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August 10, 2016

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

Dear Karen:

Enclosed please find the 2nd quarter reports for 2016 regarding efforts made toward achieving funding purposes as stated in our Marketing Plan and Budget and financial statements as of June 30, 2016 for Visit Buffalo Niagara and Buffalo Niagara Convention Center.

Sincerely,

A handwritten signature in black ink that reads "Patrick J. Kaler". The signature is fluid and cursive, with the first name being the most prominent.

Patrick J. Kaler
President and CEO

/Enclosures





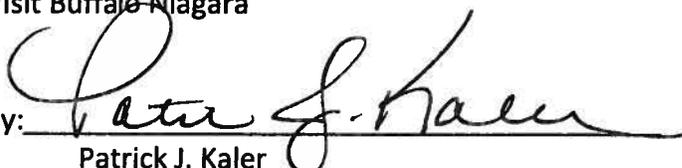
August 10, 2016

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





2016 Second Quarter Report

FINANCE & ADMINISTRATION				
Q2 Financials	Projected	Budgeted	Variance	% Variance
Revenues	\$ 2,338,590	\$2,178,450	\$ 160,140	7.35%
Expenses				
Marketing Department	\$ 873,384	\$ 722,822	\$ 150,562	20.83%
Convention Sales & Services	720,756	767,004	(46,428)	-6.05%
Destination Development	103,930	106,687	(2,757)	-2.58%
Airport Visitor Center	86,167	93,328	(7,161)	-7.67%
Downtown Visitor Center	50,461	49,229	1,232	2.50%
Administrative & Finance	410,018	405,627	4,391	1.08%
TOTAL EXPENSES	\$2,244,536	\$ 2,144,697	\$ 99,839	4.66%
Increase (Decrease) in Net Assets	\$ 94,054	\$ 33,753	\$ 60,301	

SALES				
Q2 Sales Results	Goal	Actual	+/-	% Variance
Convention Leads	97	100	3	3.09%
Sports Leads	74	83	9	12.16%
Group Tour Leads	42	43	1	2.38%
Definite Business	101	156	55	54.46%
Hotel Room Nights	44,160	46,657	2,497	5.65%
YTD Sales Results	Goal	Actual	+/-	% Variance
Convention Leads	187	193	6	3.21%
Sports Leads	144	161	17	11.81%
Group Tour Leads	94	96	2	2.13%
Definite Business	197	303	106	53.81%
Hotel Room Nights	94,660	98,783	4,123	4.36%
YOY Comparison	2016	2015	+/-	% Variance
Convention Leads	193	201	-8	-3.98%
Sports Leads	161	143	18	12.59%
Group Tour Leads	96	97	-1	-1.03%
Definite Business	303	274	29	10.58%
Hotel Room Nights	98,783	92,964	5,819	6.26%
Q2 Major Bookings		Hotel Room Nights	Economic Impact	
BMW Motorcycle Owners of America International Rally		2,900	\$3,525,000	
NYSUT Annual Representative Assembly		2,800	\$2,975,000	
NYS Bureau of Emergency Medical Services		2,300	\$2,850,000	
Catholic Charities USA 2018		1,240	\$2,382,125	
Civil Service Employees Association Annual Delegates Meeting		1,100	\$1,975,000	
National Association For Campus Activities		1,075	\$2,100,075	
Kick it First Soccer		800	\$ 466,700	
NY Alcohol Substance Abuse Providers Annual Conference		720	\$1,028,425	
2017 NCAA DII Men & Women Regional Cross Country Championships		660	\$ 700,890	
NY Insurance Association		500	\$ 311,850	
Delaware North Global Leadership Meeting		350	\$ 605,300	
USS Newport Reunion CA-148		300	Comm. \$ 700,458	

Q2 Site Visits	Hotel Room Nights	Economic Impact
American Association of Airport Executives	2,000	\$2,900,000
African Violet Society of America, Inc.	1,520	\$2,425,000
National Religious Vocation Conference	1,075	\$1,985,000
Catholic Charities USA 2018 Annual Gathering	1,000	\$2,350,000
NYS Insurance Association	489	\$ 311,850
USS Newport News Annual Reunion	360	\$ 283,170
Tin Can Sailors Biennial Reunion	320	\$ 264,650
USS Topeka Veterans Association	150	\$ 130,000
The American Congress of Obstetricians and Gynecologists	120	\$ 84,620
USS John W. Weeks Reunion	115	\$ 93,500

