

**ONTARIO COUNTY FOUR SEASONS
LOCAL DEVELOPMENT, INC.**

Financial Statements

September 30, 2009 And 2008

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.

TABLE OF CONTENTS

Independent Auditor's Report

Exhibit "A"	Statements Of Financial Position - September 30, 2009 And 2008
Exhibit "B"	Statements Of Activities For The Years Ended September 30, 2009 And 2008
Exhibit "C"	Statements Of Functional Expenses For The Years Ended September 30, 2009 And 2008
Exhibit "D"	Statements Of Cash Flows For The Years Ended September 30, 2009 And 2008

Notes To Financial Statements

Schedule I	Comparative Statements Of Income – Ontario County Program - For The Years Ended September 30, 2009 And 2008
Schedule II	Comparative Statements Of Income – New York State Matching Program - For The Years Ended September 30, 2009 And 2008

Independent Auditor's Report

**To: Board of Directors
Ontario County Four Seasons Local Development, Inc.**

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Geneva, NY 14456


315-789-3310
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We have audited the accompanying statements of financial position of Ontario County Four Seasons Local Development, Inc. (a nonprofit organization) as of September 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ontario County Four Seasons Local Development, Inc. as of September 30, 2009, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of Comparative Statements of Income – Ontario County Program, and Comparative Statements of Income – New York State Matching Program are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Fredericksen & Sirianni, LLP
Certified Public Accountants

November 23, 2009

Andrew F. Fredericksen, CPA* • William T. Sirianni, CPA

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* Also licensed in the State of Florida

Members of the American Institute of Certified Public Accountants & the New York State Society of Certified Public Accountants.

EXHIBIT "A"

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Financial Position
September 30, 2009 And 2008

ASSETS

	<u>2009</u>	<u>2008</u>
<u>Current Assets</u>		
Unrestricted cash and cash equivalents	\$ 213,104	\$ 281,872
Accounts receivable	20,000	101,322
Prepaid expenses	<u>52,071</u>	<u>8,111</u>
Total Current Assets	<u>285,175</u>	<u>391,305</u>
<u>Property and Equipment</u>		
Land	14,000	14,000
Building and improvements	276,296	262,441
Furniture and equipment	<u>125,186</u>	<u>121,513</u>
	415,482	397,954
Less: Accumulated depreciation	<u>(125,787)</u>	<u>(105,238)</u>
Total Net Property and Equipment	<u>289,695</u>	<u>292,716</u>
<u>Other Assets</u>		
Restricted cash and cash equivalents	<u>229,468</u>	<u>15,649</u>
Total Assets	<u>\$ 804,338</u>	<u>\$ 699,670</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Current portion of long-term debt	\$ 4,559	\$ 6,521
Accounts payable	12,977	22,898
Accrued expenses	16,266	5,694
Unearned revenue	<u>210,546</u>	<u>181,731</u>
Total Current Liabilities	<u>244,348</u>	<u>216,844</u>
<u>Long-Term Debt</u>		
Note payable - Windows	15,262	17,655
Mortgage payable	<u>37,403</u>	<u>82,812</u>
	52,665	100,467
Less: Current portion of debt	<u>(4,559)</u>	<u>(6,521)</u>
Total Long-Term Debt	<u>48,106</u>	<u>93,946</u>
Total Liabilities	<u>292,454</u>	<u>310,790</u>
<u>Net Assets</u>		
Unrestricted	289,656	358,726
Temporarily restricted	<u>222,228</u>	<u>30,154</u>
Net Assets – End of Year	<u>511,884</u>	<u>388,880</u>
Total Liabilities and Net Assets	<u>\$ 804,338</u>	<u>\$ 699,670</u>

**The Accompanying Notes Are An Integral
Part Of These Financial Statements**

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Activities
For The Years Ended September 30, 2009 And 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2009</u>
<u>Support and Revenues</u>			
County contract	\$ 0	\$ 765,997	\$ 765,997
NYS matching fund	0	47,373	47,373
Grants – other	0	0	0
Donated services and merchandise	0	3,220	3,220
Reimbursement of shared costs	0	15,954	15,954
Interest income	<u>2,181</u>	<u>0</u>	<u>2,181</u>
Net Assets Released from Restrictions:			
Satisfaction of purpose	<u>640,470</u>	<u>(640,470)</u>	<u>0</u>
Total Support and Revenues	<u>642,651</u>	<u>192,074</u>	<u>834,725</u>
<u>Expenses</u>			
Program services	596,347	0	596,347
Administrative and general	<u>115,374</u>	<u>0</u>	<u>115,374</u>
Total Expenses	<u>711,721</u>	<u>0</u>	<u>711,721</u>
Change in Net Assets	(69,070)	192,074	123,004
Net Assets – Beginning of year	<u>358,726</u>	<u>30,154</u>	<u>388,880</u>
Net Assets – End of Year	\$ <u>289,656</u>	\$ <u>222,228</u>	\$ <u>511,884</u>

