ECLEG MAY19'15 AM10:30

May 15, 2015

Ms. Karen M. McCarthy
Clerk, Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Dear Karen:

Enclosed please find the 1st quarter report for 2015 regarding efforts made toward achieving funding purposes as stated in our Marketing Plan and Budget and financial statements as of March 31, 2015 for Visit Buffalo Niagara and Buffalo Niagara Convention Center.

Sincerely,

Patrick J. Kaler
President and CEO

/Enclosures

403 Main Street, Suite 630 ▪ Buffalo, New York 14203 ▪ 716.852.0511 ▪ 888.228.3369 ▪ 716.852.0131 fax
www.VisitBuffaloNiagara.com

May 15, 2015

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_____

Patrick J. Kaler
President and CEO

2015 First Quarter Report

FINANCE & ADMINISTRATION				
Q1 Financials	**Projected**	**Budgeted**	**Variance**	**% Variance**
Revenues	**$902,688**	**$ 884,662**	**$ 18,026**	**2.04%**
Expenses				
Marketing Department	$ 332,326	$ 323,654	$ 8,672	**2.68%**
Convention Sales & Services	383,587	375,594	7,993	**2.13%**
Airport Visitor Center	48,911	53,364	(4,453)	**-8.34%**
Downtown Visitor Center	19,977	19,733	244	**1.24%**
Administrative & Finance	193,674	183,593	10,081	**5.49%**
TOTAL EXPENSES	**$978,475**	**$ 955,938**	**$ 22,537**	**2.36%**
Increase (Decrease) In Net Assets	**$ (75,787)**	**$(71,276)**	**$(4,511)**	

SALES				
Q1 Sales Results	**Goal**	**Actual**	**+/-**	**% Variance**
Convention Leads	87	95	8	9%
Sports Leads	69	77	8	12%
Group Tour Leads	51	52	1	2%
Definite Business	97	133	36	37%
Hotel Room Nights	43,100	49,284	6,184	14%
YTD Sales Results	**Goal**	**Actual**	**+/-**	**% Variance**
Convention Leads	87	95	8	9%
Sports Leads	69	77	8	12%
Group Tour Leads	51	52	1	2%
Definite Business	97	133	36	37%
Hotel Room Nights	43,100	49,284	6,184	14%
YOY Comparison	**2015**	**2014**	**+/-**	**% Variance**
Convention Leads	95	85	10	12%
Sports Leads	77	72	5	7%
Group Tour Leads	52	50	2	4%
Definite Business	133	129	4	3%
Hotel Room Nights	49,284	41,965	7,319	17%

Q1 Major Bookings	Hotel Room Nights	Economic Impact
East Assoc. of College & University Business Officials Oct. 2018	1,387	$2,219,950.00
National Association of Campus Activities October 2016	800	$2,100,000.00
NHL Combine 2015	2,205	$1,912,329.00
Gaelic Athletic Association Youth Championships July 2017	2,700	$1,886,928.00
Delaware North Corporate Food & Beverage Summit Nov 2015	950	$686,677.00
Creative Problem Solving Institute June 2015	1,170	$574,422.00
UAW Ford National Program Center June 2015	1,140	$572,103.00
Nat. Assoc. of College & University Food Service March 2016	690	$546,895.00
NYSUT Leadership and Union Rep Conference August 2015	480	$251,720.00
International Broadcasters Idea Bank October 2016	360	$199,643.00

Q1 Site Visits	Hotel Room Nights	Economic Impact
USS Frank E. Evans DD 754	265	$474,321.00
BMW Motorcycle Owners of America	660	$393,941.00
International Broadcasters Idea Bank	360	$199,643.00
17th Infantry Regiment Association – The Buffalos	264	$198,764.00
USS Leutze – DD481	60	$65,705.00

Q1 Lost Business

Meeting/Event	Year(s)	Hotel Room Nights	Reason Lost
Association of Gospel Rescue	2017	1,938	Lost to Dallas because they can accommodate in one hotel, in Buffalo we would have needed 3 hotels.
NYSPHAA Wrestling Championships	2016 & 2017	1,600 per year	It was a two year bid, room rates were too high in Buffalo, and group chose Albany.
Veterans of Foreign Wars of the US. State Convention	2017	1,525	Unable to find a suitable number of hotels to pull together a bid, may consider bidding for a future year.
Northeast Greek Leadership Assoc.	2018	930	Group signed in Pittsburgh, board didn't feel Buffalo would draw the numbers needed to conduct the conference.
North American Chinese Basketball Assoc. Natl. Champ.	2016	900	Lost due to lack of availability and high venue costs.
NY Farm Bureau	2015	430	Unable to garner local support, booked Rochester.

Q1 Sales Initiatives and Programs

Tradeshows attended:
American Bus Association marketplace: Provided the opportunity to meet with highly qualified domestic & international tour operators. At this show Tour planners request meetings with destinations they have an interest in learning more about, we met with 58 in total. 6 immediate leads were issued to area hospitality partners with the potential of 8 additional leads after some research and development.

National Tour Association: An appointment based show brought 41 interested domestic tour operators to our booth to learn more about Buffalo Niagara's attractions. No immediate leads were generated; however, 6 prospects have potential to become leads after some research and development.

