



August 6, 2015

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

Dear Karen:

Enclosed please find the 2<sup>nd</sup> quarter report for 2015 regarding efforts made toward achieving funding purposes as stated in our Marketing Plan and Budget and financial statements as of June 30, 2015 for Visit Buffalo Niagara and Buffalo Niagara Convention Center.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patrick J. Kaler".

Patrick J. Kaler  
President and CEO

/Enclosures

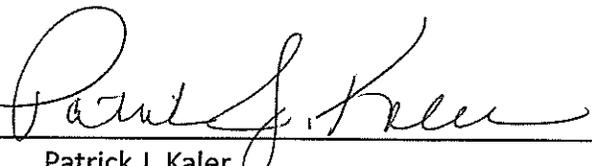


August 6, 2015

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



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

**FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

**UNAUDITED**

*For Presentation at the Board of Director's Meeting on Friday July 31, 2015*

*Buffalo Niagara Convention & Visitors Bureau, Inc.*  
**Summary Review Memorandum**  
**For the six Months ended June 30, 2015**

**Statements of Activities:**

For the six months ended June 30, 2015, the Bureau, has realized a decrease in net assets of \$ 12,215, approximately \$25,000 ahead of the budgeted deficit of \$ 38,000 through June 30<sup>st</sup>. Below is a synopsis of the relevant variances.

**Revenues:**

Through June revenues are running ahead of budget by \$ 154,000, predominately due to activity surrounding the Canadian Marketing Initiative and the additional County Grant Funding Appropriation of \$ 66,000. Details of the more significant 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 June the budgetary impact is approximately \$ 33,000.
- **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 \$ 36,000 has been recognized through June 2015.
- **Grant Revenues** – Through June the Bureau has recognized \$ 91,000 in grant revenue to be received from NYS for the 2015 Canadian Marketing Initiative. Costs associated with the program will also exceed budget amounts proportionately.
- **Merchandise Sales Airport VC** – Running behind budget due to slower than expected sales some of which was weather related which hurt pre summer sales while the majority of the decrease is believed attributable to the slower airport traffic as well as the downturn in the value of the Canadian dollar.
- **Miscellaneous Income** – Variance predominately resulting from the 2015 Key Bank Sponsorship of \$ 2,500 which was received to help offset costs for the Downtown Buffalo Visitor Center.

**Expenditures:**

Through June, expenditures are \$ 128,000 ahead of the budgeted pace. As noted previously most is attributed to the Canadian Marketing Initiative Below is a summary of the more significant changes.

- **Personnel Costs and Salaries, PR Taxes & Fringes Benefits** – Running ahead of budget through June. 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 were incurred during the first quarter of the year. The line item will come back in line as we work through the back half of the year.

*Buffalo Niagara Convention & Visitors Bureau, Inc.*  
**Summary Review Memorandum**  
**For the six Months ended June 30, 2015**

- **Advertising/ Photography** – A majority of the variance is attributed to the 2015 Canadian Marketing Initiative which has begun to incur significant costs. Since the magnitude of the program is predicated around receiving the \$ 250,000 CFA grant from NYS and \$ 100,000 in sponsorship funding from NTTC (Unknown at the time of the budget preparation), the corresponding advertising and photography expenses were not budgeted for as well. As of June approximately \$ 125,000 in advertising and \$ 7,500 in photography had been incurred for this program. By the end of the program the CVB will have recognized \$ 350,000 in unbudgeted revenues and expenses associated with the Canadian Marketing Initiative.
- **Convention Commitments** - Amounts are down as a result of some groups not requiring as much assistance with their events coupled with some lost business for which a commitment was budgeted.
- **Tradeshows** – Reduction results from cancellation of attendance at a couple of convention tradeshows. It was management's decision to pull out of these shows due to anticipated poor performance. Funds for these shows were allocated to other future shows or other programming opportunities such as FAM Tours and a unique marketing opportunity this fall when the Buffalo Bills play an October game in London.
- **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.
- **Familiarization Tours** – A Significant increase in the number of travel writers the marketing department has hosted through June along with the addition of an I Love NY, Australian Group FAM which the Bureau hosted in May is giving rise to this variance.
- **Airport Visitor Center Operations** – Downturn in sales at the airport center have also caused a reduction in operating costs as well. The variance is mainly related to the lower cost of merchandise due to lower than expected sales.
- **Film/Video Production** - Costs associated with video productions are down. It was felt that due to the nature and timing of when the proposed video productions would be completed that the funds could be more effective and better served in another format.

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

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

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**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2015 AND 2014**

**UNAUDITED**

	<b>2015</b>	<b>2014</b>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 429,511	\$ 689,267
Accounts Receivable - Erie County	1,650,000	1,616,642
Accounts Receivable - Trade	125,700	37,525
Grants Receivable	275,000	75,000
Prepaid expenses and supplies	114,512	174,391
<b>Total current assets</b>	<b>2,594,723</b>	<b>2,592,825</b>
Property and equipment, net	73,629	47,025
<b>Total assets</b>	<b>\$ 2,668,352</b>	<b>\$ 2,639,850</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Short-term borrowings	\$	\$
Accounts payable and accrued expenses	203,620	155,444
Accounts payable - Foundation	50,223	16,694
Deferred revenue - Other	237,084	78,634
Deferred revenue - Bed Tax	1,650,000	1,616,642
<b>Total current liabilities</b>	<b>2,140,927</b>	<b>1,867,414</b>
Net assets	527,425	772,436
<b>Total liabilities and net assets</b>	<b>\$ 2,668,352</b>	<b>\$ 2,639,850</b>