**The Accompanying Notes Are An Integral
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EXHIBIT "B"
(Continued)

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Activities
For The Years Ended September 30, 2009 And 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2008</u>
<u>Support and Revenues</u>			
County contract	\$ 0	\$ 704,396	\$ 704,396
NYS matching funds	0	78,066	78,066
Grants – other	0	125,000	125,000
Donated services and merchandise	0	26,865	26,865
Reimbursement of shared costs	0	96,096	96,096
Interest income	4,024	0	4,024
Gain on sale of property and equipment	475	0	475
Net Assets Released from Restrictions:			
Satisfaction of purpose	<u>1,021,294</u>	<u>(1,021,294)</u>	<u>0</u>
Total Support and Revenues	<u>1,025,793</u>	<u>9,129</u>	<u>1,034,922</u>
<u>Expenses</u>			
Program services	817,468	0	817,468
Administrative and general	<u>121,612</u>	<u>0</u>	<u>121,612</u>
Total Expenses	<u>939,080</u>	<u>0</u>	<u>939,080</u>
Change in Net Assets	86,713	9,129	95,842
Net Assets – Beginning of year	<u>272,013</u>	<u>21,025</u>	<u>293,038</u>
Net Assets – End of Year	\$ <u>358,726</u>	\$ <u>30,154</u>	\$ <u>388,880</u>

**The Accompanying Notes Are An Integral
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EXHIBIT "C"

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Functional Expenses
For The Years Ended September 30, 2009 And 2008

	<u>Program Services</u>	<u>Administrative And General</u>	<u>Total 2009</u>
Advertising and marketing	\$ 99,095	\$ 0	\$ 99,095
Agency contracts	0	0	0
Audio/visual production	10,479	0	10,479
Bank charges	0	52	52
Brochure production/distribution	38,981	0	38,981
Dues, fees and subscriptions	3,250	0	3,250
Equipment leasing	196	0	196
Insurance - general	4,482	4,307	8,789
Interest expense	0	5,105	5,105
Mailing	17,178	0	17,178
Miscellaneous	0	44	44
Non-cash donation expense	3,220	0	3,220
Office supplies	4,833	3,221	8,054
Professional development	8,875	2,959	11,834
Professional services	0	16,703	16,703
Public relations	24,374	0	24,374
Real estate taxes	3,579	1,193	4,772
Repairs and maintenance	14,967	4,990	19,957
Research	3,840	0	3,840
Salaries and wages	226,011	53,416	279,427
Taxes and benefits	60,150	15,355	75,505
Telephone and websites	22,579	1,752	24,331
Travel, trade show and information center	31,425	0	31,425
Utilities	<u>3,421</u>	<u>1,140</u>	<u>4,561</u>
Total Functional Expenses Before Depreciation	580,935	110,237	691,172
Depreciation	<u>15,412</u>	<u>5,137</u>	<u>20,549</u>
Total Functional Expenses	\$ <u>596,347</u>	\$ <u>115,374</u>	\$ <u>711,721</u>

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EXHIBIT "C"
(Continued)

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Functional Expenses
For The Years Ended September 30, 2009 And 2008

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
	<u>Services</u>	<u>And General</u>	<u>2008</u>
Advertising and marketing	\$ 191,783	\$ 0	\$ 191,783
Agency contracts	29,517	0	29,517
Audio/visual production	18,286	0	18,286
Bank charges	0	312	312
Brochure production/distribution	65,467	0	65,467
Dues, fees and subscriptions	3,127	137	3,264
Equipment leasing	5,406	0	5,406
Insurance - general	3,770	3,583	7,353
Interest expense	0	6,206	6,206
Non-cash donation expense	26,865	0	26,865
Mailing	6,900	0	6,900
Miscellaneous	0	392	392
Office supplies	5,434	5,506	10,940
Professional development	11,288	3,762	15,050
Professional services	0	15,933	15,933
Public relations	10,515	0	10,515
Real estate taxes	6,009	2,003	8,012
Repairs and maintenance	44,618	14,872	59,490
Research	11,488	0	11,488
Salaries and wages	224,992	48,426	273,418
Taxes and benefits	60,473	5,097	65,570
Telephone and websites	42,756	9,471	52,227
Travel, trade show and information center	31,034	0	31,034
Utilities	<u>3,152</u>	<u>1,050</u>	<u>4,202</u>
Total Functional Expenses			
Before Depreciation	802,880	116,750	919,630
Depreciation	<u>14,588</u>	<u>4,862</u>	<u>19,450</u>
Total Functional Expenses	\$ <u>817,468</u>	\$ <u>121,612</u>	\$ <u>939,080</u>

