

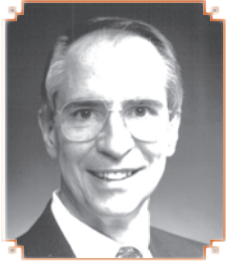
Fay-Penn

Economic
Development
Council

2006 Annual Report

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Leo T. Krantz, Jr..
Chairman

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I would like to welcome you to Fay-Penn's 2006 Annual Report. Last year growth was occurring in many industry sectors at levels unprecedented in recent history. And I am pleased to report that it still is.

With each passing year we are receiving greater feedback from employers that they are seeking to hire more people, and in some cases, they are not able to find them. In fact, Fay-Penn has twice surveyed approximately forty of our county's largest employers, and they continually report plans to hire more people. As recently as March of 2007, they have indicated a need to hire approximately 1,900 new employees over the next 12 to 18 months ... and this is only forty companies. In Fayette County, according to Pennsylvania Department of Labor and Industry, there are over 2,900 active businesses. We are not sure as to what level they are active, but we do know that the hiring by the major employers, especially in manufacturing, technology and health care, creates more opportunities in the service sectors. Growth is definitely occurring. While the County may physically have the number of people to fill these positions, that would result in a local unemployment rate of around 2%, we do not have the number of people with the right skill levels or education to meet the minimum requirements to fill these positions.

We are truly entering into a new era in Fayette County's history. Employment opportunities abound in different industries, occupations, at multiple pay and benefit levels. This has not happened in Fayette County for 60 years! In order to take advantage of these opportunities, we must be focused on improving the communication between these employers, our educators, workforce providers and our community. We all must work together if we are to improve in these areas. Our businesses need to take the time to become involved in our public schools, helping with career education and curriculum design. Parents need to do the same thing and inspire their children to pursue new occupations. We must invest in our schools and our teachers. Our workforce systems must engage in raising the level of service and provide increased funding for retraining. So much needs to be done.

On behalf of the Board of Directors, we encourage you to become aware of the progress being made that is leading to new opportunities for growth across industry sectors throughout Fayette County. The issue we now face is no longer how to create growth, but rather how much and what type and quality of growth do we want to have. As an organization devoted to the well being of Fayette County, Fay-Penn looks forward to working with the community and other organizations as we enter this new era of tremendous opportunity. All of us should proceed together confidently with renewed enthusiasm and unprecedented optimism.

A handwritten signature in black ink, appearing to read "Leo T. Krantz, Jr.".

ORGANIZATION OVERVIEW

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 (jobs) 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 and by providing superior services to its clients. The organization primarily focuses on the manufacturing sector in addition to a concentration on tourism and infrastructure development. The objectives and strategies listed here summarize initiatives in which Fay-Penn is involved.

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 142 members, funding comes from various local,

Staff

President



Michael W. Krajovic
President & CEO

Accounting



Linda Yuhaniak
Acct. Manager



Brenda Sapic
Sr. Acct. Asst.



Debbie Williams
Acct. Assistant



Beth Wehner
Educ./Workforce
Dev. Specialist

Education

Administrative Staff



Denise King
Executive
Assistant



Julie Paull
Admin.
Assistant



Tracy Klink
Secretary



Rosemary Jennings
Part-Time
Secretary

Asset and Contract Management



Tina W. Wargo
Asset & Contract
Dept. Manager



Robert Biddle
Construction
Project Rep.



Ron Cole
Construction
Project Coord.



Twila Kendall
Tech. Assistance
Specialist

Economic Development



Barry Seneri
Economic Dev.
Manager



Michael Jordan
Economic Dev.
Specialist



Dana Kendrick
Economic Dev.
Specialist



Sue Quinn
Workforce Dev.
Specialist

PRIMARY GOALS

Provide superior economic development services that meet the needs of Fayette County by building local capacity and capabilities.

Generate new commerce by revitalizing commercial areas through community and tourism development initiatives.

Provide services to ensure that Fayette County has a qualified workforce to accommodate world-class industry.

Encourage development at existing and future business sites.

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 following types of assistance, wherever possible, to ensure the successful completion of their business location, expansion, or start-up projects, i.e.

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

The year 2006 was another successful year for Fay-Penn's Revolving Loan Fund (RLF). Originally established in 1993, the RLF had grown from \$1 million to \$13.8 million at the end of 2006. The RLF is comprised of seven separate programs that assist eligible businesses by funding capital expansion projects in fixed assets, such as new equipment and facilities at low interest rates. Five projects received \$380,450 in financing assistance through the RLF in 2006. These projects generated additional private investment of \$396,250 and resulted in the creation and/or retention of 26 jobs. To date, 119 projects have been financed involving over \$41 million in private investment and the potential creation and/or retention of 3,626 jobs.



