

Return of Organization Exempt From Income Tax

2007

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

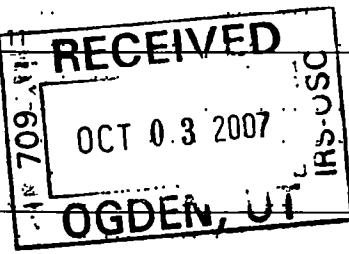
Department of the Treasury Internal Revenue Service(77)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Form 990 header section A-M including organization name (NIAGARA TOURISM & CONVENTION CORPORATION), EIN (03-0455984), and other identifying information.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Main table with 21 rows detailing revenue (Total: 3,991,833) and expenses (Total: 3,024,028), resulting in a net asset change of 967,805.



SCANNED OCT 10 2008

EXPENSES NET ASSETS

61015

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See instruct.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/> ...	<b>22a</b>			
<b>22b</b> Other grants and allocations (att sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b>			
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>			
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>			
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	<b>25a</b> 121,600.			
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	<b>25b</b> 0.			
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	<b>25c</b> 0.			
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b> 536,594.			
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	<b>27</b>			
<b>28</b> Employee benefits not included on lines 25a - 27	<b>28</b> 97,139.			
<b>29</b> Payroll taxes	<b>29</b> 94,347.			
<b>30</b> Professional fundraising fees	<b>30</b>			
<b>31</b> Accounting fees	<b>31</b> 4,500.			
<b>32</b> Legal fees	<b>32</b> 10,341.			
<b>33</b> Supplies	<b>33</b> 6,730.			
<b>34</b> Telephone	<b>34</b> 25,962.			
<b>35</b> Postage and shipping	<b>35</b> 57,630.			
<b>36</b> Occupancy	<b>36</b> 70,975.			
<b>37</b> Equipment rental and maintenance	<b>37</b> 9,907.			
<b>38</b> Printing and publications	<b>38</b>			
<b>39</b> Travel	<b>39</b>			
<b>40</b> Conferences, conventions, and meetings	<b>40</b> 24,000.			
<b>41</b> Interest	<b>41</b> 1,757.			
<b>42</b> Depreciation, depletion, etc (attach schedule)	<b>42</b> 22,479.			
<b>43</b> Other expenses not covered above (itemize)				
<b>a</b> SEE STATEMENT 1	<b>43a</b> 1,940,067.			
<b>b</b> -----	<b>43b</b>			
<b>c</b> -----	<b>43c</b>			
<b>d</b> -----	<b>43d</b>			
<b>e</b> -----	<b>43e</b>			
<b>f</b> -----	<b>43f</b>			
<b>g</b> -----	<b>43g</b>			
<b>44</b> Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	<b>44</b> 3,024,028.			

**Joint Costs.** Check  if you are following SOP 98-2.  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? N/A  Yes  No  
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>SEE STATEMENT 2</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
<p>a</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>b</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>c</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>d</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>e Other program services</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p><b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) ▶</p>	

**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	821,088.	45	50,274.
	46 Savings and temporary cash investments		46	10,839.
	47a Accounts receivable	47a 2,220,844.		
	b Less: allowance for doubtful accounts	47b 8,500.	450,332.	47c 2,212,344.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable		180,000.	49 72,372.
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges		15,869.	53 20,968.
	54a Investments — publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
b Investments — other securities (attach sch)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55a Investments — land, buildings, & equipment: basis	55a 514,395.			
b Less: accumulated depreciation (attach schedule) <b>STATEMENT 3</b>	55b 43,042.	71,868.	55c 471,353.	
56 Investments — other (attach schedule)			56	
57a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation (attach schedule)	57b		57c	
58 Other assets, including program-related investments (describe ▶ <b>SEE STATEMENT 4</b> )		1,989.	58 42,957.	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58		1,541,146.	59 2,881,107.	
LIABILITIES	60 Accounts payable and accrued expenses	73,135.	60	346,146.
	61 Grants payable		61	
	62 Deferred revenue	181,343.	62	230,648.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63
	64a Tax-exempt bond liabilities (attach schedule)			64a
	b Mortgages and other notes payable (attach schedule)			64b
	65 Other liabilities (describe ▶ <b>SEE STATEMENT 5</b> )		250.	65 50,090.
	66 <b>Total liabilities.</b> Add lines 60 through 65		254,728.	66 626,884.
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	1,286,418.	67	2,254,223.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		1,286,418.	73 2,254,223.
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		1,541,146.	74 2,881,107.	