Professional Convention Management Association: Attended PCMA education sessions and networking opportunities with other meetings industry professionals and meeting planners. Educational sessions focused on enhancing performance, and exploring how world issues impact the meetings industry.

Religious Conference Manager Association: 10 meeting planners stopped at our tradeshow booth to discuss future meeting needs, 2 immediate leads (Wilma Ministries and National Deacon's Convention) were distributed to hotel partners for proposals. There are 6 potential leads that need further investigation.

Upcoming Tradeshows:

National Association of Sports Commission	April
Pow Wow	May
Direct Selling Association	May
Empire State Society of Association Executives	June
Collaborate Marketplace	June

MARKETING

Q1 Website & Mobile	2015	2014	Variance
Unique Visitors	175,572	253,751	-30.81%*
Pageviews	699,023	1,040,576	-30.82%*
Time on Site	3:01	3:38	-16.97%
YTD Website & Mobile	**2015**	**2014**	**Variance**
Unique Visitors	175,572	253,751	-30.81%*
Pageviews	699,023	1,040,576	-32.82%*
Time on Site	3:01	3:38	-16.97%

*First quarter web stats have been adversely affected by the launch of the new website in February. Follow up work is being done to ensure that all 301 redirects are in place to maximize organic traffic and a resumption of paid search marketing is planned for the second quarter. It should also be noted that VBN has recently switched to Google Universal Analytics, which uses new protocols to track web traffic, and this may account in part for the YOY decline. VBN's marketing staff is working with Substance and e-Brains to reverse this decline.

Social Media	2015	2014	Variance
VBN on Facebook	61,969	59,979	+3.3 %
The 716 on Facebook	66,321	70,481	-6.0%
Twitter	15, 178	10,452	+45.2%
Instagram	4,006	1,386	+189 %

Domestic Advertising

Continuing Seneca Gaming Corporation partnership with a variety of newsprint, magazine, e-newsletter, social media and e-mail placements throughout New York, Ohio, Pennsylvania and Ontario

Canadian Marketing Initiative

Our partnership with the NTCC is now in its third year. Working with digital agency, e-Brains, we are continuing lead generation, banner advertising, paid search, and e-mail campaigns aimed at Southern Ontario consumers.

International Marketing

We continue to promote our Chinese language; German language and U.K. focused videos in partnership with Brand USA.

Social Media

Instagram is the fastest growing social media platform nationally and our results conform to this trend.
Visit Buffalo Niagara's #WinterBUF social media contest yielded nearly 2,000 photos showcasing the best of Buffalo during the winter season.

Video Production

Buffalo for Real TV More Beer episode was released on Jan. 29 and has been viewed 4,900 times on YouTube. Buffalo For Real TV Ice at Canalside episode was released on Feb. 11th and has been viewed 2,996 times on YouTube.

Media Relations

Media Outlet	Circulation	Media Value	Headline and Quotes/Highlights
The New York Times	1,321,207	TBD	"Buffalo Embraces Winter's Chill" focused on new winter-related tourism developments in Buffalo
Rochester Democrat and Chronicle	234,599	TBD	"Destination Dining: Buffalo Undergoes Food Renaissance:" Story on the city's burgeoning and innovative restaurant scene.
The Associated Press	N/A	TBD	"Ice Bikes Gain Traction in Bitterly Cold Buffalo" VBN provided information for a story on the Ice Bikes of Buffalo that ran around the world in dozens of outlets that carry AP stories.
El Comercio.com (Peru)	TBD	TBD	"Disfruta el dia en Buffalo con estas bicicletas: (Enjoy the day in Buffalo with these ice bikes)" Website for Peru's largest newspaper published VBN's press release on the Ice Bikes of Buffalo.
RedHunttravel.com	N/A	TBD	"5 Famous Foods From Buffalo" blog post on char-grilled hot dogs, chicken wings, sponge candy, Paula's Donuts and beef on weck reached over 140,000 on social media.
Toronto Star	546,819	TBD	"Buffalo: A Crucible for Cars" profiled the Buffalo Transportation Pierce-Arrow Museum and owner Jim Sandoro's mission to make it the largest such museum in the world.
St. Catherine's Standard	19,733	TBD	"Buffalo's Canalside Continues to Evolve:" Story about recent waterfront development in Buffalo.

