Buffalo Niagara Convention Center Management Corporation

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016 and 2015

UNAUDITED

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

UNAUDITED

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,323,760	$ 1,270,948
Accounts receivable (net)	390,650	407,069
Accounts Receivable - County Grant	-	-
Inventory	72,613	77,065
Prepaid expenses	77,919	62,121
Total current assets	1,864,943	1,817,202
Property and equipment, net	-	-
Total assets	$ 1,864,943	$ 1,817,202
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term borrowings	$ -	$ -
Current portion of long-term debt	-	-
Accounts payable and accrued expenses	291,228	311,097
Deferred revenue - Erie County Grant	431,342	424,968
Deferred revenue - Technology Grant	5,973	28,196
Deferred revenue - Other	147,989	132,359
Total current liabilities	876,532	896,620
Long-term debt	-	-
Net Assets:		
Net assets - unrestricted	988,411	920,582
Total liabilities and net assets	$ 1,864,943	$ 1,817,202

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

UNAUDITED

	Actual September 2016	Budget September 2016	$ Variance Over (Under)	% Variance Over (Under)	Actual September 2015
Technology Grant	$ -	$ -	$ -	0%	$ -
County Grant Funds	143,781	143,781	-	0%	141,656
Other revenues	91,970	128,526	(36,556)	-28%	62,366
Total Revenues	**235,751**	**272,307**	**(36,556)**	**-13%**	**204,022**
Payroll and related costs	166,269	165,824	445	0%	144,508
Professional fees	9,166	8,166	1,000	12%	7,800
Supplies	19,188	17,894	1,294	7%	15,422
Telephone	5,341	6,150	(809)	-13%	5,120
Postage and Freight	88	244	(156)	-64%	104
Occupancy costs	47,916	45,752	2,164	5%	40,986
Equipment rental and maintenance	8,778	9,240	(462)	-5%	7,018
Travel expenses	3,184	2,228	956	43%	4,150
Promotional expenses	13,114	10,316	2,798	27%	6,139
Other Expenses	7,557	4,017	3,540	88%	1,934
Depreciation expense	-	-	-	0%	-
Capital Equipment Purchases	23,872	-	23,872	#DIV/0!	5,995
Total Operating expenses	**304,473**	**269,831**	**34,642**	**13%**	**239,176**
Increase (decrease) in net assets	**(68,722)**	**2,476**	**(71,198)**	**-2876%**	**(35,154)**
Net assets - beginning	1,057,132	952,117	105,015	11%	955,737
Net assets - ending	**$ 988,410**	**$ 954,593**	**$ 33,817**	**4%**	**$ 920,583**

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

UNAUDITED

	Actual September 2016	Budget September 2016	$ Variance Over (Under)	% Variance Over (Under)	Actual September 2015
Technology Grant	$ -	$ -	$ -	0%	$ -
County Grant Funds	1,294,027	1,294,029	(2)	0%	1,274,903
Other revenues	1,412,977	1,309,995	102,982	8%	1,347,836
Total Revenues	**2,707,004**	**2,604,024**	**102,980**	**4%**	**2,622,739**
Payroll and related costs	1,587,019	1,561,728	25,291	2%	1,473,106
Professional fees	106,946	97,501	9,445	10%	109,903
Supplies	172,403	161,056	11,347	7%	188,546
Telephone	46,864	55,350	(8,486)	-15%	43,277
Postage and Freight	1,480	2,202	(722)	-33%	1,829
Occupancy costs	499,733	477,814	21,919	5%	485,658
Equipment rental and maintenance	87,416	83,172	4,244	5%	82,248
Travel expenses	17,002	20,066	(3,064)	-15%	21,278
Promotional expenses	66,464	92,858	(26,394)	-28%	78,097
Other Expenses	40,657	36,153	4,504	0%	39,058
Depreciation expense	-	-	-	0%	-
Capital Equipment Purchases	41,079	10,000	31,079	311%	63,647
Total Operating expenses	**2,667,063**	**2,597,900**	**69,163**	**3%**	**2,586,647**
Increase (decrease) in net assets	**39,941**	**6,124**	**33,817**	**552%**	**36,092**
Net assets - beginning	948,469	948,469	-	0%	884,491
Net assets - ending	**$ 988,410**	**$ 954,593**	**$ 33,817**	**4%**	**$ 920,583**