Q2 Lost Business

Meeting/Event	Year(s)	Hotel Room Nights	Reason Lost
National Young Farmers Conference	2017	1,800	Northeast US was eliminated due to weather concerns.
Commission on Accreditation For Law Enforcement Agencies	2019	1,500	We were unable to garner the support from local agencies for hosting this conference.
USA Weightlifting Youth Open	2017	1,100	Buffalo was not selected due to complications with venue availability.
Aquatic Animal Life Support Operators Annual Conference	2018	840	Lost to Niagara Falls, due to high hotel room rates and proximity to the aquarium.
Sigma Xi, The Scientific Research Society	2017	565	This group is very cost sensitive, after reviewing hotel proposals they decided to hold the conference at the University.
NYS School Nutrition Assoc.	2019	500	Lost to Niagara Falls NY due to high hotel room rates and meeting room rental costs.
National Funeral Directors & Morticians Association	2018	470	Buffalo did not make the final cut to host this conference; they have not yet picked a host city.
NYS Bowling Proprietors Assoc.	2016	40	Lost to Lewiston N.Y. due to high hotel room rates and meeting room costs.

Q2 Sales Initiatives and Programs

Bring It Home – VBN conducted presentations to the Lancaster Chamber of Commerce board of directors; Cheektowaga Chamber of Commerce and East Aurora Chamber of Commerce, as well as a breakfast for local “Women Who Influence.”

Sunshine FAM tour – As a result of a sales meeting at NTA, VBN hosted twelve Chinese tour operators who already bring tours to our area but needed to expand their offerings to include area attractions for future tours. A comprehensive tour of the area’s attractions was conducted.

Washington DC Sales Mission – VBN partnered with BNCC to conduct scheduled sales calls on targeted National Associations, and attended the Association of Meeting Planners monthly dinner meeting and reception for networking and relationship building.

Albany Sales Mission & Reception – In cooperation with a number of hotel partners, VBN coordinated seventeen scheduled sales appointments over the three day period, arranged leave behind information and thank you gifts bags, and organized a reception for fifteen NYS association meeting planners.

Global Meetings Industry Day – VBN coordinated PR opportunities with Erie County Executive, Mayor and the Erie County Legislature. A breakfast was held for “Women Who Influence” to promote the “Bring It Home” Campaign and call attention to the importance of meetings business on the economy and job creation.

Reunion Friendly Network & Summit - This tradeshow is an appointment based show and VBN conducted twenty presentations. As a result, two immediate leads were garnered with the possibility of five more needing further development.

Empire State Society of Association Executives Tradeshow – This is an annual tradeshow for NYS Common Pleas in a

traditional format. VBN coordinated with our hotel partners a booth theme, giveaway items, and an after-hours reception. Thirteen leads were produced with five prospects needing further development.

Direct Selling Association – is a tradeshow for multilevel marketing groups such as Amway, MaryKay etc. This is an opportunity to showcase Buffalo as a potential meeting destination. The tradeshow is conducted in a traditional format where planners come to the booth. Thirty-two planners met with VBN generating one immediate lead and eight prospective business opportunities that need further development.

USA Hockey Annual Congress – BNSC attended to bid on the World Deaf Hockey Championships which were awarded to us for 2017.

MARKETING

Q2 Website & Mobile	2016	2015	Variance
Unique Visitors	271,169	208,774	29.89%
Pageviews	738,561	713,430	3.52%
Time on Page	1:34	1:26	9.30%
YTD Website & Mobile	2016	2015	Variance
Unique Visitors	579,842	376,673	53.94%
Pageviews	1,486,475	1,412,453	5.24%
Time on Page	1:36	1:24	14.29%

We are seeing considerable YoY growth with our unique visitors thanks to improvements in content, SEO and SEM. Our Calendar of Events, See & Do page and our blog content are continuing to see our highest amount of traffic. Facebook referral traffic continues to be our strongest referrer. The goal is to reach one million unique users by the end of 2016.

Social Media	2016	2015	Variance
VBN on Facebook	71,404	62,904	13.51%
Twitter	20,316	16,359	24.19%
Instagram	16,757	6,101	174.66%

Domestic Advertising / Marketing

Continued work with our digital agency that focuses on lead generation, email marketing, banner advertising and Facebook marketing.

Renewed our tourism sponsorship of the Buffalo, New York destination page with TripAdvisor.

Secured \$40,000 through the NYS CFA grant process to market Buffalo as a craft beer destination. We used part of those funds to develop a Buffalo Beer Passport. We collaborated with the Buffalo Niagara Brewers Association who assisted us in securing the participation of twenty WNY breweries. Printed 5,000 passports that will be available to visitors through our website, in our Visitor Center and participating breweries. Program will be rolled out in August. Remaining marketing dollars will be spent on advertising with beer-oriented publications and alt-weekly's in regional markets such as Erie, Pittsburgh, Cleveland, etc.

Purchased two full page ads with the Chautauqua Star.

Ongoing and high-impact print placements in regional newspapers and magazines (Rochester, Pittsburgh, Toronto, Erie PA, Akron OH, etc.) through Seneca Gaming marketing agreement.