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See the instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements		<b>a</b>	3,991,832.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:		<b>b</b>	
	1 Net unrealized gains on investments	<b>b1</b>		
	2 Donated services and use of facilities	<b>b2</b>		
	3 Recoveries of prior year grants	<b>b3</b>		
	4 Other (specify):	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	3,991,832.
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :		<b>d</b>	
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>		
	2 Other (specify):	<b>d2</b>		
	SEE STM 6			1.
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	1.
<b>e</b>	<b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b>		<b>e</b>	3,991,833.

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	3,024,027.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:		<b>b</b>	
	1 Donated services and use of facilities	<b>b1</b>		
	2 Prior year adjustments reported on Part I, line 20	<b>b2</b>		
	3 Losses reported on Part I, line 20	<b>b3</b>		
	4 Other (specify):	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	3,024,027.
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :		<b>d</b>	
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>		
	2 Other (specify):	<b>d2</b>		
	SEE STMT 7			1.
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	1.
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b>		<b>e</b>	3,024,028.

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 8		121,600.	0.	0.

**Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)**

**75a** Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings. **20**

**b** Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s) **75b** Yes  No

**c** Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization' **75c** Yes  No   
If 'Yes,' attach a statement that includes the information described in the instructions.

**d** Does the organization have a written conflict of interest policy? **75d** Yes  No

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
NONE				

**Part VI Other Information (See the instructions.)**

**76** Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change **76** Yes  No

**77** Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes. **77** Yes  No

**78a** Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? **78a** Yes  No

**b** If 'Yes,' has it filed a tax return on Form 990-T for this year? **78b** Yes  No

**79** Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement **79** Yes  No

**80a** Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization? **80a** Yes  No

**b** If 'Yes,' enter the name of the organization **N/A** and check whether it is  exempt or  nonexempt.

**81a** Enter direct and indirect political expenditures. (See line 81 instructions.) **81a** 0

**b** Did the organization file Form 1120-POL for this year? **81b** Yes  No

**Part VI Other Information (continued)**

		Yes	No
<b>82 a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
<b>82 b</b>	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		N/A
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>83 b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		X
<b>84 b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
<b>85 a</b>	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		N/A
<b>85 b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
<b>85 c</b>	Dues, assessments, and similar amounts from members.		N/A
<b>85 d</b>	Section 162(e) lobbying and political expenditures		N/A
<b>85 e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
<b>85 f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
<b>85 g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
<b>85 h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
<b>86</b>	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		N/A
<b>86 b</b>	Gross receipts, included on line 12, for public use of club facilities		N/A
<b>87</b>	501(c)(12) organizations. Enter: a Gross income from members or shareholders		N/A
<b>87 b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		N/A
<b>88 a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
<b>88 b</b>	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
<b>89 a</b>	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> N/A ; section 4912 <input type="checkbox"/> N/A ; section 4955 <input type="checkbox"/> N/A		
<b>89 b</b>	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		N/A
<b>89 c</b>	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
<b>89 d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization		N/A
<b>89 e</b>	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
<b>89 f</b>	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
<b>89 g</b>	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>90 a</b>	List the states with which a copy of this return is filed <input type="checkbox"/> NY		
<b>90 b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)		18
<b>91 a</b>	The books are in care of <input type="checkbox"/> PATRICIA KOWALSKI Telephone number <input type="checkbox"/> 716.282.8992 Located at <input type="checkbox"/> 345 THIRD STREET SUITE 605 NIAGARA FALLS NY ZIP + 4 <input type="checkbox"/> 14303		
<b>91 b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country <input type="checkbox"/>		X

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

**Part VI Other Information (continued)**

c At any time during the calendar year, did the organization maintain an office outside of the United States?  Yes  No  
 If 'Yes,' enter the name of the foreign country \_\_\_\_\_

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here  N/A  
 and enter the amount of tax-exempt interest received or accrued during the tax year  92  N/A

**Part VII Analysis of Income-Producing Activities (See the instructions.)**

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue. a					
b ADVERTISING REVENUE	541800	221,465.			
c BROCHURE DISPLAY INCO					31,325.
d COMMISSION INCOME	561500	510,245.			
e MISCELLANEOUS REVENUE					187,388.
104 Subtotal (add columns (B), (D), and (E))		731,710.			218,713.
105 Total (add line 104, columns (B), (D), and (E))					950,423.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 9

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).



