

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

**Financial Statements
With Supplementary Information**

September 30, 2012 And 2011

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.

TABLE OF CONTENTS

Independent Auditor's Report

Exhibit "A"	Statements Of Financial Position - September 30, 2012 And 2011
Exhibit "B"	Statements Of Activities For The Years Ended September 30, 2012 And 2011
Exhibit "C"	Statements Of Cash Flows For The Years Ended September 30, 2012 And 2011

Notes To Financial Statements

Schedule I	Comparative Statements Of Functional Expenses – For The Years Ended September 30, 2012 and 2011
Schedule II	Comparative Statements Of Income – Ontario County Program - For The Years Ended September 30, 2012 And 2011
Schedule III	Comparative Statements Of Income – New York State Matching Program - For The Years Ended September 30, 2012 And 2011

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, 2012 and 2011, and the related statements of activities and cash flows for the years 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 audits.

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 audits 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, 2012 and 2011, 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 Functional Expenses, 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Fredericksen & Sirianni, LLP
Certified Public Accountants

December 10, 2012

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, 2012 And 2011

ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current Assets</u>		
Unrestricted cash and cash equivalents	\$ 450,628	\$ 487,093
Accounts receivable	946	11,785
Prepaid expenses	<u>8,492</u>	<u>16,900</u>
Total Current Assets	460,066	515,778
<u>Property and Equipment</u>		
Land	14,000	14,000
Building and improvements	304,102	296,609
Furniture and equipment	73,739	104,035
Vehicle	<u>26,843</u>	<u>26,843</u>
	418,684	441,487
Less: Accumulated depreciation	<u>(116,956)</u>	<u>(142,830)</u>
Total Net Property and Equipment	301,728	298,657
<u>Other Assets</u>		
Restricted cash and cash equivalents	<u>104,944</u>	<u>56,819</u>
Total Assets	\$ 866,738	\$ 871,254
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Current portion of long-term debt	\$ 5,129	\$ 4,969
Accounts payable	12,299	12,440
Accrued expenses	18,815	31,265
Unearned revenue	<u>214,589</u>	<u>213,043</u>
Total Current Liabilities	250,832	261,717
<u>Long-Term Debt</u>		
Note payable - Windows	7,544	10,161
Mortgage payable	<u>15,118</u>	<u>22,909</u>
	22,662	33,070
Less: Current portion of debt	<u>5,129</u>	<u>(4,969)</u>
Total Long-Term Debt	17,533	28,101
<u>Other Liabilities</u>		
Cooperative regional programs	<u>104,944</u>	<u>56,819</u>
Total Liabilities	373,309	346,637
<u>Net Assets</u>		
Unrestricted	64,099	74,298
Unrestricted – Board designated	214,741	237,276
Temporarily restricted	<u>214,589</u>	<u>213,043</u>
Net Assets – End of Year	493,429	524,617
Total Liabilities and Net Assets	\$ 866,738	\$ 871,254

**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, 2012 And 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2012</u>
<u>Support and Revenues</u>			
County contract	\$ 0	\$ 810,140	\$ 810,140
NYS matching funds	0	46,668	46,668
Public support	0	0	0
Donated services and merchandise	0	16,125	16,125
Reimbursement of shared costs	0	19,102	19,102
Interest income	741	0	741
Miscellaneous revenue	<u>4,374</u>	<u>0</u>	<u>4,374</u>
	5,115	892,035	897,150
Net Assets Released from Restrictions:			
Satisfaction of purpose	<u>890,489</u>	<u>(890,489)</u>	<u>0</u>
Total Support and Revenues	<u>895,604</u>	<u>1,546</u>	<u>897,150</u>
<u>Expenses</u>			
Program services	759,948	0	759,948
Administrative and general	<u>168,390</u>	<u>0</u>	<u>168,390</u>
Total Expenses	<u>928,338</u>	<u>0</u>	<u>928,338</u>
Change in Net Assets	(32,734)	1,546	(31,188)
Net Assets – Beginning of Year	<u>311,574</u>	<u>213,043</u>	<u>524,617</u>
Net Assets – End of Year	<u>\$ 278,840</u>	<u>\$ 214,589</u>	<u>\$ 493,429</u>