**The Accompanying Notes Are An Integral
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EXHIBIT "D"
(Continued)

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Cash Flows
For The Years Ended September 30, 2009 And 2008

	<u>2009</u>	<u>2008</u>
Unrestricted Cash and Cash Equivalents - Beginning	\$ 281,872	\$ 266,027
Decrease in Cash and Cash Equivalents	<u>(68,768)</u>	<u>15,845</u>
Unrestricted Cash and Cash Equivalents – Ending	\$ <u>213,104</u>	\$ <u>281,872</u>
Restricted Cash and Cash Equivalents – Beginning	\$ 15,649	\$ 6,250
Increase in Cash and Cash Equivalents	<u>213,819</u>	<u>9,399</u>
Restricted Cash and Cash Equivalents – Ending	\$ <u>229,468</u>	\$ <u>15,649</u>
Cash Paid for:		
Interest expense	\$ <u>5,105</u>	\$ <u>6,206</u>
Property and equipment disposed	\$ <u>0</u>	\$ <u>18,182</u>
Non-Cash Transactions:		
Donated materials and services	\$ <u>3,220</u>	\$ <u>26,865</u>

**The Accompanying Notes Are An Integral
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EXHIBIT "D"

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Cash Flows
For The Years Ended September 30, 2009 And 2008

	<u>2009</u>	<u>2008</u>
<u>Cash Flows From Operating Activities</u>		
Increase in net assets	\$ 123,004	\$ 95,842
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	20,549	19,450
Gain on disposal of assets	0	(475)
(Increase) Decrease in operating assets:		
Accounts receivable	81,322	(96,370)
Prepaid expenses	(43,960)	764
Increase (Decrease) in operating liabilities:		
Accounts payable	(9,921)	15,175
Accrued expenses	10,572	5,474
Unearned revenue	<u>28,815</u>	<u>20,345</u>
Total Adjustments	<u>87,377</u>	<u>(35,637)</u>
Net Cash Provided By Operating Activities	<u>210,381</u>	<u>60,205</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of property and equipment	(17,528)	(27,072)
Proceeds from sale of property and equipment	<u>0</u>	<u>475</u>
Net Cash Used By Investing Activities	<u>(17,528)</u>	<u>(26,597)</u>
<u>Cash Flows From Financing Activities</u>		
Payments on note payable – windows	(2,393)	(2,358)
Payments on mortgage payable	<u>(45,409)</u>	<u>(6,006)</u>
Net Cash Used By Financing Activities	<u>(47,802)</u>	<u>(8,364)</u>
Net Increase in Cash and Cash Equivalents	145,051	25,244
Cash and Cash Equivalents – Beginning of Year	<u>297,521</u>	<u>272,277</u>
Cash and Cash Equivalents – End of Year	\$ <u>442,572</u>	\$ <u>297,521</u>

**The Accompanying Notes Are An Integral
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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 1 ORGANIZATION

Ontario County Four Seasons Local Development, Inc. is a non-profit agency and was incorporated in June, 1984 and organized under section 501 (c)(3) of the Internal Revenue Code. The Organization is located in Canandaigua, New York and conducts business under the name "Finger Lakes Visitors Connection". Funding is primarily provided by Ontario County, located in the Finger Lakes Region of upstate New York. The Organization's purpose is to promote tourism in Ontario County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of Ontario County Four Seasons Local Development, Inc. as summarized below, conform with generally accepted accounting principles and reflect practices appropriate to the industry in which it operates.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recognition of Income

The Organization receives funding from Ontario County under an annually renewable contract. Revenues are requested periodically under the terms of the contract in anticipation of expenses to be incurred. The contract amounted to \$779,021 and \$726,932 for the Ontario County period ending December 31, 2009 and 2008, respectively. The financial statements reflect three-quarters of this amount as income and one-quarter as deferred revenue. Deferred revenue amounted to \$194,755 and \$181,731 at September 30, 2009 and 2008, respectively.

