



ECLEG AUG15'12 - 8 33


August 2, 2012

The Honorable Lynn Marinelli  
Chair, Community Enrichment Committee  
Erie County Legislature  
1701 Hertel Avenue  
Buffalo, New York 14202

Dear Lynn:

In accordance with the reporting requirements outlined in Exhibit A of the Agreement between the County of Erie and the Buffalo Niagara Convention & Visitors Bureau and the Agreement between the County of Erie and the Buffalo Niagara Convention Center, both dated January 1, 2012, enclosed please find the 2nd quarter report for 2012 regarding efforts made toward achieving funding purposes as stated in our Marketing Plan, and Budget and Financial Statements as of June 30, 2012.

Sincerely,



Dottie Gallagher-Cohen  
President and CEO

/Enclosure



**August 2, 2012**

**I, the undersigned, do hereby certify based on my knowledge, the information provided herein:**

- **is accurate, correct and does not contain any untrue statement of material fact;**
- **does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made;**
- **fairly presents, in all material respects, the financial condition and results of operations of the authority as of and for the periods presented in the financial statements.**

**Visit Buffalo Niagara**

By \_\_\_\_\_

**Bottie Gallagher-Cohen  
President and CEO**

## 2012 2nd Quarter Report

	<u>Projected</u>	<u>Budgeted</u>	<u>Variance</u>	<u>% Variance</u>
<b>Revenues</b>	\$ 2,083,440	\$ 1,994,486	\$ 88,954	4.46%
<b>Expenses:</b>				
<b>Marketing Department</b>	\$ 736,996	\$ 736,570	\$ 426	0.06%
<b>Convention Sales &amp; Services</b>	802,137	843,377	(41,240)	-4.89%
<b>Buffalo Niagara Film Commission</b>	127,746	136,563	(8,817)	-6.46%
<b>Administrative &amp; Finance</b>	374,481	372,251	2,230	0.60%
<b>Total Expenses</b>	\$ 2,041,360	\$ 2,088,761	\$ (47,401)	-2.27%
<b>Increase (Decrease) in Net Assets</b>	\$ 42,080	\$ (94,275)	\$ 136,355	

**SALES**

<b>Q2 Sales Results</b>	<b>Goal</b>	<b>Actual</b>	<b>Variance</b>
Leads	157	164	4%
Group Tour Leads	42	44	5%
Definite Business	113	130	15%
Hotel Room Nights	43,800	43,699	-1%

<b>YTD</b>	<b>Goal</b>	<b>Actual</b>	<b>Variance</b>
Leads	317	320	0%
Group Tour Leads	87	91	5%
Definite Business	213	246	15%
Hotel Room Nights	86,700	83,860	-3%

<b>YOY Comparison</b>	<b>2011</b>	<b>2012</b>	<b>Variance</b>
Leads	313	320	2%
Group Tour Leads	95	91	-4%
Definite Business	246	246	0%
Hotel Room Nights	100,839	83,860	-17%

**Website****Q2**

<b>VisitBuffaloNiagara.com</b>	<b>2011</b>	<b>2012</b>	<b>Variance</b>
Unique Visits	162,604	227,024	40%
Pageviews	1,032,228	1,094,486	6%
Time on Site	6:51	3:52	-44%

**YTD**

<b>VisitBuffaloNiagara.com</b>	<b>2011</b>	<b>2012</b>	<b>Variance</b>
Unique Visits	273,330	376,151	38%
Pageviews	1,516,330	1,814,633	20%
Time on Site	6:42	4:02	-40%

## Sales Initiatives and Programs

Attended the USA Hockey Annual Congress in Colorado Springs, the purpose of the trip was to support the efforts of USA Sled Hockey and Amherst Youth Hockey. At USA Sled Hockey we joined Norm Page, National Sled Hockey Representative, and Eric Guzdek, General Manager of the Northtown Center at Amherst, to present a plan to make Buffalo the headquarters for the USA Sled Hockey Team. If accepted it would bring several opportunities for national and international sled hockey tournaments as well as developmental camps to our area. Amherst Youth Hockey presented a plan to host a USA World Series of Hockey, a new proposal that intrigued USA Hockey. This would be a similar model to Little League Baseballs World Series. The goal is to have Buffalo, as the single site for this event for a multi-year agreement (7-10 years).

VBN coordinated and attended the Empire State Society of Association Executives (ESSAE) Expo in May. Our partners were the BNCC, Adam's Mark, Hyatt Regency, Embassy Suites, Millennium, Marriott, Holiday Inn Grand Island, and Hale Expo Services. The ESSAE tradeshow is the only expo for the NYS Association market and is always a good opportunity for us to prospect for new business and network with current customers. This year a total of 79 planners stopped at the booth to discuss their meeting needs. There were 7 immediate leads for new business, and 26 require follow up for future potential.

Americas' Incentive Business Travel & Meetings (AIBTM) Collaboration – This was VBN's first collaboration with sister CVB's from around the state. We worked with Rochester, Syracuse, Albany, Corning, Saratoga, Long Island and Oneida CVB's to attend AIBTM as the CVB's of New York State. Visit Buffalo Niagara was responsible for creating a video and sales sheet for the group to use during the show's expo time. We met with over fifty planners and received five immediate sales leads.

### Site Visits

Association of Boxing Commissions Annual Convention – July 2013 or 2014 . Event planner Lou Priluker toured the area competition facilities and hotels his events draw 125 competitors generating over 600 hotel room nights. Site selection is a board decision to be made in August.

U.S. Fencing Association - Regional Tournament - October 2013. Event planner Annmarie Von Son toured the area competition sites including the Convention Center. Her events draw over 400 attendees and generate 300-400 hotel room nights. This has the potential to be an annual event for the Convention Center. We expect a decision by September.

Hosted Meeting Planner and Board Member for Central Atlantic States Association of Food and Drug Officials (CASA) in February, 2012. VBN coordinated the client's visit to five properties while they were in Buffalo. The client ultimately selected the Sheraton in Niagara Falls because they weren't able to make a deal with a Buffalo hotel.