Assisted the Sales Department in rolling out their 'Bring It Home' campaign (print and digital) with Buffalo News and buffalonews.com to encourage locals to contact us about hosting a meeting/convention that they attend, in Buffalo.

Initial planning and brainstorming for a new campaign called "Unexpected Buffalo" began in Q2.

Canadian Marketing Initiative

Received a \$125,000 grant through the NYS CFA process in 2016 that allowed us to continue with our Canadian Marketing Initiative as a joint effort with Niagara USA. Continued digital relationship with eBrains that includes email marketing, SEO/SEM and social advertising. We started a new relationship with Field Day, a company that specializes in reaching the cultural market in Southern Ontario. We're working on a direct mail piece with them that will educate the cultural consumer

Comm 17M-4

there about the value of Buffalo Niagara compared to cultural attractions in Ontario. Data about recipients will be collected via a landing page on VisitBuffaloNiagara.com and through a "Win A Trip to Buffalo" contest. We've also begun work on the next edition of the Buffalo Niagara Shopping Guide which will be completed in Q3.

International Marketing

Continued relationship with Brand USA in reaching an international audience with the UK and Canadian markets. Part of our ad buy with Miles Media (selling on behalf of Brand USA) includes banner ads, articles, print ads and destination articles.

Social Media

Created and shared content from 55 blog posts to our website and across our Facebook, Twitter and Pinterest platforms.

Continued #TravelBUF photo project through Instagram which has now accumulated over 5,400 follower-submitted photographs in the span of roughly twenty weeks.

Held events with our Tweet Team, which consists of local social media power-users, at locations that highlight some of Buffalo's new and classic attractions, such as Albright Knox Art Gallery, Coca-Cola Field and the Jacobs Institute at Buffalo Niagara Medical Campus.

Implemented monthly content through Facebook's new Live functionality. Hosted by Communications Manager Brian Hayden, we filmed live interviews at some of our major attractions including Food Truck Tuesdays at Larkin Square, Silo City Tours with Explore Buffalo and The Cave of the Winds at Niagara Falls.

Launched year two of our "In the BUF" social media feature in which visitors' experiences are highlighted on FB, Twitter and Instagram weekly.

During the 2016 NHL Draft, hosted locally, our social media outreach to all visiting NHL teams, sports writers and fans helped to guide visitors to our restaurants, bars and attractions. One such recommendation even led to a web article by Boston Globe hockey writer, Fluto Shinzawa, who remarked positively on his visit to a couple local cafes.

Video Production

Released three videos in Q2. Those included a new Meeting Planner video, a video with Billy & Pat about the Darwin Martin House and our 'Why Tourism Matters' video which debuted at our annual Beacon Awards luncheon in May. Pre-production planning is underway for a craft beer video and garden-focused video. Production of a time-lapse video in partnership with 43 North and Invest Buffalo Niagara is also underway.

Media Relations

Media Outlet	Circulation	Media Value	Headline and Quotes/Highlights
Chicago Tribune	789,815	\$107,862	Story on Buffalo's beer renaissance
TravelandLeisure.com	1,300,000	\$5,833	Buffalo ranked #1 on America's Favorite Cities list; VBN was instrumental in getting its social media audience to vote.
Calgary Herald	113,849	\$18,857	Buffalo vs. Calgary comparison praising Buffalo's many virtues
Hamilton Spectator	106,323	\$8,098	Buffalo's Beer Revival
BostonGlobe.com	1,400,000	\$13,657	Buffalo café's wall décor racks up points
Thrillist.com	2,100,000	\$3,109	Beautiful Upstate New York Drives You Need to Take
Curbed.com	186,143	\$1,859	Curbed's guide to architectural tourism across the country
WestJet's Up!	N/A	\$4,500	Story praises Grover Cleveland Golf Course's rich history
Shermans Travel	176,416	\$932	6 Cities You Thought Were Boring But Aren't

