity with a local company called Jacobs Ladder, Inc. This involved utilizing the WLDC via the Town of Wheatfield to apply for and obtain \$100,000 of Community Block Development Grant funding from the Office of Community Renewal. It was at this point where the WLDC kicked into high gear and took the necessary steps to evaluate its organizational deficiencies and bring the LDC further into compliance with ABO guidelines.

The balance of the year was spent learning and negotiating our way through the funding process resulting in the closing of the Jacobs deal in December 2016.

Mission Statement

The Wheatfield Local Development Corporation is committed to fostering new business as well as retaining and expanding existing local businesses to build economic capacity specific to the Town of Wheatfield.

Board of Directors

Currently the 9 member LDC board consists of local business executives of varying backgrounds as well as several elected Wheatfield officials.

Robert Cliffe	– Town Supervisor, Wheatfield NY (Ex Officio)
Dawn Gilliam	– Chief Operating Officer, Calamar Corp.
Larry Helwig	– Town Councilman, Wheatfield NY (Appointed Annually)
Vic Montalbo	– (ret) Chief Financial Officer, NF Bridge Commission
Richard Muscatello	– USAF Colonel (ret), Hospital Vice President (ret)
William Wagner	– President, Wagner Management LLC
Larry Witul	– (ret) Assistant Director, Niagara County IDA

Two Board positions are vacant at this time.

Committees

Finance Committee Members:

Larry Witul
Larry Helwig
Vic Montalbo

Audit Committee Members:

Dawn Gilliam
Bill Wagner

Governance Committee:

Not formed at this time.

It is the intention of the WLDC Board to create a Governance Committee in FY2017.

Organizational Chart



Annual Meeting

The WLDC Board has established April of each calendar year as our designated Annual Board Meeting.

Website

All available and relevant information regarding the WLDC can be found on http://www.wheatfieldbusiness.com/ldc_about.html

2016 Operations

2016 was an exciting and challenging year for the WLDC. Our first project was identified and we quickly realized all of the organizational, operational and ABO compliance issues that we faced.

The majority of the meeting time as a Board was focused on discussing what was needed as well as drafting/editing/approving those particular documents.

The balance of time was spent learning about how the Grant Funding process worked with the help of our consulting firm H. Sichertman. They were instrumental in negotiating our way through the first deal with an actual client.

One additional challenge we faced was the fact we didn't have any funds to work with initially. The WLDC petitioned the Town of Wheatfield for a short term loan of \$1,500 so we could establish a bank account and purchase Directors and Officers Insurance (\$505.00) to protect the Board Members as well as General Liability Insurance (\$433.52). We relied heavily on both the consulting firm and our attorney (Roberta J. O'Toole) to hold off with invoicing until we were able to submit their receipts for reimbursement. The WLDC closes out FY2016 with a cash bank balance of \$561.48.

The \$1,500 loan from the Town is still payable and the WLDC anticipates paying that back by mid 2017 with the funds received from Jacobs Ladder Term Loan payments. Those payments are scheduled to begin April 1, 2017 in the amount of \$494.69/mo.

No Independent Audit was performed in 2016 due to the fact that there were only 2 real transactions conducted. First was the deposit of the \$1500 loan money and the subsequent payment for insurance.

It is the intention of the WLDC to have the two transactions from 2016 included in our 2017 Independent Audit.

2016 Accomplishments

- Identification of Jacobs Ladder, Inc CDBG funding opportunity and negotiation of the final terms and conditions
- Establishment of LDC Officers
- Implementation of Code of Ethics Policy, Whistleblower Policy, Procurement Policy, Banking/Investment Policy, Conflict of Interest signature form
- All Board members completed PAAA training
- Retention of attorney Roberta J O'Toole
- Login to the OSC website portal established
- Retention of H. Sicherman via RFP for consultant services
- \$1500 loan from the Town of Wheatfield
- Open a Business Checking account with M&T Bank
- Purchase D&O Insurance for the Board
- Purchase of General Liability Insurance for the LDC
- Identification of possible CDBG funding opportunity with Big Thunder Brewing Co at the Summit Mall property in the amount of \$750,000
- December 9th, 2016 the WLDC and Jacobs Ladder closed on the \$100,000 deal

2017 Outlook

The LDC anticipates loan repayment income from the Jacobs Ladder project to be \$4452.21. This money will be used to repay the \$1500 loan to the Town, our annual insurance requirement (approx. \$950) and any additional expenses that are incurred during the year.