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

	<u>Actual 6 Months 06/30/15</u>	<u>Budgeted 6 Months 06/30/15</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Annual Budget 2015</u>	<u>Actual 6 Months 06/30/14</u>
<b>REVENUES</b>	<u>\$ 2,293,106</u>	<u>\$ 2,138,694</u>	<u>\$ 154,412</u>	<u>7.22%</u>	<u>\$ 4,011,133</u>	<u>\$ 2,260,015</u>
<b>MARKETING DEPARTMENT EXPENSES</b>	\$ 968,081	\$ 828,247	\$ 139,834	16.88%	\$ 1,339,797	\$ 995,749
<b>SALES &amp; SERVICES DEPARTMENT EXPENSES</b>	802,363	819,555	(17,192)	-2.10%	1,583,911	729,453
<b>AIRPORT VISITOR CENTER EXPENSES</b>	98,275	120,096	(21,821)	-18.17%	271,225	112,612
<b>BUFFALO VISITOR CENTER EXPENSES</b>	47,091	39,858	7,233	18.15%	82,500	38,441
<b>ADMINISTRATIVE &amp; FINANCE EXPENSES</b>	389,511	369,079	20,432	5.54%	733,700	413,292
<b>TOTAL EXPENSES</b>	<u>\$ 2,305,321</u>	<u>\$ 2,176,835</u>	<u>\$ 128,486</u>	<u>5.90%</u>	<u>\$ 4,011,133</u>	<u>\$ 2,289,547</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	\$ (12,215)	\$ (38,141)	\$ 25,926		\$ -	\$ (29,532)
<b>NET ASSETS - BEGINNING</b>	539,640	539,640			539,640	801,968
<b>NET ASSETS - ENDING</b>	<u>\$ 527,425</u>	<u>\$ 501,499</u>	<u>\$ 25,926</u>	<u>5.17%</u>	<u>\$ 539,640</u>	<u>\$ 772,436</u>

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**TOTAL REVENUES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

	<b>Actual 6 Months 06/30/15</b>	<b>Budgeted 6 Months 06/30/15</b>	<b>\$ Variance Over (Under)</b>	<b>% Variance Over (Under)</b>	<b>Annual Budget 2015</b>	<b>Actual 6 Months 06/30/14</b>
Eric County Grant	\$ 1,650,000	\$ 1,616,640	\$ 33,360	2.06%	\$ 3,233,283	\$ 1,616,642
BNCC Management Fee Allocation	6,257	9,000	(2,743)	-30.48%	12,000	5,391
Visitor Guide Advertising	245,719	245,000	719	0.29%	245,000	229,084
Assessments - Convention	34,037	5,000	29,037	580.74%	5,000	
NYS Matching Funds Program	54,547	55,100	(553)	-1.00%	55,100	54,912
Joint/Co-Op - Marketing	67,066	41,996	25,070	59.70%	70,000	72,607
Joint/Co-Op - Sales	44,953	44,300	653	1.47%	109,500	26,774
Grant Revenues	91,000	-	91,000	-	-	142,000
Joint/Co-Op - Airport	2,912	6,500	(3,588)	-55.20%	6,500	3,928
Merchandising Revenues - BVC	10,807	7,835	2,972	37.93%	20,000	7,853
Merchandising Revenues - Airport VC	81,217	106,455	(25,238)	-23.71%	250,000	99,982
Interest Income	60	403	(343)	-85.11%	750	227
Miscellaneous Income	4,531	215	4,316	2007.44%	3,500	615
Merchandising Revenues - Conventions	-	250	(250)	-100.00%	500	-
<b>Total Revenues</b>	<b>\$ 2,293,106</b>	<b>\$ 2,138,694</b>	<b>\$ 154,412</b>	<b>7.22%</b>	<b>\$ 4,011,133</b>	<b>\$ 2,260,015</b>

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.  
 TOTAL EXPENSES  
 FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Actual 6 Months 06/30/15	Budgeted 6 Months 06/30/15	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2015	Actual 6 Months 06/30/14
<b><u>Personnel Costs:</u></b>						
Salaries	\$ 798,404	\$ 779,630	\$ 18,774	2.41%	\$ 1,562,500	\$ 778,116
Payroll Taxes & Fringe Benefits	152,681	149,949	2,732	1.82%	300,483	144,166
Training	10,458	12,100	(1,642)	-13.57%	34,500	18,561
<b>Total Personnel Costs</b>	<b>\$ 961,543</b>	<b>\$ 941,679</b>	<b>\$ 19,864</b>	<b>-9.34%</b>	<b>\$ 1,897,483</b>	<b>\$ 940,843</b>
<b><u>Sales &amp; Marketing Expenditures:</u></b>						
Advertising	\$ 434,274	\$ 274,971	\$ 159,303	57.93%	\$ 385,000	\$ 447,922
Convention Commitments	97,489	109,500	(12,011)	-10.97%	160,275	78,482
Visitor Guide	217,351	215,715	1,636	0.76%	220,000	184,640
Tradeshows	57,390	74,350	(16,960)	-22.81%	144,000	64,556
Printing	15,123	17,250	(2,127)	-12.33%	31,500	7,150
Branding Initiative						
Postage	20,478	20,410	68	0.33%	36,250	19,926
Sales Bids & Promotions	18,826	26,400	(7,574)	-28.69%	101,500	24,140
Convention Sales & Services	15,661	17,600	(1,939)	-11.02%	25,100	5,864
Travel & Meetings	16,927	19,860	(2,933)	-14.77%	38,000	16,834
Washington DC Rep Firm						
Albany Office	9,370	8,880	490	5.52%	17,750	8,367
Receptions	6,472	8,500	(2,028)	-23.86%	37,700	
Research	26,666	27,750	(1,084)	-3.91%	59,000	33,062
Distribution	13,050	13,900	(850)	-6.12%	20,000	14,372
Website Development/Hosting	40,752	32,990	7,762	23.53%	68,000	58,910
Familiarization Tours	11,517	3,835	7,682	200.31%	39,000	9,283
Professional Fees & Public/Media Relations	28,902	38,375	(9,473)	-24.69%	65,000	33,233
Freelance/Graphic Artist	5,525	8,280	(2,755)	-33.27%	17,500	7,453
Regional Marketing	12,022	14,000	(1,978)	-14.13%	25,500	10,581

**BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.**  
**TOTAL EXPENSES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

	<b>Actual 6 Months 06/30/15</b>	<b>Budgeted 6 Months 06/30/15</b>	<b>\$ Variance Over (Under)</b>	<b>% Variance Over (Under)</b>	<b>Annual Budget 2015</b>	<b>Actual 6 Months 06/30/14</b>
Airport Visitor Center Operations	54,563	73,202	(18,639)	-25.46%	173,725	68,551
Market Arcade Visitor Center Operations	12,713	7,440	5,273	70.87%	17,550	7,173
Promotional Items	9,322	9,335	(13)	-0.14%	18,000	5,614
Destination Development	30,166	30,300	(134)	-0.44%	50,050	17,619
Film/Video/Photo Productions	4,750	15,750	(11,000)	-69.84%	40,000	19,211
Photography	13,136	5,520	7,616	137.97%	15,000	15,635
Online Media Resource	1,621	2,748	(1,127)	-41.01%	5,500	2,477
Social Networking	959	670	289	43.13%	1,200	1,886
Special Projects	-	-	-	-	-	-
Newsletter	-	-	-	-	4,000	-
Annual Report	-	-	-	-	-	-
<b>Total Sales &amp; Marketing Expenditures</b>	<b>\$ 1,175,025</b>	<b>\$ 1,077,531</b>	<b>\$ 97,494</b>	<b>9.05%</b>	<b>\$ 1,816,100</b>	<b>\$ 1,162,941</b>
Technology & Equipment	8,082	5,850	2,232	38.15%	9,350	3,686
Departmental Administrative Expenses	160,671	151,775	8,896	5.86%	288,200	182,077
<b>Total Expenses</b>	<b>\$ 2,305,321</b>	<b>\$ 2,176,835</b>	<b>\$ 128,486</b>	<b>5.90%</b>	<b>\$ 4,011,133</b>	<b>\$ 2,289,547</b>



# 2015 Second Quarter Report

<b>FINANCE &amp; ADMINISTRATION</b>				
<b>Q2 Financials</b>	<b>Projected</b>	<b>Budgeted</b>	<b>Variance</b>	<b>% Variance</b>
<b>Revenues</b>	<b>\$2,284,300</b>	<b>\$2,138,694</b>	<b>\$145,606</b>	<b>6.81%</b>
<b>Expenses</b>				
Marketing Department	\$967,761	\$809,597	\$158,164	19.54%
Convention Sales & Services	801,810	835,555	(33,745)	-4.04%
Airport Visitor Center	101,835	120,096	(18,261)	-15.21%
Downtown Visitor Center	44,625	39,858	4,767	11.96%
Administrative & Finance	389,510	369,079	20,431	5.54%
<b>TOTAL EXPENSES</b>	<b>\$2,305,541</b>	<b>\$2,174,185</b>	<b>\$ 131,356</b>	<b>6.04%</b>
<b>Increase (Decrease) In Net Assets</b>	<b>\$ (21,241)</b>	<b>\$ (35,491)</b>	<b>\$ 14,250</b>	

<b>SALES</b>				
<b>Q2 Sales Results</b>	<b>Goal</b>	<b>Actual</b>	<b>+/-</b>	<b>% Variance</b>
Convention Leads	98	107	9	9.2%
Sports Leads	50	67	17	34%
Group Tour Leads	41	45	4	9.8%
Definite Business	97	144	51	52.6%
Hotel Room Nights	43,000	44,810	1,810	4.2%
<b>YTD Sales Results</b>				
Convention Leads	185	201	16	8.6%
Sports Leads	139	143	4	2.2%
Group Tour Leads	92	97	5	5.4%
Definite Business	194	274	80	41.2%
Hotel Room Nights	86,100	92,964	6,864	8%
<b>YOY Comparison</b>	<b>2015</b>	<b>2014</b>		
Convention Leads	201	174	27	15.5%
Sports Leads	143	174	31	17.8%
Group Tour Leads	97	91	6	6.6%
Definite Business	274	254	20	7.9%
Hotel Room Nights	92,964	84,148	8,816	10.5%
<b>Q2 Major Bookings</b>	<b>Hotel Room Nights</b>		<b>Economic Impact</b>	
Teenage Mutant Ninja Turtle Film Crew	3,528		\$3,050,200	
North American Prospects Showcase	3,400		\$2,341,970	
National Association of Campus Activities	3,000		\$2,130,091	
Church of God Saints in Christ	1,435		\$1,458,250	
Asian Basketball North American Regional Championships	1,200		\$994,519	
NYS Elks Association	1,100		\$968,953	
NYS Public High School Athletic Association Boys Swimming Champs	910		\$617,990	
Blue Chip Can Am Championships	900		\$594,800	
NYS Public High School Hockey Championships 2016, 2017 and 2018	450		\$405,000	
American Accordionists Association Festival	300		\$348,060	

