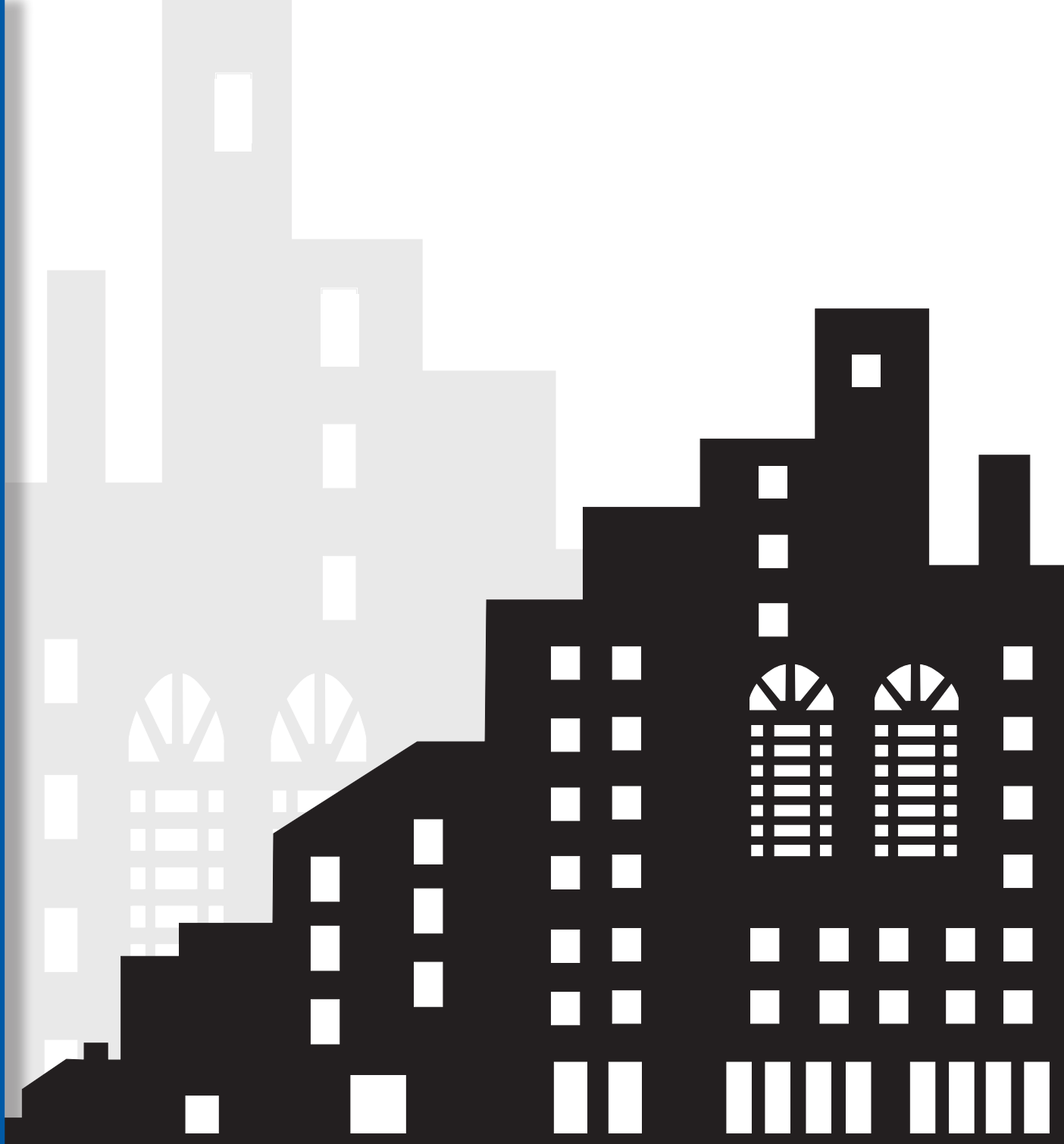


ANNUAL REPORT 2013



*Working to build a better
environment for your business
and life in Fayette County*

FAY-PENN
ECONOMIC DEVELOPMENT COUNCIL



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CHAIRMAN'S MESSAGE



William B. Blaney
Chairman

"...Life is like an exciting book, and every year starts a new chapter..."
anonymous

Mr. Robert Eberly penned the first 12 chapters of our Fay-Penn Novel, paving the way with the gifts of the Eberly family's unparalleled economic vision for our county as well as their financial support. Many people have been weaved in and out of our novel over the years, each character playing a vital role in keeping Fay-Penn's direction on course. As we approach the 10th anniversary of Bob's passing, I feel he would be pleased with how far this organization has come.

This year, *Chapter 23* introduces yours truly in my new capacity as Chairman of the Board. I am honored and humbled to have been elected to this position especially knowing the enormity of the task. I am privileged to have Fay-Penn's hard-working staff and the organization's officers at my disposal, as well as the capability to refer back to previous Fay-Penn chapters for the wisdom of past chairs. I am pleased to present to you Fay-Penn's 2013 Annual Report.

As you read through our annual report, I hope you will get a sense of the tremendous amount of energy exerted and expertise employed to accomplish the numerous transactions necessary to bring many projects to completion. You will see evidence of each of our five departments contributing to the advancement of our mission. Our diverse projects require input from each of our three operating departments which includes the Asset & Contract Department, the Economic Development Department and the Local Economy Department. Additionally, each and every project requires the cooperation of our support departments, namely the Accounting/ Finance Department and the Administration Department.

On behalf of Fay-Penn's Board of Directors, I sincerely thank all those who support our efforts as we continue to compose our novel - one *chapter* at a time. I assure you, *Chapter 22* is not the end, for *Chapter 23* is already being written and it promises to be full of new opportunities and accomplishments as we continue to help move Fayette County forward.

Respectfully yours,

A handwritten signature in blue ink that reads "William B. Blaney". The signature is fluid and cursive.