**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

**107** Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Preparer's signature (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer: *[Handwritten Signature]* Date: *9/25/08*

Type or print name and title: **PRESIDENT / CEO.**

**Paid Preparer's Use Only**

Preparer's signature: *[Handwritten Signature]* Date: *9/24/08*

Firm's name (or yours if self employed), address, and ZIP + 4: **BROWN & COMPANY, LLP**  
**4992 SWEET HOME ROAD**  
**NIAGARA FALLS, NY 14305**

Check if self employed:  Preparer's SSN or PTIN (See General Instruction X): **N/A**

EIN: **N/A** Phone no: **716.298.8000**

CLIENT 10

NIAGARA TOURISM &amp; CONVENTION CORPORATION

03-0455984

9/24/08

11.59AM

**STATEMENT 1  
FORM 990, PART II, LINE 43  
OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADMINISTRATION FEES	875.			
ADVERTISING	674,100.			
BAD DEBT EXPENSE	34,696.			
BANK CHARGES	1,662.			
BROCHURE DISTRIBUTION	26,541.			
COMMISSION EXPENSE	207,835.			
COMPUTER SUPPLIES	5,454.			
CONTRACTED SERVICES	99,925.			
CONVENTION HOUSING EXP	7,941.			
DONATIONS	8,650.			
DUES & SUBSCRIPTIONS	19,263.			
EXPLORE NY	9,822.			
FILING FEES	25.			
FINANCE CHARGES	3,291.			
GREETER PROGRAM SUPPLIES	56.			
I LOVE NY	123,988.			
INSURANCE	7,636.			
KIOSK EXPENSES	1,463.			
MARKETING & CONSULTANTS	79,479.			
MEETINGS	9,421.			
MILEAGE REIMBURSEMENTS	10,964.			
MISCELLANEOUS EXPENSES	1,147.			
OFFICE EXPENSE	27,983.			
OTHER	39,099.			
PAYROLL SERVICE FEES	1,784.			
PENSION ADMINISTRATION FEES	300.			
PROMOTIONAL MATERIALS	40,437.			
PROPERTY TAXES	4,579.			
TOURISM GUIDES & PUBLICATIONS	252,990.			
TOURISM RESEARCH	16,525.			
TRADE SHOWS	204,794.			
UNREALTED BUSINESS INCOME TAX	250.			
UTILITIES	8,155.			
WEBSITE EXPENSES	8,937.			
<b>TOTAL</b>	<b>\$ 1,940,067.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>

**STATEMENT 2  
FORM 990, PART III  
ORGANIZATION'S PRIMARY EXEMPT PURPOSE**

TO ENHANCE THE ECONOMIC PROSPERITY OF NIAGARA COUNTY BY PROMOTING, SELLING AND MARKETING THE COUNTY AS A PREMIER DESTINATION FOR MEETINGS, CONVENTIONS AND LEISURE TOURISM.

CLIENT 10

NIAGARA TOURISM & CONVENTION CORPORATION

03-0455984

9/24/08

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**STATEMENT 3  
FORM 990, PART IV, LINE 55B  
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 122,962.	\$ 43,042.	\$ 79,920.
LAND	391,433.		391,433.
<b>TOTAL</b>	<b>\$ 514,395.</b>	<b>\$ 43,042.</b>	<b>\$ 471,353.</b>