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

UNAUDITED

	For the Month September		Year To date September		Year To Date September	
	2016	%	2016	%	2015	%
Sales:						
Sales - Food	$217,332	92.00%	$1,919,533	86.22%	$ 1,879,494	83.85%
Sales - Beverage	18,083	7.65%	299,484	13.45%	355,603	15.86%
Sales - Vending all	828	0.35%	7,180	0.32%	6,340	0.28%
Sales - Non-foods Other	-	0.00%	-	0.00%	-	0.00%
Total Sales	236,243	100.00%	2,226,197	100.00%	2,241,437	100.00%
Cost of Sales:						
Cost of Sales - Food	77,256	32.70%	635,679	28.55%	617,092	27.53%
Cost of Sales - Beverage	5,108	2.16%	78,178	3.51%	103,702	4.63%
Cost of Sales - Vending all	450	0.19%	4,241	0.19%	3,553	0.16%
Cost of Sales - Non foods & Other	2,877	1.22%	18,067	0.81%	13,501	0.60%
Cost of Sales - Employee meals	-	0.00%	-	0.00%	-	0.00%
Total Cost of Sales	85,691	36.27%	736,165	33.07%	737,848	32.92%
Gross Profit	150,552	63.73%	1,490,032	66.93%	1,503,589	67.08%
Operating Expenses:						
Salaries & Benefits	88,812	37.59%	765,812	34.40%	736,996	32.88%
Professional fees/Contracts	-	0.00%	-	0.00%	-	0.00%
Supplies and Freight	5,932	2.51%	54,828	2.46%	57,288	2.56%
Occupancy	5,511	2.33%	55,299	2.48%	47,952	2.14%
Equipment rental & maintenance	444	0.19%	9,954	0.45%	5,472	0.24%
Travel expenses	-	0.00%	-	0.00%	-	0.00%
Promotion	5,247	2.22%	36,404	1.64%	40,929	1.83%
Other	733	0.31%	9,181	0.41%	13,103	0.58%
Total Operating Expenses	106,679	45.16%	931,478	41.84%	901,740	40.23%
Net Income Food Service	**$ 43,873**	**18.57%**	**$ 558,554**	**25.09%**	**$ 601,849**	**26.85%**

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

UNAUDITED

	For The Month					Year to Date				
	Actual September 2016	Budget September 2016	$ Variance Over (Under)	% Variance Over (Under)	Actual September 2015	Actual September 2016	Budget September 2016	$ Variance Over (Under)	% Variance Over (Under)	Actual September 2015
Rentals	$ 44,450	$ 60,500	$ (16,050)	-27%	$ 27,590	$ 582,628	$ 534,095	$ 48,533	9%	$ 521,459
Equipment Rentals	-	898	(898)	-100%	-	12,214	8,082	4,132	51%	5,133
Electrical Services	1,634	1,600	34	2%	5,922	134,931	97,546	37,385	38%	111,623
Commissions	264	1,321	(1,057)	-80%	15	14,145	11,889	2,256	19%	11,746
Net Catering Revenues	43,876	54,400	(10,524)	-19%	25,632	558,555	562,172	(3,617)	-1%	601,851
Interest	-	-	-	#DIV/0!	-	-	15	(15)	-100%	-
Other	1,746	9,807	(8,061)	-82%	3,207	110,504	96,196	14,308	15%	96,024
Total Other Revenues	**$ 91,970**	**$ 128,526**	**$ (36,556)**	**-28%**	**$ 62,366**	**$ 1,412,977**	**#######**	**$ 102,982**	**8%**	**$ 1,347,836**

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November 8, 2016

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

Dear Karen:

Enclosed please find the 3rd quarter reports for 2016 regarding efforts made toward achieving funding purposes as stated in our Marketing Plan and Budget and financial statements as of September 30, 2016 for Visit Buffalo Niagara and Buffalo Niagara Convention Center.