INDUSTRY RELATIONS / DESTINATION DEVELOPMENT

Q2 Downtown VIC		2016	2015	Variance
Walk-In Traffic		6,062	5,401	12.24%
Merchandise Sales		\$ 9,432	\$8,026	17.52%
YOY Downtown VIC				
Walk-In Traffic		7,996	7,182	11.33%
Merchandise Sales		\$13,269	\$10,807	22.78%
Q2 Airport VIC				
Walk-In Traffic		16,250	17,420	-6.72%
Merchandise Sales		\$51,954	\$50,986	1.90%
YOY Airport VIC				
Walk-in Traffic		25,569	28,332	-9.75%
Merchandise Sales		\$85,338	\$81,216	5.07%
Q2 Tourism Insider		Subscribers	Open Rate	Click Through Rate
Tourism Insider		3,233	28.46%	2.28%
Q2 Travel Pulse		Subscribers	Open Rate	Click Through Rate
April		1687	24.24%	5.13%
May		1400	25.09%	6.62%
June		1338	25.37%	7.25%
Q2 Ambassador/Volunteer Engagement				
Date	Convention/Event Name	# of Volunteers	# of Hours	Total Hours
April 7	American Kitefliers Association	2	3 ea	6
April 22	American Airport Executives	6	3 ea	18
May 6-9	National Club Regional Baseball Championship	1	1	1
May 12-13	Lions Club of NYS and Bermuda	11	3 ea	33
May 28	Buffalo Marathon	6	3 ea	18
June 4-6	The Wesleyan Church	8	3 ea	24
June 12 – 13	IMN Solutions	4	3 ea	12
June 17-18	50 Yard Finish	35	7 ea	245
June 24	International Workforce Professionals	3	3 ea	9
TOTAL		76		366
Q2 Visit Buffalo Niagara Academy Programs				
Industry Meeting		Date	Attendance	Survey Score
6 th Annual National Travel & Tourism Beacon Awards luncheon		May 3	549	N/A
Spring Fling FAM Tour (East Aurora)		May 11	28	4.91
Q2 industry meeting – Buffalo Museum of Science – What’s new in our destination?		June 22	78	N/A
Front-Line Staff Training		Date	Attendance	Survey Score
Buffalo Niagara Visitor Champion A2D online training; two part training program. 54 have completed online portion; live class is August 17.		Ongoing	54 completed online-	Will survey after live class has been completed

VBN EVENTS CALENDAR			
Event	Date	Location	Description
Q3 Industry Meeting	Sept (TBD)	Woodlawn Beach	Touring Guide 2017
Customer Advisory Council	Sept 7-9	BNCC/Westin Hotel	Annual Meeting of CAC
Destination Marketing Summit	October 3	BNCC	All day training on marketing and managing (this year in conjunction with NYS Restaurant Association, WNY Chapter). Keynote speaker Tom Martin; other speakers David Scott Peters and Darren Pennington
Board of Directors Meeting	October 26	WNED	Quarterly Meeting / 2017 Business Plan and Budget

BUFFALO NIAGARA CONVENTION CENTER			
Q2 Revenue	Goal	Actual	Variance
Rent Revenue	\$112,704	\$125,020	+10.9%
F&B Revenue	935,993	1,119,987	+19.7%
Electrical Service	11,200	25,298	+125.9%
Other Revenue	36,143	51,888	+43.6%
TOTAL REVENUE	\$1,096,040	\$1,322,193	+20.6%
YTD Revenue	2016	2015	Variance
Rent Revenue	\$462,397	\$412,494	+12.1%
F&B Revenue	1,944,131	1,785,953	+8.9%
Electrical Service	94,795	73,269	+29.4%
Other Revenue	89,745	89,096	+0.7%
TOTAL REVENUE	\$2,591,068	\$2,360,812	+9.8%
Q2 Events	2016	2015	Variance
Number of Events	49	48	+2.1%
Attendance	37,977	30,523	+24.4%
YTD Events	2016	2015	Variance
Number of Events	81	88	(-7.9%)
Attendance	211,124	203,424	+3.8%
F&B Profit Margin	30.6%	29.4%	+4.1%
Guest Satisfaction Survey	4.75	4.81	-1.2%
Comments Q2			
Total revenues were up to budget in the second quarter by \$226k or 20.6%.			
The increase in rental revenues was a result of additional rental revenue from M&T (+\$8k), Rockwell (+\$6k), Snow Symposium (+\$6k), Alpha Kappa Alpha (+\$6k) and Delaware North (+\$7k).			
The increase in food and beverage revenues in Q2 were a result of several events which exceeded their budgeted numbers including Snow Symposium (+\$30k), Rockwell (+\$30k) and M&T Bank (+\$95k). We also had several unbudgeted events in Q2 which included Delaware North (+\$67k) and M&T Bank (+\$35k).			
Other revenues were up due to increased internet revenues from Rockwell (+\$2k) and Wesleyan Church (+\$2k) as well as an increase in pass-through revenues.			
Q2 Major Events Hosted			
Month	Event Name	Number of Attendees	
April	Buffalo Wine Festival	3,000	
April	M&T Bank – Officer’s Meeting	1,710	
April	Alpha Kappa Alpha – Regional Convention	1,300	
April	Insurance Club of Buffalo – 2016 I-Day	1,144	
April	Break the Floor Productions – NUVO Dance	1,000	
April	AAAE-NEC International Aviation Snow Symposium	870	
May	Buffalo – Erie Marathon Post Race Party	10,000	
May	ECMC Lifeline Foundation – 2016 Springfest Gala	1,490	
May	Multiple District 20 Lions Club of NY and Bermuda	1,200	
May	NFTA Police Officers Exam	1,200	
May	Rockwell Automation – Rockwell on the Move East	1,000	
May	M&T Bank – Commercial Sales Meeting	850	
June	Wesleyan Church – 13 th General Conference	2,400	