Reclassification

Certain prior period items have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**The Accompanying Independent Auditor's Report Is
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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Resources

Operating funds restricted by the donor, grantor or other parties for particular operating purposes are deemed to be earned and reported as revenue of unrestricted operations when the Organization has incurred expenditures in compliance with the specific restrictions. Amounts received, but not yet earned, are reported as restricted deferred amounts.

The Organization has an informal alliance with other organizations in the surrounding counties. The multi-county funds are held and managed by the Organization for joint promotional work for tourism and is considered restricted.

Classification of Net Assets

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The Organization had no permanently restricted net assets as of September 30, 2009.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash and money market funds with maturity of three months or less to be cash equivalents.

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents		
Unrestricted	\$ 213,104	\$ 281,872
Temporarily restricted	<u>229,468</u>	<u>15,649</u>
Total Cash and Cash Equivalents	\$ <u>442,572</u>	\$ <u>297,521</u>

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unsecured Cash Balances

The Organization maintains bank accounts with several institutions which are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000 for 2009 and \$100,000 for 2008 per customer.

The Organization's uninsured cash equivalent balance represents amounts on deposit at one institution totaling approximately \$82,080 and \$221,428 at September 30, 2009 and 2008, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Estimated useful lives of property and equipment are as follows:

Building and improvements	39 years
Furniture and equipment	5 – 7 years

Depreciation expense for the periods ended September 30, 2009 and 2008 amounted to \$20,549 and \$19,450, respectively.

Major Repairs and Maintenance

The Organization has established procedures or set aside funds for major repairs and maintenance to its capitalized property and equipment. The Organization sets aside an amount determined by the Board in a cash account classified as unrestricted and is included in cash and cash equivalents.

Income Taxes

The Organization has been designated as a non-profit organization under Section 501 (c) (3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes.

Advertising and Marketing

The Organization expenses all advertising and marketing related costs as they are incurred. These related expenses for the years ended September 30, 2009 and 2008 was \$99,095 and \$191,783, respectively.

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Commitments and Contingencies

The Organization receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities. State and local government grants require fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill these conditions may result in the return of these funds to the grantors.

Non-Cash Donations

Contributions of donated non-cash assets and services are recorded at their fair market values in the period received.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 SHARED PROJECTS

In its assigned function, the Organization acts jointly with other tourist promotion groups, such as the local Chambers of Commerce and the Finger Lakes Tourism, Inc. Thus, expenditures are incurred for marketing activities, matching grants and cooperative projects, some of which are reimbursed from cooperating agencies.

NOTE 4 COOPERATIVE PROJECTS AND AGENCY CONTRACTS

The Organization entered into cooperative contracts for the promotion of Ontario County with materials and support as follows:

	<u>2009</u>	<u>2008</u>
Geneva Chamber of Commerce	\$ 8,250	\$ 8,250
Canandaigua Chamber of Commerce	8,250	8,250
Finger Lakes Tourism, Inc.	0	11,500
Victor Chamber of Commerce	<u>5,000</u>	<u>0</u>
	\$ <u>21,500</u>	\$ <u>28,000</u>

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.

Notes To Financial Statements

For The Years Ended September 30, 2009 And 2008

NOTE 5 NEW YORK STATE TOURISM MATCHING FUNDS PROGRAM

The Organization applied for and received grants from the New York State Department of Economic Development. The grants amounted to \$78,066 for 2007-2008 and \$63,164 for 2008-2009 fiscal year end of New York State. New York State changed the matching funds program from a October 1 – September 30 fiscal year to a January 1 – December 31 fiscal year. As a result, a portion of the grant funds received in 2009 has been deferred.

The grants must be matched by local funds in order to be received. The program is designed to promote tourism on a cooperative basis. Matching funds were provided by Ontario County and various private sectors and other local organizations. The state requires that 100% of the grant be used for approved marketing program activities.

NOTE 6 ADDITIONAL NYS GRANTS

New York State offered a new grants program in 2008-2009 called Explore NY Grants. The Organization applied for and received two grants under this program in 2007-2008.

Tea Cups and Treasures grant included an equal partnership between Ontario County, Steuben County, and Cayuga County. The grant was for \$15,000 and required a dollar-for-dollar match. The programs Final Report indicated that a total of \$19,760 was invested by the three partner counties. The grant ended on June 30, 2008.