Major Bookings	Dates	Hotel Room Nights
National Association of Campus Activities	October 2015	1,300
Business Alliance for Living Economies	June 2013	875
NYS Bureau of Emergency Medical Services	October 2013	1,950
International F.&A.M. Masons	July 2013	2,490
STAR Swimming Speedo Championships	March 2013	1,010
Blue Chip Softball	July 2013	900
NJCAA Swimming & Diving	March 2013	650
L & L Bus Tour – series	July 2013	700
Creating Keepsakes	May 2013	525

<b>Upcoming Tradeshows</b>	<b>Months</b>	<b>Location</b>
Destinations of NYS International Marketplace	July	NYC
Fraternal Executives Association	July	Indian Wells
ASAE	August	Dallas
Connect Marketplace	August	New Orleans
Professional Fraternal Association	September	Lexington
NYC Sales Exchange Marketplace	September	NYC
US Olympic Committee	September	Colorado Springs
Student Youth Travel Assoc.	September	Nashville
US Aquatic Sports	September	Greensboro

### **Lost Business**

In the second quarter 136 pieces of business were lost which represented more than 129,800 hotel room nights for various reasons from room availability, room rates or facility limitations. Below is a short list of lost business.

National Science Teachers Association, October 2013 (1,200 attendees, 2,379 room nights). We lost this because we did not have the clients preferred or alternative dates available. The Center and hotels had groups in over their preferred dates. The client will keep us in mind for future years.

Atlantic 10 Swim Championships – February 2013 (1,000 attendees, 1,300 room nights). This event was lost to Spire Institute in Ohio, a new facility. They are offering “very competitive” packages to new events. It should also be noted that A10 organizers have expressed their concerns over the physical condition of the aquatic center.

NYS Association of Health, Physical Education, Recreation and Dance - November 2013, 2014, 2015 (1,100 attendees, 1,300 room nights each year). The Board voted to sign a 3 year deal at Turning Stone. They like the facility, got a great deal, and it is centrally located in the state.

NYS Music Association, August 2013 (400 attendees, 515 room nights). The Board decided to keep this meeting in Albany at this time. They received a rate in the low 100's including a \$12.00 subsidy back to the Association from the Crown Plaza and no room rental charge. Our rates came close but they still felt it wasn't a strong enough package to draw the members to Buffalo when their attendance has been strong in Albany.

## **MARKETING**

### **Media Relations, Social Media, Targeted Promotions - Consumer**

Produced our 8<sup>th</sup> Buffalo For Real TV webisode “For People Who Love To Eat & Drink” which highlighted Buffalo’s burgeoning Burmese food scene and Vera Pizzeria.

Launched our Beat the Heat campaign in early June in the Baltimore/DC area. Have driven over 3,000 unique visitors to our customized landing page. Promotion runs through end of July.

Through the work of Resnicow Schroeder Associates, I Love New York and VBN’s marketing staff, VBN generated 14 non-local media hits in the second quarter, highlighted by stories about the National Garden Festival on USAToday.com and in the *Akron Beacon Journal*, as well as a *Huffington Post* story about I Love New York’s Spare Seat Expedition.

Hosted media FAMs for the following journalists:

Stephen Jermanok, *Boston Globe*  
 Betty O’Neill Roderick, *Akron Beacon Journal*  
 Carol Strickland, *Art in America*  
 Bobby Laurie, *Instinct Magazine*  
 Jeffrey Keyes, *GayCities.com*



Evan Lambert, *Out Magazine*  
I Love New York's Spare Seat Expedition

Purchased a 12 month sponsorship of the 'Buffalo' page on Trip Advisor which allows us to add events and links to our Visitor Guide and website. Sponsorship also included 4 months of targeted banner ads for those researching any New York State content who live in targeted states on the East Coast.

### **War of 1812**

Collaborated with the NTCC and Niagara Legacy Council to promote a "Relive the War of 1812 at the Battle of Queenston Heights" contest through Smithsonian.com. Prize includes airfare, accommodations, event/attraction tickets and meals. Received over 350 entrants to the contest to date. Contest ends August 31, 2012.

Promoted "Win a Weekend in Buffalo" to promote Navy Week at the Buffalo & Erie County Naval & Military Park with HistoryChannel.com

Prize includes airfare, accommodations, event/attraction tickets and meals. Over 2,100 entrants to the contest to date. Contest ends July 31, 2012.

Agreed that Facebook page would be managed by the Niagara Legacy Council only to avoid duplicating efforts.

Sent War of 1812 dedicated newsletter to 9,500 subscribers of our "History & Culture" newsletter.

### **Garden Festival**

Have grown the National Garden Festival Facebook page to 3,600 fans.

Purchased advertising with Upstate Gardener's Journal, AAA Member Connections, Horticulture Magazine, Philadelphia Flower Show e-blast, National Garden Club program, Canada Blooms, "Naturally Green" radio show and NPR radio stations in Erie, Rochester & Syracuse.

### **Social Media Numbers**

Buffalo on Facebook – 49,001 fans

The 716 on Facebook – 69,521 fans

Buffalo Niagara on Twitter – 4,197 followers



### **Marketing to GTA and Southern Ontario**

Maintain the Shopping in Buffalo fan page with over 3,400 fans.

Used paid search to attract 2,802 unique visitors to our Shopping section of the website.

Work with style consultant, Erin Habes, to produce weekly blog posts about Buffalo's fashion scene and assist with other ways in attracting the Canadian shopping market.

In discussions with the National Women's Show about a possible sponsorship at the event which will grant us more access to the over 15,000 attendees.

Our shopping e-newsletter has grown to over 10,000 subscribers.