William B. Blaney

ORGANIZATION OVERVIEW

Incorporated in 1991, Fay-Penn was formed to assist in the economic revitalization efforts of Fayette County. The organization was designated by the Internal Revenue Service (IRS) as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. As a membership based organization with 137 members, funding comes from various local, public, and private contributors and foundations, in addition to grant support from the Commonwealth of Pennsylvania and federal government for specific projects. Funds may not be used for the benefit of or be distributed to members, directors, officers, or private persons.

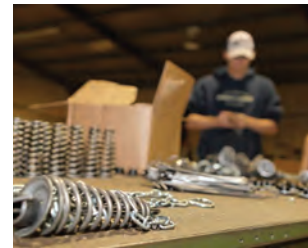
Fay-Penn's mission is to maintain and increase employment opportunities in Fayette County in an effort to improve the quality of life for all of its residents. This mission is met through a comprehensive strategy of specific economic development objectives. The organization primarily focuses on the manufacturing sector, in addition to a concentration on workforce issues, infrastructure development, and the local economy.

Working to build a “better environment for business and life” in Fayette County ...

PRIMARY OBJECTIVES

- Encourage new investments at existing business sites by offering a full-range of quality business development services
- Generate new commerce by revitalizing commercial areas through new community development and local economic initiatives
- Provide superior services by building local resource capacities and professional capabilities, such as developing new business sites, capitalization and management of Revolving Loan Funds, and developing partnerships
- Support ongoing improvements in workforce development and education to ensure that Fayette County is a great place to live and work
- Continue to administer local economy initiatives such as management of the “Buy Local” programs, promote agriculture and environment sustainability; and address public policy issues
- Develop new community development practices that lead to long-term economic and ecological sustainability and self-reliance





CONFIDENTIAL BUSINESS SERVICES

Fay-Penn offers a full range of confidential services and works closely with each client to provide customized service.

In summary, the staff works hands-on with each company guiding them through the necessary procedures and providing the various types of assistance, wherever possible, to ensure the successful completion of their business location, expansion, or start-up projects.

- Low interest financing
- Business development assistance
- Technical operations assistance
- Tourism business development
- Site selection assistance
- Workforce and education development
- Business park development

FAY-PENN STAFF

AS OF MAY 2014

Chairman



William B. Blaney

Administration



Traci Klink
Executive Assistant/
Office Manager



Gloria Calabro
Administrative/
Accounting Assistant



Sandy McClelland
Administrative Assistant

Accounting and Finance



Linda Yuhaniak
Accounting &
Finance Dept.
Manager



Brenda Sapic
Senior Accounting Assistant



Kimberly Wyda
Accounting Assistant

Asset & Contract Management



Tina W. Wargo
Asset & Contract
Department
Manager



Ron Cole
Construction/
Property
Coordinator



Twila Kendall
Technical Assistance Specialist

Economic Development



Dana Kendrick
Economic Development
Dept. Manager



Alicia Thompson
Economic Development Specialist



Tom Cramer
Workforce Development Specialist

Local Economy



Robert C. Junk, Jr.
Local Economy Department Manager



Lori Scott
Sustainable Communities Specialist



Jennifer Kooser
Business Network Specialist



Brooke Coffman
Special Project Dev. Coordinator

KEY PERFORMANCE INDICATORS

2013 BUSINESS DEVELOPMENT PROJECTS

	<u>Jobs Created/ Retained*</u>
BETTY MAE'S BAKERY & CAFE'	5
BLAST MASTER	1
BRENDA'S PLACE	1
EATZA MY PIZZA	6
FALLS CITY MARKET, INC.	19
FLOW DATA	12
GEROME MANUFACTURING	**
MCCALI MANOR	3
RUMBAUGH CHIROPRACTIC	2
SAMCO ENTERPRISES	8
SLEIGHTER ENGINEERING	14
WC SALES & EQUIPMENT	<u>12</u>
	83

RESULTS SUMMARY

	2013	1992-2013
COMPLETED PROJECTS	12	308
JOBS CREATED & RETAINED*	83	8,504
INCREASE IN ANNUAL PAYROLL	\$1,666,437	\$180,749,765
INCREASE IN ANNUAL TAXES***	\$70,712	\$7,807,435
CONSTRUCTION DOLLARS	\$8,158,184	\$527,764,573
NEW INVESTMENT	\$12,075,066	\$1,301,583,580
PUBLIC FINANCING	\$2,096,689	\$219,606,595
PRIVATE INVESTMENT	\$9,978,377	\$1,081,976,985

* The Key Performance Indicator data is based upon current and three-year projections provided by the companies. The cumulative data is not adjusted to reflect reductions or increases in original estimates.

** Job creation/retention numbers reported in previous annual reports

*** Does not include residential, municipal, school or county real estate taxes

CAPITAL INVESTMENTS



Revolving Loan Fund Activity

Fay-Penn's Revolving Loan Fund (RLF) was first capitalized in 1993 with one million dollars, growing to \$14.8 million by the end of 2013. The RLF is comprised of eight loan fund programs that assist eligible businesses by funding capital expansion projects in fixed assets, such as new equipment and facilities at low interest rates. In 2013, Fay-Penn made 12 loans totaling \$1,718,647 to eight different companies from Fay-Penn's Rural Microenterprise Assistance Program, Downtown Revitalization Loan Fund, Fayette Capital Loan Fund and the Small Business Loan Fund. These loan projects generated additional private investment of \$8,728,377 and resulted in the creation and/or retention of 45 jobs. To date, 168 projects have been financed involving over \$62.4 million in private investment.

Real Estate Activity

At the end of 2013, Fay-Penn owned 14 buildings totaling 436,034 sq. ft., and more than 1,500 available acres in various locations throughout Fayette County. In addition, Fay-Penn managed the 18,080 sq. ft. former VFW building located in the City of Uniontown owned by its affiliate organization, Laurel Hill Development Corporation.