Q2 Site Visits	Hotel Room Nights	Economic Impact
National Land Trust Conservation Conference	2,180	\$1,886,600
Church of God, Feast of the Tabernacles	1,600	\$1,279,800
National Association of Parliamentarians Training Conference	595	\$625,453
USS Saratoga Association	375	\$321,784
International Broadcasters Idea Bank	300	\$199,643
USS Richard E. Byrd DDG-23	160	\$120,255

#### Q2 Lost Business

Meeting/Event	Year(s)	Hotel Room Nights	Reason Lost
NYS School Boards Association	2019	3,500	Chose Rochester who offered lower rates.
NYS Bureau of Emergency Medical Services	2017	2,200	Chose Syracuse because their history shows stronger attendance and hotel room pick up there.
Association for Experiential Education	2016	1,085	The board's impression of Buffalo was not positive, group is considering Pittsburgh and Minneapolis.
American Music Therapy Assoc.	2018	1,000	Planner cited challenges marketing Buffalo to constituents.
Church of God Feast of Tabernacles	2016	500	Client was not pleased with headquarter hotel options.
Automobile License Plate Collectors Assoc.	2018	425	Board chose Valley Forge, PA .

#### Q2 Sales Initiatives and Programs

Australian Ready FAM Tour: working in cooperation with I Love NY staff, VBN hosted 9 Australian reps from major inbound travel planners to immerse them in Buffalo attractions and hotel product. Following the FAM tour VBN hosted an industry seminar where industry partners from the cultural organizations, area attractions and hotel facilities learned about the demographics, travel habits and expectations of the Australian traveler. Immediately following the presentation attendees interacted with the panel in a question and answer session.

YMRC Marketplace: is a reverse tradeshow where the suppliers (VBN) go to the booths of the planners. 11 meetings were conducted resulting in 1 immediate RFP and 5 opportunities for further development.

International Pow Wow: is the largest travel trade show in North America and is sponsored by US Travel Association and Brand USA. 125 appointments were held with receptive operators from around the world. Each has potential to bring groups to the Buffalo Niagara area.

ESSAE tradeshow – Exhibited at the ESSAE Annual Expo with industry partners (BNCC and Hale Expo Services) in Saratoga NY. Approximately 60 meeting planners stopped at the booth to learn about new developments in Buffalo. We acquired 11 immediate leads and several planners expressed an interest in either a site visit or joining our FAM.

New York State Association Sales Blitz – Together with our hospitality partners more than 65 personal sales calls were conducted in order to update our client contact information and evaluate changing clients' needs relative to meetings and conventions. This initiative generated 5 immediate leads and 6 needing more development.

NYS Reception in cooperation with our hospitality partners, a reception was hosted in Albany where over 80 meeting planners and executive directors attended.

Attended the National Association of Sports Commissions Annual Symposium; 35 one-on-one meetings with rights holders and National Governing Bodies of sport were conducted. These meetings brought 10 immediate leads as well as opportunities for future bids.

BNSC continued working closely with our partners at the HarborCenter and The Northtown Center as they continue to create their tournament schedules. These events will bring multiple out-of-town teams to Buffalo to compete; BNSC will act as liaison to area hotels for team accommodations and the distribution of welcome information.

Participated in an ILNY international sales mission in UK, Germany and Switzerland. Meetings were held with 25 key tour operators and approximately 200 travel agents and reservation sales agents throughout the week for product training and awareness. The goal was to educate the agents about Buffalo, its proximity to Niagara Falls, the diversity of activities, accommodations, dining, culture, etc. and align with tour operators to feature Buffalo within their New York State itineraries.

## MARKETING

Q2 Website & Mobile	2015	2014	Variance
Users	208,774	339,090	-38.4%
Pageviews	713,430	1,396,940	-48.9%
Time on Site	2:22	3:34	-33.7%
YTD Website & Mobile	2015	2014	Variance
Users	376,673	622,234	-39.4%
Pageviews	1,412,453	2,463,437	-42.6%
Time on Site	2:39	3:22	-21.2%

Organic website traffic declined more dramatically than expected after the launch of the new website in late February. After identifying this downturn in visitation, staff directed our SEO consultants at eBrains to address the issue using all the tools at their disposal to recover traffic and rankings. The resulting effort is resulting in positive movement in keyword rankings and we anticipate this will translate into organic traffic growth throughout the third and fourth quarters. To complement and subsidize organic traffic, we have added a paid search program with the goal of attracting another 10,000 visitors to the site in the coming months. In addition, eBrains has committed to increasing site traffic at its own expense to assure the delivery on its guaranteed economic impact for 2015.

Social Media	2015	2014	Variance
VBN on Facebook	62,904	60,888	3.3%
The 716 on Facebook	66,154	70,648	-6.4%
Twitter	16,359	11,550	41.6%
Instagram	6,101	1,836	232%

### Domestic Advertising

Seneca Gaming buys in Pittsburgh, Erie PA, Youngstown OH, Akron OH, Rochester, Hamilton, Toronto and other parts of Southern Ontario.