With a successful negotiation of our second deal with Big Thunder Brewing, the LDC could be looking at substantially higher income levels in the form of Term Loan repayments from the company. It is not possible at this time to determine more precise numbers due to the fact the deal has not been finalized. Based on the \$750,000 grant application, the LDC would be in a much stronger financial position to not only pay for existing obligations, but may be able to establish a small marketing budget, hire a part time staff and look to utilize the repayment money for the purpose of making smaller loans to other local companies.

Final Remarks

As we close 2016 and look to the future, the WLDC recognizes that it has come a long way, but still has much work that needs to be done in order for us to be a fully functioning, fully compliant public authority. We look forward to the challenges that lie ahead and the opportunity to serve our community in the capacity we were designed for.

Addendum A - 2016 Financials

SUMMARY STATEMENT OF NET ASSETS

Assets

Current Assets

Cash and cash equivalents	\$561.48
Investments	0.00
Receivables, net	0.00
Other assets	0.00
Total Current Assets	561.48

Noncurrent Assets

Restricted cash and investments	0.00
Long-term receivables, net	0.00
Other assets	0.00

Capital Assets

Land and other nondepreciable property	0.00
Buildings and equipment	0.00
Infrastructure	0.00
Accumulated depreciation	0.00
Net capital assets	0.00

Total Noncurrent Assets	0.00
--------------------------------	-------------

Total Assets	561.48
---------------------	---------------

Liabilities

Current Liabilities

Accounts payable	0.00
Pension contribution payable	0.00
Other post-employment benefits	0.00
Accrued liabilities	0.00
Deferred revenues	0.00
Bonds and notes payable	1,500.00
Other long-term obligations due within one year	0.00
Total Current Liabilities	1,500.00

Noncurrent Liabilities

Pension contribution payable	0.00
Other post-employment benefits	0.00
Bonds and notes payable	0.00
Long term leases	0.00
Other long-term obligations	0.00
Total Noncurrent Liabilities	0.00

Total Liabilities	1,500.00
--------------------------	-----------------

Net Asset (Deficit)

Net Assets

Invested in capital assets, net of related debt	0.00
Restricted	0.00
Unrestricted	(938.52)

Total Net Assets	\$(938.52)
-------------------------	-------------------

Addendum A - 2016 Financials

SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS

Operating Revenues

Charges for services	\$0.00
Rental & financing income	0.00
Other operating revenues	0.00

Total Operating Revenue 0.00

Operating Expenses

Salaries and wages	0.00
Other employee benefits	0.00
Professional services contracts	0.00
Supplies and materials	0.00
Depreciation & amortization	0.00
Other operating expenses	938.52

Total Operating Expenses 938.52

Operating Income (Loss) **(938.52)**

Nonoperating Revenues

Investment earnings	0.00
State subsidies/grants	0.00
Federal subsidies/grants	0.00
Municipal subsidies/grants	0.00
Public authority subsidies	0.00
Other nonoperating revenues	0.00

Total Nonoperating Revenue 0.00

Nonoperating Expenses

Interest and other financing charges	0.00
Subsidies to other public authorities	0.00
Grants and donations	0.00
Other nonoperating expenses	0.00

Total Nonoperating Expenses 0.00

Income (Loss) Before Contributions **(938.52)**

Capital Contributions **0.00**

Change in net assets (938.52)

Net assets (deficit) beginning of year 0.00

Other net assets changes 0.00

Net assets (deficit) at end of year **\$(938.52)**

Addendum B - 2017 Budget

BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS

	Proposed 2017
<u>REVENUE & FINANCIAL SOURCES</u>	
Operating Revenues	
Charges for services	\$0.00
Rental & financing income	4,500.00
Other operating revenues	0
Nonoperating Revenues	
Investment earnings	0
State subsidies/grants	10,000.00
Federal subsidies/grants	0
Municipal subsidies/grants	0
Public authority subsidies	0
Other nonoperating revenues	0
Proceeds from the issuance of debt	\$0.00
 Total Revenues & Financing Sources	 \$14,500.00
 <u>EXPENDITURES</u>	
Operating Expenditures	
Salaries and wages	0
Other employee benefits	0
Professional services contracts	9,400.00
Supplies and materials	0
Other operating expenditures	1,000.00
Nonoperating Expenditures	
Payment of principal on bonds and financing arrangements	0
Interest and other financing charges	0
Subsidies to other public authorities	0
Capital asset outlay	0
Grants and donations	1,500.00
Other nonoperating expenditures	2,600.00
 Total Expenditures	 \$14,500.00