INDUSTRY RELATIONS / DESTINATION DEVELOPMENT

Q1 Downtown VIC	2015	2014	Variance
Walk-In Traffic	1,781	2,101	-15.2%
Merchandise Sales	$2504.18	$2246.24	11.5%

YOY Downtown VIC	2015	2014	Variance
Walk-In Traffic	1,781	2,101	-15.2%
Merchandise Sales	$2504.18	$2246.24	11.5%

Q1 Airport VIC	2015	2014	Variance
Walk-In Traffic	10,912	12,647	-13.7%
Merchandise Sales	$30,910.21	$39,833.06	-22.4%

YOY Airport VIC	2015	2014	Variance
Walk-in Traffic	10,912	12,647	-13.7%
Merchandise Sales	$30,910.21	$39,833.06	-22.4%

Q1 Tourism Insider	Subscribers	Open Rate	Click Through Rate
January	3,260	29.87%	4.40%
February	3,414	24.21%	3.72%
March	3,447	23.44%	3.47%

Q1 Travel Pulse	Subscribers	Open Rate	Click Through Rate
January	1,032	28.13%	12.79%
February	1,090	27.16%	8.65%
March	1,115	24.27%	8.03%

Q1 Ambassador/Volunteer Engagement

Date	Convention/Event Name	# of Volunteers	# of Hours	Total Hours
1/26/2015	Volunteer Mixer	48 in attendance	2	96
1/30-2/1	STAR Swimming	12	3-2 hour shifts	24
3/5-3/15	USA Hockey States (two weekends)	32	2-4 hour shifts	128
3/25-3/31	USA Hockey Nationals	20	2-4 hour shifts	80
2/18/2015	Volunteer Orientation	15 in attendance	1	15
3/18/2015	Volunteer Orientation	7 in attendance	1	7
	TOTAL	134		350

Q1 Visit Buffalo Niagara Academy Programs

Industry Meeting	Date	Attendance	Survey Score
Q1 Industry Meeting	1/21/2015	117	4.5
Detail: Held at (716) Food & Sport; Tom Dee, ECHDC presenter; updates from Sales, Marketing, Industry Relations & Patrick			

Front-Line Staff Training	Date	Attendance	Survey Score
Online, classroom and experiential training program.			
Detail: Expected launch date August 1, 2015			

VBN EVENTS CALENDAR			
Event	**Date**	**Location**	**Description**
National Travel & Tourism Week	May 2-9	Various	Lighting the City Red (color of hospitality), Get the Scoop On Tourism – Perry's Ice Cream give-away at Downtown Visitor Center, Another Voice Editorial, LAMAR digital billboard messaging (in-kind).
Annual Beacon Awards Luncheon	May 4	BNCC	Annual recap of previous year's tourism activities and presentation of Beacon Awards. 2015 event will include a presentation by Berkeley Young on the VBN's visitor profile study.
Visit Buffalo Niagara Academy – Frontline Staff FAM Tour	May 12	Various	FAM tour for tourism industry frontline staff
Volunteer Mixer	May 20	Forest Lawn	Monthly orientation/quarterly meeting – at Margaret Wendt Education Center/Forest Lawn
Volunteer Orientation	June 17	VBN	Monthly orientation for new volunteers
VBN Board of Directors Meeting	July TBD	BNCC	Second Quarter Meeting
VBN Director of Sales Meeting	June 17	VBN	Quarterly Meeting
VBN Marketing Committee Meeting	June TBD	VBN	Quarterly Meeting
BN Sports Commission Meeting	June TBD	TBD	Quarterly Meeting
Customer Advisory Council Meeting	August	BNCC / Hyatt	Annual meeting of the CAC taking place in Buffalo.

Buffalo Niagara Convention & Visitors Bureau, Inc.

FINANCIAL STATEMENTS

MARCH 31, 2015 AND 2014

UNAUDITED

For Presentation at the Board of Director's Meeting on Friday May 1, 2015

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

Table of contents	**Page 1**
Balance Sheet	**Page 2**
Statement of Activities	**Page 3**
Statement of Total Revenues	**Page 4**
Statement of Total Expenses	**Page 5-6**

Buffalo Niagara Convention & Visitors Bureau, Inc.
Summary Review Memorandum
For the three Months ended March 31, 2015

Statements of Activities:

For the three months ended March 31, 2015, the Bureau, has realized a decrease in net assets of $ 91,139, approximately $40,000 behind the budgeted pace of $ 51,000 through March 31st. Below is a synopsis of the relevant variances.

Revenues:

Through March revenues are running ahead of budget by $ 15,000. The major variances are as follows:

- **Erie County Grant** – Variance is a result of the County increasing the 2015 grant by 2% or $ 67,000 over 2014 amounts. Increase was not known during the CVB budgeting process which concluded in August 2014 and therefore could not be factored into the 2015 budget. Through March the budgetary impact is approximately $ 17,000.

- **Joint Co-op Marketing** – Variance attributed to recognition of sponsorship revenues received from the NTTC for assistance with the 2015 Canadian Marketing Initiative. The total sponsorship received from the NTTC is $ 100,000 of which $ 15,000 has been recognized through March 2015.

- **Merchandise Sales Airport VC** – Running behind budget due to slower than expected sales some of which were weather related while some of the decrease is believed to be attributed to the slower airport traffic as well as the downturn in the value of the Canadian dollar.

- **Miscellaneous Income** – Variance attributed to the 2nd half of the Key Bank Sponsorship of $ 2,500 which was received to help offset costs for the Downtown Buffalo Visitor Center.

Expenditures:

Through March, expenditures are $ 55,000 ahead of the budgeted pace. Since it is still very early in our budget year many of the variance are timing related. Below is a summary of the more significant changes.

- **Personnel Costs and Salaries, PR Taxes & Fringes Benefits** – Running ahead of budget through March. Variance is mainly due to timing and is related to the recording of our monthly vacation accrual. Fringe benefits variance attributed to timing as many employer payroll tax obligations are not incurred evenly throughout the year but rather during the first quarter.