June	City of Buffalo Department of Human Services- Civil Service Police Exam	1,800
June	Lancaster High –Junior/Senior Prom	835
Q2 Major Events Booked		
Year	Event Name	Expected Revenue
2016	Conesus Fest for Charity – World’s Largest Disco	\$112,000
2016	Kaleida Health Foundation – 2016 Kaleida Ball	\$82,000
2017	National Homeland Security Association – 2017 Conference	\$120,000
2017	NFADA – 2017 Autoshow	\$117,522
2017	ECMC Foundation – 2017 ECMC Foundation GALA	\$100,000
2017	Garden Writers Association – Annual Conference and Expo	\$57,000
2017	Buffalo Motorama Annual Show	\$52,383
2017	Roman Catholic Diocese of Buffalo -2017 Gala	\$50,000
2017	CWA – 1168 Dinner	\$40,000
2018	Catholic Charities USA – 2018 Annual Gathering	\$140,000
Q2 Notable Sales Activities		
Date	Program	
April	Hosted and attended “Bring It Home” Breakfast for Women Who Influence	
April	DC sales calls with VBN	
April	Attended Association of Meeting Professionals (AMPs) Meeting in DC	
April	Attended Springtime tradeshow in DC	
April	Attended PCMA Visionary Awards in DC	
April	American Folklore site inspection	
May	Albany sales calls, client presentations with VBN and participating hotels	
May	Hosted client reception in Albany with VBN and participating hotels	
May	Higher Education Web Professionals Association site inspection	
May	New York State School Nutrition site inspection	
May	United Refinery site inspection	
May	Catholic Charities USA site inspection	
May	Handweavers Guild of America site inspection	
May	African Violet Society site inspection	
June	Delta Phi Epsilon site inspection	



Buffalo Niagara Convention & Visitors Bureau, Inc.

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

UNAUDITED

For Presentation at the Board of Director's Meeting on Wednesday July 27, 2016

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

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BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
BALANCE SHEET
JUNE 30, 2016 AND 2015

UNAUDITED

	2016	2015
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 750,817	\$ 429,511
Accounts Receivable - Erie County	1,677,250	1,650,000
Accounts Receivable - Trade	75,289	125,700
Grants Receivable	125,000	275,000
Prepaid expenses and supplies	137,993	114,512
	Total current assets	2,594,723
Property and equipment, net	65,205	73,629
	Total assets	\$ 2,668,352
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Short-term borrowings	\$ -	\$ -
Accounts payable and accrued expenses	303,448	203,620
Accounts payable - Foundation	37,532	50,223
Deferred revenue - Other	106,284	237,084
Deferred revenue - Bed Tax	1,677,250	1,650,000
	Total current liabilities	2,140,927
Net assets	707,040	527,425
	Total liabilities and net assets	\$ 2,668,352

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

	<u>Actual 6 Months 06/30/16</u>	<u>Budgeted 6 Months 06/30/16</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Annual Budget 2016</u>	<u>Actual 6 Months 06/30/15</u>
REVENUES	<u>\$ 2,346,998</u>	<u>\$ 2,174,200</u>	<u>\$ 172,798</u>	<u>7.95%</u>	<u>\$ 4,070,750</u>	<u>\$ 2,293,106</u>
MARKETING DEPARTMENT EXPENSES	\$ 862,056	\$ 710,822	\$ 151,234	21.28%	\$ 1,186,250	\$ 968,081
SALES & SERVICES DEPARTMENT EXPENSES	726,066	744,654	(18,588)	-2.50%	1,581,900	802,363
DESTINATION DEVELOPMENT	93,580	104,737	(11,157)	-10.65%	184,500	-
AIRPORT VISITOR CENTER EXPENSES	83,468	93,328	(9,860)	-10.56%	205,735	98,275
BUFFALO VISITOR CENTER EXPENSES	49,960	49,229	731	1.48%	102,560	52,962
ADMINISTRATIVE & FINANCE EXPENSES	403,031	402,627	404	0.10%	809,805	383,640
TOTAL EXPENSES	<u>\$ 2,218,161</u>	<u>\$ 2,105,397</u>	<u>\$ 112,764</u>	<u>5.36%</u>	<u>\$ 4,070,750</u>	<u>\$ 2,305,321</u>
INCREASE (DECREASE) IN NET ASSETS	\$ 128,837	\$ 68,803	\$ 60,034		\$ -	\$ (12,215)
NET ASSETS - BEGINNING	578,203	578,203	-		527,696	539,640
NET ASSETS - ENDING	<u>\$ 707,040</u>	<u>\$ 647,006</u>	<u>\$ 60,034</u>	<u>9.28%</u>	<u>\$ 527,696</u>	<u>\$ 527,425</u>