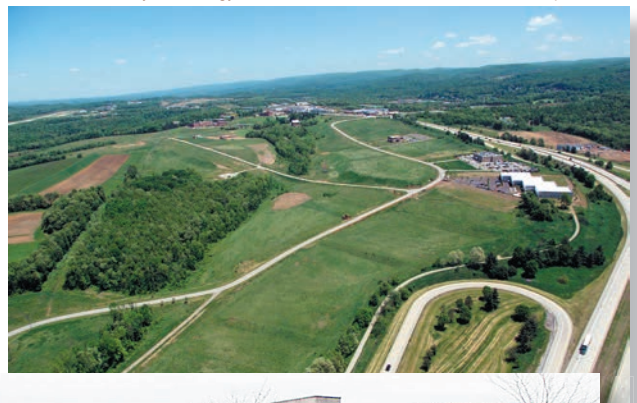
Fay-Penn's Multi-Tenant Building, University Technology Park, North Union Township

REAL ESTATE

Fay-Penn owns, operates and maintains ten buildings, offering 358,934 sq. ft. of space to existing and potential tenants - 84% filled to capacity - and operates and maintains three business development sites (owned by Fayette Industrial Fund, a sister organization) totaling 660 acres, 348 of which are ready for immediate development. Fay-Penn also owns another 1,158 acres of land in three different locations for future development.

In 2006, Fay-Penn completed an \$850,000 infrastructure development expansion project at the Fayette Business Park with funding from the Commonwealth of Pennsylvania which resulted in the preparation of approximately 55 acres for immediate development and completed a 10,000 sq. ft. expansion to an existing 25,000 sq. ft. building to accommodate an expansion by Vertex Outsourcing. These two projects resulted in the creation of 66 new jobs by Hunter Panels and the creation/retention of 357 jobs at Vertex.

University Technology Park, Route 119 North, North Union Township



Fayette Business Park, Georges Township.



Fay-Penn Building occupied by Vertex Outsourcing at the Fayette Business Park

2006 Summary of Completed Projects

2006 Business Development Projects

| | <u>Jobs Created/Retained*</u> |
|-------------------------------|-------------------------------|
| Dynamic Materials Corp. | ** |
| Gerome Mfg Co. Inc. | 85 |
| Glass Mart | 1 |
| Green Filter USA | 5 |
| Ground Force Marketing | 15 |
| Habitat For Humanity | 3 |
| Hunter Panels, Inc. | ** |
| International Liner | ** |
| Parametric Technology Corp. | 125 |
| S. Mullen & Co. | 5 |
| Tank Solutions, Inc. | 18 |
| Teleperformance | 182 |
| Universal Well Services, Inc. | 60 |
| Vertex Outsourcing | ** |
| Total: | 499 |

2006 New Project Results Overview

| | |
|----------------------------|--------------|
| Completed Projects | 14 |
| Jobs Created & Retained* | 499 |
| Increase in Annual Payroll | \$24,428,415 |
| Increase in Annual Tax | \$ 966,066 |
| New Investment | \$15,381,700 |
| Public Financing | \$ 8,089,450 |
| Private Investment | \$ 7,292,250 |

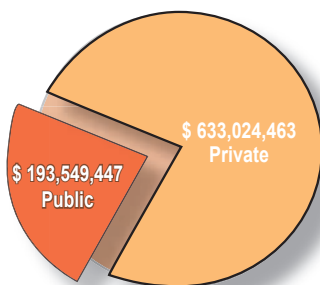
* The data recorded are based upon information provided - and three year projections committed to - by the companies.

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

1992 - 2006

Key Performance Indicators:

Total Completed Projects: **226**



New Investment Dollars:
\$ 826,573,910

New Annual Payroll Dollars Generated:
\$ 130,587,205

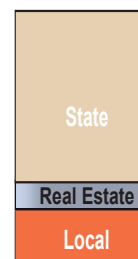
Job Creation & Retention:

7,232

| | |
|-----------|----------|
| Retention | Creation |
|-----------|----------|

New Construction Dollars:

\$ 475,373,368



New Annual Taxes Generated:

\$ 5,726,331

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

BUSINESS DEVELOPMENT highlights

Hunter Panels, a leading manufacturer of rigid polyisocyanurate roof insulation, began operations in a new 200,000 sq. ft. building located in the Fayette Business Park, Georges Twp. The company manufactures and distributes insulation building products that are used in commercial and industrial roofing and construction projects. This project resulted in approximately \$15.3 million in new investment and the creation of 66 jobs in Fayette County over the next three years.