Ad placed in the Cleveland Plain Dealer through special co-op promotion with the Buffalo News

NYC bus shelter ads ran June 6 – July 8

Re-signed our TripAdvisor sponsorship of the Buffalo, NY page

### Canadian Marketing Initiative

10 week print ad buy with the Toronto Star began in May

Digital campaign with eBrains that included lead generation, email marketing, PPC, social media marketing and display advertising began in May. Girlfriend Getaways is the campaign's theme and that is reflected in creative, messaging, itineraries and landing pages.

Brian Hayden, Communications Manager, attended the Travel Media Association of Canada in Peterborough, ON and was introduced to over 20 travel writers.

### Social Media

Kick-off of #BuffaLOVE15 photo contest, which asks residents and tourists alike to share photos of the best of Buffalo in the summer months (over 3,000 entries to date)

### Video Production

Commissioned 2 videos with Billy & Pat – Buffalo's Best Snack Shacks (4,021 views) & Exploring East Aurora (5,902)

### Media Relations

Media Outlet	Circulation	Media Value	Headline and Quotes/Highlights
America Journal (German)	38,500	Not Available	Two-page spread of Buffalo/Niagara included in round-up of off the beaten path destinations for German tourists to explore
Philadelphia Enquirer	263,142	\$57,517	Buffalo Booms with art, architecture and food
American Way	341,658	\$43,607	Crafting Art: American Airlines' In-flight magazine highlights the Roycroft Campus
St. Catharine's Standard	37,779	\$1,671	Look beyond the wings in Buffalo

Cleveland Plain Dealer	1,296,230 Web; 365,000 print	\$16,716 web; \$200,844 print (for all 3 stories)  \$26,462 Web  \$9,606 Web	Buffalo in 48 Hours: On the waterfront from the Erie Canal to otherworldly industrial ruins  Buffalo in 48 Hours: stellar architecture, wings, museums, industrial ruins, microbrews and Dyngus Day ground zero  Buffalo in 48 Hours: Must-visits from Frank Lloyd Wright house to Anchor Bar, candy stores
Royal Institute of British Architect's Journal	27,652 print	Not Available	Tubular Belles: A profile on the revitalization of Buffalo's grain silos

INDUSTRY RELATIONS / DESTINATION DEVELOPMENT				
Q2 Downtown VIC & info tables	2015	2014	Variance	
Walk-In Traffic & info requests	5,479	4,331	26.51%	
Merchandise Sales	\$8,025.98	\$5,606.10	43.17%	
YOY Downtown VIC	2015	2014	Variance	
Walk-In Traffic	7,260	6,432	12.87%	
Merchandise Sales	\$10,806.92	\$7,969.83	35.60%	
Q2 Airport VIC	2015	2014	Variance	
Walk-In Traffic	17,420	22,413	-22.28%	
Merchandise Sales	\$51,475.94	\$60,149.80	-14.42%	
YOY Airport VIC	2015	2014	Variance	
Walk-in Traffic	28,332	35,060	-19.19%	
Merchandise Sales	\$81,951.14	\$100,455.86	-18.42%	
Q2 Tourism Insider	Subscribers	Open Rate	Click Through Rate	
June	3,632	25.60%	1.95%	
Q2 Travel Pulse	Subscribers	Open Rate	Click Through Rate	
April	1,138	22.37%	6.95%	
May	1,167	24.78%	7.38%	
June	1,244	23.50%	7.01%	
Q2 Ambassador/Volunteer Engagement				
Date	Convention/Event Name	# of Volunteers	# of Hours	Total Hours
4/2-4/5	USA Hockey National Championships	12	3-hour shifts	36 hours
4/30 - 5/1	NYS United Teachers	16	3-hour shifts	48 hours
5/16	Rotary 7120	1	3-hour shift	3 hours
5/17-5/19	National Conference of Catechetical Leadership	15	2-hour shifts	30 hours
6/16-6/17	United Auto Workers - Ford	2	3-hour shifts	6 hours
6/21-6/28	Catholic Press	4	3-hour shifts	12 hours
6/26-6/27	50 Yard Finish	60	3 & 4 hour shifts	224 hours
6/1-6/30	Volunteers in the downtown VIC	2	4 hour shifts	32 hours
<b>TOTAL</b>		112		391 hours
Q2 Visit Buffalo Niagara Academy Programs				
Industry Meeting			Date	Attendance
Q2 industry meeting at North Park Theatre; Mark Preston, Northeast Sales Manager, Destination Marketing, TripAdvisor			4/22/15	109
5 <sup>th</sup> Annual National Travel & Tourism Beacon Awards luncheon			5/4/15	582

Special industry meeting at Burchfield Penney Art Center; Ralph Thompson, President & Chief Brain of eBrains, presenter, to share results of Canadian Marketing Initiative.	6/19/15	25
<b>Front-Line Staff &amp; Volunteer Training</b>	<b>Date</b>	<b>Attendance</b>
Whirlwind FAM Tour – familiarize front line staff on all the new developments happening downtown, Canalside, medical campus, Elmwood Village, North Buffalo – Black Rock	5/12	40
Volunteer orientation & mixer at Forest Lawn Cemetery	5/20	61
Volunteer orientation	6/17	4

<b>VBN EVENTS CALENDAR</b>			
<b>Event</b>	<b>Date</b>	<b>Location</b>	<b>Description</b>
Customer Advisory Council Meeting	8/12-14/15	BNCC/Hyatt	Annual meeting of the CAC
US Travel Association	8/13/15	Hyatt	Travel Talks with Rep. Brian Higgins
Volunteer Mixer	8/19/15	TBD	Quarterly volunteer mixer and training
Charlie the Butcher Promo	8/18/15	Downtown VC	Third event to build awareness of the new VC location and promote VBN industry partner.
National Chicken Wing Festival Promo	9/1/15 or 9/2/15	Downtown VC	Fourth event to build awareness of the new VC location and promote the Festival.
Destination Marketing Summit – educational seminar	9/30/15	BNCC	Breakout sessions and keynote topics being finalized.