**STATEMENT 4  
FORM 990, PART IV, LINE 58  
OTHER ASSETS**

CONSTRUCTION COSTS			\$ 42,372.
NET INTANGIBLE ASSETS			585.
<b>TOTAL</b>			<b>\$ 42,957.</b>

**STATEMENT 5  
FORM 990, PART IV, LINE 65  
OTHER LIABILITIES**

LINE OF CREDIT			\$ 50,090.
<b>TOTAL</b>			<b>\$ 50,090.</b>

**STATEMENT 6  
FORM 990, PART IV-A, LINE D(2)  
OTHER AMOUNTS**

ROUNDING			\$ 1.
<b>TOTAL</b>			<b>\$ 1.</b>

**STATEMENT 7  
FORM 990, PART IV-B, LINE D(2)  
OTHER AMOUNTS**

ROUNDING			\$ 1.
<b>TOTAL</b>			<b>\$ 1.</b>

CLIENT 10

NIAGARA TOURISM &amp; CONVENTION CORPORATION

03-0455984

9/24/08

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**STATEMENT 8  
FORM 990, PART V-A  
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ANN ACKERMAN 175 CORY ROAD SLIPPERY ROCK, PA 16057	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
BECKY BURNS 3111 SAUNDERS SETTLEMENT ROAD SANBORN, NY 14132	DIRECTOR 0	0.	0.	0.
JACKIE CONNELLY 4434 VAN DUESEN ROAD LOCKPORT, NY 14094	SECRETARY 0	0.	0.	0.
EDDIE FRIEL PO BOX 203 NIAGARA UNIVERSITY, NY 14094	DIRECTOR 0	0.	0.	0.
CHRIS SCHOEPFLIN 345 THIRD STREET #505 NIAGARA FALLS, NY 14303	DIRECTOR 0	0.	0.	0.
VINCE ANELLO CITY HALL PO BOX 69 NIAGARA FALLS, NY 14302	DIRECTOR 0	0.	0.	0.
JOHN COOPER 7350 PORTER ROAD NIAGARA FALLS, NY 14304	TREASURER 0	0.	0.	0.
WILLIAM EVERT ONE LOCKS PLAZA LOCKPORT, NY 14094	DIRECTOR 0	0.	0.	0.
THOMAS GARLOCK 5365 MILITARY ROAD LEWISTON, NY 14092	DIRECTOR 0	0.	0.	0.
KATHY GEORGE 310 FOURTH STREET NIAGARA FALLS, NY 14303	DIRECTOR 0	0.	0.	0.
SUSAN PEARSON 7745 ROCHESTER ROAD GASPORT, NY 14067	DIRECTOR 0	0.	0.	0.
FRANK STRANGIO 7708 NIAGARA FALLS BLVD NIAGARA FALLS, NY 14304	VICE CHAIR 0	0.	0.	0.

CLIENT 10

NIAGARA TOURISM &amp; CONVENTION CORPORATION

03-0455984

9/24/08

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**STATEMENT 8 (CONTINUED)**  
**FORM 990, PART V-A**  
**LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
TRICIA MEZHIR ONE PROSPECT POINTE NIAGARA FALLS, NY 14303	CHAIRMAN 0	\$ 0.	\$ 0.	\$ 0.
BILL VANECEK 4200 GENESEE STREET BUFFALO, NY 14225	DIRECTOR 0	0.	0.	0.
WILLIAM ROSS 175 HAWLEY STREET LOCKPORT, NY 14094	DIRECTOR 0	0.	0.	0.
MARK THOMAS PO BOX 1132 NIAGARA FALLS, NY 14304	DIRECTOR 0	0.	0.	0.
RICHARD SOLURI PO BOX 325 LEWISTON, NY 14092	DIRECTOR 0	0.	0.	0.
PAUL VERCIGLIO FOUR AVENUE RD. TORONTO ONTARIO CANADA, M5R 2E8	DIRECTOR 0	0.	0.	0.
FILIPPO VILLELLA 6505 NIAGARA FALLS BLVD NIAGARA FALLS, NY 14304	DIRECTOR 0	0.	0.	0.
JOHN PERCY 310 FOURTH STREET NIAGARA FALLS, NY 14303	PRESIDENT & CEO 0	121,600.	0.	0.
TOTAL		<u>\$ 121,600.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 9**  
**FORM 990, PART VIII**  
**RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES**

LINE #	EXPLANATION OF ACTIVITIES
103D	INCOME FROM DISPLAYING OF BROCHURES AND OTHER LITERATURE MADE AVAILABLE FREE TO THE PUBLIC AT THE INFORMATION CENTERS OPERATED BY THE ORGANIZATION. THE FEES CHARGED TO THOSE DISPLAYING TOURISM BROCHURES IS ONE OF THE PRIMARY SOURCES OF REVENUE TO FUND THE INFORMATION CENTER OPERATIONS.
103E	OTHER MISCELLANEOUS SOURCES OF INCOME RECEIVED IN CARRYING OUT EXEMPT ACTIVITIES, PRIMARILY, REBATES AND OR REFUNDS OF EXPENSES.