- **Advertising** - Variance attributed to the start of the 2015 Canadian Marketing Initiative which has begun to incur some initial start-up costs. Since the magnitude of the program is predicated around receiving a $ 250,000 grant from NYS and $ 100,000 in sponsorship funding from NTTC which is not known at the time of the budget preparation, the corresponding advertising expenses were not budgeted for as well. As of March approximately $ 53,000 in advertising had been incurred for this program. By the end of the

- program the CVB will have recognized $ 350,000 in unbudgeted revenues associated with the Canadian Marketing Initiative.

- **Website Development & Hosting** – Variance is due to the final costs associated with the completion and launch of the new VBN website. While it was hoped the costs associated with the website would be completed by the end of 2014, some remaining costs (which were to be paid from the 2013 Erie County Grant holdover) were not incurred until the first quarter of 2015.

- **Airport Visitor Center Operations** – Downturn in sales at the airport center have also caused a reduction in operating costs too. The variance is mainly related to the lower cost of merchandise due to lower than expected sales.

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
BALANCE SHEET
MARCH 31, 2015 AND 2014

UNAUDITED

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 130,725	$ 67,722
Accounts Receivable - Erie County	3,300,000	3,233,283
Accounts Receivable - Trade	133,193	175,334
Accounts Receivable - Foundation	-	7,829
Grants Receivable	75,000	195,000
Prepaid expenses and supplies	121,925	186,088
Total current assets	3,760,843	3,865,256
Property and equipment, net	73,629	47,025
Total assets	$ 3,834,472	$ 3,912,281
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term borrowings	$ 200,000	$ 100,000
Accounts payable and accrued expenses	307,438	165,327
Accounts payable - Foundation	63,593	-
Deferred Grant Revenue	-	-
Deferred revenue - Other	339,940	342,518
Deferred revenue - Bed Tax	2,475,000	2,424,962
Total current liabilities	3,385,971	3,032,807
Net assets	448,501	879,474
Total liabilities and net assets	$ 3,834,472	$ 3,912,281

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITES
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Actual 3 Months 03/31/15	Budgeted 3 Months 03/31/15	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2015	Actual 3 Months 03/31/14
REVENUES	$ 900,034	$ 884,662	$ 15,372	1.74%	$ 4,011,133	$ 932,641
MARKETING DEPARTMENT EXPENSES	$ 361,404	$ 290,154	$ 71,250	24.56%	$ 1,339,797	$ 292,537
SALES & SERVICES DEPARTMENT EXPENSES	382,452	397,694	(15,242)	-3.83%	1,583,911	307,063
AIRPORT VISITOR CENTER EXPENSES	44,653	53,364	(8,711)	-16.32%	271,225	49,245
BUFFALO VISITOR CENTER EXPENSES	19,993	19,733	260	1.32%	82,500	18,217
ADMINISTRATIVE & FINANCE EXPENSES	182,671	175,164	7,507	4.29%	733,700	188,073
TOTAL EXPENSES	$ 991,173	$ 936,109	$ 55,064	5.88%	$ 4,011,133	$ 855,135
INCREASE (DECREASE) IN NET ASSETS	$ (91,139)	$ (51,447)	$ (39,692)		$ -	$ 77,506
NET ASSETS - BEGINNING	539,640	539,640	-		539,640	801,968
NET ASSETS - ENDING	$ 448,501	$ 488,193	$ (39,692)	-8.13%	$ 539,640	$ 879,474

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
TOTAL REVENUES
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Actual 3 Months 03/31/15	Budgeted 3 Months 03/31/15	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2015	Actual 3 Months 03/31/14
Erie County Grant	$ 825,000	$ 808,320	$ 16,680	2.06%	$ 3,233,283	$ 808,321
BNCC Management Fee Allocation	4,440	4,500	(60)	-1.33%	12,000	3,596
Visitor Guide Advertising	-	-	-	-	245,000	-
BNFC Operations Grants	-	-	-	-	-	-
Assessments - Convention	-	-	-	-	5,000	-
NYS Matching Funds Program	-	-	-	-	55,100	-
Joint/Co-Op - Marketing	24,566	13,998	10,568	75.50%	70,000	8,729
Joint/Co-Op - Sales	9,072	12,300	(3,228)	-26.24%	109,500	2,850
Grant Revenues	-	-	-	-	-	67,000
Joint/Co-Op - Airport	-	-	-	-	6,500	(177)
Merchandising Revenues - BVC	2,781	2,305	476	20.65%	20,000	2,246
Merchandising Revenues - Airport VC	30,231	42,950	(12,719)	-29.61%	250,000	39,833
Interest Income	49	98	(49)	-50.00%	750	56
Miscellaneous Income	3,895	66	3,829	5801.52%	3,500	187
Merchandising Revenues - Conventions	-	125	(125)	-100.00%	500	-
Total Revenues	**$ 900,034**	**$ 884,662**	**$ 15,372**	**1.74%**	**$ 4,011,133**	**$ 932,641**