**Buffalo Niagara Convention Center Management  
Corporation**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015 and 2014**

**UNAUDITED**

*For Presentation at the Board of Director's Meeting on Friday July 31, 2015*

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

**FINANCIAL STATEMENTS**

**FOR THE MONTH AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

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**Buffalo Niagara Convention Center Management Corporation**  
**Summary Review Memorandum**  
**For the six Months ended June 30, 2015**

**Statements of Activities:**

For the six months ended June 30, 2015, the Center realized an increase in net assets of \$ 81,326. The Center is slightly ahead of the budgeted pace by approximately \$ 5,000. Below is a synopsis of the relevant variances.

**Revenues:**

Through June overall revenues of \$ 1,953,598 is approximately \$ 147,000 ahead of budgeted revenues through June 30<sup>th</sup>. The following is a brief synopsis of these variances:

- **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 June this equated to an additional \$ 12,500.
- **Earned Revenues from F&B, Rental & Electrical Services** – earned revenues from rental and electrical services are slightly off from budgeted amounts. Rental revenue was impacted by the cancellation of a June event which accounts for the majority of the variance, while electrical services charged is off due to lesser usage during the February Bar exam. Net Catering revenues are running significantly ahead of budget as a result of various booked events exceeding budgeted revenue expectations. Most recently, Catholic Press and NAACP are groups which produced significantly better than expected. In addition the Center booked new business in the year for the year one of the more significant pieces of business was the the UAW Ford event which added over \$ 80,000 in catering revenues.

**Expenditures:**

For the six months ended June 30<sup>th</sup>, expenditures are \$ 142,000 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 half of the year 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 resulting from the open Compliance Officer Position that has remained unfilled pending the ABO finalization.
- **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.

*Buffalo Niagara Convention Center Management Corporation*  
**Summary Review Memorandum**  
**For the six Months ended June 30, 2015**

- **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. However a majority of the variance is currently due to higher than anticipated legal costs related to ABO issues as well as employee related matters incurred during the first half of the year. In addition the Center has engaged a firm to assist with compliance related to the high workers compensation experience rating.
- **Communication Expenses** – Costs are down due to lower phone and internet fees resulting from switching of vendors.
- **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  
JUNE 30, 2015 AND 2014

UNAUDITED

	2015	2014
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 889,148	\$ 844,192
Accounts receivable (net)	475,917	441,980
Accounts Receivable - County Grant	849,936	837,375
Inventory	66,431	61,003
Prepaid expenses	78,240	60,402
<b>Total assets</b>	<b>\$ 2,359,672</b>	<b>\$ 2,244,952</b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ -	\$ -
Current portion of long-term debt	-	-
Accounts payable and accrued expenses	316,059	324,715
Deferred revenue - Erie County Grant	849,936	837,375
Deferred revenue - Technology Grant	28,196	28,196
Deferred revenue - Other	199,479	137,514
<b>Total current liabilities</b>	1,393,670	1,327,800
Long-term debt	-	-
<b>Net Assets:</b>		
Net assets - unrestricted	966,002	917,153
<b>Total liabilities and net assets</b>	<b>\$ 2,359,672</b>	<b>\$ 2,244,952</b>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2015 AND 2014**

**UNAUDITED**

	<u>Actual June 2015</u>	<u>Budget June 2015</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2014</u>
Technology Grant	\$ -	\$ -	\$ -	0%	\$ -
County Grant Funds	141,656	139,563	2,093	1%	139,563
Other revenues	56,305	71,944	(15,639)	-22%	52,546
<b>Total Revenues</b>	<u>197,961</u>	<u>211,507</u>	<u>(13,546)</u>	<u>-6%</u>	<u>192,109</u>
Payroll and related costs	150,764	146,231	4,533	3%	134,403
Professional fees	5,709	9,188	(3,479)	-38%	10,136
Supplies	9,143	12,522	(3,379)	-27%	15,588
Telephone	3,692	6,250	(2,558)	-41%	2,479
Postage and Freight	282	246	36	15%	166
Occupancy costs	38,418	45,124	(6,706)	-15%	45,231
Equipment rental and maintenance	14,953	9,272	5,681	61%	13,989
Travel expenses	2,126	1,959	167	9%	1,113
Promotional expenses	8,584	8,816	(232)	-3%	11,097
Other Expenses	5,246	2,865	2,381	83%	1,324
Capital Equipment Purchases	-	5,000	(5,000)	-100%	-
<b>Total Operating expenses</b>	<u>238,917</u>	<u>247,473</u>	<u>(8,556)</u>	<u>-3%</u>	<u>235,526</u>
<b>Increase (decrease) in net assets</b>	<b>(40,956)</b>	<b>(35,966)</b>	<b>(4,990)</b>	<b>14%</b>	<b>(43,417)</b>
<b>Net assets - beginning</b>	1,006,958	996,846	10,112	1%	960,570
<b>Net assets - ending</b>	<u><u>\$ 966,002</u></u>	<u><u>\$ 960,880</u></u>	<u><u>\$ 5,122</u></u>	<u><u>1%</u></u>	<u><u>\$ 917,153</u></u>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