Slice, Dice and Spice NY grant included a partnership between Ontario County, Livingston County, Wayne County, the New York Wine and Culinary Center, and the Canandaigua Wine Trail. The grant was for \$50,000 and required a dollar-for-dollar match. The grant period ended on July 31, 2008, and the Final Report indicated a total partner investment of \$105,559.

Slice, Dice and Spice NY II grant included a partnership between Ontario County, the New York Wine and Culinary Center and the Canandaigua Wine Trail. The grant was for \$20,000 and required a dollar-for-dollar match. The grant period will end on December 31, 2009.

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 7 LINE OF CREDIT

The Organization has obtained a commercial line of credit with Five Star Bank in the amount of \$75,000. This line of credit became effective on July 2, 2007 and expires December 31, 2048 and is secured by all business assets. The line of credit has a variable prime rate that changes automatically with any change published in the Wall Street Journal. As of September 30, 2009 the rate of interest was 3.25%. As of September 30, 2009, there was no outstanding balance on the line of credit.

NOTE 8 LONG-TERM DEBT

Long-term debt at September 30, 2009 and 2008 consisted of the following:

Mortgage payable

On May 18, 2009, the Organization re-negotiated the mortgage loan with Five Star Bank under a five year agreement. Under the new terms, the annual fixed rate of interest is 6%. Payments amount to \$352.87 per month and include interest. The loan matures May 10, 2014. Prior to the renegotiation, mortgage payable to Five Star Bank was a 20 year mortgage at an annual fixed prime interest rate of 6.85% for a five year period.

The mortgage is secured by the building owned by the Organization. In addition, the Organization has made voluntary additional principal payments. The mortgage loan matures May 10, 2014. Mortgage payable at September 30, 2009 and 2008 is \$37,403 and \$82,812, respectively.

Future principal payments required on this mortgage at September 30, 2009 are as follows:

2010	\$ 2,081
2011	2,174
2012	2,308
2013	2,451
2014	28,389
Thereafter	<u>0</u>
Total Mortgage Payable	37,403
Less: Current portion	<u>2,081</u>
Mortgage payable, net of current	<u>\$ 35,322</u>

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 8 LONG-TERM DEBT (Continued)

Note Payable – Windows

Note payable to the Five Star Bank is for the replacement of windows on the building, and is collateralized by a second lien on the real estate mortgage. The note began July 14, 2005 and matures July 14, 2015. The rate of interest on the note is 3% fixed rate with an adjusted rate after five years. Payments amounted to \$242 per month and include interest. The balance on this note is \$15,262 and \$17,655 as of September 30, 2009 and 2008, respectively.

Future principal payments required on this note at September 30, 2009 are as follows:

2010	\$ 2,478
2011	2,554
2012	2,631
2013	2,711
2014	2,794
Thereafter	<u>2,094</u>
Total Note Payable – Windows	15,262
Less: Current portion	<u>2,478</u>
Note Payable – Windows, net of current portion	\$ <u>12,784</u>

Combined Long-Term Debt:

Total Long-Term Debt	\$ 52,655
Less: Total current portion	<u>4,559</u>
Total Long-Term Debt, Net of Current Portion	\$ <u>48,106</u>

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2009 And 2008

NOTE 9 RETIREMENT PLAN

The Organization sponsors a SEP (Simplified Employee Pension) plan that covers all employees who have worked for a minimum of three years for the Organization. The Organization contributes up to 5% of an employee's salary. The Organization contributed \$10,849 and \$11,848 in 2009 and 2008, respectively.

NOTE 10 TEMPORARY RESTRICTIONS ON NETS ASSETS

Restrictions on net asset are composed of funds temporarily restricted for specific programs as per grantor stipulations

	<u>2009</u>	<u>2008</u>
Temporarily restricted for purpose restrictions:		
NYS matching funds tourism	\$ 7,265	\$ 14,505
Multi-county programs	<u>4,417</u>	<u>15,649</u>
	<u>11,682</u>	<u>30,154</u>
Temporarily restricted for time restrictions:		
Ontario County contract	194,755	0
NYS matching fund contract	<u>15,791</u>	<u>0</u>
	<u>210,546</u>	<u>0</u>
 Total Temporarily Restricted Net Assets	 <u>\$ 222,228</u>	 <u>\$ 30,154</u>

The Organization has no permanently restricted net assets for the years ended September 30, 2009 and 2008.