Headquartered in Boston, Massachusetts, **Parametric Technology Corp. (PTC)**, develops, markets and supports software solutions that assist manufacturing, services, publishing and government organizations in improving the competitiveness of their products and product development processes. The location of this company in downtown Uniontown was a joint effort between Governor

Rendell, the Governor's Action Team, the Allegheny Conference and Fay-Penn. It is anticipated that this project will result in the creation of 125 engineering jobs within three years.

Fay-Penn expanded its 25,000 sq. ft. building in the Fayette Business Park, Georges Township by 10,000 sq. ft. at an approximate cost of \$1.6 million to accommodate the needs of **Vertex Outsourcing**, a call center management service for Columbia Gas. The project resulted in the creation and/or retention of approximately 357 jobs.



Dynamic Materials Corp. (DMC), located in Mt. Braddock, manufactures explosion welded clad from combinations of metals or alloys. Working with the Governor's Action Team, Fay-Penn assisted the company in securing \$2.1 million from the Commonwealth for the purchase of new equipment and customized job training, as part of a major business expansion. The project resulted in the retention of 90 new jobs.





Universal Well Services, Inc., a division of Patterson UTI Energy headquartered in Meadville, PA, constructed a new 30,000 sq. ft. facility in the Greater Uniontown Business Park, North Union Township. The company will provide pressure pumping services for the oil and gas industries. This project is expected to result in an estimated new capital investment of \$3.5 million and the creation of 30 jobs in Fayette County.

Fay-Penn provided a \$114,600 loan to assist in financing \$429,000 in new machinery and equipment for **International Liner, Green Filter and Ground Force Marketing**, three automotive manufacturing and distribution companies operated in one location in the Greater Uniontown Industrial Park, Mt. Braddock. **International Liner** (manufactures and distributes bedliners and exports them to over 60 international countries.) **Green Filter** produces and distributes high performance air filters and intakes for vehicles, and **Ground Force Marketing** manufactures suspension lowering kits and components for vehicles. The project is expected to result in the retention of 26 jobs and the creation of 9 new jobs.



In business since 1957, **Gerome Manufacturing Company, Inc.** has become a well known producer of custom precision sheet metal products, bus bar and metal-working. Fay-Penn provided location assistance by providing the company with 75,000 sq. ft. of manufacturing space in its 120,000 sq. ft. multi-occupancy building located in North Union Township. This project supported the company in the consolidation of its production and operation from two separate locations. The project resulted in the retention of 85 jobs.

Fay-Penn constructed a parking lot expansion project at its multi-tenant facility in Redstone Township to provide parking for additional employees at **Teleperformance**, a customer call center operation that leases 33,500 sq. ft. in this 43,500 sq. ft. building. Teleperformance currently employs 385 people at this location with plans to add 200 new jobs.



Fay-Penn assisted **Glass Mart**, a retail/service glass shop specializing in glass repair and replacement services, by providing a \$40,000 loan to assist in financing the purchase of commercial property in Uniontown to expand their operation. Glass Mart also provides window and door glass, insulated glass, custom mirrors, furniture tops, screen repair, and store fronts at reasonable rates. This \$100,000 expansion will result in the creation of 2 jobs.

Fay-Penn assisted in locating **Tank Solutions, Inc.** in Fayette County. The company sandblasts and paints large propane tanks, most types of farm equipment, and other products. Due to steady business growth, the company outgrew its existing facility in Scottdale, PA and acquired a 16,000 sq. ft. facility in Smock, Fayette County. This project resulted in new private investment of \$500,000 and the location of 18 jobs.



Small Business Development



Fay-Penn's Small Business Development Program answered **176 inquiries** during 2006. **Forty individuals or businesses** received technical assistance, with two businesses securing \$216,000 in financing, resulting in the creation and/or retention of 38 jobs. Continuing to be responsive to the needs of small business, Fay-Penn works with the Service Corp. of Retired Executives (SCORE) and the St. Vincent College - Small Business Development Center.



Fay-Penn met with 100 local businesses to assess

their current and future needs and provided assistance to 50 of those companies under the PA Business Retention and Expansion Program. Partnering with the Workforce Investment Board (WIB), Fay-Penn met with nine companies to market and promote job training, workforce and job placement services, resulting in 116 job placements and seven companies being awarded \$137,800 in worker training funding for 240 workers.