**UNAUDITED**

	<u>Actual June 2015</u>	<u>Budget June 2015</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2014</u>
Technology Grant	\$ -	\$ -	\$ -	0%	\$ 5,000
County Grant Funds	849,936	837,378	12,558	1%	837,375
Other revenues	1,103,662	969,208	134,454	14%	879,626
<b>Total Revenues</b>	<u><b>1,953,598</b></u>	<u><b>1,806,586</b></u>	<u><b>147,012</b></u>	<u><b>8%</b></u>	<u><b>1,722,001</b></u>
Payroll and related costs	1,034,197	1,058,469	(24,272)	-2%	960,919
Professional fees	85,409	81,128	4,281	5%	72,355
Supplies	153,699	76,330	77,369	101%	127,820
Telephone	26,609	37,500	(10,891)	-29%	35,602
Postage and Freight	1,115	1,476	(361)	-24%	1,408
Occupancy costs	364,434	328,007	36,427	11%	304,844
Equipment rental and maintenance	60,471	55,632	4,839	9%	48,413
Travel expenses	13,503	11,754	1,749	15%	9,802
Promotional expenses	53,020	52,896	124	0%	56,845
Other Expenses	22,163	17,190	4,973	29%	10,003
Capital Equipment Purchases	57,652	10,000	47,652	477%	11,677
<b>Total Operating expenses</b>	<u><b>1,872,272</b></u>	<u><b>1,730,382</b></u>	<u><b>141,890</b></u>	<u><b>8%</b></u>	<u><b>1,639,688</b></u>
<b>Increase (decrease) in net assets</b>	<b>81,326</b>	<b>76,204</b>	<b>5,122</b>	<b>7%</b>	<b>82,313</b>
<b>Net assets - beginning</b>	884,676	884,676	.	0%	834,840
<b>Net assets - ending</b>	<u><u><b>\$ 966,002</b></u></u>	<u><u><b>\$ 960,880</b></u></u>	<u><u><b>\$ 5,122</b></u></u>	<u><u><b>1%</b></u></u>	<u><u><b>\$ 917,153</b></u></u>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**SCHEDULE OF FOOD SERVICE OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

**UNAUDITED**

	For the Month		Year To date		Year To Date	
	June	%	June	%	June	%
	2015	%	2015	%	2014	%
<b>Sales:</b>						
Sales - Food	\$ 187,055	91.84%	\$ 1,488,839	83.36%	\$ 1,133,481	83.00%
Sales - Beverage	16,436	8.07%	291,836	16.34%	228,992	16.77%
Sales - Vending all	183	0.09%	5,278	0.30%	3,108	0.23%
<b>Total Sales</b>	<b>203,674</b>	<b>100.00%</b>	<b>1,785,953</b>	<b>100.00%</b>	<b>1,365,581</b>	<b>100.00%</b>
<b>Cost of Sales:</b>						
Cost of Sales - Food	61,653	30.27%	471,038	26.37%	371,175	27.18%
Cost of Sales - Beverage	3,574	1.75%	84,875	4.75%	66,922	4.90%
Cost of Sales - Vending all	107	0.05%	2,634	0.15%	1,318	0.10%
Cost of Sales - Non foods & Other	967	0.47%	11,609	0.65%	11,864	0.87%
<b>Total Cost of Sales</b>	<b>66,301</b>	<b>32.55%</b>	<b>570,156</b>	<b>31.92%</b>	<b>451,279</b>	<b>33.05%</b>
<b>Gross Profit</b>	<b>137,373</b>	<b>67.45%</b>	<b>1,215,797</b>	<b>68.08%</b>	<b>914,302</b>	<b>66.95%</b>
<b>Operating Expenses:</b>						
Salaries & Benefits	79,796	39.18%	575,204	32.21%	469,136	34.35%
Supplies and Freight	7,568	3.72%	42,162	2.36%	34,980	2.56%
Occupancy	5,111	2.51%	33,057	1.85%	34,965	2.56%
Equipment rental & maintenance	292	0.14%	4,714	0.26%	7,641	0.56%
Promotion	2,551	1.25%	26,125	1.46%	26,891	1.97%
Other	3,474	1.71%	10,504	0.59%	11,684	0.86%
<b>Total Operating Expenses</b>	<b>98,792</b>	<b>48.50%</b>	<b>691,766</b>	<b>38.73%</b>	<b>585,297</b>	<b>42.86%</b>
<b>Net Income Food Service</b>	<b>\$ 38,581</b>	<b>18.94%</b>	<b>\$ 524,031</b>	<b>29.34%</b>	<b>\$ 329,005</b>	<b>24.09%</b>

**BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.**  
**OTHER REVENUES RECAP**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

UNAUDITED

	For The Month			Year to Date					
	Actual June 2015	Budget June 2015	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2014	Budget June 2015	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2014
Rentals	\$ 13,664	\$ 25,840	\$ (12,176)	-47%	\$ 17,498	\$ 431,730	\$ (19,236)	-4%	\$ 403,188
Equipment Rentals	100	734	(634)	-86%		4,404	729	17%	4,093
Electrical Services	343	120	223	186%	1,238	76,934	(3,665)	-5%	67,118
Commissions	2,802	1,599	1,203	75%	176	9,594	(1,822)	-19%	8,641
Net Catering Revenues	38,581	32,845	5,736	17%	30,199	375,085	148,946	40%	329,005
Interest		6	(6)	-100%		36	(36)	-100%	
Other	815	10,800	(9,985)	-92%	3,435	71,425	9,538	13%	67,581
<b>Total Other Revenues</b>	<b>\$ 56,305</b>	<b>\$ 71,944</b>	<b>\$ (15,639)</b>	<b>-22%</b>	<b>\$ 52,546</b>	<b>\$ 909,208</b>	<b>\$ 134,454</b>	<b>14%</b>	<b>\$ 879,626</b>