**NIAGARA TOURISM &  
CONVENTION CORPORATION**

**Financial Statements**

**December 31, 2007 and 2006**

**NIAGARA TOURISM &  
CONVENTION CORPORATION**

December 31, 2007 and 2006

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# BROWN & COMPANY, LLP

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CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Niagara Tourism & Convention Corporation  
Niagara Falls, New York

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Niagara Tourism & Convention Corporation (a New York not-for-profit corporation) as of December 31, 2007 and 2006 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 audit.

We conducted our audit 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 principals 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 Niagara Tourism & Convention Corporation as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Brown & Company, LLP*

September 2, 2008

(1)



NIAGARA TOURISM & CONVENTION CORPORATION

Statements of Financial Position

December 31, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 61,113	821,088
Accounts receivable, net of allowance	2,212,344	450,332
Grants receivable	72,372	180,000
Prepaid expenses	17,390	12,390
Prepaid income taxes	<u>3,578</u>	<u>3,479</u>
Total current assets	<u>2,366,797</u>	<u>1,467,289</u>
<b>Fixed assets at cost (Note 2):</b>		
Land at cost (Note 2)	391,433	-
Construction in progress (Note 13)	42,372	-
Equipment, net of accumulated depreciation (Note 4)	<u>79,920</u>	<u>71,868</u>
Net fixed assets	<u>513,725</u>	<u>71,868</u>
<b>Intangible assets:</b>		
Organization costs, net of amortization of \$6,434 and 5,030 respectively	<u>585</u>	<u>1,989</u>
Total assets	<u>\$ 2,881,107</u>	<u>1,541,146</u>

LIABILITIES

<b>Current liabilities:</b>		
Accounts payable	318,838	32,823
Accrued expenses	27,308	40,312
Accrued income taxes	-	-
Line of credit (Note 5)	50,090	250
Deferred income	<u>230,648</u>	<u>181,343</u>
Total current liabilities	626,884	254,728
Net assets	<u>2,254,223</u>	<u>1,286,418</u>
Total liabilities and net assets	<u>\$ 2,881,107</u>	<u>1,541,146</u>

See accompanying notes to the financial statements.

NIAGARA TOURISM & CONVENTION CORPORATION

Statements of Activities

For the year ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenue:		
Occupancy/Bed Tax allocations:		
City of Niagara Falls	\$ 1,109,593	1,028,178
City of Lockport	87,389	67,115
County of Niagara	<u>70,536</u>	<u>53,978</u>
Total Bed Tax allocations	1,267,518	1,149,271
Grants	67,760	272,928
Casino Compact allotment	1,656,132	1,880,956
Brochure display income	31,325	28,237
Commission income	510,245	679,358
Advertising	221,465	193,423
Other revenues	<u>237,387</u>	<u>163,407</u>
Total revenue - increase in unrestricted assets	<u>3,991,832</u>	<u>4,367,580</u>
Expenses:		
Marketing	1,911,765	1,705,115
Information Centers	232,617	208,346
General and administrative	724,049	654,606
Commission expense	<u>155,596</u>	<u>390,054</u>
Total expenses - decrease in unrestricted net assets	<u>3,024,027</u>	<u>2,958,121</u>
Change in net assets	967,805	1,409,459
Unrestricted net assets at beginning of year	<u>1,286,418</u>	<u>(123,041)</u>
Unrestricted net assets at end of year	<u><u>\$ 2,254,223</u></u>	<u><u>1,286,418</u></u>

See accompanying notes to the financial statements.