Hosted media FAM tours for the following Toronto-based journalists:

Bert Archer, *Toronto Star*

Lisa Rochon, *Globe & Mail*

Craig Offman, *Globe & Mail*

Let's Shop (Canadian television show)

## **LGBT Marketing**

Advertised to the LGBT wedding market in the IGLTA annual directory and the NYC Pride Guide.  
Continue to run a Google PPC campaign to attract additional visitors to our LGBT wedding microsite.  
Hosted a media FAM tour during Buffalo's Pride weekend for the following LGBT writers:  
Bobby Laurie, *Instinct Magazine*  
Jeffrey Keyes, *GayCities.com*  
Evan Lambert, *Out Magazine*  
Hosted LGBT Advisory Committee meeting June 14

## **BUFFALO AMBASSADORS**

### **Citizen Engagement**

Number of Buffalo Ambassadors - 2,244: 17% increase from 1<sup>st</sup> quarter, 45% to goal of 5,000

### **Volunteer Engagement**

10 events (not including those such as USA Hockey with multiple dates); 37 shifts covered; 26 total volunteers (some covering multiple shifts).

### **Tourism Industry Development and Visitor Readiness**

51 industry partners attending our quarterly meeting held at The Mansion. Training topic – Trip Advisor.  
Trip Advisor Webinar - 26 partners participated

National Travel and Tourism Beacon Awards luncheon at BNCC

419 registered guests in attendance

40 table sponsorships

Buffalo Ambassador Hall of Fame inductee – Tim Russert

8 Beacon Awards

Ambassador of the year was given to 16 individuals and couples

60 Distinguished Service Awards

Recognized 200 of our volunteers with a service pin

Coordinated whirlwind open air bus tour for 42 industry partners.

### **Airport Visitor Center –**

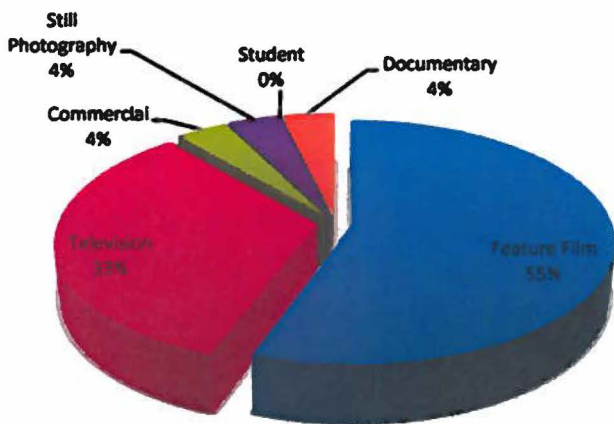
Construction on center in June 2012.

Gear up for new Airport Visitor Center (opened July 9); hired ten part time and one full time employee; selecting and ordering new branded merchandise; etc.

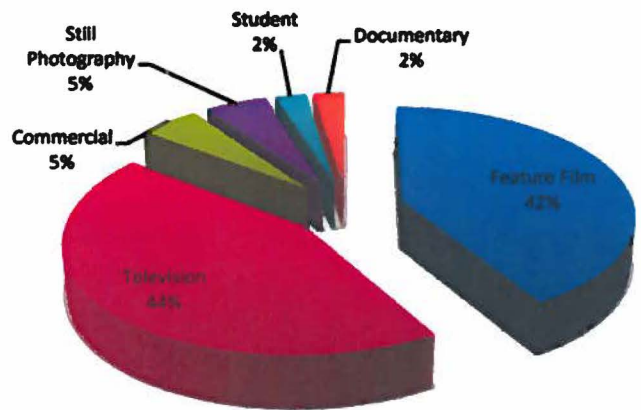
**FILM COMMISSION**  
**Q2 Highlights**

- Provided Location and Permit Support for MTV Reality Show "Crawfish" (13 Production Days)
- Provided Location and Permit Support for Independent Feature Film "Betrayal" (5 Production Days, 10 Crew)
- Provided Location support for forthcoming Independent Feature "Buffalo Boys"
- Provided Location Support and High Security Credentials for ABC News "Nik Wallenda Special" (45 Crew, 6 Days)
- Scouted and Confirmed Production for Independent Feature "Model Hunger"
- Scouted and Confirmed Production for Independent Feature "Return to Nuk'em High School"
- Provided Location Oversight for Church Opening Documentary (30 Person Crew, 3 Production Days)

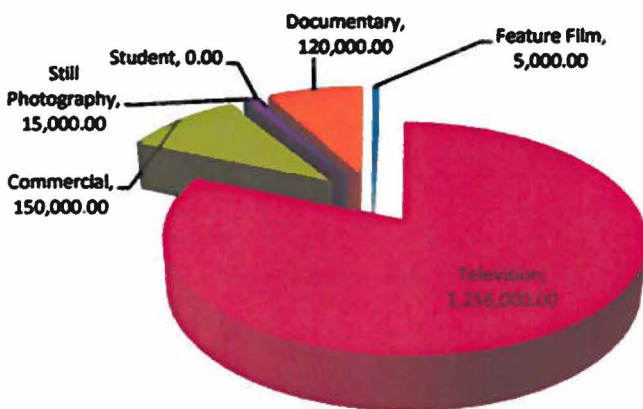
**Q2 Total Projects by Type**



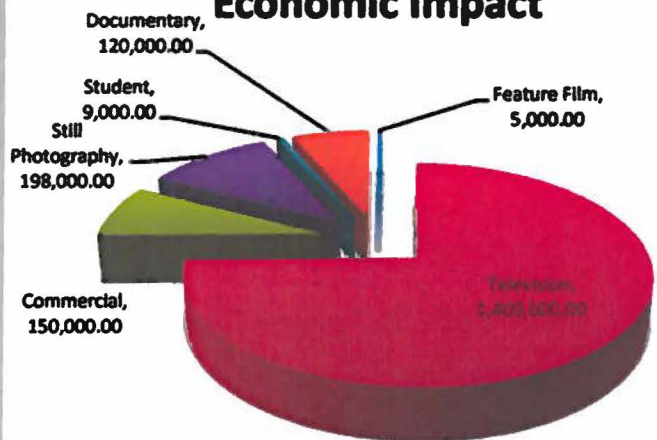
**YTD Total % by Type**



**Q2 Completed Projects Economic Impact**



**YTD Completed Projects Economic Impact**





**CONVENTION CENTER**

**Q2**

<b>Revenue</b>	<b>Goal</b>	<b>Projected</b>	<b>Variance</b>
<b>Rent Revenue</b>	\$ 153,910	\$ 131,970	-14.3%
<b>F &amp; B Revenue</b>	595,281	575,598	-3.3%
<b>Electrical Service</b>	23,135	28,943	25.1%
<b>Other Revenue</b>	3,801	30,979	715.0%
<b>Total Revenue</b>	<b>\$ 776,127</b>	<b>\$ 767,490</b>	<b>-1.1%</b>