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

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Activities
For The Years Ended September 30, 2012 And 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2011</u>
<u>Support and Revenues</u>			
County contract	\$ 0	\$ 775,587	\$ 775,587
NYS matching fund	0	42,308	42,308
Public support	2,400	0	2,400
Donated services and merchandise	0	20,326	20,326
Reimbursement of shared costs	0	36,284	36,284
Interest income	845	0	845
Miscellaneous revenue	<u>0</u>	<u>0</u>	<u>0</u>
	3,245	874,505	877,750
Net Assets Released from Restrictions:			
Satisfaction of purpose	<u>840,224</u>	<u>(840,224)</u>	<u>0</u>
Total Support and Revenues	<u>843,469</u>	<u>34,281</u>	<u>877,750</u>
<u>Expenses</u>			
Program services	726,347	0	726,347
Administrative and general	<u>112,163</u>	<u>0</u>	<u>112,163</u>
Total Expenses	<u>838,510</u>	<u>0</u>	<u>838,510</u>
Change in Net Assets	4,959	34,281	39,240
Net Assets – Beginning of Year	<u>306,615</u>	<u>178,762</u>	<u>485,377</u>
Net Assets – End of Year	\$ <u>311,574</u>	\$ <u>213,043</u>	\$ <u>524,617</u>

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Cash Flows
For The Years Ended September 30, 2012 And 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in net assets	\$ (31,188)	\$ 39,240
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	23,231	25,950
(Increase) Decrease in operating assets:		
Accounts receivable	10,839	(11,785)
Prepaid expenses	8,408	(4,095)
Increase (Decrease) in operating liabilities:		
Accounts payable	(141)	2,315
Accrued expenses	(12,450)	21,804
Unearned revenue	1,546	34,056
Cooperative regional programs	<u>48,125</u>	<u>27,844</u>
Total Adjustments	<u>79,558</u>	<u>96,089</u>
Net Cash Provided By Operating Activities	<u>48,370</u>	<u>135,329</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of property and equipment	(26,302)	(12,190)
Net Cash Used By Investing Activities	<u>(26,302)</u>	<u>(12,190)</u>
<u>Cash Flows From Financing Activities</u>		
Payments on note payable – windows	(2,617)	(2,601)
Payments on mortgage payable	<u>(7,791)</u>	<u>(7,675)</u>
Net Cash Used By Financing Activities	<u>(10,408)</u>	<u>(10,276)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,660	112,863
Cash and Cash Equivalents – Beginning of Year	<u>543,912</u>	<u>431,049</u>
Cash and Cash Equivalents – End of Year	<u>\$ 555,572</u>	<u>\$ 543,912</u>

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

EXHIBIT "C"
(Continued)

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Cash Flows
For The Years Ended September 30, 2012 And 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Cash and Cash Equivalents - Beginning	\$ 487,093	\$ 402,074
Increase (Decrease) in Cash and Cash Equivalents	<u>(36,465)</u>	<u>85,019</u>
Unrestricted Cash and Cash Equivalents – Ending	\$ <u>450,628</u>	\$ <u>487,093</u>
Restricted Cash and Cash Equivalents – Beginning	\$ 56,819	\$ 28,975
(Decrease) Increase in Cash and Cash Equivalents	<u>48,125</u>	<u>27,844</u>
Restricted Cash and Cash Equivalents – Ending	\$ <u>104,944</u>	\$ <u>56,819</u>
Cash Paid for:		
Interest expense	\$ <u>1,267</u>	\$ <u>1,326</u>
Non-Cash Transactions:		
Donated materials	\$ <u>16,125</u>	\$ <u>20,326</u>
Disposal of obsolete equipment	\$ <u>49,105</u>	\$ <u>0</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, 2012 And 2011

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 \$814,932 and \$795,766 for the Ontario County period ending December 31, 2012 and 2011, respectively. The financial statements reflect three-quarters of this amount as income and one-quarter as deferred revenue. Deferred revenue amounted to \$203,733 and \$198,941 at September 30, 2012 and 2011, 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
An Integral Part of These Financial Statements**

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2012 And 2011

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 FASB ASC 958 "Financial Statements of Not-For-Profit Organizations". Under FASB ASC 958-005, 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, 2012. In addition, the Organization is required to present a statement of cash flows.

Restrictions on net assets designated by the Board are classified as unrestricted board designated.

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>2012</u>	<u>2011</u>
Cash and cash equivalents		
Unrestricted	\$ 420,628	\$ 487,093
Temporarily restricted	<u>104,944</u>	<u>56,819</u>
Total Cash and Cash Equivalents	\$ <u>555,572</u>	\$ <u>543,912</u>

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 10, 2012.