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
TOTAL EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Actual 3 Months 03/31/15	Budgeted 3 Months 03/31/15	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2015	Actual 3 Months 03/31/14
Personnel Costs:						
Salaries	$ 399,860	$ 382,778	$ 17,082	4.46%	$ 1,562,500	$ 371,197
Payroll Taxes & Fringe Benefits	83,970	73,850	10,120	13.70%	300,483	69,078
Training	9,060	7,905	1,155	14.61%	34,500	12,173
Total Personnel Costs	$ 492,890	$ 464,533	$ 28,357	32.78%	$ 1,897,483	$ 452,448
Sales & Marketing Expenditures:						
Advertising	$ 201,760	$ 150,625	$ 51,135	33.95%	$ 385,000	$ 139,924
Convention Commitments	36,829	44,500	(7,671)	-17.24%	160,275	25,427
Visitor Guide	-	-	-	-	220,000	-
Tradeshows	27,551	32,450	(4,899)	-15.10%	144,000	24,086
Printing	6,311	6,550	(239)	-3.65%	31,500	479
Branding Intiative	-	-	-	-	-	-
Postage	8,387	8,475	(88)	-1.04%	36,250	7,631
Sales Bids & Promotions	10,880	12,000	(1,120)	-9.33%	101,500	5,741
Convention Sales & Services	1,098	5,750	(4,652)	-80.90%	25,100	639
Travel & Meetings	4,416	7,760	(3,344)	-43.09%	38,000	8,458
Washington DC Rep Firm	-	-	-	-	-	-
Albany Office	4,470	4,440	30	0.68%	17,750	4,272
Receptions	-	500	(500)	-100.00%	37,700	-
Research	14,663	11,925	2,738	22.96%	59,000	5,938
Distribution	2,298	7,725	(5,427)	-70.25%	20,000	5,765
Website Development/Hosting	31,465	14,645	16,820	114.85%	68,000	13,486
Familiarization Tours	1,379	535	844	157.76%	39,000	1,490
Professionl Fees & Public/Media Relations	13,044	12,000	1,044	8.70%	65,000	10,784
Freelance/Graphic Artist	4,175	2,485	1,690	68.01%	17,500	2,241
Regional Marketing	12,022	12,500	(478)	-3.82%	25,500	10,581

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Actual 3 Months 03/31/15	Budgeted 3 Months 03/31/15	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2015	Actual 3 Months 03/31/14
Airport Visitor Center Operations	20,953	30,259	(9,306)	-30.75%	173,725	28,229
Market Arcade Visitor Center Operations	3,082	2,908	174	5.98%	17,550	2,782
Promotional Items	1,527	3,515	(1,988)	-56.56%	18,000	2,544
Buffalo Ambassador Program	6,304	5,400	904	16.74%	50,050	705
Film/Video/Photo Productions	3,550	7,000	(3,450)	-49.29%	40,000	11,698
Photography	4,331	4,455	(124)	-2.78%	15,000	13,450
Online Media Resource	793	1,374	(581)	-42.29%	5,500	1,238
Social Networking	198	365	(167)	-45.75%	1,200	964
Special Projects	-	-	-	-	-	-
Newsletter	-	-	-	-	4,000	-
Annual Report	-	-	-	-	-	-
Total Sales & Marketing Expenditures	$ 421,486	$ 390,141	$ 31,345	8.03%	$ 1,816,100	$ 328,552
Technology & Equipment	-	1,750	(1,750)	-100.00%	9,350	2,621
Departmental Administrative Expenses	76,797	79,685	(2,888)	-3.62%	288,200	71,514
Total Expenses	$ 991,173	$ 936,109	$ 55,064	5.88%	$ 4,011,133	$ 855,135

BUFFALO NIAGARA CONVENTION CENTER

2015 First Quarter Report

BUFFALO NIAGARA CONVENTION CENTER			
Q1 Revenue	**Goal**	**Projected**	**Variance**
Rent Revenue	$298,784	$301,993	+1.1%
F&B Revenue	$664,405	$725,169	+9.1%
Electrical Service	$61,364	$54,810	-10.7%
Other Revenue	$23,270	$24,419	+4.9%
TOTAL REVENUE	$1,047,823	$1,106,391	+5.6%
YTD Revenue	**2015**	**2014**	**Variance**
Rent Revenue	$298,784	$301,993	+1.1%
F&B Revenue	$664,405	$725,169	+9.1%
Electrical Service	$61,364	$54,810	-10.7%
Other Revenue	$23,270	$24,419	+4.9%
TOTAL REVENUE	$1,047,823	$1,106,391	+5.6%
Q1 Events	**2015**	**2014**	**Variance**
Number of Events	40	41	-2.5%
Attendance	180,233	193,860	-7.1%
YTD Events	**2015**	**2014**	**Variance**
Number of Events	40	41	-2.5%
Attendance	180,233	193,860	-7.1%
F&B Profit Margin	22.9%	22.6%	-1.31%
Guest Satisfaction Survey	4.81	4.64	+3.53%

Comments Q1

Total revenues were up to budget in the first quarter by $59k or 5.6%.