NIAGARA TOURISM & CONVENTION CORPORATION

Statements of Cash Flow

For the year ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 967,805	1,409,459
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	22,479	22,589
Bad debt expense	34,696	176
(Increase) decrease in:		
Accounts receivable	(140,577)	(60,322)
Casino Compact allotment receivable	(1,656,132)	-
Grants receivable	107,628	28,247
Prepaid expenses	(5,000)	(12,390)
Prepaid income taxes	(99)	5,846
Increase (decrease) in:		
Accounts payable	286,015	(384,093)
Accrued expenses	(13,004)	25,233
Accrued income taxes	-	-
Bank overdraft	-	(22,512)
Deferred income	49,305	38,220
Total adjustments	<u>(1,314,689)</u>	<u>(359,006)</u>
Net cash provided (used) by operating activities	<u>(346,884)</u>	<u>1,050,453</u>
Cash flows provided (used) by investing activities:		
Purchase of fixed assets	(420,559)	(76,815)
Construction in progress	(42,372)	-
Net cash used by investing activities	<u>(462,931)</u>	<u>(76,815)</u>
Cash flows from financing activities:		
Net activity under line of credit	49,840	(47,171)
Proceeds from long-term debt	-	439,158
Payments of long-term debt	-	(552,309)
Net cash provided (used) by financing activities	<u>49,840</u>	<u>(160,322)</u>
Net increase (decrease) in cash	(759,975)	813,316
Cash at beginning of the year	<u>821,088</u>	<u>7,772</u>
Cash at end of year	<u>\$ 61,113</u>	<u>821,088</u>
Cash paid for interest expense	<u>\$ 1,757</u>	<u>16,871</u>
Cash paid for unrelated business income taxes	<u>\$ -</u>	<u>-</u>

See accompanying notes to the financial statements.

# NIAGARA TOURISM & CONVENTION CORPORATION

## Notes to the Financial Statements

December 31, 2007 and 2006

### (1) ORGANIZATION

Niagara Tourism & Convention Corporation (NTCC) was organized pursuant to the provisions of Section 402 of the Not-for-Profit Corporation Law of the State of New York.

The general purpose of Niagara Tourism & Convention Corporation is to enhance the economic prosperity of Niagara County by promoting, selling, and marketing the County as a premier destination for meetings, conventions, and leisure tourism.

The Organization derives a significant portion of its revenue pursuant to a contract with the City of Niagara Falls. Under the ten-year agreement, renewable annually, a portion of the occupancy (bed) tax collected by the City of Niagara Falls from lodging establishments is allocated to NTCC to provide convention and tourism promotion.

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements for Niagara Tourism & Convention Corporation are presented on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when an obligation is incurred.

#### (b) Estimates

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

#### (c) Concentration of Risk

The cash accounts of the Organization are deposited at various financial institutions. At various times during the year, the amounts on deposit may be greater than the Federal Deposit Insurance Corporation (FDIC) insured limit of \$100,000 per depositor.

#### (d) Accounts Receivable

Accounts receivable are reported net of allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will be collected. Based upon an analysis of amounts owing and past experience, an allowance for bad debts in the amount of \$8,600 and \$16,633 has been established for the year ended December 31, 2007 and 2006 respectively.

#### (e) Property and Equipment

Land represents cost of property located at 10 Rainbow Boulevard South for construction of new visitors center and office space. (Note 13) Equipment is stated at cost. Equipment is being depreciated over its estimated useful life (ranging from 3 to 10 years) using the straight-line method. Expenditures for maintenance and repairs that do not extend the life of the applicable assets are charged to expense as incurred. When fixed assets are retired or otherwise disposed of, the assets and accumulated depreciation accounts are adjusted accordingly. Any resulting profit or loss is reflected in the current year income.

NIAGARA TOURISM & CONVENTION CORPORATION

Notes to the Financial Statements

December 31, 2007 and 2006

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(f) Intangible Assets

Intangible assets subject to amortization include Organization start-up costs and website development costs. Organization start-up costs are being amortized on a straight-line basis over 5 years.

(3) ACCOUNTS RECEIVABLE

A summary of accounts receivable at December 31, 2007 by major type is as follows:

	2007	2006
Bed tax allocations	\$ 333,231	245,016
Casino allotment (Note 8)	1,656,132	-
Advertising income	223,500	179,998
Co-operative projects and other	7,981	29,436
	2,220,844	454,450
Less: Allowance for bad debts	( 8,500)	( 4,118)
	\$ 2,212,344	450,332

(4) EQUIPMENT AND DEPRECIATION

A summary of equipment follows:

	2007	2006
Office equipment	\$ 68,414	41,324
Equipment	54,548	52,512
	122,962	98,836
Less: Accumulated depreciation	( 43,042)	( 21,968)
	\$ 79,920	71,868

Depreciation expense for 2007 and 2006 was \$21,075 and \$16,511 respectively.