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL REVENUES

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

	Actual 6 Months 06/30/16	Budgeted 6 Months 06/30/16	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	Actual 6 Months 06/30/15
Erie County Grant	\$ 1,677,252	\$ 1,677,252	\$ -	0.00%	\$ 3,354,500	\$ 1,650,000
BNCC Management Fee Allocation	-	3,000	(3,000)	-100.00%	6,000	6,257
Visitor Guide Advertising	265,568	258,000	7,568	2.93%	258,000	245,719
Assessments - Convention	15,884	23,650	(7,766)	-32.84%	26,950	34,037
NYS Matching Funds Program	62,394	55,000	7,394	13.44%	55,000	54,547
Joint/Co-Op - Marketing	88,850	27,290	61,560	225.58%	40,600	67,066
Joint/Co-Op - Sales	11,220	17,000	(5,780)	-34.00%	73,000	44,953
Joint/Co-Op - Destination Development	15,810	15,000	810	5.40%	25,000	-
Joint/Co-Op - Airport	-	3,500	(3,500)	-100.00%	3,500	2,912
Grant Revenues	111,400	-	111,400	-	-	91,000
Merchandising Revenues - BVC	13,269	7,465	5,804	77.75%	24,000	10,807
Merchandising Revenues - Airport VC	84,868	84,280	588	0.70%	200,000	81,217
Interest Income	21	88	(67)	-76.14%	200	60
Miscellaneous Income	462	2,425	(1,963)	-80.95%	3,500	4,531
Merchandising Revenues - Conventions	-	250	(250)	-100.00%	500	-
Total Revenues	\$ 2,346,998	\$ 2,174,200	\$ 172,798	7.95%	\$ 4,070,750	\$ 2,293,106

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

	Actual 6 Months 06/30/16	Budgeted 6 Months 06/30/16	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	Actual 6 Months 06/30/15
<u>Personnel Costs:</u>						
Salaries	\$ 807,855	\$ 806,112	\$ 1,743	0.22%	\$ 1,612,310	\$ 798,404
Payroll Taxes & Fringe Benefits	151,624	159,670	(8,046)	-5.04%	319,375	152,681
Training	11,305	16,430	(5,125)	-31.19%	45,500	10,458
Total Personnel Costs	\$ 970,784	\$ 982,212	\$ (11,428)	-36.02%	\$ 1,977,185	\$ 961,543
<u>Sales & Marketing Expenditures:</u>						
Advertising	\$ 389,791	\$ 219,878	\$ 169,913	77.28%	\$ 415,000	\$ 434,274
Convention Commitments	107,138	116,700	(9,562)	-8.19%	202,750	97,489
Visitor Guide	210,425	225,000	(14,575)	-6.48%	232,000	217,351
Tradeshows	64,436	62,800	1,636	2.61%	132,500	57,390
Printing	17,161	13,935	3,226	23.15%	21,000	15,123
Postage	3,243	5,225	(1,982)	-37.93%	10,900	20,478
Sales Bids & Promotions	18,011	16,250	1,761	10.84%	90,850	18,826
Convention Sales & Services	10,608	11,680	(1,072)	-9.18%	21,000	15,661
Travel & Meetings	19,233	17,755	1,478	8.32%	35,500	16,927
Albany Office	9,002	9,000	2	0.02%	18,000	9,370
Receptions	1,193	500	693	138.60%	37,200	6,472
Research	20,170	20,260	(90)	-0.44%	36,000	26,666
Website Development/Hosting	31,179	32,490	(1,311)	-4.04%	60,500	40,752
Familiarization Tours	6,174	7,160	(986)	-13.77%	61,100	11,517
Professional Fees & Public/Media Relations	21,572	19,998	1,574	7.87%	40,000	28,902
Freelance/Graphic Artist	7,065	6,925	140	2.02%	15,000	5,525
Regional Marketing	13,312	12,000	1,312	10.93%	12,000	12,022
Airport Visitor Center Operations	53,841	59,890	(6,049)	-10.10%	138,850	54,563
Market Arcade Visitor Center Operations	16,565	15,039	1,526	10.15%	34,185	18,584
Promotional Items	9,400	10,175	(775)	-7.62%	17,000	9,322

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BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

	Actual 6 Months 06/30/16	Budgeted 6 Months 06/30/16	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	Actual 6 Months 06/30/15
Destination Development	42,960	54,597	(11,637)	-21.31%	84,275	43,216
Film/Video/Photo Productions	20,075	18,750	1,325	7.07%	37,500	4,750
Photography	1,732	4,785	(3,053)	-63.80%	17,000	13,136
Online Media Resource	1,498	2,748	(1,250)	-45.49%	5,500	1,621
Social Networking	2,185	750	1,435	191.33%	1,500	959
Special Projects	-	-	-	-	-	-
Newsletter	-	-	-	-	3,500	-
Annual Report	-	-	-	-	-	-
Total Sales & Marketing Expenditures	\$ 1,097,969	\$ 964,290	\$ 133,679	13.86%	\$ 1,781,610	\$ 1,180,896
Technology & Equipment	4,865	4,850	15	0.31%	14,150	8,082
Departmental Administrative Expenses	144,543	154,045	(9,502)	-6.17%	297,805	154,800
Total Expenses	\$ 2,218,161	\$ 2,105,397	\$ 112,764	5.36%	\$ 4,070,750	\$ 2,305,321