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2012 And 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unsecured Cash and Cash Equivalent Balances

The Organization maintains its cash and cash equivalents in several accounts at several financial institutions in New York State in the form of cash and money market funds. From December 31, 2010 through December 31, 2012, all funds in a "non-interest bearing transaction account" are insured in full by the Federal Deposit Insurance Company (FDIC). Funds in an "interest bearing account" are insured up to \$250,000 per customer. At September 2012 and 2011, the Company had \$0 and \$12,287, respectively, in excess of the FDIC insured limits.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on straight-line basis over the estimated useful lives of the assets. The Organizations policy is to capitalize purchases greater than \$1,000.

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, 2012 and 2011 amounted to \$22,231 and \$25,950, respectively.

Reserve Policy

The Organization has established procedures or set aside funds for major repairs and maintenance to its capitalized property and equipment as per the Reserve Policy. 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.

As per the Reserve Policy, the designated amount of \$214,741 and \$237,276 for the periods ended September 30, 2012 and 2011, respectively.

Advertising, Branding and Marketing

The Organization expenses all advertising related costs as they are incurred. The advertising, branding and marketing expenses for the years ended September 30, 2012 and 2011 amounted to \$80,688 and \$70,325, respectively.

The brochures marketing expenses for the years ended September 30, 2012 and 2011 amounted to \$37,548 and \$39,821, respectively.

**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, 2012 And 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status

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.

In June 2006, the Financial Accounting Standards Board ("FASB") issued interpretation No. 48, Accounting for Uncertainty in Income Taxes – an Interpretation of FASB No. 109, Accounting for Income Taxes ("FIN 48"). FIN 48 is now known as Standards Codification (ASC) Section 740. This interpretation addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize tax-exempt status. Section 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transactions. The Organization adopted the provisions of ASC Section 740 and its current accounting policy on January 1, 2010. The Organization believes it has no uncertain tax positions and has not recognized any benefits from uncertain tax positions that will significantly increase or decrease in twelve months after the balance sheet date. The Organization has not been subject to federal or state income tax examinations by tax authorities.

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 supplementary information Schedule I. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2012 And 2011

NOTE 3 SHARED PROJECTS AND COOPERATIVE REGIONAL FUNDING

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 Alliance. Thus, expenditures are incurred for marketing activities, matching grants and cooperative projects, some of which are reimbursed from cooperating agencies.

The Organization acts as regional administrator for these funds. As administrator, the Organization holds two bank accounts under the name of the organization and expenses are paid as incurred. The accounts are restricted for the purpose of the shared costs.

The balance of the restricted bank accounts was \$104,944 and \$56,819 for the years ended September 30, 2012 and 2011, respectively.

Only the shared portion of expenses belonging to the Organization are reported as expenses on the Statement of Activities.

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>2012</u>	<u>2011</u>
Canandaigua Chamber of Commerce	\$ 5,500	\$ 2,750
Geneva Chamber of Commerce	8,250	0
Victor Chamber of Commerce	<u>4,998</u>	<u>5,834</u>
	<u>\$ 18,748</u>	<u>\$ 8,584</u>

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 \$43,422 for 2012 fiscal year and \$56,410 for 2011 fiscal year end of New York State. Deferred revenue amounted to \$10,856 and \$14,102 at September 30, 2012 and 2011, respectively.

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2012 And 2011

NOTE 5 NEW YORK STATE TOURISM MATCHING FUNDS PROGRAM
(continued)

The grants are required to 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 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, 2012 the rate of interest was 3.25%. As of September 30, 2012, there was no outstanding balance on the line of credit.

NOTE 7 LONG-TERM DEBT (Continued)

Long-term debt at September 30, 2012 and 2011 consisted of the following:

Mortgage payable

On May 18, 2009, the Organization re-negotiated the mortgage loan with FiveStar 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 beginning June 2009 and include interest. The mortgage interest rate terms expires 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. Thirty days prior to expiration of current renegotiation terms, the bank and the Organization have the right to negotiate a new interest rate on the loan.

The mortgage is secured by the building owned by the Organization. In addition, the Organization has made voluntary additional principal payments. Mortgage payable at September 30, 2012 and 2011 is \$15,118 and \$22,909, respectively.