The majority of Fay-Penn's real estate activity during 2013 consisted of constructing leasehold and capital improvements, and planning for the construction of a new business park and new multi-tenant facility. In addition to general maintenance and repair, more than \$550,000 was invested in capital and leasehold improvements and planning for future development. Fay-Penn invested \$350,000 at the 119 ICMI Business Center located in Dunbar Township comprised of three vacant buildings totaling 65,679 sq. ft. Improvements made included roof replacements, utility separations, HVAC upgrades, and general remodeling. More than \$183,000 was invested in planning for the development of the Dunbar Township Business Park to be located along Route 119 North and Pechin Road; and the construction of a multi-tenant facility to be located in the Fayette Business Park in Georges Township. Nearly \$25,000 in building code improvements made at the former VFW building consisted of installing new exterior metal doors, fire rated walls, and installation and modification of the HVAC system.



Fayette Business Park, Georges Township



*119 ICMI Business Center,
Dunbar Township*

BUSINESS DEVELOPMENT



GEROME MANUFACTURING COMPANY, INC.

Gerome Manufacturing held a groundbreaking for its new 150,000 sq. ft. facility in the Fayette Business Park in Georges Township in June 2013. Founded in 1957, it has become a well-known producer of custom precision sheet metal products serving both East and West Coast clients, as well as foreign markets. In order to better position itself as a local and global competitor on price, gain more work from existing customers and attract new, more diverse customers, the company consolidated two local operations into one facility. The new facility will house almost \$2 million in new finishing equipment and plans for future purchases of new, cutting-edge equipment. In addition to their partnership with Fay-Penn, the company also partnered with Washington County Industrial Development Authority and Washington Financial Bank to secure funding for the project. The company, currently employing 85, began operation at its new plant in the Fayette Business Park in early Spring 2014. The project is expected to result in more than \$8.8 million in new investment.



Gerome Manufacturing Company's new facility in the Fayette Business Park, Georges Township



WC EQUIPMENT AND SALES

Fay-Penn provided site location and build-to-suit assistance to WC Equipment and Sales. Headquartered in Blairsville, PA, the company offers a product line comprised of Coil Tubing Equipment, Well Head Equipment, & Flow Line and Fittings, as well as providing service and rental to its customers. The company is leasing 12,000 sq. ft. of space in Fay-Penn's 119 ICMI Road Business Center located in Dunbar Township. This location will allow the company to better serve the oil and gas industry in southwest Pennsylvania and West Virginia. The company made a \$500,000 capital investment, employs six at the Dunbar facility and expects to double its employment within the next year.



Flow Data's leased space in Fay-Penn's 119 ICMI Business Center, Dunbar Township.

FLOW DATA, INC.

Flow Data, Inc., a Colorado-based company founded in 1997, expanded its Appalachian Basin operations through a long-term lease agreement with Fay-Penn. The company located in 7,500 sq. ft. of space in Fay-Penn's 119 ICMI Road Business Center, located in Dunbar Township. This expansion allowed Flow

Data to expand its current service in the Appalachian Basin and throughout the Eastern United States. The new location also includes an on-site training center and has space to support future expansion needs. The company provides flexible and intelligent solutions for wellhead automation and control to the oil and gas industry. Flow Data applications include oil well automation, gas well control and measurement, multi-well pad automation, flow back monitoring and control, tank management, pad architecture design, air drilling electronic flow measurement and related services. The location of this business to Fayette County is expected to result in approximately \$500,000 in new investment and 12 jobs.

SLEIGHTER ENGINEERING

Sleighter Engineering received a low-interest loan through Fay-Penn's Fayette Capital Loan Fund (FCLF) to construct a new 7,000 sq. ft. multi-tenant office facility on two acres at the University Business Park located on Route 119, adjacent to Penn State Fayette Campus. The company was established in 1995 as a multidisciplinary engineering and design firm providing professional services to local and regional clients. Sleighter Engineering currently employs 11 and will occupy 5,500 sq. ft. in the new facility. Crabtree Rohrbaugh and Associates from Mechanicsburg will utilize the remaining 1,500 sq. ft. to operate a satellite facility. This project is expected to result in a new investment of \$1.3 million and the creation of three new jobs.

BLAST MASTER, LLC

Blast Master LLC is a start-up, owner-operated company located in Markleysburg, PA, that specializes in dustless sandblasting. Although there are numerous applications for this new technology, the business owner will focus on the automotive and marine industries. Fay-Penn provided a Rural Microenterprise Assistance Program (RMAP) loan and Small Business Loan totaling \$61,437 to assist in the purchase of a new Dustless blasting unit with a 22 ft. trailer and a 200 gallon water tank. This new technology is the quickest, easiest, cheapest and safest means of removing paint or epoxy coatings from steel, fiberglass or concrete surfaces. The unit can be easily operated by one individual and can be readily transported to customer sites.



Sleighter Engineering's building currently under construction at the University Business Park, North Union Twp.

SAMCO ENTERPRISES, INC.

Fay-Penn provided site location assistance to SAMCO Enterprises, Inc., a leader in compressor valve repair, sales and manufacturing since 1972. The company opened a new 8,000 sq. ft. company-owned, full-service facility near Uniontown, PA to repair all makes of compressor valves on-site, instead of shipping to other locations for repair. The machine shop will also be able to repair and lap packing glands, and repair pistons and rods. SAMCO is a 41 year old family-owned company with expertise in compressor valve repair, manufacturing, application engineering, and compressor parts sales and repair with headquarters in Houston, Texas, and locations in Oklahoma City, OK, Tyler, Texas, and Uniontown, PA. The company made a private capital investment of approximately \$350,000 and has plans to employ eight.