Sincerely,

Patrick J. Kaler
President and CEO

/Enclosures

November 8, 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

Date: 11/8/16

2016 Third Quarter Report

FINANCE & ADMINISTRATION				
Q3 Financials	**Projected**	**Budgeted**	**Variance**	**% Variance**
Revenues	**$3,351,368**	**$ 3,128,567**	**$ 222,801**	**7.12%**
Expenses				
Marketing Department	$ 1,181,298	$967,032	$214,266	22.16%
Convention Sales & Services	1,243,344	1,259,716	(16,372)	(1.29%)
Destination Development	134,280	144,668	(10,388)	(7.18%)
Airport Visitor Center	142,443	154,977	(12,534)	(8.09%)
Downtown Visitor Center	76,872	75,989	883	1.16%
Administrative & Finance	596,196	594,561	1,635	.27%
TOTAL EXPENSES	**$3,374,433**	**$3,196,943**	**$ 177,490**	**5.55%**
Increase (Decrease) In Net Assets	**$(23,065)**	**$ (68,376)**	**$45,311**	

SALES				
Q3 Sales Results	**Goal**	**Actual**	**+/-**	**% Variance**
Convention Leads	99	105	6	6.06%
Sports Leads	71	76	5	7.04%
Group Tour Leads	39	41	2	5.13%
Definite Business	92	137	45	48.91%
Hotel Room Nights	38,485	34,245	(4,240)	(11.02%)
YTD Sales Results				
Convention Leads	286	298	12	4.20%
Sports Leads	215	237	22	10.23%
Group Tour Leads	133	137	4	3.01%
Definite Business	289	440	151	52.25%
Hotel Room Nights	133,145	133,076	(69)	(.05%)
YOY Comparison	**2016**	**2015**		
Convention Leads	298	304	(6)	(1.97%)
Sports Leads	237	214	23	10.75%
Group Tour Leads	137	135	2	1.48%
Definite Business	440	407	33	8.11%
Hotel Room Nights	133,076	127,806	5,270	4.12%

Q3 Major Bookings	Hotel Room Nights	Economic Impact
Creative Problem Solving Institute	1,680	$1,085,618.00
STAR Swimming Buffalo Invitational	1,250	$851,338.00
American Folklore Society	1,180	$790,350.00
American Majestic Cheerleading Association	1,100	$530,628.00
National Religious Vocation Conference	1,077	$663,389.00
Speedo Swim Championships	1,000	$630,850.00
American Violet Society of America, Inc.	847	$637,164.00
Western New York Clogger's Association	834	$713,162.00
Delaware North Corporate Food & Beverage Summit	810	$637,164.00
NYS Dental Association Annual Session	650	$507,550.00
Wireman's Golf Association	600	$655,455.00
Entrepreneurs Organization	480	$532,507.00

USA Pickleball Regional Tournament	420	$305,650.00
USA Weightlifting American Masters Open	400	$222,080.00

Q3 Site Visits	Hotel Room Nights	Economic Impact
Amerilink Tours	4,000	$ 633,000.00
NYS Emergency Medical Services	2,300	$1,790,658.00
North Atlantic District of Foursquare Churches	700	$1,017,177.00
NYS Dental Association House of Delegates Meeting	650	$ 507,550.00
All in One Tours	600	$ 270,000.00
National Science Teacher Association	514	$ 495,895.00
Pharmacists Society of the State of NY	215	$ 150,156.00
USS Providence CLG 6	200	$ 142,232.00
The American Congress of Obstetricians and Gynecologists	120	$ 84,619.00