**YTD**

<b>Revenue</b>	<b>Goal</b>	<b>Projected</b>	<b>Variance</b>
<b>Rent Revenue</b>	\$ 418,772	\$ 385,021	-8.1%
<b>F &amp; B Revenue</b>	1,041,712	982,199	-5.7%
<b>Electrical Service</b>	70,530	71,872	1.9%
<b>Other Revenue</b>	7,602	66,986	781.2%
<b>Total Revenue</b>	<b>\$ 1,538,616</b>	<b>\$1,506,078</b>	<b>-2.1%</b>

<b>Q2</b>	<b>2011</b>	<b>2012</b>	<b>Variance</b>
<b>No. of Events</b>	45	55	22.2%
<b>Attendance</b>	35,342	31,944	-9.6%
<b>YTD</b>			
<b>No. of Events</b>	76	106	39.5%
<b>Attendance</b>	282,030	190,813	-32.3%

**Comments Q2**

- The main source for the decrease in F&B was a decrease in the number of events for NYSUT. They were down \$54,000 in revenues because of the reduction in F&B events. This was partially offset by the addition of the ECMC Gala in May and SIMA, which was up by \$29,000.
- The majority of the decrease in Rentals is a result of the cancellation of the Developmental Disabilities meeting (-\$5k), lower CSEA pickup (-\$2k) and the Teacher Recruitment Group (-\$5k)
- Electric revenues are up to budget by \$6k due to an increase in Buffalo Insurance Day electrical billings.
- Our 2012 forecasted business shows that we should make up the variance and hit our budget for the year as projected.

**Major Events Hosted**

<b>Group</b>	<b>Attendance</b>
National Association of College Fairs	10,000
Insurance Day (I-Day)	1,300
Int'l Aviation Snow Symposium (Equipment Year)	575
NYS Association for the Education of Young Children	500

NYSUT	2,200
M&T Bank Officers Meeting	1,200
ECMC Foundation Gala	1,240
Jump Dance/Break the Floor Productions	500
Creating Keepsakes Scrapbook Convention	1,900
Buffalo Niagara Book & Paper Show (First Time Event)	450
Buffalo Niagara Marathon	2,500
Civil Service Employees Association Spring Workshop	424
National Association for Academic Advisors for Athletics	450
UB Partner's Day	430
M&T Bank Retails & Business Banking Meetings	150
Lancaster Prom	882
Snow & Ice Management Association	1,222

### Major Events Booked

Group	Projected Contract Value
NYSUT (April 2015)	\$75,000
M&T Bank Officers Meeting ( May 2012)	\$35,000
Neighborhood Assistance Corp. of America (July 2012)	\$32,300
Student for the Exploration of Space (Nov.2012)	\$18,000
United University Professions (Oct 2012)	\$20,000
Buffalo Niagara Marathon (May 2013-2015)	\$23,000

### Notable Q2 Activities:

Conducted Sales Calls in Washington DC and Albany  
Continue work on Top Account list/invite to FAM in August  
Upgraded CVENT listing  
Updated Client Survey/Electronic Version



**Buffalo Niagara Convention & Visitors Bureau, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2012 and 2011**

**UNAUDITED**

**Buffalo Niagara Convention & Visitors Bureau, Inc.**  
**Summary Review Memorandum**  
**Variance Analysis > \$3,000**  
**For the Six Months ended June 30, 2012**

**Statements of Activities:**

**Revenues:**

- **BNCC Management Allocation Fee - Ahead of pace due to timing. More Bureau involvement was required during the first half of the year for union contract negotiations, handbook and personnel issues and for research and meetings related to the NYS Authorities matter.**
- **Visitor Guide Advertising – Additional sales dollars generated on similar numbers of advertisers, revenues enhanced by trade opportunities.**
- **NYS Matching Funds Program – Program was allocated lesser dollars than originally expected by the State.**
- **Joint co-op marketing - is ahead of budget as a result of \$ 10,000 in revenue received to offset the cost of the Longwood's Canadian Shopping Study, \$ 15,000 in funding received from NTTC to assist with the war of 1812 marketing and approximately \$2,500 in additional revenue from the Beacon's award luncheon. These monies had not been budgeted for in the 2012 plan.**

**Expenditures:**

**Marketing/ Market Arcade Visitor Center:**

- **Visitor Guide – Increased printing costs and sales commissions due to higher ad sales is the cause for the variance reported.**
- **Advertising – Partially due to timing and some additional in year opportunities that have arose.**
- **Postage – Timing related. Large mailing of cultural DVD's done in June.**
- **Website Development – Additional Simpleview purchases, timing of support expenditures and quarterly maintenance.**
- **Research – Timing related. Balance of shopping/consumer research still pending.**
- **PR Services – RSA Engagement lesser involvement experienced through June 2012. Usage should run close to budget the remainder of the year.**
- **Freelance/Graphic Artist – Timing related**
- **Promotional Items – Girlfriend Getaway weekend/shopping packages.**

**Buffalo Niagara Convention & Visitors Bureau, Inc.**  
**Summary Review Memorandum**  
**Variance Analysis > \$3,000**  
**For the Six Months ended June 30, 2012**

**Convention Sales & Services:**

- Salary** – Decrease attributable to loss of convention sales person, mid- year sales incentives lower than budget and vacation accrual timing.
- Training** - Did not attend ACOM services training \$ 5,000 was budgeted for this. Additionally Simpleview Training approximately \$ 3,000 under budget.
- Technology & Equipment-** Timing related.
- Commitments** – Variance is due to the following. NAPS – \$ 20K expensed in 2011, and Sports related obligations of \$ 20K
- Tradeshows** – Combination of small individual show variances offset by shows not attended. Helms Briscoe, Conference Direct and Reunion Friendly Network. In May a LGBT show and a Coalition of Black Meeting Planners show were budgeted but were not attended. It was determined the unattended shows either did not fit our organization's needs or could not generate enough interest/business to warrant attending. The department is currently assessing other potential opportunities to fill in these openings.
- Convention Services** – Variances are timing related.
- Printing** – Costs associated with the following pieces were higher than budgeted. Restaurant Guide. These three pieces totaled approximately \$ 12,500
- Washington DC Rep Firm** – Contract was cancelled. Funding from this line item has been reallocated to a sponsorship opportunity with Helms Briscoe, a National Association third party planning organization.
- Advertising** – Variance is mostly timing related in addition to a 2011 invoice not received until February 2012 (\$ 3,500).
- Buffalo Ambassador Program** – Costs attributed to Awards luncheon lesser than anticipated.