(5) LINE OF CREDIT

	2007	2006
NTCC has available a \$50,000 line of credit at M&T Bank. The line is payable on demand. Interest is payable monthly at a rate of prime plus 1.5%. The credit line is secured by substantially all corporate assets.	\$ 50,000	250
Accrued finance charges	90	-
	\$ 50,090	250

# NIAGARA TOURISM & CONVENTION CORPORATION

## Notes to the Financial Statements

December 31, 2007 and 2006

### (6) OCCUPANCY/BED TAX ALLOCATIONS

In order to provide for advertising, publishing and promoting convention and tourism activities, three municipalities have contracted with NTCC. Pursuant to those contracts, NTCC receives a portion of the Bed Tax collected by the municipalities as follows:

City of Niagara Falls	80% payable monthly effective June 1, 2003
City of Lockport	75% payable quarterly effective March 1, 2003
County of Niagara	95% payable quarterly effective March 1, 2003

Each of the contracts is for a period of ten years, 2003 through 2013, and is renewable annually. Each party may terminate the contract with notice of at least six months prior to the start of an upcoming calendar year. The funding levels noted above may be altered during the term of the agreement upon mutual agreement of the parties.

### (7) GRANT INCOME

NTCC was awarded a \$67,760 matching grant by the New York State Department of Economic Development Division of Tourism in connection with the "I Love NY" promotional campaign. Expenses applicable to the grant totaling \$135,520 consisted primarily of costs to produce and distribute visitor guides. The guides promote the Niagara region to a wide variety of potential new visitors to Niagara County and surrounding regions in New York State.

During 2007, NTCC was notified that funds totaling \$97,000 are available to the Organization from the State of New York in connection with the "Explore New York" campaign. NTCC receives funds after expenses are incurred and submitted for payment. Expenses applicable to the grant totaled \$9,822 for 2007.

### (8) CASINO COMPACT ALLOCATION

Revenue recognized by NTCC of \$1,656,132 represents the 2006 and half of 2007 allotment from the tribal-state compact revenue account from operations of the Seneca Niagara Casino (\$1,012,545 and \$643,587 respectively relating to 2006 and one-half of 2007 casino operating years). In comparing 2007 and 2006 amounts, it should be noted that the 2006 casino revenue represents two full years (2004 and 2005) of casino funds. These funds are to be used for tourism marketing, including multi-media advertising, promotion, and public relations.

### (9) OPERATING LEASES

In November 2005, the Organization entered into a lease agreement with Leas-Co Leasing, Inc. for a copier. The lease provides for 48 monthly payments of \$374 beginning December 2005 with a down payment of \$1,123 due at lease signing. Payments under the lease for 2006 and 2005 amounted to \$4,563 and \$4,142 respectively.

In November 2006, the Organization entered into a lease agreement with Pitney Bowes for a mailing system. The lease provides for 15 quarterly payments of \$688 beginning January 2007. Payments under the lease for 2007 amounted to \$1,157.

# NIAGARA TOURISM & CONVENTION CORPORATION

## Notes to the Financial Statements

December 31, 2007 and 2006

### (9) OPERATING LEASES, CONTINUED

A summary of future minimum lease payment is as follows:

Year ending December 31:	
2008	\$ 4,488
2009	4,488
2010	-
2011	-
	<u>\$ 8,976</u>

NTCC leases its office space at 345 Third Street, Niagara Falls, New York, from the Seneca Niagara Gaming Corporation on a month-to-month basis. Monthly rentals were \$4,750 and \$4,500 for 2007 and 2006. During 2007 and 2006, the Organization also leased space for an Information Center on Rainbow Boulevard at \$1,000 per month until the property was purchased in April 2007. (Note 13)

Total rent expense for real property for 2007 and 2006 was \$72,797 and \$61,000 respectively.

### (10) INFORMATION CENTERS

NTCC operates information centers at Angola and Clarence through a contract for services with the New York State Thruway Authority (NYSTA). At each center, the NTCC provides a reservation service for places of lodging and tours/attractions in the area. The NTCC receives a commission for those reservations that are honored by the visitors to the area. Under the contract with the NYSTA, 10% of lodging reservation commissions is remitted to the NYSTA. The contract makes no provision for remittance of any portion of the commissions received on reservations for tours/attractions. During 2007 and 2006, the commissions earned from lodging and tour/attraction reservations were \$31,488 and \$31,943, respectively.