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2012 And 2011

NOTE 7 LONG-TERM DEBT (Continued)

Future principal payments required on this mortgage at September 30, 2012 are as follows:

2013	\$ 2,483
2014	2,636
2015	2,799
2016	2,968
2017	3,154
Thereafter	<u>1,078</u>
Total Mortgage Payable	15,118
Less: Current portion	<u>2,483</u>
Mortgage payable, net of current	<u>\$ 12,635</u>

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 original rate of interest on the note is 3% per annum, fixed rate with an adjusted rate after five years. In July 2012, the interest rate was adjusted to 0.08% per annum. Payments amount to \$242 per month and include interest. The balance on this note is \$7,544 and \$10,161 as of September 30, 2012 and 2011, respectively.

Future principal payments required on this note at September 30, 2012 are as follows:

2013	\$ 2,646
2014	2,664
2015	2,234
Thereafter	<u>0</u>
Total Note Payable – Windows	7,544
Less: Current portion	<u>2,646</u>
Note Payable – Windows, net of current portion	<u>\$ 4,899</u>

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ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Notes To Financial Statements
For The Years Ended September 30, 2012 And 2011

NOTE 7 LONG-TERM DEBT (Continued)

Combined Long-Term Debt:

Total Long-Term Debt	\$ 22,662
Less: Total current portion	<u>5,129</u>
 Total Long-Term Debt, Net of Current Portion	 \$ <u>17,533</u>

Interest expense for total long-term debt amounted to \$1,267 and \$1,326 at September 30, 2012 and 2011, respectively.

NOTE 8 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 if matched by employee contribution to their 403b. The Organization contributed \$10,458 and \$12,015 in 2012 and 2011, respectively.

NOTE 9 TEMPORARY RESTRICTIONS ON NET ASSETS

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

	<u>2012</u>	<u>2011</u>
Temporarily restricted for time restrictions:		
Ontario County contract	\$ 203,733	\$ 198,941
NYS matching fund contract	<u>10,856</u>	<u>14,102</u>
 Total Temporarily Restricted Net Assets	 \$ <u>214,589</u>	 \$ <u>213,043</u>

The Organization has no permanently restricted net assets for the years ended September 30, 2012 and 2011.

**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, 2012 And 2011

NOTE 10 IN-KIND DONATIONS

The Organization receives various in-kind donations consisting of merchandise or gift certificates as promotional materials from various businesses during the year. These items are given to various tourists in conjunction with promoting the Finger Lakes area in Ontario County.

NOTE 11 CONTINGENCIES

The Organization filed an arbitration in Rochester City Court – Civil Division, against a former vendor for lack of services.

An award by the Rochester City Court – Civil Division, was granted in favor of the Organization on October 26, 2011 for the maximum award amount of \$5,000 plus filing fees.

On November 29, 2011, the Defendant exercised his right to try the case before a Rochester City Court judge rather than paying the amount awarded to the Organization.

No revenue amount was accrued in the financial statements for the year ended September 30, 2011 due to the uncertainty of the amount awarded to the Organization.

In April 2012, the defendant and Organization agreed to a settlement sum of \$4,000. The amount was received by the Organization in April 2012.

**The Accompanying Independent Auditor's Report Is
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Schedule I

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Functional Expenses
For The Years Ended September 30, 2012 And 2011

	<u>Program Services</u>	<u>Administrative And General</u>	<u>Total 2012</u>
Bank charges	\$ 0	\$ 330	\$ 330
Communications	6,517	1,562	8,079
Dues, fees and subscriptions	17,889	0	17,889
Insurance - general	3,035	2,916	5,951
Interest expense	0	1,267	1,267
Mailing	11,660	0	11,660
Marketing:			
Advertising and branding	80,688	0	80,688
Audio/visual production	80,658	0	80,658
Brochures	37,548	0	37,548
Websites	46,510	0	46,510
Miscellaneous	0	82	82
Non-cash donation expense	16,125	0	16,125
Office supplies	3,622	2,415	6,037
Professional development	11,166	321	11,487
Professional services	0	12,466	12,466
Public relations	57,260	0	57,260
Real estate taxes	4,142	1,381	5,523
Repairs and maintenance	29,864	9,955	39,819
Research	49,362	0	49,362
Salaries and wages	186,064	110,801	296,865
Taxes and benefits	53,730	17,910	71,640
Travel, trade show and information center	43,158	0	43,158
Utilities	<u>3,527</u>	<u>1,176</u>	<u>4,703</u>
Total Functional Expenses Before Depreciation	742,525	162,582	905,107
Depreciation	<u>17,423</u>	<u>5,808</u>	<u>23,231</u>
Total Functional Expenses	\$ <u>759,948</u>	\$ <u>168,390</u>	\$ <u>928,338</u>