BETTY MAE'S BAKERY AND CAFE'

Betty Mae's Bakery and Cafe', located in Masontown, PA, received a low-interest loan through the Fay-Penn Small Business Loan Fund to assist in a new business start-up. In addition to traditional bakery items, Betty Mae's Bakery and Cafe' will provide limited dine-in breakfast and afternoon lunch hours, as well as limited lunch delivery services to local businesses. The owner anticipates creating five jobs.

FALLS CITY MARKET, INC.

Falls City Market, Inc., an existing business in Ohiopyle, blends the flavor of an old general store with prepared and specialty foods. The business utilized loan funds from Fay-Penn and the Washington County Council on Economic Development to undertake capital improvements including expanding the outdoor patio area at an estimated cost of \$102,000. Completing the plaza area will help to establish Falls City Market as a key stop along the Great Allegheny Passage Bike Trail for supplies and services.



EATZA MY PIZZA

Eatza My Pizza fired up the pizza ovens at the Ridge View Plaza in the Fayette Business Park, located in Smithfield PA. This community-minded family-owned restaurant opened with a menu that includes pizzas, hoagies, salads and daily specials to serve not only the business park occupants, but the surrounding community as well. Fay-Penn assisted in locating the new restaurant in Fay-Penn's commercial building.

Eatza My Pizza invested \$100,000 and currently employs six.



BRENDA'S PLACE



Fay-Penn provided a low-interest Rural Microenterprise Assistance Program loan (RMAP) and a Small Business Loan totaling \$15,460 to Brenda's Place, a new start-up nail salon in Latrobe, PA offering manicures, pedicures, massage therapy and unique hand-picked boutique items for retail sale both on site and via the internet. The boutique items will predominantly be *Made in the USA*.

RUMBAUGH CHIROPRACTIC

Fay-Penn provided Dr. Jody Rumbaugh Chiropractic and Wellness, LLC with a Rural Microenterprise Assistance Program (RMAP) Loan and a Small Business Loan to purchase machinery and equipment and provide working capital. The new business start-up project is located in a 2,400 sq. ft. building in Connellsville, PA. The project is expected to result in \$36,000 in new investment and the creation of two new jobs.



MCCALI MANOR

A low-interest loan was provided to McCali Manor, an existing business serving as a wedding and corporate events facility. The loan funds were used to install a new patio, repair the slate roof, purchase and install a sign and new kitchen equipment; and for working capital. The Mt. Pleasant facility, currently employing two, will also feature a regularly open-to-the-public restaurant and bar. The project resulted in the investment of \$56,000 and the creation of one new job.



TECHNICAL ASSISTANCE

Fay-Penn, through a Technical Assistance Grant received from the United States Department of Agriculture's Rural Microentrepreneur Assistance Program, contracted with the St. Vincent's Small Business Development Center (SBDC) to assist 41 clients with developing a business plan in 2013. Twelve (12) completed their business plans by the end of the year resulting in two receiving financing from Fay-Penn's RLF programs.

Through the same grant, Fay-Penn hosted an informative breakfast session attended by lending professionals from 13 southwestern Pennsylvania financial institutions. The purpose of this initiative was to inform lenders about how Fay-Penn can support their higher risk projects through providing affordable financing alternatives for their clients that are unable to obtain conventional financing.

BUSINESS DEVELOPMENT ACTIVITY

Fay-Penn answered 120 inquiries during 2013. Forty (40) were for financial/loan fund assistance and 20 were for site location assistance. Staff participated in the identification, packaging and closing of eight projects that secured nearly \$1.8 million in financing through Fay-Penn's Revolving Loan Fund Programs, resulting in the creation and/or retention of 45 jobs.

Fay-Penn received a grant in the amount of \$7,500 for its Business Retention & Expansion (BRE) calling program from the Community Foundation of Fayette County – The Chevron Community Fund. The funding will provide resources to coordinate workforce services with economic development efforts. The BRE calling program will be implemented through one-on-one business meetings to collect survey information from business owners/operators; identify the business's strengths and weaknesses; and provide them with access to resources that nurture opportunities for growth.



In 2013, through the State's Partnership for Regional Economic

Performance (PREP), Fay-Penn met with 32 unique clients and assisted three individuals with successfully starting new businesses. Through the program, Fay-Penn staff was able to assist three businesses in securing a combined \$150,000 in financing and referred 12 clients to other PREP partners in Southwestern PA. The financing obtained by the three companies aided in the purchase of new equipment, capital improvements and working capital. The PREP program is designed to encourage regional coordination in economic development efforts, yielding superior customer service to the business community and a comprehensive, efficient statewide economic delivery strategy. Fay-Penn, along with economic development partners from nine other counties in SWPA, provide services to businesses for the purpose of growing sales, improving competitiveness and creating jobs.

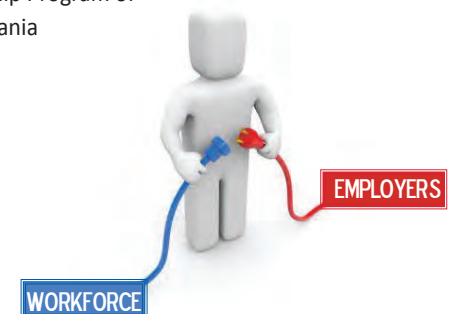
2013 ACTIVITY SUMMARY

➤ Direct Support Programs

- Connellsville Area Technical Center Open House and Career Fair
- Fayette County Career and Technical Center Advisory Board Member
- Fayette County Eighth Grade Career Fair
- Brownsville High School Entrepreneurship Center Advisory Board
- Fayette County Education Council Member
- Dislocated Worker Transition Team (Impartial Chair)
- Fayette Business Education Partnership
- Laurel Highlands High School National Academy Foundation Board Member