The main source of the increase in Food and Beverage came from unbudgeted revenues from Excelsior Health (+$12k) and the M&T Bank Holiday Party (+$12k). Groups who surpassed their budgeted numbers included Roswell Park (+$19k), Ingram Micro (+$17k), Delta Sigma Theta (+$12k) and the Roman Catholic Diocese event (+$12k).

Rental revenues are up slightly to budget $3k or 1.1%.

Electrical revenues are down by -$5k or -10.7% as a result of a reduction in electrical needs in February for the New York State Law Boards Exam.

Other revenues are up to budget by $1k or 4.9%.

Q1 Major Events Hosted

Month	Event Name	Number of Attendees
Jan	Ingram Micro President's Club Dinner	1,650
Jan	Roman Catholic Diocese of Buffalo Foundation	1,156
Jan	Tuxedo Junction – Bridesworld	6,500
Jan	Town Square Media – Buffalo on Tap	6,197
Jan	Cheersport Championship	2,200
Feb	Niagara Frontier Automobile Dealers Association – Auto Show	70,000
Feb	Buffalo Zoo – Polar Bites	1,200
Feb	City of Buffalo – State of the City Address	1,250
Feb	Moog Inc – Mid Winter Bash	2,830
Feb	Varsity Spirit – American Championships Cheerleading Event	5,585
March	Marketplace Events – Buffalo Home Show	43,172
March	SoupFest	5,500
March	Motorama	10,000
March	National Association of College Fairs	5,500
March	M&T Bank – Commercial Sales Meeting	750
	TOTAL ATTENDEES	163,490

Q1 Major Events Booked		
Year	**Event Name**	**Expected Revenue**
2015	Delaware North Companies Inc. Food & Beverage Summit	$61,300
2015	Ambit Energy – Training & Rally	$22,500
2015	Greater Buffalo Sports Hall of Fame- Annual Dinner	$25,000
2015	Roswell Park Alliance Foundation - Gala	$62,400
2016	Insurance Club of Buffalo (I-Day)	$55,000
2016	Break the Floor Productions – 2016 Jump Dance	$23,275
2017	Break the Floor Productions – 2017 Jump Dance	$23,275
2018	Break the Floor Productions – 2018 Jump Dance	$23,275
2016	Break the Floor Productions –2016 Nuvo Dance Convention	$25,280
2017	Break the Floor Productions – 2017 Nuvo Dance Convention	$25,280
2015	SABAH - Starlight Night Auction & Gala	$15,000
2015	M&T Bank Officer's Meeting	$16,000

Q1 Notable Sales Activities	
Date	**Program**
Jan	Attended PCMA Convening Leaders Conference
Feb	Ingram Micro Site Inspection for January 2016
Feb	NYS Market meeting, established plans for Albany sales blitz & ESSAE trade show
Feb	NYS Center of Excellence Bioinformatics & Life Sciences Site Inspection for October 2015
Feb/March	Meetings with Hyatt, VBN to create meetings package & implementation strategy for need periods in 2015/16
March	Attended DOS Meeting at VBN with hotel partners
March	NYSUT site inspection for April 2015
March	Attended DMAI Destinations Showcase in DC
March	Attended DMAI Foundation Dinner
March	UAW-Ford site inspection for June 2015
March	Scare-A-Con Site Inspection for June 2016

Buffalo Niagara Convention Center Management Corporation

FINANCIAL STATEMENTS

MARCH 31, 2015 and 2014

UNAUDITED

For Presentation at the Board of Director's Meeting on Friday May 1, 2015

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORPORATION

FINANCIAL STATEMENTS

FOR THE MONTH AND THREE MONTHS ENDED MARCH 31, 2015 AND 2014

TABLE OF CONTENTS

Balance Sheet	**Page 1**
Statement of Activities for the month ended March 31, 2015 and 2014	**Page 2**
Statement of Activities for the month and three months ended March 31, 2015 and 2014	**Page 3**
Schedule of Food Service Operations for the month and three months ended March 31, 2015 and 2014	**Page 4**
Schedule of Other Revenues for the month and three months ended March 31, 2015 and 2014	**Page 5**

Buffalo Niagara Convention Center Management Corporation
Summary Review Memorandum
For the three Months ended March 31, 2015

Statements of Activities:

For the three months ended March 31, 2015, the Center realized a decrease in net assets of $ 52,001. The Center is behind the budgeted pace by approximately $ 150,000. The large variance is a result of the Center using the remainder of its 2013 Erie County holdover funds approximately $ 100,000 for the purchase of small capital and equipment related purchases as well as the acquisition of badly needed departmental supplies and small equipment. The usage of these funds is the primary cause of the first quarter variance.

Revenues:

Through March overall revenues are lagging budget by approximately $ 23,000. The major reasons for these variances are as follows:

- **Erie County Grant Funds** – The Center will receive an additional $ 25,000 in Erie County grant funds to make their total grant for 2015 $ 1,700,000. Through the end of March this equated to an additional $ 6,300.