Q3 Lost Business

Meeting/Event	Year(s)	Hotel Room Nights	Reason Lost
USA Hockey Boys U 15	2017	2,950	We were unable to accommodate this tournament because we already have the World Deaf Hockey Championships on the books.
NYS Emergency Medical Services	2017	2,030	We did not have the groups' preferred dates available
Trinity Motivation Summer Conference	2017	2,027	BNCC did not have any of the groups' dates available.
Sprint Triathlon	2017	900	Lake Erie water quality played a major role in the decision not to choose Buffalo.
Credit Union Association of NY	2017	850	The Board chose the Sagamore over Buffalo
Snowmobile Association	2017	700	Executive Director didn't like the BNCC and booked Niagara Falls Conference center.
Armor Modelling and Preservation Society International Convention	2018	280	Group chose Toledo OH, The planner was uncomfortable with the lack of direct flights for attendees.
National Association of Disability Examiners	2017	225	The lack of direct flights from the Albany area was the reason for not booking Buffalo.
NYS Association of Youth Bureaus	2017	130	The board selected Niagara Falls; the consensus was their facility and amenities are newer.

Q3 Sales Initiatives and Programs

FAM tour – VBN conducted a FAM tour for the largest group of meeting, event and group tour planners in recent history; 24 planners were in attendance. The itinerary included a city tour on Buffalo Pedal Tours, Dinner Buffet at Riverworks, Buffalo River History Tour, glamorous dessert reception at the Marriott HarborCenter, our infamous Amazing Race and a Niagara Falls Experience.

Customer Advisory Council (CAC) - VBN and the BNCC partnered to convene the 3rd annual council meeting. Twelve members attended the two-day session and they were immersed in a tour of Hotel Henry, topics such as: effective marketing initiatives, a conversation with local political leaders about a new convention center and comprehensive convention meeting service methods.

Pittsburgh AAA Travel Show – Together with 4 industry partners VBN promoted 2 tour packages to group tour leaders and operators.

American Society of Association Executives (ASAE) 64 planners stopped at the tradeshow booth to discuss future meeting and convention opportunities.

NYS Joint Reception held during Connect tradeshow – VBN collaborated with the NYS CVB association to host a reception in order to entertain 75 meeting and event planners during a Texas Rangers Game in one of the stadium suites.

Connect Marketplace – 27 appointments were conducted with National Association Meeting Planners during this show with current and prospective customers. Two immediate leads have been generated.

Connect Specialty – VBN met with 20 planners from Sorority, Fraternity, Military, Special Interests and Minority National Associations. Five immediate leads were generated and five more prospective leads that need more development.

Connect Sports – 35 appointments were conducted with rights holders and event planners during this show with current and prospective customers. Six immediate leads were generated for amateur sporting events.

TEAMS – Sports commission staff conducted 20 appointments during this tradeshow generating four immediate sporting event leads and four prospects needing further development.

YMRC Marketplace – this is a reverse tradeshow where VBN makes appointments and meet directly with the planners at their stations. VBN had 16 appointments with military reunion planners. Two immediate leads were generated with five more prospects needing further development.

Sports Commission - Held its quarterly meeting, 17 advisory council members were in attendance. The agenda included a review of the tour of the Pinnacle Athletic facility attended by several council members. The owners of Pinnacle have expressed an interest in building a multi-sport venue in Buffalo. Reports were given by the Sustainable Funding and Future Events/Bid Committees. The meeting was chaired by Doug Hartmayer.

MARKETING

Q3 Website & Mobile	2016	2015	Variance
Unique Visitors	307,685	251,901	22.1%
Pageviews	848,243	786,283	7.9%
Time on Page	1:34	1:28	6.8%
YTD Website & Mobile	**2016**	**2015**	**Variance**
Unique Visitors	849,946	613,799	38.5%
Pageviews	2,334,718	2,198,736	6.2%
Time on Page	1:35	1:26	10.47%

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 1 million unique users by the end of 2016.

Social Media	2016	2015	Variance
VBN on Facebook	74,608	64,570	15.5%
Twitter	21,021	17,361	21.1%
Instagram	18,600	7,849	136.9%

Domestic Advertising / Marketing

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

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 are available to visitors through our website, in our Visitor Center and participating breweries. Program was rolled out in August. Remaining marketing dollars were spent on print and digital advertising with alt-weekly's in regional markets such as Erie, Pittsburgh, Rochester, and Hamilton, Ontario.