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

Schedule I
(Continued)

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Statements Of Functional Expenses
For The Years Ended September 30, 2012 And 2011

	<u>Program</u> <u>Services</u>	<u>Administrative</u> <u>And General</u>	<u>Total</u> <u>2011</u>
Bank charges	\$ 0	\$ 44	\$ 44
Communications	6,958	1,752	8,710
Dues, fees and subscriptions	11,123	0	11,123
Insurance - general	3,820	3,670	7,490
Interest expense	0	1,326	1,326
Mailing	6,204	0	6,204
Marketing:			
Advertising and branding	70,325	0	70,325
Audio/visual production	13,231	0	13,231
Brochures	39,281	0	39,281
Websites	95,641	0	95,641
Miscellaneous	0	0	0
Non-cash donation expense	20,326	0	20,326
Office supplies	3,520	2,347	5,867
Professional development	4,048	1,349	5,397
Professional services	0	15,693	15,693
Public relations	17,768	0	17,768
Real estate taxes	3,961	1,320	5,281
Repairs and maintenance	15,543	5,181	20,724
Research	4,319	0	4,319
Salaries and wages	281,530	52,504	334,034
Taxes and benefits	57,615	19,205	76,820
Travel, trade show and information center	47,818	0	47,818
Utilities	<u>3,853</u>	<u>1,285</u>	<u>5,138</u>
Total Functional Expenses			
Before Depreciation	706,884	105,676	812,560
Depreciation	<u>19,463</u>	<u>6,487</u>	<u>25,950</u>
Total Functional Expenses	\$ <u>726,347</u>	\$ <u>112,163</u>	\$ <u>838,510</u>

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Comparative Statements Of Income – Ontario County Program
For The Years Ended September 30, 2012 And 2011

	<u>2012</u>	<u>2011</u>
<u>Support and Revenue</u>		
County contract	\$ 810,140	\$ 775,587
Public support	0	2,400
Donated services	16,125	20,326
Reimbursement of shared costs	<u>19,102</u>	<u>36,284</u>
Total Support Revenue	<u>845,367</u>	<u>834,597</u>
<u>Operating Expenses</u>		
Communications	6,248	6,958
Depreciation	17,423	19,463
Dues, fees and subscriptions	17,889	11,123
Insurance – general	3,035	3,820
Mailing	0	0
Marketing:		
Advertising and branding	55,008	67,725
Audio/visual production	45,265	557
Brochures	32,046	17,791
Websites	37,841	17,874
Non-cash donation expense	16,125	20,326
Office supplies	3,622	3,520
Professional development	11,166	4,048
Public relations	43,260	1,904
Real estate taxes	4,142	3,961
Repairs and maintenance	29,864	15,543
Research	40,862	4,319
Salaries and wages	186,064	281,530
Taxes and benefits	53,730	57,615
Travel, trade shows and information centers	39,126	41,182
Utilities	<u>3,527</u>	<u>3,853</u>
Total Operating Expenses	<u>646,243</u>	<u>583,112</u>
Net Increase in Net Assets	\$ <u>199,124</u>	\$ <u>251,485</u>

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

Schedule III

ONTARIO COUNTY FOUR SEASONS LOCAL DEVELOPMENT, INC.
Comparative Statements Of Income – New York State Matching Program
For The Years Ended September 30, 2012 And 2011

	<u>2012</u>	<u>2011</u>
<u>Revenue</u>		
New York State matching funds tourism	\$ <u>46,668</u>	\$ <u>42,308</u>
<u>Operating Expenses</u>		
Communication	269	0
Mailing	11,660	6,204
Marketing:		
Advertising and branding	25,680	2,600
Audio/visual production	35,393	12,674
Brochures	5,502	21,490
Websites	8,669	77,767
Public relations	14,000	15,864
Research	8,500	0
Travel, trade shows and information centers	<u>4,032</u>	<u>6,636</u>
Total Operating Expenses	<u>113,705</u>	<u>143,235</u>
Net Decrease in Net Assets	\$ <u>(67,037)</u>	\$ <u>(100,927)</u>

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