- **Earned Revenues from F&B, Rental & Electrical Services** – earned revenues from catering activity and electrical services account for the majority of the negative variance in other (earned revenues) revenue. For the year, the number of groups and gross revenue is consistent with budget, however higher than expected food costs, more concession related business (lower margin business), increased payroll to accommodate the implementation of new procedures and the purchase of badly needed F&B supplies and equipment like tabletops and other buffet related supplies and equipment have contributed to the overall negative earned revenue results.

Expenditures:

For the year ended March 31st, expenditures are $ 126,000 ahead of budget. The majority of the variance is due to the use of the 2013 holdover funds of which approximately $ 100,000 remained unexpended at the end of 2014 and was to be used to acquire small capital and equipment purchases as well as departmental related supplies. The remainder of the variance through the first quarter is a combination of business levels, catering activity, timing variances and the usage of the 2013 holdover funds as described.

A list of the major categories with variances is as follows:

- **Salaries and PR Taxes & Fringes Benefits** – Overall payroll is running below budget for the year due to lower payroll costs as a result of ongoing contract negotiations with our three collectively bargained groups. As a result the budgeted increase has not yet taken effect as we await the ratifications of the three tentative CBA agreements.

- **Supplies** – Ahead of budget due to the purchase of various departmental supplies and equipment. Including the purchase of cloud lighting system and various other electrical and janitorial supplies. These purchases although unbudgeted in 2015, were part of the supplies to be purchased using the return of the 2013 county grant retainage.

- **Professional Fees –** Year to date variance is partly timing related and will come more into line as we work our way through the remainder of the year. Currently it is mainly due to higher than anticipated legal costs related to ABO issues as well as employee related matters. The remainder is timing related with respect to the year-end audit.

- **Communication Expenses** – Variance related to costs incurred with the technology project implementation.

- **Occupancy Costs** – For the year are running ahead due to increased electrical costs and usage. In addition the costs of EMT services and security was higher than expected but is offset by the higher than expected revenue generated from the chargeback to groups as previously mentioned.

- **Capital Equipment Purchases -** The large variance is a result of the Center using the remainder of its 2013 Erie County holdover funds. The center used approximately $ 50,000 for the purchase of small capital and equipment such as the carpeting of rooms 102-108 recovering of 450 banquet chairs, the purchase of new board room chairs for group usage and the updating of the fire door so as to remain compliant with current fire and building codes. The usage of these funds is the primary cause of the first quarter variance.

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
BALANCE SHEET
MARCH 31, 2015 AND 2014

UNAUDITED

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 391,870	$ 586,672
Accounts receivable (net)	408,383	375,988
Accounts Receivable - County Grant	1,699,871	1,674,750
Inventory	72,103	69,252
Prepaid expenses	68,266	43,836
Total current assets	2,640,494	2,750,498
Property and equipment, net	-	-
Total assets	$ 2,640,494	$ 2,750,498
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term borrowings	$ -	$ -
Current portion of long-term debt	-	-
Accounts payable and accrued expenses	379,940	384,328
Deferred revenue - Erie County Grant	1,274,903	1,256,063
Deferred revenue - Technology Grant	28,196	28,196
Deferred revenue - Other	124,780	135,176
Total current liabilities	1,807,819	1,803,763
Long-term debt	-	-
Net Assets:		
Net assets - unrestricted	832,675	946,735
Total liabilities and net assets	$ 2,640,494	$ 2,750,498

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
STATEMENT OF ACTIVITIES
MARCH 31, 2015 AND 2014

UNAUDITED

	Actual March 2015	Budget March 2015	$ Variance Over (Under)	% Variance Over (Under)	Actual March 2014
Technology Grant	$ -	$ -	$ -	0%	$ -
County Grant Funds	141,656	139,563	2,093	1%	139,563
Other revenues	226,318	233,335	(7,017)	-3%	216,182
Total Revenues	**367,974**	**372,898**	**(4,924)**	**-1%**	**355,745**
Payroll and related costs	172,781	180,031	(7,250)	-4%	166,985
Professional fees	35,590	21,188	14,402	68%	7,837
Supplies	23,418	12,523	10,895	87%	17,056
Telephone	1,683	6,250	(4,567)	-73%	11,261
Postage and Freight	306	246	60	24%	243
Occupancy costs	58,429	61,841	(3,412)	-6%	61,845
Equipment rental and maintenance	9,486	9,272	214	2%	7,125
Travel expenses	2,175	1,959	216	11%	682
Promotional expenses	5,015	8,816	(3,801)	-43%	4,496
Other Expenses	1,132	2,865	(1,733)	-60%	4,141
Depreciation expense	-	-	-	-	-
Capital Equipment Purchases	149	5,000	(4,851)	-97%	-
Total Operating expenses	**310,164**	**309,991**	**173**	**0%**	**281,671**
Increase (decrease) in net assets	**57,810**	**62,907**	**(5,097)**	**-8%**	**74,074**
Net assets - beginning	774,866	919,348	(144,482)	-16%	872,661
Net assets - ending	**$ 832,676**	**$ 982,255**	**$ (149,579)**	**-15%**	**$ 946,735**