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.

19 photo shoots and 1 commercial production for the "Unexpected Buffalo" campaign took place in Q3.

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.

The remaining marketing dollars were spent on TV advertising in Southern Ontario through WNED and Fox 29 utilizing our:30 spot on girlfriend getaways.

We started a new relationship with Field Day, a company that specializes in reaching the cultural market in Southern Ontario. The direct mail piece, mailed to 50,000 households, educated the cultural consumer there about the value of Buffalo Niagara compared to cultural attractions in Ontario. We collected over 1200 entries to our a "Win A Trip to Buffalo" contest and notified the winner of their prize.

We completed work on the next edition of the Buffalo Niagara Shopping Guide which will be delivered in Q4.

Booth preparation has begun for our annual attendance at the National Women's Show in Toronto this November.

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

Visit Buffalo Niagara's user-generated photo campaign, #travelBUF, was its most successful yet, generating more than 10,000 photos. These stunning photos of Buffalo taken by passionate locals are often re-deployed onto Visit Buffalo Niagara's own social media channels and may be used in an upcoming video and the 2017 touring guide.

Video Production

Released three videos in Q3. Those included a new Craft Beer video and 2 videos with Billy & Pat about the Outer Harbor and the Great Pumpkin Farm Fall Festival in Clarence. A garden-focused video created for attendance building at the Garden Writers Association conference in Atlanta, GA was produced but will be released to the public in Spring 2017. 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
The New York Times	26.2 million (print and web)	$422,442 (print and web)	A Buffalo Bakery Selling Treats and Shares
Frommers.com	330,822	$52,733	20 Surprising Reasons Buffalo is A Tourism Underdog
USATODAY.com	16.5 million	$335,900	Buffalo, NY Has Its Own Style of Pizza
The Pittsburgh Post-Gazette	227.680	$47,904	Buffalo Has Transformed the Lakeshore Into a Trendy Destination.
Travelocity.com	3,166,366	$335,555	5 Best Things to Do In Buffalo
The Toronto Star	682,963 (print and web)	$76,245 (print and web)	Buffalo's Riverfront Renaissance
BlogTO	27,901	$1,122	48 Hours in Buffalo
Lake Erie Lifestyle Magazine/ GoErie.com	94,408	$4,090	Craft Beer a Growing Niche in Buffalo
The New York Daily News	1.5 million (print and web)	$323,000 (print and web)	Buffalo, NY Is On The Cusp of Something Big
Monocle Magazine	150,000	$230,471	Sky's The Limit; Buffalo one of 10 cities profiled for annual travel issue.
BlackEnterprise.com	175,440	$1,354	These 8 Cities Are Where Everyone Wants to Go To Celebrate Black Heritage.

AAA Car & Travel	939,000	$21,942	7 Things to Do in Buffalo, NY
Toronto Star	682,963 (print and web)	$42,000 (print and web)	8 Things to Do Now In Buffalo
Toronto Star	682,963 (print and web)	$54,000 (print and web)	If Nostalgia's Your Thing, Head to East Aurora, NY for Vidler's 5&10
Toronto Star	882,963	$12,000 (print and web)	Buffalo's Blooming Garden Walk A Treat
BlackEnterprise.com	175,440	$822	11 Ideas for Your Next Perfect Weekend Getaway
Gardenista.com	114,048	Not Applicable	11 Garden Ideas to Steal from Buffalo, NY
US News & World Report	2.8 million	$17,636	11 Hotel Restaurants Worth Traveling For (Highlighting EB Greens)