**The Accompanying Independent Auditor's Report Is
An Integral Part of These Financial Statements**

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Comparative Statements Of Income – Ontario County Program
For The Years Ended September 30, 2009 And 2008

	<u>2009</u>	<u>2008</u>
<u>Support and Revenue</u>		
County contract	\$ 765,997	\$ 704,396
Grants – other	0	125,000
Donated services	3,220	26,865
Reimbursement of shared costs	<u>15,954</u>	<u>96,096</u>
Total Support Revenue	<u>785,171</u>	<u>952,357</u>
<u>Operating Expenses</u>		
Advertising and marketing	78,877	174,548
Agency contracts	0	29,517
Audio/visual production	7,885	14,036
Bank charges	0	0
Brochure production/distribution	19,998	31,475
Depreciation	15,412	14,588
Dues, fees and subscriptions	3,250	3,127
Equipment leasing	196	5,406
Insurance – general	4,482	3,770
Interest expense	0	0
Mailing	10,417	3,795
Miscellaneous	0	0
Non-cash donation expense	3,220	26,865
Office supplies	4,833	5,434
Professional development	8,875	11,288
Public relations	24,374	9,515
Real estate taxes	3,579	6,009
Repairs and maintenance	14,967	44,618
Research	3,140	10,788
Salaries and wages	226,011	224,992
Taxes and benefits	60,150	60,473
Telephone and websites	17,988	29,888
Travel, trade shows and information centers	30,659	25,849
Utilities	<u>3,421</u>	<u>3,152</u>
Total Operating Expenses	<u>541,734</u>	<u>739,133</u>
Net Increase in Net Assets	\$ <u>243,437</u>	\$ <u>213,224</u>

**The Accompanying Notes Are An Integral
Part Of These Financial Statements**

**ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Comparative Statements Of Income – New York State Matching Program
For The Years Ended September 30, 2009 And 2008**

	<u>2009</u>	<u>2008</u>
<u>Revenue</u>		
New York State matching funds tourism	\$ <u>47,373</u>	\$ <u>78,066</u>
<u>Operating Expenses</u>		
Advertising and marketing	20,218	17,235
Audio/visual production	2,594	4,250
Brochure production/distribution	18,983	33,992
Mailing	6,761	3,105
Public relations	0	1,000
Research	700	700
Telephone and websites	4,591	12,868
Travel, trade shows and information centers	<u>766</u>	<u>5,185</u>
Total Operating Expenses	<u>54,613</u>	<u>78,335</u>
Net Decrease in Temporarily Restricted Net Assets	(7,240)	(269)
Temporarily Restricted Net Assets, beginning	<u>14,505</u>	<u>14,774</u>
Temporarily Restricted Net Assets, ending	\$ <u>7,265</u>	\$ <u>14,505</u>

**The Accompanying Notes Are An Integral
Part Of These Financial Statements**



November 23, 2009

Fredericksen & Sirianni, LLP
Certified Public Accountants
1160 J Pittsford Victor Rd.
Pittsford, NY 14534

We are providing this letter in connection with your audit of the statements of financial position of Ontario County Four Seasons Local Development, Inc. as of September 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of Ontario County Four Seasons Local Development, Inc. in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of November 23, 2009, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all assets and liabilities under the Organization's control.
2. We have made available to you -
 - a. Financial records and related data.
 - b. Minutes of meetings of the Board of Directors, Executive Committee, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We are in agreement with the adjusting journal entries you have recommended, and they have been posted to the Organization's accounts.

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6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the Organization involving -
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communication from employees, former employees, grantors, regulators, or others.
9. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Organization is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying these estimates, and we believe the estimates are reasonable in the circumstances.
11. Receivables recorded in the financial statements represent valid claims against debtors for pledges or other charges arising on or before the statement of financial position date and have been reduced to their estimated net realizable value.
12. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
13. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged except as made known to you and disclosed in the notes to the financial statements.

14. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements. We understand that concentrations include individual or group concentrations of contributors, grantors, clients, customers, suppliers, lenders, products, services, fund-raising events, sources of labor or materials, licenses or other rights, or operating areas or markets. We further understand that severe impact means a significant financially disruptive effect on the normal functioning of the organization. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
15. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
16. Ontario County Four Seasons Local Development, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
17. There are no -
 - a. Violations or possible violations of laws and regulations and provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies", and we have not consulted a lawyer concerning litigation, claims, or assessments.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
 - d. Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.

No events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements

Valerie Knoblauch, President

Valerie Knoblauch, President

11/23/09

Date

Edward Kenyon

Edward Kenyon, Executive Committee Chair

11/23/2009

Date