### (11) PENSION PLAN

Niagara Tourism & Convention Corporation maintains a 401(k) Retirement Plan for all employees meeting minimum eligibility requirements. Participants may make voluntary salary reduction contributions. In addition, NTCC may contribute a discretionary amount determined each year by management. For 2007 and 2006, the total amount contributed by NTCC to the Plan was \$30,479 and \$20,750 respectively.

### (12) INCOME TAXES

The Organization is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. While the Organization plans to conduct the majority of its activities in relation to its exempt purpose, from time to time, activities may be conducted that could result in unrelated business taxable income. Should taxable income be generated, appropriate tax returns will be filed and any taxes due would be paid.

During 2007, NTCC recognized revenue from the sale of advertising space in printed guides and brochures. In addition, they received commission income from a reservation service provided through the information centers. Both of these are unrelated business taxable income under IRS regulations. Accordingly, NTCC will file the appropriate tax returns and pay any taxes required.

### (13) VISITORS CENTER PROJECT

In 2007, the Corporation purchased property at 10 Rainbow Boulevard South in the City of Niagara Falls, New York for planned construction of a new visitors center and office space. Total cost of the project is estimated to be \$2.15 million with funding in part with grant awarded by the Federal Highway Administration ("FHWA") and commitments from local state representatives. Construction to begin in late 2008.

# BROWN & COMPANY, LLP

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors  
Niagara Tourism & Convention Corporation  
Niagara Falls, New York

Our report on our audits of the basic financial statements of Niagara Tourism & Convention Corporation for 2007 and 2006 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of expenses 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.

*Brown & Company, LLP*

Niagara Falls, New York  
September 2, 2008



## NIAGARA TOURISM &amp; CONVENTION CORPORATION

## Schedules of Marketing Expenses

For the year ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Salaries and wages	\$ 264,399	275,624
Payroll taxes	36,279	30,035
Contracted services	61,275	52,443
Marketing and consultants	94,777	80,060
Advertising	701,985	548,066
Tourism trade shows	192,715	145,079
Promotional materials	39,238	22,339
Travel and entertainment	8,414	13,724
Printing	157,241	157,562
Tourism Guides and publications	20,147	33,895
Tourism research	16,525	4,400
Brochure distribution	26,541	10,807
Website expense	8,937	2,683
Website design amortization	-	4,674
I Love NY	123,988	140,675
Explore NY	9,822	-
Outdoor sports	81,584	60,673
Trolley services	38,650	83,914
Kiosks expense	1,463	1,088
Convention housing	27,729	36,182
Greeter program	56	1,192
	<u>\$ 1,911,765</u>	<u>1,705,115</u>

See Independent Auditor's Report on Additional Information.

## NIAGARA TOURISM &amp; CONVENTION CORPORATION

## Schedules of Information Centers Expenses

For the year ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Angola:</b>		
Salaries and wages	\$ 58,186	43,161
Payroll taxes and benefits	6,249	24,281
Supplies	1,868	1,355
Utilities	2,418	826
Repairs and maintenance	632	644
Administrative	127	1,900
Mileage	-	10,844
Total Angola	<u>69,480</u>	<u>83,011</u>
<b>Clarence:</b>		
Salaries and wages	63,854	50,469
Payroll taxes and benefits	6,938	18,053
Supplies	2,732	1,207
Utilities	1,709	572
Repairs and maintenance	-	22
Administrative	1,404	64
Mileage	-	775
Total Clarence	<u>76,637</u>	<u>71,162</u>
<b>Niagara Falls:</b>		
Salaries and wages	7,356	4,024
Payroll taxes and benefits	6,357	5,503
Commissions	52,239	34,098
Supplies	2,129	3,027
Rent	11,085	5,000
Utilities	3,065	1,648
Repairs and maintenance	3,555	873
Administrative	714	-
Total Niagara Falls	<u>86,500</u>	<u>54,173</u>
Total Information Centers	<u>\$ 232,617</u>	<u>208,346</u>

See Independent Auditor's Report on Additional Information.