Southwest PA Railroad



Fay-Penn, through its affiliate organization, the Fay-Penn Industrial Development Corporation (IDC), continues to own and oversee the operation of 27 miles of rail line through Fayette County. The rail line provides rail service to nine Fayette companies.

Education Highlights



is about ...

- ≡ **Preparing** and **developing** a skilled workforce;
- ≡ **Retaining** a skilled workforce through greater job opportunities; and
- ≡ **Attracting** new residents and skilled workers by having a superior education system.

Supporting Fay-Penn's mission, **Reaching Educational Achievement with Community Help (REACH)** was created in 2001 as a unique collaborative force between the local business sector and educators in the six Fayette County school districts on district-specific and county-wide initiatives. With the intentions of providing all local youth with the hope, opportunity and empowerment that quality education affords, REACH is focused on systemic education reform to prepare the county's youth for successful lives and economic growth and sustainability with a bolstered workforce.

In 2006, REACH focused on engaging the entire community to support systemic change in education – strengthening relationships and encouraging collaboration.

Some of the efforts during 2006 include: **Advocacy**

- hosting community forums and promotional meetings; collaborating with school districts to highlight positive instructional methods and programs already in place.

Relationship Building - meeting with business partners, educators, parents, foundations and consultants to strategize solutions for county-wide change and building relationships with funders. **Career Awareness**

- working to support curriculum development and prepare young people for the workplace.

CONTRIBUTORS

- Argon ST
- Duke Energy
- Federal Enterprise Community
- National City Bank of PA
- OhioPyle Prints
- The Scottdale Bank & Trust Co

Fay-Penn recognizes, with thanks, the generous support and financial contributions from so many companies, individuals and organizations. With their support, REACH is making a difference.



Tourism Highlights

In 2006, Fay-Penn continued its efforts to establish a **TOURIST TRAIN** in Fayette County. The importance of the project is to create an attraction that will bring tourists and local residents into the downtown Uniontown and Dunbar area son weekends. Fay-Penn is working with local business to establish an excursion train to enhance the downtown revitalization efforts.



Community Development Highlights

Downtown Uniontown Revitalization



Thanks to the efforts of many, the Downtown Revitalization effort is underway to advance Fayette County as an attractive location for companies looking to expand or locate new facilities. Fayette-Penn assisted the City of Uniontown in obtaining **\$6 million in state and federal grants to support more than \$11 million in public and private investments.** Several of these projects are complete and others are currently underway as follows:

- o **257 space parking garage - Complete**
- o **“Free Parking” along Main Street - Complete**
- o **Fay. Co. Community Action Agency’s new facility - Complete**
- o **Master Plan for the Development of City Parks - Complete**
- o **State Theatre Center for the Arts renovations - Underway**
- o **City police building renovations - Underway**
- o **Morgantown/Main Streetscape improvements - Underway**

FEC Funded Projects - 2006

| | |
|---|----------|
| REACH | \$ 6,000 |
| Junior Achievement of Western PA | \$ 6,000 |
| Connellsville Area Community Ministries | \$ 6,000 |
| East End Community Center | \$ 6,000 |
| The Falcon Foundation | \$ 6,000 |
| Fayette Co. Community Action Agency | \$ 6,000 |
| City of Uniontown Police Department | \$ 6,000 |
| Keisterville Community Center | \$ 6,000 |
| Gallatin Ave. Concerned Citizens Assoc. | \$ 6,000 |
| Fayette Co. Agricultural Improvement | \$ 6,000 |
| Redstone Township | \$ 6,000 |
| Wesley Health Center | \$ 6,000 |
| Highlands Hospital | \$ 6,000 |
| Uniontown Area High School | \$12,000 |
| Menallen Elementary School | \$12,000 |
| Southside Elementary School | \$12,000 |
| Fayette Enterprise Community | \$30,000 |

Fayette Enterprise Community (FEC)

The FEC Strategic Plan includes 105 benchmark activities totaling more than \$200 million dollars targeted at local revitalization efforts in the county’s most distressed communities. **Of the 105 benchmarks, 33 have been completed, 49 are in progress,** and the remainder are inactive. Thanks to funds **appropriated by the United States Congress for 2006, the FEC funded thirteen (13) projects totaling \$140,000.**

2006 BOARD OF DIRECTORS

OFFICERS

| Chairman | President | Vice Pres. | Secretary | Treasurer |
|---|---|---|---|---|
|  |  |  |  |  |
| Leo T. Krantz, Jr. | Michael W. Krajovic | Steve Neubauer Pres./Gen. Mgr. Neubauer Flowers, Inc. | George Rattay | James Foutz, CPA McClure & Wolfe |



Paul Bacharach
President/CEO
Uniontown Hospital



Dave Berish
President
Berish Agency, Inc.