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

UNAUDITED

	Actual March 2015	Budget March 2015	$ Variance Over (Under)	% Variance Over (Under)	Actual March 2014
Technology Grant	$ -	$ -	$ -	0%	$ 5,000
County Grant Funds	424,968	418,689	6,279	1%	418,688
Other revenues	540,178	569,987	(29,809)	-5%	539,681
Total Revenues	**965,146**	**988,676**	**(23,530)**	**-2%**	**963,369**
Payroll and related costs	526,114	538,955	(12,841)	-2%	505,923
Professional fees	57,853	40,564	17,289	43%	26,138
Supplies	96,983	38,764	58,219	150%	74,428
Telephone	11,633	18,750	(7,117)	-38%	18,989
Postage and Freight	830	738	92	12%	783
Occupancy costs	204,451	179,590	24,861	14%	167,186
Equipment rental and maintenance	28,799	27,816	983	4%	20,286
Travel expenses	7,181	5,877	1,304	22%	2,136
Promotional expenses	21,307	26,448	(5,141)	-19%	24,299
Other Expenses	11,303	8,595	2,708	32%	6,306
Depreciation expense	-	-	-	-	-
Capital Equipment Purchases	50,690	5,000	45,690	914%	5,000
Total Operating expenses	**1,017,147**	**891,097**	**126,050**	**14%**	**851,474**
Increase (decrease) in net assets	**(52,001)**	**97,579**	**(149,580)**	**-153%**	**111,895**
Net assets - beginning	884,676	884,676	-	0%	834,840
Net assets - ending	**$ 832,675**	**$ 982,255**	**$(149,580)**	**-15%**	**$ 946,735**

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
SCHEDULE OF FOOD SERVICE OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

UNAUDITED

	For the Month March		Year To date March		Year To Date March	
	2015	%	2015	%	2014	%
Sales:						
Sales - Food	$107,857	68.28%	$ 571,012	79.05%	$ 576,808	81.62%
Sales - Beverage	48,566	30.75%	148,011	20.49%	127,888	18.10%
Sales - Vending all	1,533	0.97%	3,315	0.46%	1,992	0.28%
Sales - Non-foods Other	-	0.00%	-	0.00%	-	0.00%
Total Sales	157,956	100.00%	722,338	100.00%	706,688	100.00%
Cost of Sales:						
Cost of Sales - Food	41,533	26.29%	203,792	28.21%	190,679	26.98%
Cost of Sales - Beverage	7,843	4.97%	43,216	5.98%	39,721	5.62%
Cost of Sales - Vending all	963	0.61%	1,751	0.24%	1,077	0.15%
Cost of Sales - Non foods & Other	2,684	1.70%	7,256	1.00%	7,277	1.03%
Cost of Sales - Employee meals	-	0.00%	-	0.00%	-	0.00%
Total Cost of Sales	53,023	33.57%	256,015	35.44%	238,754	33.78%
Gross Profit	104,933	66.43%	466,323	64.56%	467,934	66.22%
Operating Expenses:						
Salaries & Benefits	79,498	50.33%	276,480	38.28%	248,457	35.16%
Professional fees/Contracts	-	0.00%	-	0.00%	-	0.00%
Supplies and Freight	5,432	3.44%	15,494	2.14%	18,637	2.64%
Occupancy	6,268	3.97%	15,691	2.17%	16,111	2.28%
Equipment rental & maintenance	2,004	1.27%	3,582	0.50%	1,948	0.28%
Travel expenses	-	0.00%	-	0.00%	-	0.00%
Promotion	2,913	1.84%	14,901	2.06%	16,118	2.28%
Other	442	0.28%	2,371	0.33%	7,225	1.02%
Total Operating Expenses	96,557	61.13%	328,519	45.48%	308,496	43.65%
Net Income Food Service	**$ 8,376**	**5.30%**	**$ 137,804**	**19.08%**	**$ 159,438**	**22.56%**

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
OTHER REVENUES RECAP
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

UNAUDITED

	For The Month					Year to Date				
	Actual March 2015	Budget March 2015	$ Variance Over (Under)	% Variance Over (Under)	Actual March 2014	Actual March 2015	Budget March 2015	$ Variance Over (Under)	% Variance Over (Under)	Actual March 2014
Rentals	$ 168,204	$ 163,789	$ 4,415	3%	$ 155,517	$ 296,993	$ 298,784	$ (1,791)	-1%	$ 289,586
Equipment Rentals	768	734	34	5%	-	3,858	2,202	1,656	75%	3,125
Electrical Services	23,742	19,603	4,139	21%	20,106	54,965	61,364	(6,399)	-10%	51,689
Commissions	1,920	1,599	321	20%	3,294	3,586	4,797	(1,211)	-25%	5,257
Net Catering Revenues	8,376	33,804	(25,428)	-75%	18,117	137,804	167,122	(29,318)	-18%	159,438
Interest	-	6	(6)	-100%	-	-	18	(18)	-100%	-
Other	23,308	13,800	9,508	69%	19,148	42,972	35,700	7,272	20%	30,586
Total Other Revenues	**$ 226,318**	**$ 233,335**	**$ (7,017)**	**-3%**	**$ 216,182**	**$ 540,178**	**$ 569,987**	**$ (29,809)**	**-5%**	**$ 539,681**