**Buffalo Niagara Film Commission:**

- Salaries** – Vacation accrual timing.
- Advertising** – One P3 Update ad cancelled.
- Tradeshows** – South by Southwest and Locations not attended. The total cost associated with these two shows was approximately \$ 12,000.
- Special Projects** – Costs associated with the Wallenda wire walk which had not been budgeted for.



**Buffalo Niagara Convention & Visitors Bureau, Inc.**  
**Summary Review Memorandum**  
**Variance Analysis > \$3,000**  
**For the Six Months ended June 30, 2012**

**Administrative:**

- **Salaries** - Ahead of budget due to timing related to the recording of the vacation accrual.
- **Professional Fees** – Variance is expected to be timing related. Legal fees are running behind approximately \$ 3,300 through June.
- **Insurance** – Variance is due to the purchase of \$ 6M umbrella policy for general business liability needed for Airport VC contract compliance.
- **Benefit Plan Fees** – Engagement of Paychex HR services is the reason for the variance. Service was not approved and engaged until after budget was finalized in September 2011.
- **Technology & Equipment** – Timing. No capital equipment purchased during first half of year.

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

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**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2012 AND 2011**

**UNAUDITED**

	<b>2012</b>	<b>2011</b>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 541,651	\$ 515,555
Accounts Receivable - Erie County	1,650,000	1,625,000
NYS Matching Funds Grant	-	-
Accounts Receivable - Trade	87,843	41,664
Prepaid expenses and supplies	90,979	29,483
<b>Total current assets</b>	<b>2,370,473</b>	<b>2,211,702</b>
Property and equipment, net	-	-
<b>Total assets</b>	<b>\$ 2,370,473</b>	<b>\$ 2,211,702</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ -	\$ -
Accounts payable and accrued expenses	296,526	74,049
Accounts payable - Foundation	37,409	9,600
Deferred revenue - Other	20,333	20,334
Deferred revenue - Bed Tax	1,650,000	1,625,000
<b>Total current liabilities</b>	<b>2,004,268</b>	<b>1,728,983</b>
Net assets	<b>366,205</b>	<b>482,719</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,370,473</b>	<b>\$ 2,211,702</b>

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

	<u>Actual 6 Months 06/30/12</u>	<u>Budgeted 6 Months 06/30/12</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Annual Budget 2012</u>	<u>Actual 6 Months 06/30/11</u>
<b>REVENUES</b>	<u>\$ 2,067,578</u>	<u>\$ 1,984,691</u>	<u>\$ 82,887</u>	<u>4.18%</u>	<u>\$ 3,862,800</u>	<u>\$ 1,953,950</u>
<b>MARKETING DEPARTMENT EXPENSES</b>	\$ 803,252	\$ 782,512	\$ 20,740	2.65%	\$ 1,280,709	561,812
<b>SALES &amp; SERVICES DEPARTMENT EXPENSES</b>	708,303	816,371	(108,068)	-13.24%	1,575,021	693,320
<b>BUFFALO NIAGARA FILM COMMISSION EXPENSES</b>	129,343	137,313	(7,970)	-5.80%	268,826	115,987
<b>ADMINISTRATIVE &amp; FINANCE EXPENSES</b>	375,777	371,832	3,945	0.52%	729,400	397,770
<b>TOTAL EXPENSES</b>	<u>\$ 2,014,675</u>	<u>\$ 2,108,028</u>	<u>\$ (93,353)</u>	<u>-4.43%</u>	<u>\$ 3,862,936</u>	<u>\$ 1,768,889</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	\$ 72,903	\$ (123,337)	\$ 196,240		\$ (156)	\$ 185,061
<b>NET ASSETS - BEGINNING</b>	293,302	293,302			293,302	297,638
<b>NET ASSETS - ENDING</b>	<u>\$ 366,205</u>	<u>\$ 169,965</u>	<u>\$ 196,240</u>	<u>115.46%</u>	<u>\$ 293,146</u>	<u>\$ 482,719</u>

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**TOTAL REVENUES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

	<b>Actual 6 Months 06/30/12</b>	<b>Budgeted 6 Months 06/30/12</b>	<b>\$ Variance Over (Under)</b>	<b>% Variance Over (Under)</b>	<b>Annual Budget 2012</b>	<b>Actual 6 Months 06/30/11</b>
<b>Essex County Grant</b>	\$ 1,650,000	\$ 1,650,000	\$ -	0.00%	\$ 3,300,000	\$ 1,624,998
<b>BNCC Management Fee Allocation</b>	56,761	47,302	9,259	19.49%	95,000	91,046
<b>Visitor Guide Advertising</b>	208,105	140,000	68,105	48.65%	140,000	134,798
<b>BNFC Operations Grants</b>	27,850	25,000	2,850	11.40%	135,000	-
<b>Assessments - Convention</b>	27,720	30,000	(2,280)	-7.60%	40,000	3,490
<b>NYS Matching Funds Programs</b>	40,456	50,000	(9,544)	-19.09%	50,000	55,871
<b>Joint/Co-Op - Marketing</b>	40,568	10,600	29,968	282.72%	17,200	13,710
<b>Joint/Co-Op - Sales</b>	29,257	26,170	3,087	11.80%	70,050	22,611
<b>Merchandising Revenues - Visitors Center</b>	4,564	2,871	1,693	58.97%	10,000	4,453
<b>Interest Income</b>	284	1,020	(736)	-72.16%	2,500	717
<b>Miscellaneous Income</b>	1,968	1,278	690	53.99%	2,550	1,656
<b>Merchandising Revenues - Conventions</b>	45	250	(205)	-82.00%	500	-
<b>Total Revenues</b>	<b>\$ 2,067,578</b>	<b>\$ 1,984,691</b>	<b>\$ 102,887</b>	<b>5.18%</b>	<b>\$ 3,862,800</b>	<b>\$ 1,953,950</b>