William Blaney
Sec/Treas
Blaney Farms



Brian Boyle
Exec. VP, Advanced
Acoustic Concepts, Inc.



Rep. Peter J. Daley, II (D)
Dist. 49 - PA House of Representatives



Nancy Decker
Director
Laurel Business Institute



Rep. H. Wm. DeWeese (D)
Dist. 50 - PA House of Representatives



Richard Ellsworth
Sr. VP of Operations
American Broadband



John A. Fiesta
Fiesta Insurance Agency



Kenneth Finney
Chairman
Fay. Co. Redev. Auth.



Deborah Fox
Plant Manager
BAE Systems



Edward J. Franczyk
President & CEO
Centra Bank



Robert Garrett
Dir. of Mktg.
Community Foundation



Debra Gideon
VP/Bus. Dev. Officer
Community Bank



Joe Hardy
Fayette County
Commissioner



John Hart
Sec/Treas
Gallatin Fuels, Inc.



Sonny Herring
Sec/Treas.
Woodland Zoo



Van Humbert
Pres., Connellsville
Industrial Enterprises



William S. Jackson, Jr.
Jackson Farms



Sen. Richard Kasunic (D)
Dist 32, State Senator



Lawrence J. Kiefer
Treasurer
Scottdale Bank & Trust



Raymond J. Koffler, II
VP, Dist. Sales Exec.
National City Bank of PA



Val Laub
VP/Publisher
Uniontown Newspapers



Charles Machesky
Superintendent
Uniontown Area School Dist.



Trey Matheu
Dir. of Resort Operations
Nemacolin Woodlands
Resort & Spa



Tom McGrew
Chief Eng./West. PA
Benatec Associates



Robert McKeown
Owner
Ball Transfer Systems



Dr. Emmanuel I. Osagie
Ph.D., PMP, Chancellor
Penn State Fayette



Greg Parsons
VP, CBIZ
Benefits & Insurance



Stephen A. Peters
Senior VP & Branch Mgr.
Parker/Hunter, Inc.



Donald Redman
Fayette County
Register of Wills



Judy Reed
Mayor
City of Connellsville



Frank Ricco
Sec/Treasurer
Brownsville Bus Lines



Louis Ridgley
Treasurer
NAACP



Charmaine
Sampson



Marty Schiff
Executive Director
State Theatre Center
for the Arts



James Sileo
Mayor, City of
Uniontown



Rusty Smalley
President
George R. Smalley
Electric



Linda Smith
Communities In Schools



Karen Stiles
Systems Eng. & Mfg.
Argon ST



Vincent A. Vicites
Fayette County
Commissioner



Ben E. Wright, Sr.
Senior VP, Mktg. Mgr.
FNB of PA



Fred Wright
President
Ohiopyle Prints, Inc.



Edward Yankovich
V.P., International
UMWA Dist. #2



Angela M. Zimmerlink
Chairwoman, Fay. Co.
Board of Commissioners

FINANCIAL STATEMENTS

Fay-Penn Economic Development Council

Statement of Activities January 1, 2006 thru December 31, 2006

| CHANGES IN NET ASSETS: | TOTALS |
|--|----------------------|
| SUPPORT | |
| Contributions | \$ 683,000 |
| Grants | \$ 1,515,976 |
| Member Contributions | \$ 42,320 |
| Total Support | \$ 2,241,296 |
| REVENUES | |
| Loan and Administration Fees | \$ 286,864 |
| Rental Income | \$ 1,536,259 |
| Interest-Revolving Loan Fund | \$ 352,336 |
| Interest-Other | \$ 46,598 |
| Annual Dinner | \$ 20,400 |
| Other | \$ 13,328 |
| Total Operating Revenues | \$ 2,255,785 |
| TOTAL SUPPORT AND REVENUES | \$ 4,497,081 |
| EXPENSES | |
| Program: | |
| Revolving Loan Fund | \$ 326,345 |
| SWPA Business Retention & Expan. Prog. | \$ 42,883 |
| Buildings | \$ 434,886 |
| Marketing | \$ 13,587 |
| Federal Enterprise Community Admin. | \$ 35,248 |
| Keystone Opportunity Zone Program | \$ 49,444 |
| REACH | \$ 154,955 |
| Cable Tourism Channel | \$ 117,252 |
| Downtown Uniontown Revitalization | \$ 147,314 |
| Fayette Forward | \$ 5,579 |
| Total Program Expenses | \$ 1,327,493 |
| Support Services: | |
| General Administration | \$ 763,874 |
| Business Assistance | \$ 321,609 |
| Tourism Development | \$ 61,184 |
| IDC Administration | \$ 124,722 |
| Total Support Services | \$ 1,271,389 |
| TOTAL EXPENSES | \$ 2,598,882 |
| Increase in Net Assets | \$ 1,898,199 |
| Net Assets: | |
| Net Assets-January 1, 2006 | \$ 20,697,721 |
| Increase in Net Assets | \$ 1,898,199 |
| Net Assets - December 31, 2006 | \$ 22,595,920 |