➤ Conference Participation

- Imagine Career Week (Carnegie Science Center)
- Pennsylvania Workforce Development Conference
- Pittsburgh Alpha Lab
- Southwestern Pennsylvania Oil and Gas Expo
- ShaleNet Western Hub Conference
- WCCC Advanced Technology Center
- Chevron STEAM Camp (Penn State Fayette-Eberly Campus)
- Workforce Investment Board State Symposium
- Laurel Highlands Middle School Career Fair
- Veterans Leadership Program of Western Pennsylvania



WORKFORCE AND EDUCATION



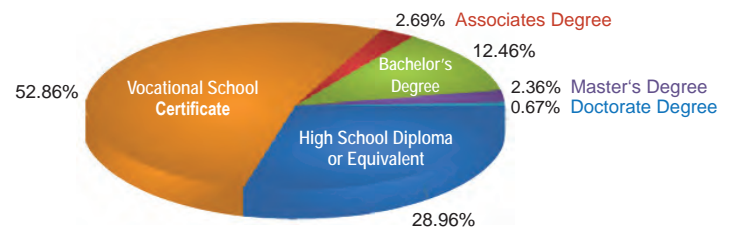
Fay-Penn's Workforce Development Initiative's goal is to support long-term economic growth. The methodology is a convergence of two traditional approaches to workforce development; place-based and sector-based development. Through this combined approach, Fay-Penn assists employers in finding the human capital resources to remain competitive in their industry (sector-based development) while providing sustainable local employment opportunities (place-based development). Partnerships are established between the "end-users" of the available human capital (the employers) and the "supply-side" of the equation (the training/educational providers). In addition to establishing alliances with local businesses, financial institutions, prospective employers, Workforce Investment Board, municipal governments, chambers-of-commerce, and education providers, the staff attended numerous workforce development conferences and provided a myriad of support and assistance services (as illustrated in the list on the previous page). The staff also worked to maintain in-depth workforce databases, job and labor market analyses, and vocational/technical educational information. The information is used to identify training/education shortfalls, evaluate available resources, and recommend potential funding sources.

FAYETTE BUSINESS EDUCATION PARTNERSHIP

Fay-Penn continued its participation in the Fayette Business Education Partnership (FBEP), a collaborative effort between Fay-Penn, the Fayette Chamber of Commerce, businesses, educators, legislatures, and other community groups. The FBEP gathers a group of individuals with incongruent perspectives of the workforce training and education processes to reach

a common goal: an educated workforce to inculcate a thriving economy. This goal is accomplished by reviewing the county's education and training infrastructure, legislative climate, and providing feedback for systemic improvements. Working hand-in-hand with the FBEP, Fay-Penn will provide program coordination coupling businesses seeking interns and participating educational facilities.

Education Requirements on Advertised Jobs



WORKFORCE DEVELOPMENT FUND

Fay-Penn established a Workforce Development Fund using proceeds from its annual dinner auction event. It has implemented a number of initiatives to address critical economic development issues from a holistic (educational and vocational) position. Recent interviews with business professionals identified a common issue in finding qualified applicants as the lack of formal training and skill-specific qualifications. The Fund will assist in addressing the "skills-gap" by supporting the following types of initiatives:

- Internships to allow students to gain entry-level work skills
- General Education Development (GED) testing grants
- Vocational education and training
- Chambers-of-Commerce Student(s) of the month/year sponsorships

LOCAL ECONOMY INITIATIVE

Fay-Penn's Local Economy Initiative had much excitement and success in 2013. This initiative, which began in 2008, focuses its efforts on making Fayette County more economically self-sustainable, and involves the Buy Local Program, local farmers markets, agriculture policy work and other community and neighborhood involvement. More than \$85,000 in grants were secured from the Appalachian Regional Commission for expansion and continued development of the Buy Local program and the Laurel Highlands Visitors Bureau for marketing. Significant effort is put into marketing and promoting local initiatives including producing the "Be Local Buzz" newsletter, which is published in the Herald-Standard each month as well as hosting the "Locally Yours" radio show live on WMBS 590AM each Friday from 11:15 a.m. -12 p.m. Some of the 2013 activities included:



USCAA NATIONAL BASKETBALL TOURNAMENT

The USCAA National Basketball Tournament was held at Penn State Fayette - The Eberly Campus in February 2013. This tournament brings in more than \$400,000 to the local economy each year. Fay-Penn was active in connecting the association with local businesses for sponsorship and support. It helped organize a downtown Uniontown event in which 20+ teams attended and enjoyed dinner at several local

restaurants, attended a Monte Carlo event at the State Theatre and a craft/local vendor fair at the Fayette Building. A visit of approximately 100 Uniontown Area Senior High School students was organized to enjoy one of the games and take a tour of the campus. The tournament was successful, had more attendance than ever and brought a greater awareness of the tournament to Fayette County.



FARMERS MARKETS

The 2013 Farmers Markets had a successful year. Eight different farmers attended with an average of 150 consumers per market for the 2013 season. Fay-Penn estimates that the farmer's markets resulted in an economic impact of over \$126,000 for the local farmers and vendors who are raising or processing farm market products.

In addition, Fay-Penn added Greensboro Farmers Market to the roster and continued to hand out Buy Local Bucks to the first 20 customers that presented their Buy Local Card at the market.

Major
Priorities:

- Increasing local sustainable agriculture
- Creating local independent business networks
- Environmental sustainability
- Alternative energies and independence
- Public policy issues



The Buy Local Network celebrated three years of successful, sustainable business practices and community involvement. Since its inception in April of 2010, the Buy Local Network has grown to include over 100 local, independently owned businesses and numerous additional partners. The network grew by 28 businesses in 2013. On Earth Day 2013, the Buy Local network unveiled its website upgrades including the ability for business owners and managers to upload their own coupons to the site at buylocalfayette.org.