<b>BUFFALO NIAGARA CONVENTION CENTER</b>			
<b>Q2 Revenue</b>	<b>Goal</b>	<b>Projected</b>	<b>Variance</b>
Rent Revenue	\$132,946	\$115,101	-13.4%
F&B Revenue	\$784,900	\$1,079,973	+37.6%
Electrical Service	\$15,570	\$17,960	+15.4%
Other Revenue	\$42,742	\$44,512	+4.1%
<b>TOTAL REVENUE</b>	<b>\$976,158</b>	<b>\$1,257,546</b>	<b>+28.8%</b>
<b>YTD Revenue</b>	<b>Goal</b>	<b>Projected</b>	<b>Variance</b>
Rent Revenue	\$431,730	\$412,094	-4.5%
F&B Revenue	\$1,449,305	\$1,802,311	+24.4%
Electrical Service	\$76,934	\$72,296	-6.0%
Other Revenue	\$85,459	\$90,470	+5.9%
<b>TOTAL REVENUE</b>	<b>\$2,043,428</b>	<b>\$2,376,090</b>	<b>+16.3%</b>
<b>Q2 Events</b>	<b>2015</b>	<b>2014</b>	<b>Variance</b>
Number of Events	48	47	+2.1%
Attendance	30,167	37,092	-23.0%
<b>YTD Events</b>	<b>2015</b>	<b>2014</b>	<b>Variance</b>
Number of Events	88	88	+0%
Attendance	203,424	230,915	-13.5%
F&B Profit Margin	29.4%	24.1%	18.0%
Guest Satisfaction Survey	4.81%	4.64%	+3.53%

## Comments Q2

Total revenues were up to budget in the second quarter by \$281k or 28.8%.

The decline in rental revenues was primarily from the cancellation of the Civil Service police exam in June 2015 (-\$22k)

The increase in food and beverage revenues in Q2 was a result of several events which exceeded their budgeted numbers including NYSUT (+\$47k), Snow Symposium (+\$35k), NCCL (+\$32k), M&T Bank Commercial Meeting (+\$28k), Affinity Risk (+\$19k), Catholic Press Assn. (+\$17k) and Teacher Recruitment (+\$11k). We also had several unbudgeted events in Q2 which included UAW Ford (+\$82k), Ambit Energy (+\$30k), M&T Bank (+\$24k) and M&T Bank CPS (+\$22k).

## Q2 Major Events Hosted

Month	Event Name	Number of Attendees
April	Buffalo Wine Festival	3,000
April	New York State United Teachers - Representative Assembly & Local President's Conference	2,300
April	Insurance Club of Buffalo - 2015 I-Day	1,148
April	Break the Floor Productions - Jump Dance	750
April	Church of our Lord Jesus Christ - Annual Meeting	700
April	Buffalo State College WNY College Careers Center - Teacher Recruitment Days	600
April	AAAE NEC - International Aviation Snow Symposium	434
May	Buffalo/Niagara Marathon - Post Race Party & Runners Expo	7,500
May	ECMC Lifeline Foundation- 2015 Springfest Gala	1,560
May	M&T Bank - Officers Meeting	1,400
May	Ambit Energy – Training & Rally	950
May	National Conference for Catechetical Leadership - Annual Conference & Expo	677
May	US Small Business Administration - Matchmakers Event & Awards Luncheon	500
May	Captive Resources - Affinity Risk Control Workshop	446
June	Lancaster Junior/Senior Prom	850
June	UAW Ford - National Program	280
June	Catholic Press Association - Catholic Media Conference	356

**Q2 Major Events Booked**

Year	Event Name	Expected Revenue
2015	Conesus Fest for Charity - World's Largest Disco	\$130,000
2016	National Association for Campus Activities - Mid Atlantic Annual Conference	\$58,500
2016	Foundation for Roman Catholic Diocese of Buffalo	\$58,000
2016	Varsity Spirit Corp - American Championships	\$45,600
2016	Buffalo Motorama	\$41,000
2016	Cheersport Championship	\$28,200
2017	National Association for Campus Activities - Mid Atlantic Annual Conference	\$60,255
2017	UB Dental Alumni Association - Buffalo Niagara Dental Meeting	\$51,600
2018	UB Dental Alumni Association - Buffalo Niagara Dental Meeting	\$53,100
2018	Break the Floor Productions - NUVO Dance Competition	\$25,200
2018	American Scrabble Association - National Scrabble Championships	\$25,000
2019	National Association for Campus Activities - Mid Atlantic Annual Conference	\$62,000

**Q2 Notable Sales Activities**

Date	Program
April - June	Partnered with VBN on e-marketing campaign with focus of short term business
April	NHL Draft - Site Inspection
April	UB/NACUFS - Site Inspection
April	Land Trust Alliance - Site Inspection
April	Participated in Albany Sales Blitz with VBN & Hotel Partners
April	Attended NYS Hospitality & Tourism Roundtable Event
May	Hosted Clients at ECMC Gala
May	Attended Hyatt/VBN/BNCC Sales & Service Luncheon Meeting
June	Attended ESSAE Trade Show in Saratoga Springs
June	Participated in Snow Symposium Meeting with Planning Committee for 2016 Anniversary Conference