Statement of Financial Position as of December 31, 2006

| | |
|---|----------------------|
| ASSETS | |
| Cash and cash equivalent | \$ 1,433,418 |
| Accounts Receivable | \$ 575,792 |
| Other Assets | \$ 25,553 |
| Revolving Loan Fund | |
| -Cash | \$ 4,631,087 |
| -Loan Receivable: | |
| Capital Loans | \$ 2,993,118 |
| Fayette Industrial Fund | \$ 2,379,887 |
| Fay-Penn Industrial Dev. Corp. | \$ 40,000 |
| -Investments-Loan Guarantee Program | \$ 300,000 |
| Other Assets | \$ 19,640,749 |
| TOTAL ASSETS | \$ 32,019,604 |
| LIABILITIES AND NET ASSETS | |
| Liabilities: | |
| Accounts Payable | \$ 147,821 |
| Accrued Expenses | \$ 61,095 |
| Security Deposits | \$ 123,443 |
| Deferred Revenue | \$ 27,208 |
| Mortgage Payable | \$ 9,064,117 |
| Total Liabilities | \$ 9,423,684 |
| Net Assets: | |
| Unrestricted: | |
| Designated | \$ 729,887 |
| Revolving Loan Fund | \$ 13,568,237 |
| Operating | \$ 8,032,129 |
| Total Operating | \$ 22,330,253 |
| Temporarily Restricted: | |
| Revolving Loan Fund | \$ 250,000 |
| Operating | \$ 15,667 |
| Total Revolving Loan Fund | \$ 265,667 |
| Total Net Assets | \$ 22,595,920 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 32,019,604 |



Fay-Penn Industrial Development Corporation

Statement of Activities
January 1, 2006 thru December 31, 2006

| CHANGES IN NET ASSETS: | TOTALS |
|---|---------------------|
| SUPPORT AND REVENUES | |
| Grant - PA Dept. of Transportation | \$ 235,000 |
| Grant Match - Southwest PA Railroad | \$ 100,714 |
| Contributions from Affiliated Organizations | \$ 240,451 |
| Contribution from Hunter Panels, LLC | \$ 105,000 |
| Land easements & leases | \$ 40,235 |
| Shortline operator lease | \$ 7,479 |
| Investment income | \$ 1,542 |
| Tourism Train Track Rental | \$ 988 |
| TOTAL SUPPORT AND REVENUES | \$ 731,409 |
| EXPENSES | |
| Management and administration | \$ 48,688 |
| Real Estate Taxes | \$ 1,686 |
| Omega Rail Commission | \$ 11,879 |
| Rail Repair & Maintenance | \$ 646,319 |
| TOTAL EXPENSES | \$ 708,572 |
| Increase (Decrease) in Net Assets | \$ 22,837 |
| Net Assets: | |
| Net Assets-January 1, 2006 | \$ 5,721,994 |
| Increase (Decrease) in Net Assets | \$ 22,837 |
| Net Assets - December 31, 2006 | \$ 5,744,831 |

Statement of Financial Position as of December 31, 2006

| | |
|---|---------------------|
| ASSETS | |
| Cash | \$ 18,638 |
| Cash - escrow | \$ 12,847 |
| Accounts Receivable | \$ 3,916 |
| Net fixed assets | \$ 5,765,277 |
| TOTAL ASSETS | \$ 5,800,678 |
| LIABILITIES AND NET ASSETS | |
| Current Liabilities: | |
| Accounts Payable | \$ 3,000 |
| Security Deposit | \$ 12,847 |
| Long Term Liabilities: | |
| Mortgage Payable | \$ 40,000 |
| Total Liabilities | \$ 55,847 |
| Total Net Assets - Unrestricted | \$ 5,744,831 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 5,800,678 |