**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**TOTAL EXPENSES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

	<b>Actual 6 Months 06/30/12</b>	<b>Budgeted 6 Months 06/30/12</b>	<b>\$ Variance Over (Under)</b>	<b>% Variance Over (Under)</b>	<b>Annual Budget 2012</b>	<b>Actual 6 Months 06/30/11</b>
<b>Personnel Costs:</b>						
<b>Salaries</b>	\$ 798,877	\$ 796,074	\$ 2,803	0.35%	\$ 1,592,140	\$ 795,451
<b>Payroll Taxes &amp; Fringe Benefits</b>	142,212	147,177	(4,965)	-3.37%	294,373	135,425
<b>Training</b>	7,311	18,100	(10,789)	-59.61%	31,250	8,891
<b>Total Personnel Costs</b>	<b>\$ 948,400</b>	<b>\$ 961,351</b>	<b>\$ (12,951)</b>	<b>-62.63%</b>	<b>\$ 1,917,763</b>	<b>\$ 939,767</b>
<b>Sales &amp; Marketing Expenditures:</b>						
<b>Advertising</b>	\$ 270,994	\$ 258,867	\$ 12,127	+4.68%	\$ 388,624	\$ 160,211
<b>Convention Commitments</b>	81,247	126,600	(45,353)	-35.82%	225,500	65,255
<b>Visitor Guide</b>	154,262	130,000	24,262	18.66%	130,000	120,410
<b>Trade Shows</b>	55,789	81,445	(25,656)	-31.50%	146,745	62,079
<b>Printing</b>	27,900	26,000	1,900	7.31%	26,000	23,328
<b>Branding Initiative</b>	-	-	-	0.00%	-	4,133
<b>Postage</b>	20,766	17,323	3,443	19.88%	36,500	13,231
<b>Sales Bids &amp; Promotions</b>	17,885	18,500	(615)	-3.32%	36,000	10,211
<b>Convention Sales &amp; Services</b>	8,326	14,800	(6,474)	-43.74%	24,700	11,010
<b>Travel &amp; Meetings</b>	24,477	21,459	3,018	14.06%	42,780	26,061
<b>Washington DC Rep Firm</b>	-	15,000	(15,000)	-100.00%	15,000	15,700
<b>Albany Office</b>	8,359	7,800	559	7.17%	15,600	7,419
<b>Receptions</b>	27,174	30,000	(2,826)	-9.42%	66,200	7,176
<b>Research</b>	26,766	29,018	(2,252)	-7.76%	65,600	26,175
<b>Distribution</b>	12,659	15,479	(2,820)	-18.22%	21,000	15,916
<b>Website Development/Hosting</b>	42,616	34,146	8,470	24.81%	67,800	21,165
<b>Familiarization Tours</b>	5,078	3,750	1,328	35.41%	42,500	1,026
<b>Public/Media Relations</b>	34,458	37,998	(3,540)	-9.32%	76,000	29,512
<b>Freelance/Graphic Artist</b>	5,140	21,000	(15,860)	0.00%	37,000	-
<b>Regional Marketing</b>	12,000	12,000	-	0.00%	12,000	11,864

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**TOTAL EXPENSES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

	<b>Actual 6 Months 06/30/12</b>	<b>Budgeted 6 Months 06/30/12</b>	<b>\$ Variance Over (Under)</b>	<b>% Variance Over (Under)</b>	<b>Annual Budget 2012</b>	<b>Actual 6 Months 06/30/11</b>
<b>Visitor Center Operations</b>	5,268	6,750	(1,482)	-21.96%	13,500	5,249
<b>Promotional Items</b>	10,987	8,965	2,022	22.55%	21,100	8,545
<b>Buffalo Ambassador Program</b>	20,240	25,000	(4,751)	-19.00%	36,000	12,468
<b>Film/Video/Photo Productions</b>	28,851	29,150	(299)	-1.03%	41,500	4,055
<b>Photography</b>	8,557	10,000	(1,443)	-14.43%	20,000	828
<b>Online Media Resource</b>	2,774	2,502	272	10.87%	5,000	1,294
<b>Social Networking</b>	-	-	-	0.00%	-	2,068
<b>Special Projects</b>	7,809	-	7,809	100.00%	3,500	8,414
<b>Newsletter</b>	5,000	4,100	900	21.95%	4,100	2,000
<b>Annual Report</b>	1,900	1,000	900	90.00%	1,000	832
<b>Total Sales &amp; Marketing Expenditures</b>	<u>\$ 927,291</u>	<u>\$ 988,652</u>	<u>\$ (61,361)</u>	<u>-6.21%</u>	<u>\$ 1,641,249</u>	<u>\$ 677,635</u>
<b>Technology &amp; Equipment</b>	1,229	14,150	(12,921)	-91.31%	22,500	6,567
<b>Departmental Administrative Expenses</b>	137,755	143,875	(6,120)	-4.25%	281,444	144,920
<b>Total Expenses</b>	<u>\$ 2,014,675</u>	<u>\$ 2,108,028</u>	<u>\$ (93,353)</u>	<u>-4.43%</u>	<u>\$ 3,862,956</u>	<u>\$ 1,768,889</u>



**Buffalo Niagara Convention Center Management  
Corporation**

**FINANCIAL STATEMENTS**

**JUNE 30, 2012 and 2011**

**UNAUDITED**

***BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT  
CORPORATION***

**FINANCIAL STATEMENTS**

**FOR THE MONTH AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

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**Buffalo Niagara Convention Center  
Summary Review Memorandum  
For the Six Months ended June 30, 2012 and 2011**

**Statements of Activities:**

- Through June 30, 2012, the Center realized an increase in net assets of \$ 121,242. This is approximately \$ 23,000 ahead of the budgeted pace set for the first half of the year ended June 30<sup>th</sup>.