INDUSTRY RELATIONS / DESTINATION DEVELOPMENT

Q3 Downtown VIC	2016	2015	Variance
Walk-In Traffic	8,630	7,369	17.1%
Merchandise Sales	$12,802	$12,277	4.27%
YOY Downtown VIC			
Walk-In Traffic	16,626	14,451	15.05%
Merchandise Sales	$26,071	$23,084	12.94%
Q3 Airport VIC			
Walk-In Traffic	22,309	20,129	10.9%
Merchandise Sales	$75,689	$63,914	18.42%
YOY Airport VIC			
Walk-in Traffic	47,868	48,461	-1.2%
Merchandise Sales	$161,027	$145,129	10.95%
Q3Tourism Insider	**Subscribers**	**Open Rate**	**Click Through Rate**
Tourism Insider	2983	28.93%	2.35%
Q3 Travel Pulse	**Subscribers**	**Open Rate**	**Click Through Rate**
July	1392	23.49%	6.39%
August	1389	21.53%	5.98%
September	1551	23.73%	5.67%

Q3 Ambassador/Volunteer Engagement

Date	Convention/Event Name	# of Volunteers	# of Hours	Total Hours
7/4-7/6	BMW Motorcycle Owners of America	18	3 hours/18 shifts	54
7/7	Accordionists	4	3 hours/6 shifts	18
7/20	National Softball Association World Series	35	4 hours each	140
8/7	Empire Baptist	2	3 hours/5 shifts	15
8/18-8/19	NY Kiwanis	10	3 hours/12 shifts	36
8/19	Coalition of Black Trade Unionists	2	3 hours/6 shifts	18
9/3-9/4	WingFest	20	2 hours/20 shifts	40
9/12-9/13	NPN	14	3 hours/12 shifts	36
9/28	Urological Society	5	3 hours/6 shifts	18
	TOTAL	110		375

Q3 Visit Buffalo Niagara Academy Programs		
Industry Meeting	**Date**	**Attendance**
Woodlawn Beach State Park – VBN 101. Representatives from each department walked attendees through current projects, programs and resources	September 14	55
Front-Line Staff Training	**Date**	**Attendance**
Buffalo Niagara Visitor Journey A2D at Millennium Buffalo – entire staff training (live class).	July 9	27
Buffalo Niagara Visitor Journey A2D at VBN Offices.	August 17	5

VBN EVENTS CALENDAR			
Event	**Date**	**Location**	**Description**
Holiday Open House	12/8/16	Downtown Visitor Center	Holiday Shopping and Refreshments 9:00 a.m.-7:00 p.m.

Buffalo Niagara Convention & Visitors Bureau, Inc.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016 and 2015

UNAUDITED

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

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

UNAUDITED

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,406,934	$ 1,165,380
Accounts Receivable - Erie County	-	-
Accounts Receivable - Trade	38,673	57,271
Grants Receivable	165,000	250,000
Prepaid expenses and supplies	84,423	107,559
Total current assets	1,695,030	1,580,210
Property and equipment, net	65,205	73,629
Total assets	$ 1,760,235	$ 1,653,839
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term borrowings	$ -	$ -
Accounts payable and accrued expenses	215,009	122,274
Accounts payable - Foundation	35,033	42,272
Deferred revenue - Other	53,484	96,484
Deferred revenue - Bed Tax	838,625	825,000
Total current liabilities	1,142,151	1,086,030
Net assets	618,084	567,809
Total liabilities and net assets	$ 1,760,235	$ 1,653,839

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Actual 9 Months 09/30/16	Budgeted 9 Months 09/30/16	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	
REVENUES	$ 3,392,976	$ 3,138,067	$ 254,909	8.12%	$ 4,076,250	$
MARKETING DEPARTMENT EXPENSES	$ 1,219,110	$ 937,117	$ 281,993	30.09%	$ 1,186,250	$
SALES & SERVICES DEPARTMENT EXPENSES	1,187,870	1,236,016	(48,146)	-3.90%	1,581,900	
DESTINATION DEVELOPMENT	132,710	144,493	(11,783)	-8.15%	184,500	
AIRPORT VISITOR CENTER EXPENSES	143,561	154,977	(11,416)	-7.37%	205,735	
BUFFALO VISITOR CENTER EXPENSES	77,873	75,989	1,884	2.48%	102,560	
ADMINISTRATIVE & FINANCE EXPENSES	591,971	591,561	410	0.07%	809,805	54
TOTAL EXPENSES	$ 3,353,095	$ 3,140,153	$ 212,942	6.78%	$ 4,070,750	$ 3,338
INCREASE (DECREASE) IN NET ASSETS	$ 39,881	$ (2,086)	$ 41,967		$ 5,500	$ 28,1
NET ASSETS - BEGINNING	578,203	578,203	-		527,696	539,64
NET ASSETS - ENDING	$ 618,084	$ 576,117	$ 41,967	7.28%	$ 533,196	$ 567,809