THIRD ANNUAL BUY LOCAL SUMMIT

In October 2013, the 3rd Annual Buy Local Summit was held at Christian Klay Winery in Farmington with special keynote speaker PA Secretary of Agriculture, George Greig. The event was well attended with approximately 100 attendees. Secretary Greig talked about the importance of continuing to buy from local farmers and locally owned businesses. He added that Pennsylvania is within an 8-hour drive for 80 percent of all people living in the United States, and would like to see Pennsylvania farmers be able to take advantage of this statistic and provide food to all these people.



PA Secretary of Agriculture, George Greig speaking at the Buy Local Summit

BUY LOCAL HOLIDAY GIVEAWAY

For the second year, Fay-Penn sponsored the Buy Local Holiday Giveaway, which started on Black Friday and ran through the middle of December. The purpose of this promotion is to encourage residents to shop locally for the holidays. Nearly 200 people sent in their receipts from Buy Local establishments for a chance to win two great prizes.



COMMUNITY DISCOUNT SAVINGS CARD EXPANDED INTO GREENE COUNTY

Mission

... to maintain and strengthen the local economic vitality ensuring that Fayette County sustains vibrant, livable communities with healthy people and ecosystems. The goal is to educate and inform residents and visitors to Fayette County, Pennsylvania of the positive economic impact on the area and the value of shopping at independent retailers first and supporting local businesses and the importance of reinvesting in our communities.

The Fayette County Buy Local Community Discount Card, unveiled in 2012, was distributed to 20,000 Herald-Standard and Greene County Messenger home delivery subscribers. In December 2013, the Buy Local Program partnered with the Greene County Messenger to offer a Buy Local Community Discount Card to more than 3,000 Greene County residents. Cards were distributed to 1,500 Greene County Messenger subscribers via direct mail and 1,600 Waynesburg residents via door-to-door drop-offs. Eighteen (18) new Greene County businesses are part of the Buy Local Program offering discounts to cardholders. Fay-Penn is working with Greene County economic and civic leaders to identify the most effective way to continue to grow this partnership.

For a listing of participating businesses visit buylocalfayette.org

FINANCIAL STATEMENTS

Fay-Penn Economic Development Council and Laurel Hill Development Corporation

COMBINED

Statement of Activities For the Year Ended December 31, 2013

CHANGES IN NET ASSETS:

SUPPORT AND REVENUES

Grants	\$ 1,937,684
Contributions	\$ 3,464
Member Contributions	\$ 68,640
Loan and Administration Fees	\$ 52,409
Building Rental Income	\$ 1,957,861
Gas Lease Revenue and Royalties	\$ 336,750
Interest-Revolving Loan Fund	\$ 218,858
Investment Interest and Dividends	\$ 34,716
Annual Dinner	\$ 41,720
Gain on Sale of Assets	\$ 448,591
Other	\$ 23,695

TOTAL SUPPORT AND REVENUES \$ 5,124,388

EXPENSES

Management and Administration	\$ 470,813
Building Expenses	\$ 863,487
Depreciation	\$ 850,053
Repairs and Maint. - Grant Expenses	\$ 1,744,478
Other	\$ 198
Revolving Loan Program	\$ 180,562
Workforce and Educational Program	\$ 55,059
Local Economy Initiative	\$ 393,030
Property Development & Operations	\$ 156,670
Marketing, Annual Dinner & Annual Report	\$ 243,874

TOTAL EXPENSES \$ 4,958,224

Increase (Decrease) in Net Assets \$ 166,164

Net Assets:

Net Assets-January 1, 2013	\$ 42,472,469
Increase (Decrease) in Net Assets	\$ 166,164

NET ASSETS - DECEMBER 31, 2013 \$ 42,638,633

Statement of Financial Position For the Year Ended December 31, 2013

ASSETS

Cash and Cash Equivalent	\$ 9,022,254
Accounts Receivable, Net of Allowance	\$ 2,800,817
Other Assets	\$ 185,665
Revolving Loan Fund	
-Cash and Cash Equivalent	\$ 4,216,243
-Loans Receivable, Net of Allowance	\$ 4,733,800
-Est. Receivable under Loan Guarantee Program	\$ 50,000
Property, Plant & Equipment	
Net of Account Depreciation	\$ 28,269,623

TOTAL ASSETS \$ 49,278,402

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable	\$ 1,240,586
Accrued Expenses	\$ 275,125
Security Deposits	\$ 160,221
Deferred Revenue	\$ 883,909
Mortgage Payable	\$ 4,079,928

TOTAL LIABILITIES \$ 6,639,769

Net Assets:

Unrestricted:

Revolving Loan Fund	\$ 14,039,418
Operating	\$ 28,554,125
Total Unrestricted	\$ 42,593,543

Temporarily Restricted:

Operating	\$ 45,090
-----------	-----------

Total Net Assets \$ 42,638,633

TOTAL LIABILITIES AND NET ASSETS \$ 49,278,402

Fay-Penn Economic Development Council

Statement of Activities For the Year ended December 31, 2013

CHANGES IN NET ASSETS:

SUPPORT AND REVENUES

Grants	\$ 203,932
Contributions	\$ 3,464
Member Contributions	\$ 68,640
Contribution from Affiliate	\$ 1,035,297
Loan and Administration Fees	\$ 48,384
Building Rental Income	\$ 1,957,861
Gas Lease Revenue and Royalties	\$ 336,750
Interest-Revolving Loan Fund	\$ 218,858
Interest Income - Other	\$ 10,724
Annual Dinner	\$ 41,720
Gain on Sale of Assets	\$ 448,591
Other	\$ 19,731

TOTAL SUPPORT AND REVENUES \$ **4,393,952**

EXPENSES

Management and Administration	\$ 466,904
Building Expenses	\$ 834,585
Depreciation	\$ 850,053
Revolving Loan Program	\$ 180,562
Workforce and Educational Program	\$ 55,059
Local Economy Initiative	\$ 393,030
Property Development & Operations	\$ 156,670
Marketing, Annual Dinner & Annual Report	\$ 243,874