**Buffalo Niagara Convention Center Management
Corporation**

FINANCIAL STATEMENTS

JUNE 30, 2016 and 2015

UNAUDITED

For Presentation at the Board of Director's Meeting on Wednesday July 27, 2016

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

FINANCIAL STATEMENTS

FOR THE MONTH AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

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BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
BALANCE SHEET
JUNE 30, 2016 AND 2015

UNAUDITED

	2016	2015
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 990,345	\$ 888,788
Accounts receivable (net)	595,023	475,917
Accounts Receivable - County Grant	862,685	849,936
Inventory	54,588	66,778
Prepaid expenses	87,959	78,240
Total current assets	2,590,599	2,359,659
Property and equipment, net	-	-
Total assets	\$ 2,590,599	\$ 2,359,659

LIABILITIES AND NET ASSETS

Current liabilities:		
Short-term borrowings	\$ -	\$ -
Current portion of long-term debt	-	-
Accounts payable and accrued expenses	405,133	316,783
Deferred revenue - Erie County Grant	862,684	849,936
Deferred revenue - Technology Grant	28,196	28,196
Deferred revenue - Other	122,850	199,119
Total current liabilities	1,418,863	1,394,034
Long-term debt	-	-
Net Assets:		
Net assets - unrestricted	1,171,737	965,625
Total liabilities and net assets	\$ 2,590,599	\$ 2,359,659

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
STATEMENT OF ACTIVITIES
JUNE 30, 2016 AND 2015

UNAUDITED

	<u>Actual June 2016</u>	<u>Budget June 2016</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2015</u>
Technology Grant	\$ -	\$ -	\$ -	0%	\$ -
County Grant Funds	143,781	143,781	-	0%	141,656
Other revenues	94,147	75,571	18,576	25%	56,305
Total Revenues	<u>237,928</u>	<u>219,352</u>	<u>18,576</u>	<u>8%</u>	<u>197,961</u>
Payroll and related costs	164,612	154,095	10,517	7%	150,764
Professional fees	14,321	8,167	6,154	75%	5,709
Supplies	17,228	17,896	(668)	-4%	9,143
Telephone	4,417	6,150	(1,733)	-28%	3,692
Postage and Freight	162	245	(83)	-34%	282
Occupancy costs	50,364	44,433	5,931	13%	38,418
Equipment rental and maintenance	9,253	9,242	11	0%	14,953
Travel expenses	1,132	2,230	(1,098)	-49%	2,126
Promotional expenses	3,199	10,318	(7,119)	-69%	8,584
Other Expenses	2,426	4,017	(1,591)	-40%	5,246
Depreciation expense	-	-	-	-	-
Capital Equipment Purchases	-	-	-	-	-
Total Operating expenses	<u>267,114</u>	<u>256,793</u>	<u>10,321</u>	<u>4%</u>	<u>238,917</u>
Increase (decrease) in net assets	(29,186)	(37,441)	8,255	-22%	(40,956)
Net assets - beginning	1,200,923	1,072,666	128,257	12%	1,006,581
Net assets - ending	<u><u>\$ 1,171,737</u></u>	<u><u>\$1,035,225</u></u>	<u><u>\$ 136,512</u></u>	<u><u>13%</u></u>	<u><u>\$ 965,625</u></u>

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

UNAUDITED

	<u>Actual June 2016</u>	<u>Budget June 2016</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2015</u>
Technology Grant	\$ -	\$ -	\$ -	0%	\$ -
County Grant Funds	862,685	862,686	(1)	0%	849,936
Other revenues	1,252,815	1,076,314	176,501	16%	1,103,662
Total Revenues	<u>2,115,500</u>	<u>1,939,000</u>	<u>176,500</u>	<u>9%</u>	<u>1,953,598</u>
Payroll and related costs	1,127,471	1,132,372	(4,901)	0%	1,034,197
Professional fees	77,781	73,002	4,779	7%	85,409
Supplies	119,910	107,373	12,537	12%	153,699
Telephone	31,530	36,900	(5,370)	-15%	26,327
Postage and Freight	1,111	1,470	(359)	-24%	1,397
Occupancy costs	357,800	336,285	21,515	6%	364,626
Equipment rental and maintenance	53,192	55,452	(2,260)	-4%	60,471
Travel expenses	10,831	13,380	(2,549)	-19%	13,503
Promotional expenses	35,246	61,908	(26,662)	-43%	53,020
Other Expenses	27,342	24,102	3,240	13%	22,162
Depreciation expense	-	-	-	-	-
Capital Equipment Purchases	50,018	10,000	40,018	400%	57,653
Total Operating expenses	<u>1,892,232</u>	<u>1,852,244</u>	<u>39,988</u>	<u>2%</u>	<u>1,872,464</u>
Increase (decrease) in net assets	223,268	86,756	136,512	157%	81,134
Net assets - beginning	948,469	948,469	-	0%	884,491
Net assets - ending	<u>\$ 1,171,737</u>	<u>\$ 1,035,225</u>	<u>\$ 136,512</u>	<u>13%</u>	<u>\$ 965,625</u>