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
TOTAL REVENUES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Actual 9 Months 09/30/16	Budgeted 9 Months 09/30/16	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	Actual 9 Month 09/30/15
Erie County Grant	$ 2,515,878	$ 2,515,878	$ -	0.00%	$ 3,354,500	$ 2,475,00
BNCC Management Fee Allocation	-	4,500	(4,500)	-100.00%	6,000	6,25
Visitor Guide Advertising	265,568	258,000	7,568	2.93%	258,000	245,71
Assessments - Convention	17,094	25,150	(8,056)	-32.03%	26,950	45,60
NYS Matching Funds Program	62,394	55,000	7,394	13.44%	55,000	54,547
Joint/Co-Op - Marketing	122,384	37,935	84,449	222.61%	40,600	107,466
Joint/Co-Op - Sales	33,770	53,000	(19,230)	-36.28%	78,500	64,687
Joint/Co-Op - Destination Development	16,310	15,000	1,310	8.73%	25,000	-
Joint/Co-Op - Airport	-	3,500	(3,500)	-100.00%	3,500	2,912
Grant Revenues	171,200	-	171,200	-	-	191,200
Merchandising Revenues - BVC	26,071	15,950	10,121	63.45%	24,000	23,084
Merchandising Revenues - Airport VC	160,088	150,685	9,403	6.24%	200,000	145,129
Interest Income	31	144	(113)	-78.47%	200	70
Miscellaneous Income	2,188	2,950	(762)	-25.83%	3,500	4,732
Merchandising Revenues - Conventions	-	375	(375)	-100.00%	500	-
Total Revenues	**$ 3,392,976**	**$ 3,138,067**	**$ 254,909**	**8.12%**	**$ 4,076,250**	**$ 3,366,408**

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
TOTAL EXPENSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Actual 9 Months 09/30/16	Budgeted 9 Months 09/30/16	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	Actual 9 Months 09/30/15
Personnel Costs:						
Salaries	$ 1,201,522	$ 1,201,918	$ (396)	-0.03%	$ 1,612,310	$ 1,168,59
Payroll Taxes & Fringe Benefits	222,016	238,195	(16,179)	-6.79%	319,375	216,435
Training	30,571	40,800	(10,229)	-25.07%	45,500	26,710
Total Personnel Costs	$ 1,454,109	$ 1,480,913	$ (26,804)	-31.90%	$ 1,977,185	$ 1,411,742
Sales & Marketing Expenditures:						
Advertising	$ 578,500	$ 312,535	$ 265,965	85.10%	$ 415,000	$ 670,632
Convention Commitments	157,802	183,950	(26,148)	-14.21%	202,750	139,485
Visitor Guide	210,425	225,000	(14,575)	-6.48%	232,000	216,831
Tradeshows	114,980	98,400	16,580	16.85%	132,500	94,429
Printing	29,360	18,635	10,725	57.55%	21,000	16,537
Postage	5,395	8,415	(3,020)	-35.89%	10,900	25,932
Sales Bids & Promotions	47,967	70,000	(22,033)	-31.48%	90,850	50,363
Convention Sales & Services	17,585	17,380	205	1.18%	21,000	19,449
Travel & Meetings	29,249	25,225	4,024	15.95%	35,500	24,000
Albany Office	13,288	13,500	(212)	-1.57%	18,000	13,263
Receptions	2,488	16,000	(13,512)	-84.45%	37,200	6,472
Research	27,582	28,140	(558)	-1.98%	36,000	38,520
Website Development/Hosting	43,663	49,135	(5,472)	-11.14%	60,500	56,664
Familiarization Tours	76,361	55,185	21,176	38.37%	61,100	24,303
Professionl Fees & Public/Media Relations	31,600	29,997	1,603	5.34%	40,000	34,864
Freelance/Graphic Artist	11,920	11,565	355	3.07%	15,000	9,230
Regional Marketing	13,312	12,000	1,312	10.93%	12,000	12,022
Airport Visitor Center Operations	98,818	104,820	(6,002)	-5.73%	138,850	94,578
Market Arcade Visitor Center Operations	28,768	24,704	4,064	16.45%	34,185	31,953
Promotional Items	15,617	16,240	(623)	-3.84%	18,000	14,771