TOTAL EXPENSES \$ **3,180,737**

Increase (Decrease) in Net Assets \$ 1,213,215

NET ASSETS

Net Assets-January 1, 2013 \$ 30,199,543
Increase (Decrease) in Net Assets \$ 1,213,215

NET ASSETS - DECEMBER 31, 2013 \$ **31,412,758**

Statement of Financial Position as of December 31, 2013

ASSETS

Cash and Cash Equivalent	\$ 3,626,691
Accounts Receivable, Net of Allowance	\$ 200,817
Other Assets	\$ 185,665
Revolving Loan Fund	
-Cash and Cash Equivalent	\$ 4,216,243
-Loans Receivable, net of Allowance	\$ 4,733,800
-Est. Receivable under Loan Guarantee Program	\$ 50,000
Property, Plant & Equipment, Net of Acc. Depr.	\$ <u>27,821,693</u>

TOTAL ASSETS \$ **40,834,909**

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 40,586
Accrued Expenses	\$ 275,125
Security Deposits	\$ 160,221
Deferred Revenue	\$ 883,909
Notes Payable	\$ 4,079,928
Loans Payable - Laurel Hill Dev.	\$ <u>3,982,382</u>
Total Liabilities	\$ 9,422,151

Total Unrestricted Net Assets \$ 31,367,668

Temporary Restricted Net Assets \$ 45,090

Total Net Assets \$ 31,412,758

TOTAL LIABILITIES AND NET ASSETS \$ **40,834,909**

Laurel Hill Development Corporation

Statement of Activities For the Year ended December 31, 2013

CHANGES IN NET ASSETS:

SUPPORT AND REVENUES

Grants	\$ 1,733,752
Investment Income	\$ 23,992
Administrative Fees	\$ 4,025
Other	\$ <u>3,964</u>

TOTAL SUPPORT AND REVENUES \$ **1,765,733**

EXPENSES

Management and Administration	\$ 3,909
Building Expenses	\$ 28,902
Repairs and Maint. - Grant Expenses	\$ 1,744,478
Contribution to Affiliated Organization	\$ 1,035,297
Other	\$ <u>198</u>

TOTAL EXPENSES \$ **2,812,784**

Increase (Decrease) in Net Assets \$ (1,047,051)

NET ASSETS:

Net Assets-January 1, 2013 \$ 12,272,926
Increase (Decrease) in Net Assets \$ (1,047,051)

NET ASSETS - DECEMBER 31, 2013 \$ **11,225,875**

Statement of Financial Position as of December 31, 2013

ASSETS

Cash and Cash Equivalent	\$ 5,395,563
Accounts Receivable	\$ 2,600,000
Loan Receivable - Fay-Penn	\$ 3,982,382
Net Fixed Assets	\$ <u>447,930</u>

TOTAL ASSETS \$ **12,425,875**

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 1,200,000
Total Net Assets - Unrestricted	\$ <u>11,225,875</u>

TOTAL LIABILITIES AND NET ASSETS \$ **12,425,875**

BOARD OF DIRECTORS

May 2014

Chairman	1st Vice Chair	2nd Vice Chair	Treasurer	Secretary	Asst. Sec.	Past Chair	
 William B. Blaney VP/General Manager Blaney Farms	 James Foutz Managing Partner McClure & Wolf	 Mark Fike Acct. Exec., Sprowls Insurance Group	 Lawrence J. Kiefer Treasurer Scottdale Bank & Trust	 Deborah Fox Site Manager BAE Ground Systems	 Leo T. Krantz, Jr. Past Chairman Fay-Penn	 Steve Neubauer Pres./General Manager Neubauer Flowers, Inc.	
 Al Ambrosini Chairman, Fayette County Board of Commissioners	 Ed Balling President Fairchance Construction	 Dave Berish President Berish Agency, Inc.	 Brian Boyle President Uniontown Country Club	 Nancy Dean Burke General Manager Microdiamant	 Todd Casteel President & CEO Casteel Corporation	 John F. Coleman Financial Advisor, Janney Montgomery Scott	 Michelle Cunningham Chief Executive Officer Highlands Hospital
 Henry A. Dunham Vice President First Federal Bank	 Ed Fike Mayor City of Uniontown	 Edward J. Franczyk Market President United Bank	 George Franks President Masontown Trophy	 Wayne Freed Vice Pres., Business Banking First National Bank	 Dan Gearing Mgr., Specialty Conduit & Manufacturing, LLC	 James Gnagey Owner Gnagey Gas & Oil, Inc.	 John Hart President & CEO Gallatin Fuels, Inc.
 Max R. House, Jr. President House Financial Service	 William K. Jackson Owner Jackson Farms	 Dr. Ed Jeffreys Exec. Dir., Fayette County Career & Technical Institute	 Senator Richard Kasunic (D) District 32, PA Senate	 Corbin Kearns Plant General Manager Johnson Matthey	 Bryan S. Kisiel Managing Shareholder Kisiel & Associates, PC	 Sharon Klay Owner/President Christian W. Klay Winery	 Terri Knupp Area Mgr., First Energy/ West Penn Power
 Raymond J. Koffler, II Senior Vice President PNC Bank	 Elio A. Legge VP/Branch Mgr. First Niagara Bank, N.A.	 Greg Lincoln Mayor, City of Connellsville	 Vicki Marietta Owner, Backyard Gardens, LLC	 Pat McCulloch Partner, Computer Trends/ OffSite DataSafe	 Robert McKeown Owner Ball Transfer Systems	 James Means Fayette County Assoc. of Twp. Supervisors	 Pam Moore General Manager Uniontown Mall
 Dennis Noonan VP of Sales, Nemacolin Woodlands Resort & Spa	 Gregory A. Parsons Owner, Parsons Insurance Services	 Bob Pinarski Vice President/Publisher Uniontown Newspapers	 George Rattay Retired	 Frank Ricco Secretary/Treasurer Brownsville Bus Lines	 Charmaine Sampson Administrative Assistant The Eberly Foundation	 Terrance Shallenberger President Shallenberger Construction	 Jerry Shimko Senior Territory Mgr. Ford Business Machines
 Eli Shumar, Jr. President, Shumar's Welding & Machine Service, Inc.	 Rusty Smalley President George R. Smalley Co., Inc.	 Reid Smith Loan Officer Bridgeway Capital	 Pat Stefano President Stefano's Printing	 Mark Wasler President Kingfish Worldwide, Inc.	 Fred E. Wright President Ohiopyle Prints, Inc.	 Edward Yankovich Vice President International UMWA Dist. #2	