Fayette Industrial Fund

Statement of Revenues, Expenses and Changes
in Net Assets for the Period
January 1, 2006 thru December 31, 2006

| | |
|--|---------------------|
| REVENUES | |
| Interest on Mortgage | \$ 107 |
| Interest on Temporary Investments | \$ 17,631 |
| Membership Dues | \$ 7,250 |
| Meeting Reimbursements | \$ 737 |
| Administrative and Service Fees | \$ 5,559 |
| Park Tenant Income | \$ 5,800 |
| Revenue from Land Sales | \$ 72,986 |
| Grant from DCED | \$ 265,288 |
| Grant from CFA | \$ 3,036 |
| TOTAL REVENUES | \$ 378,394 |
| EXPENSES | |
| Administration Fees | \$ 30,000 |
| Real Estate Fees | \$ - |
| Application and Service Fees | \$ 5,579 |
| Interest Expense | \$ 58,687 |
| Insurance | \$ 3,436 |
| Office Expense | \$ 1,451 |
| Legal and Accounting | \$ 2,298 |
| Meetings | \$ 1,031 |
| Property Operations | \$ 221,645 |
| Grant Expenses-DCED | \$ 265,288 |
| Grant Expenses-CFA | \$ 3,036 |
| Other | \$ 6,074 |
| TOTAL EXPENSES | \$ 598,525 |
| Excess of Revenues Over (Under) Expenses | \$ (220,131) |
| Net Assets: | |
| Net Assets-January 1, 2006 | \$ 1,878,283 |
| Excess of Revenues Over (Under) Expenses Including Gain on Sale of Land | \$ (220,131) |
| Net Assets - December 31, 2006 | \$ 1,658,152 |

Balance Sheet as of December 31, 2006

| | |
|---|---------------------|
| ASSETS | |
| Cash in Bank | \$ 314,884 |
| Current Portion of Mortgage Receivable | \$ 1,373 |
| Accounts Receivable | \$ 11,426 |
| Noncurrent Portion of Mortgage Receivable | \$ - |
| Fixed Assets - Land and Improvements | \$ 5,994,759 |
| TOTAL ASSETS | \$ 6,322,442 |
| LIABILITIES AND NET ASSETS | |
| Current Liabilities | |
| Accounts Payable | \$ - |
| Accrued Interest Payable | \$ 115,488 |
| Current Portion of Notes Payable | \$ 18,233 |
| Deferred Revenue | \$ 108,000 |
| Long-Term Liabilities | |
| Notes Payable | \$ 4,129,887 |
| Due to Fay-Penn | \$ 292,682 |
| Total Liabilities | \$ 4,664,290 |
| Net Assets | |
| Contributed Capital | \$ 594,341 |
| Unrestricted Fund Equity | \$ 1,063,811 |
| Total Net Assets | \$ 1,658,152 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 6,322,442 |

SPECIAL THANKS AND ACKNOWLEDGEMENTS

Fay-Penn received financial support from individuals and businesses who share in the same desire of strengthening Fayette's economy. In 2006, The Eberly Foundation and The Richard King Mellon Foundation were the major contributors in support of Fay-Penn's administration. 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 2006, and to the 142 area businesses, organizations and individuals listed below whose annual financial contributions have aided in Fay-Penn's success.

\$1,000 - \$10,000

- ❖ Argon ST, Inc..
- ❖ Duke Energy
- ❖ Ohiopyle Prints
- ❖ National City Bank of PA
- ❖ Nemacolin Woodlands Resort & Spa

\$10,001 - \$100,000

- ❖ Commonwealth of PA
 - PA Bus. Retention & Expan. Program
 - Local Eco. Dev. Assistance Program
 - New Communities Program
 - Community Conservation & Employment Grant Program
- ❖ McCune Foundation
- ❖ Scottdale Bank
- ❖ The Hardy Family Trust
- ❖ US Dept. of Education

Over \$100,000

- ❖ Commonwealth of PA - Grant Program
- ❖ Richard King Mellon Foundation
- ❖ The Eberly Foundation
- ❖ US Dept. of Agriculture
 - Fayette Enterprise Community