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
SCHEDULE OF FOOD SERVICE OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

UNAUDITED

	<u>For the Month</u>		<u>Year To date</u>		<u>Year To Date</u>	
	<u>June</u>		<u>June</u>		<u>June</u>	
	<u>2016</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<u>Sales:</u>						
Sales - Food	\$ 220,845	98.86%	\$ 1,628,780	85.27%	\$ 1,488,839	83.36%
Sales - Beverage	2,186	0.98%	276,081	14.45%	291,836	16.34%
Sales - Vending all	365	0.16%	5,199	0.27%	5,278	0.30%
Sales - Non-foods Other	-	0.00%	-	0.00%	-	0.00%
Total Sales	<u>223,396</u>	<u>100.00%</u>	<u>1,910,060</u>	<u>100.00%</u>	<u>1,785,953</u>	<u>100.00%</u>
<u>Cost of Sales:</u>						
Cost of Sales - Food	69,664	31.18%	525,401	27.51%	471,038	26.37%
Cost of Sales - Beverage	705	0.32%	70,485	3.69%	84,875	4.75%
Cost of Sales - Vending all	239	0.11%	3,139	0.16%	2,634	0.15%
Cost of Sales - Non foods & Other	1,152	0.52%	11,761	0.62%	11,609	0.65%
Cost of Sales - Employee meals	-	0.00%	-	0.00%	-	0.00%
Total Cost of Sales	<u>71,760</u>	<u>32.12%</u>	<u>610,786</u>	<u>31.98%</u>	<u>570,156</u>	<u>31.92%</u>
Gross Profit	<u>151,636</u>	<u>67.88%</u>	<u>1,299,274</u>	<u>68.02%</u>	<u>1,215,797</u>	<u>68.08%</u>
<u>Operating Expenses:</u>						
Salaries & Benefits	89,979	40.28%	601,870	31.51%	575,204	32.21%
Professional fees/Contracts	-	0.00%	-	0.00%	-	0.00%
Supplies and Freight	4,379	1.96%	44,256	2.32%	42,162	2.36%
Occupancy	6,051	2.71%	39,034	2.04%	33,057	1.85%
Equipment rental & maintenance	869	0.39%	6,915	0.36%	4,714	0.26%
Travel expenses	-	0.00%	-	0.00%	-	0.00%
Promotion	3,933	1.76%	27,949	1.46%	26,125	1.46%
Other	767	0.34%	5,812	0.30%	10,504	0.59%
Total Operating Expenses	<u>105,978</u>	<u>47.44%</u>	<u>725,836</u>	<u>38.00%</u>	<u>691,766</u>	<u>38.73%</u>
Net Income Food Service	<u>\$ 45,658</u>	<u>20.44%</u>	<u>\$ 573,438</u>	<u>30.02%</u>	<u>\$ 524,031</u>	<u>29.34%</u>

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
OTHER REVENUES RECAP
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

UNAUDITED

	For The Month			Year to Date					
	Actual June 2016	Budget June 2016	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2015	Budget June 2016	\$ Variance Over (Under)	% Variance Over (Under)	Actual June 2015
Rentals	\$ 36,708	\$ 14,863	\$ 21,845	147%	\$ 13,664	\$ 476,589	\$ 56,042	13%	\$ 412,494
Equipment Rentals	275	898	(623)	-69%	100	5,658	270	5%	5,133
Electrical Services	4,402	250	4,152	1661%	343	98,947	33,201	50%	73,269
Commissions	109	1,321	(1,212)	-92%	2,802	6,826	(1,100)	-14%	7,772
Net Catering Revenues	45,658	46,931	(1,273)	-3%	38,581	573,438	63,514	12%	524,031
Interest	-	-	-	-	-	-	(10)	-100%	-
Other	6,995	11,308	(4,313)	-38%	815	91,357	24,584	37%	80,963
Total Other Revenues	\$ 94,147	\$ 75,571	\$ 18,576	25%	\$ 56,305	\$ 1,252,815	\$ 176,501	16%	\$ 1,103,662