**Revenues:**

- County grant revenues recognized for 2012 will be \$1,650,000. Through June \$ 825,000 of this has been realized. ( The third quarterly check was received during July)
- Overall Food & Beverage and Rental revenues are down from budget amounts by approximately \$ 95,000. This resulted from a strong June which saw significant activity in the building hosting several new events including an M&T Bank, UB Partners and Great Lakes Fishery events. However these were offset by the loss of a few key groups which included the Cat Fanciers group which was budgeted for \$ 50K. In addition to this lost business, some of the booked events did not pick up as well as was anticipated. NYSUT/CSEA are a couple of the more significant groups.
- F&B Operating margins – June's catering activity showed good results. For the month the net income percentage was nearly 35%, which helped bring the year to date results closer in line to the 22% that was budgeted. Going forward an anticipated increase in the menu prices along with tighter inventory controls and improved staff utilization should help the Center achieve the desired profit margin levels before the end of the year.
- Other Revenues – The large increase in other revenues is due to the recording of the charges to clients for EMT's and Security. Previously these revenues were netted against the expenses incurred. The new method of reporting should provide for a clearer picture as it relates to these activities and make budgeting easier.

**Expenditures:**

- Payroll and related expenses are under budget as a result of the cancellation of events and the lesser performing groups has previously mentioned. This coupled with the timing of the budgeted increase expected from the renegotiated union contracts is resulting in this favorable variance.
- Professional fees are up by \$12,000 due to higher shared service expenses with the CVB along with increase due to engagement Paychex, a third party Human resource firm and additional Legal costs attributed to the Authorities designation matter and the on-going union contract negotiations.
- Occupancy costs are down as a result of lower than anticipated gas and electric usage. This a result of the milder winter and rate decreases.



***Buffalo Niagara Convention Center***  
**Summary Review Memorandum**  
**For the Six Months ended June 30, 2012 and 2011**

- **Promotional expenses** are running above budget due to the increased number of Taste tests as well as joint marketing opportunities with the CVB.
  
- **Equipment Purchases** – Behind budgeted amounts due to the timing of the purchases. The Center is currently planning for a major technology upgrade expected to begin in late July and run through the fall of this year. As we progress through the summer these projects will commence and this financial statement line item will fall back in sync with budgeted amounts.

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**BALANCE SHEET**  
**JUNE 30, 2012 AND 2011**

**UNAUDITED**

	<b>2012</b>	<b>2011</b>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 919,229	\$ 571,624
Accounts receivable (net)	444,567	265,970
Accounts Receivable - County Grant	825,000	825,000
Inventory	60,251	57,313
Prepaid expenses	42,220	58,515
<b>Total current assets</b>	<b>2,291,267</b>	<b>1,778,422</b>
Property and equipment, net	445,026	457,026
<b>Total assets</b>	<b>\$ 2,736,294</b>	<b>\$ 2,235,449</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Short-term borrowings	\$ -	\$ -
Current portion of long-term debt	-	-
Accounts payable and accrued expenses	258,840	319,359
Deferred revenue - Erie County Grant	826,000	826,001
Deferred revenue - Technology Grant	500,000	-
Deferred revenue - Other	84,393	86,010
<b>Total current liabilities</b>	<b>1,669,233</b>	<b>1,231,369</b>
Long-term debt	-	-
<b>Net Assets:</b>		
Net assets - unrestricted	1,067,061	1,004,079
<b>Total liabilities and net assets</b>	<b>\$ 2,736,294</b>	<b>\$ 2,235,449</b>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2012 AND 2011**

**UNAUDITED**

	<u>Actual June 2012</u>	<u>Budget June 2012</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2011</u>
County Grant Funds	\$ 137,500	\$ 137,500	\$ -	0%	\$ 137,500
Other revenues	119,536	98,023	21,513	22%	55,104
<b>Total Revenues</b>	<u>257,036</u>	<u>235,523</u>	<u>21,513</u>	<u>9%</u>	<u>192,604</u>
Payroll and related costs	124,035	136,689	(12,654)	-9%	112,000
Professional fees	20,629	13,150	7,479	57%	27,898
Supplies	10,168	8,084	2,084	26%	7,863
Telephone	1,974	2,917	(943)	-32%	1,405
Postage and Freight	169	292	(123)	-42%	185
Occupancy costs	32,166	37,366	(5,200)	-14%	46,764
Equipment rental and maintenance	8,372	11,500	(3,128)	-27%	10,619
Travel expenses	5,235	2,534	2,701	107%	5,013
Promotional expenses	5,940	5,500	440	8%	2,636
Small equipment purchases	785	3,208	(2,423)	0%	5,672
Depreciation expense	1,000	1,000	-	0%	1,000
Capital Equipment Purchases	-	2,500	(2,500)	-100%	14,147
<b>Total Operating expenses</b>	<u>210,473</u>	<u>224,740</u>	<u>(14,267)</u>	<u>-6%</u>	<u>235,202</u>
<b>Increase (decrease) in net assets</b>	<b>46,562</b>	<b>5,783</b>	<b>40,779</b>	<b>705%</b>	<b>(42,598)</b>
<b>Net assets - beginning</b>	<b>1,020,497</b>	<b>1,038,013</b>	<b>(17,516)</b>	<b>-2%</b>	<b>1,046,678</b>
<b>Net assets - ending</b>	<u><b>\$1,067,060</b></u>	<u><b>\$1,043,796</b></u>	<u><b>\$ 23,264</b></u>	<u><b>2%</b></u>	<u><b>\$1,004,080</b></u>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE SIX MONTHS ENDED JUNE 30 , 2012 AND 2011**