AAA East Central
Advanced Acoustic Concepts, Inc.
Altman & Altman Architects
American Water Co.
Anatomical Designs
Another Way
Assad Iron & Metals, Inc.
BAE Systems
Ball Transfer Systems
Berish Agency, Inc.
Berwyn S. Detweiler, Inc.
Blaney Farms, Inc.
Brownsville Bus Lines
Brownsville School District
Catalyst Connection
Ceramic Fiber Technologies
Chess Coal Company
City of Uniontown
Clarke, James E.
Columbia Gas of PA, Inc.
Community Bank, N.A.
Computer Trends, LLC
Conn Realty
Connellsville Redevelopment Auth.
Creative Computer Concepts
Cummings, Robert A.
Daily Courier
Demco Excavations, Inc.
Dominick DeFrank
DeWeese, Rep. H. William
Donald M. Miller, Inc.
Dynamic Materials Corp.
Eat 'N Park Restaurant
Fayette Chamber of Commerce
Fayette Co. Agricultural Improvement Ass. Inc.
Fayette Co. Community Action
Fayette Co. Mental Health/ Mental Retardation
Fayette Co. Redev. Authority
Fayette Engineering Co.
Fayette Fuel, Inc.
Fayette Institute of Commerce & Technology
Fayette Parts Service
Fay-West Travel, Inc.
Fiesta, John A. Agency, Inc.
First Federal Savings & Loan of Greene Co.
First Federal Savings Bank
First National Bank of PA
Ford Business Machines, Inc.

Fox Glass Co.
Frank's Auto Supply
Gabriel Brothers
Gallatin Fuels, Inc.
George, France M.
George R. Smalley Co., Inc.
Gerome Manufacturing Co., Inc.
Glass Mart
Gnagey Gas & Oil Co. Inc.
Haky Funeral Home
Hazemag, USA Inc.
Heritage Inn
Holiday Inn
Indian Creek Valley Water Auth.
Invensys, Inc.
J & C Buildings, LTD.
J. Dorazio Agency
J.G. Brodack's Shop-N-Save
Jackson Dairy Farm
Kania & Sharpe Accountants
Kasunic, Senator Richard
Krantz, Leo T. Jr.
Laurel Business Institute
Laurel Caverns
Laurel Highlands River Tours
Laurel Highlands School District
Laurel Machine Co.
Life's Work of Western PA
Lynn's Dairy Queen Franchiser
Maracon, Inc.
Margolis, George, & Port
Masontown Trophy Co.
McClure and Wolf
McMillen Engineering
Meloni's Restaurant
N.A.A.C.P.
National City Bank of PA
National Envelope Co.
Nemacolin Woodlands Resort and Spa
Neubauer's Flowers, Inc.
North Fayette Co. Municipal Auth.
Ohiopyle Prints, Inc.
Otto Brick Company
PA - American Water Co.
Parametric Technology Corp (PTC)
Parker/Hunter
Parkvale Bank
Paul Sprowls Agency
Penn State Fayette - The Eberly Campus

Pittsburgh Tech. Council & Catalyst Conn.
Plumbers & Pipefitters #354
Private Industry Council of Westmoreland/Fayette
Prime Communication, Inc.
ProLogic, Inc.
PSI Packaging Services, Inc.
Ptak's Formal Wear
Quality Reclamation
Rabatin, Dr. Mark DDS
Rattay, George
Scottdale Bank & Trust Co.
Senior Care Network
Sepic, Dr. Ronald R., DDS, LTP
Shumar's Welding & Machine Service
Specialty Conduit & Manufacturing, LLC
Stahl's Hotronix
Stefano's Printing
Summit Inn
TeleTech Call Center
The Insurance People
Township of Brownsville
Township of Bullskin
Township of Connellsville
Township of Dunbar
Township of Luzerne
Township of Redstone
Township of Saltlick
Township of Upper Tyrone
Township of Wharton
Tri-Town Industries, Inc.
Uniontown Area School District
Uniontown Hospital
Uniontown Mall
Uniontown Newspapers, Inc.
Uniontown Redev. Authority
United Dairy
United Mine Workers
Valley National Gases
W.B. Kania & Associates
Wally Corporation
West Penn Warehousing
Westmoreland/Fayette WIB
White Energy Services
White Swan Flower Shop
Woodland Zoo & More, Inc.
WSW Holdings, Inc.

Cooperation and assistance were the keys to generating the results contained in this report. Everyday Fay-Penn works with many different organizations all dedicated to "Moving Fayette Forward." Fay-Penn wishes to thank everyone who assisted in these accomplishments.



Fay-Penn

Economic Development Council

| | |
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Located in the Scenic Laurel Highlands