SPECIAL THANKS & ACKNOWLEDGEMENTS

Fay-Penn received financial support from individuals and businesses who share in the same desire of strengthening Fayette's economy. Fay-Penn takes this opportunity to acknowledge and say "Thank You" to the following who have provided significant financial support to both projects and programs in 2013, and to the 137 area businesses, organizations and individuals listed below whose annual financial contributions have aided in Fay-Penn's success.

\$1,000 - \$10,000

- Pennsylvania Department of Agriculture

\$10,001 - \$100,000

- Pennsylvania Department of Community and Economic Development
- Laurel Highlands Visitors Bureau
- U.S. Appalachian Regional Commission

Over \$100,000

- U.S. Dept. of Agriculture, Rural Development
 - Farmers Market Development
 - Rural Microenterprise Assistance Program

2013 MEMBERSHIP

84 Lumber
AAA East Central
Advanced Acoustic Concepts
Anatomical Designs LLC
Atlantic Broadband
BAE Systems
Backyard Gardens
Ball Transfer Systems, LLC
Bear Construction
Berish Agency, Inc.
Berkley Medical
Blaney Farms, Inc.
Bridgeway Capital, Inc.
Brodak's Shop-N-Save
Brother's Lazer Service, Inc.
Brownsville Bus Lines
Brownsville Marine Products, LLC
Builders Association of Fayette County
Carlisle Construction Materials dba Hunter Panels
Catalyst Connection
Centennial Chevrolet
Chevron, U.S.A. Inc.
Christian W. Klay Winery
City of Connellsville
City of Uniontown
Columbia Gas of PA., Inc.
Computer Trends, LLC
Connellsville Area School District
Connellsville Chamber of Commerce
Connellsville Redevelopment Authority
Dairy Queen of SWPA, Inc.
DeFrank Development
Demco Excavating, Inc.
Donald M. Miller, Inc.
Fairchance Construction Co.
Fayette Chamber of Commerce
Fayette Co. Behavioral Health Admin.
Fayette Co. Career & Technical Institute
Fayette Co. Housing Authority
Fayette Parts Service, Inc.
Fiesta, John A. Agency
First Energy/West Penn Power Co.
First Federal Savings & Loan of Greene Co.
First Federal Savings Bank
First National Bank of PA
First Niagara Bank
Ford Business Machines

Gallatin Fuels
Gene & Boots Candies, Inc.
George, Port & George
George R. Smalley Co., Inc.
Gerome Manufacturing Co., Inc.
Gnagey Gas & Oil Co. Inc.
Goodwill Industries of Fayette Co.
Greater Uniontown Heritage Consortium/
State Theatre Center for the Arts
Hazemag, USA Inc.
Highlands Hospital
Holt & Bugbee Hardwoods
House Financial Services
Jackson Dairy Farm
Janney Montgomery Scott, LLC
Johnson Matthey, Inc.
Kasunic, Richard, Senator
Kingfish Worldwide
Kisiel & Associates PC
Koval Building & Plumbing Supply
Krantz, Leo T. Jr.
Laurel Business Institute
Laurel Highlands School District
Laurel Machine Co.
Masontown Borough
Masontown Trophy & Embroidery Co.
McClure and Wolf, LLP
McMillen Engineering
Meloni's Restaurant
MLP Steel
Microdiamant USA, Inc.
Nationwide Payment Solutions
Nemacolin Woodlands Resort & Spa
Neubauer's Flowers, Inc.
North Fayette County Mun. Authority
O.C. Cluss Lumber Co., Inc.
Ohiopyle Prints, Inc.
Parsons Insurance Services, LLC
Penn State Fayette - The Eberly Campus
Plumbers & Pipefitters #354
PNC Bank
PSI Packaging Services, Inc.
Ptak's
Redevelopment Authority of the City of Uniontown
Redevelopment Authority of the County of Fayette
Sampson, Charmaine L.
Scottdale Bank & Trust Co.

Sensus Metering Systems
Sepic Orthodontics
Shallenberger Construction
Shane Felter Industries
Sisters of the Order of St. Basil the Great
Somerset Trust Company
Specialty Conduit & Manufacturing, LLC
Sprowls Insurance Group
Stefano's Printing, Inc.
Stephen R. Haky Funeral Home
Township of Brownsville
Township of Bullskin
Township of Georges
Township of German
Township of Lower Tyrone
Township of Luzerne
Township of Redstone
Township of Saltlick
Township of Springfield
Township of Springhill
Township of Upper Tyrone
Township of Wharton
Tribune Total Media, Inc.
Uniontown Area School District
Uniontown Country Club
Uniontown Hospital
Uniontown Mall
Uniontown Newspapers, Inc.
United Bank
United Dairy
United Mine Workers of America
United Network Services, Inc.
Vermin Control Co.
Vertex Outsourcing, LLC
Vitalink
W.R. Casteel a Div. of Gill Simpson
Webster & Webster
West Penn Warehousing
Western PA Conservancy/Fallingwater
Westmoreland County Community College
Westmoreland-Fayette WIB
William B. Kania & Associates, LLC
Wize Guyz Food Service, LLC
WSW Holdings, Inc.
ZRM Enterprises



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