**UNAUDITED**

	Actual June 2012	Budget June 2012	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2011
County Grant Funds	\$ 825,000	\$ 825,000	\$ -	0%	\$ 825,000
Other revenues	726,734	757,293	(30,559)	-4%	611,926
<b>Total Revenues</b>	<b><u>1,551,734</u></b>	<b><u>1,582,293</u></b>	<b><u>(30,559)</u></b>	<b><u>-2%</u></b>	<b><u>1,436,926</u></b>
Payroll and related costs	828,908	867,663	(38,755)	-4%	748,343
Professional fees	126,524	92,900	33,624	36%	134,132
Supplies	67,809	48,504	19,305	40%	43,635
Telephone	8,373	17,498	(9,125)	-52%	12,370
Postage and Freight	1,649	1,752	(103)	-6%	1,667
Occupancy costs	277,296	308,546	(31,250)	-10%	295,033
Equipment rental and maintenance	52,427	69,000	(16,573)	-24%	61,879
Travel expenses	11,206	15,204	(3,998)	-26%	10,085
Promotional expenses	36,856	33,000	3,856	12%	27,922
Small equipment purchases	12,667	19,248	(6,581)	0%	17,999
Depreciation expense	6,000	6,000	-	0%	6,000
Capital Equipment Purchases	777	5,000	(4,222)	-84%	20,050
<b>Total Operating expenses</b>	<b><u>1,430,492</u></b>	<b><u>1,484,315</u></b>	<b><u>(53,822)</u></b>	<b><u>-4%</u></b>	<b><u>1,379,115</u></b>
<b>Increase (decrease) in net assets</b>	<b>121,242</b>	<b>97,978</b>	<b>23,264</b>	<b>24%</b>	<b>57,811</b>
<b>Net assets - beginning</b>	<b>945,818</b>	<b>945,818</b>	<b>(0)</b>	<b>0%</b>	<b>946,269</b>
<b>Net assets - ending</b>	<b><u>\$ 1,067,060</u></b>	<b><u>\$1,043,796</u></b>	<b><u>\$ 23,264</u></b>	<b><u>2%</u></b>	<b><u>\$1,004,080</u></b>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**SCHEDULE OF FOOD SERVICE OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30 , 2012 AND 2011**

**UNAUDITED**

	For the Month		Year To date		Year To Date	
	June		June		June	
	2012	%	2012	%	2011	%
<b>Sales:</b>						
Sales - Food	\$205,192	95.89%	\$ 870,080	85.04%	\$ 770,044	85.51%
Sales - Beverage	8,031	3.75%	148,143	14.48%	126,215	14.01%
Sales - Vending all	753	0.35%	4,969	0.49%	4,094	0.45%
Sales - Non-foods Other	-	0.00%	-	0.00%	224	0.02%
<b>Total Sales</b>	<b>213,976</b>	<b>100.00%</b>	<b>1,023,192</b>	<b>100.00%</b>	<b>900,576</b>	<b>100.00%</b>
<b>Cost of Sales:</b>						
Cost of Sales - Food	58,748	27.46%	299,284	29.25%	248,874	27.63%
Cost of Sales - Beverage	1,172	0.55%	39,195	3.83%	41,384	4.60%
Cost of Sales - Vending all	232	0.11%	2,265	0.22%	1,077	0.12%
Cost of Sales - Non foods & Other	2,263	1.06%	14,629	1.43%	25,223	2.80%
Cost of Sales - Employee meals	-	0.00%	-	0.00%	-	0.00%
<b>Total Cost of Sales</b>	<b>62,415</b>	<b>29.17%</b>	<b>355,373</b>	<b>34.73%</b>	<b>316,559</b>	<b>35.15%</b>
<b>Gross Profit</b>	<b>151,561</b>	<b>70.83%</b>	<b>667,819</b>	<b>65.27%</b>	<b>584,017</b>	<b>64.85%</b>
<b>Operating Expenses:</b>						
Salaries & Benefits	61,211	28.61%	372,259	36.38%	353,241	39.22%
Professional fees/Contracts	-	0.00%	-	0.00%	-	0.00%
Supplies and Freight	6,711	3.14%	34,670	3.39%	26,296	2.92%
Occupancy	4,649	2.17%	35,249	3.45%	30,735	3.41%
Equipment rental & maintenance	429	0.20%	9,376	0.92%	3,837	0.43%
Travel expenses	-	0.00%	-	0.00%	-	0.00%
Promotion	2,985	1.40%	16,634	1.63%	13,162	1.46%
Other	1,039	0.49%	10,914	1.07%	16,200	1.80%
<b>Total Operating Expenses</b>	<b>77,024</b>	<b>36.00%</b>	<b>479,102</b>	<b>46.82%</b>	<b>443,471</b>	<b>49.24%</b>
<b>Net Income Food Service</b>	<b>\$ 74,537</b>	<b>34.83%</b>	<b>\$ 188,717</b>	<b>18.44%</b>	<b>\$ 140,546</b>	<b>15.61%</b>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.  
OTHER REVENUES RECAP  
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

**UNAUDITED**

	For The Month				Year to Date					
	Actual June 2012	Budget June 2012	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2011	Actual June 2012	Budget June 2012	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2011
Rentals	\$ 33,887	\$ 35,550	\$ (1,663)	-5%	\$ 23,518	\$ 390,021	\$ 418,772	\$ (28,751)	-7%	\$ 396,592
Equipment Rentals	(3)	1,100	(1,103)	-100%	256	4,281	6,600	(2,319)	-35%	4,628
Electrical Services	7,230	5,485	1,745	32%	778	72,322	70,530	1,792	3%	57,476
Commissions	2,305	1,200	1,105	92%	2,460	8,114	7,200	914	13%	6,155
Net Catering Revenues	74,537	54,521	20,016	37%	29,412	188,717	253,089	(64,372)	-25%	140,546
Interest	-	-	-	#DIV/0!	-	4	100	(96)	-96%	3
Other	1,580	167	1,413	846%	(1,320)	63,275	1,002	62,273	6215%	6,526
<b>Total Other Revenues</b>	<u>\$ 119,536</u>	<u>\$ 98,023</u>	<u>\$ 21,513</u>	<u>22%</u>	<u>\$ 55,104</u>	<u>\$ 726,734</u>	<u>\$ 757,293</u>	<u>\$ (30,559)</u>	<u>-4%</u>	<u>\$ 611,926</u>