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Actual 9 Months 09/30/16	Budgeted 9 Months 09/30/16	$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2016	Actual 9 Months 09/30/15
Destination Development	56,644	68,833	(12,189)	-17.71%	84,275	56,153
Film/Video/Photo Productions	55,186	27,500	27,686	100.68%	37,500	17,450
Photography	7,099	12,295	(5,196)	-42.26%	17,000	27,937
Online Media Resource	2,470	4,122	(1,652)	-40.08%	5,500	2,520
Social Networking	3,057	1,125	1,932	171.73%	1,500	2,436
Special Projects	-	-	-	-	-	-
Newsletter	-	-	-	-	3,500	2,066
Annual Report	-	-	-	-	-	-
Total Sales & Marketing Expenditures	$ 1,679,136	$ 1,434,701	$ 244,435	17.04%	$ 1,781,610	$ 1,702,860
Technology & Equipment	5,642	4,850	792	16.33%	14,150	8,082
Departmental Administrative Expenses	214,208	219,689	(5,481)	-2.49%	297,805	215,555
Total Expenses	$ 3,353,095	$ 3,140,153	$ 212,942	6.78%	$ 4,070,750	$ 3,338,239

BUFFALO NIAGARA CONVENTION CENTER

2016 Third Quarter Report

BUFFALO NIAGARA CONVENTION CENTER			
Q3 Revenue	**Goal**	**Actual**	**Variance**
Rent Revenue	$123,548	$102,123	-17.3%
F&B Revenue	319,100	273,582	-14.3%
Electrical Service	31,800	35,451	+11.5%
Other Revenue	32,117	34,662	+7.9%
TOTAL REVENUE	$506,565	$445,818	-12.0%
YTD Revenue	**2016**	**2015**	**Variance**
Rent Revenue	$578,713	$521,459	+11.0%
F&B Revenue	2,183,642	2,241,438	-2.6%
Electrical Service	134,397	111,623	+20.4%
Other Revenue	104,279	101,157	+3.1%
TOTAL REVENUE	$3,001,031	$2,975,667	+.9%
Q3 Events	**2016**	**2015**	**Variance**
Number of Events	20	29	-31.0%
Attendance	22,244	15,333	+45.1%
YTD Events	**2016**	**2015**	**Variance**
Number of Events	101	117	-13.7%
Attendance	233,368	218,757	+6.7%
F&B Profit Margin	27.3%	27.4%	-.4%
Guest Satisfaction Survey	4.79	4.81	-.4%

Comments Q3

Total revenues were up to budget in the third quarter by -$61k or -12.0%. Q3 revenues were negatively impacted by Erie County DPW working on life safety projects in the building that precluded us from being able to host events on those dates.

The shortfall in rental revenues (-$22k) was a result of one-time revenues in 2015 from the Church of South India ($6k) and the Natl. Assn. of Education Office Professionals ($15k) that we did not have in 2016.

The decrease in food and beverage revenues in Q3 were a result of the aforementioned Church of South India from 2015 ($98k) in F&B revenues.

Electrical revenues continue to surpass budget (+$3k) as Law Boards increased electrical revenue by (+$1k) and we added the Nickel City Con (+$2k) in 2016.

Other revenues were up slightly (+$3k) due to an increase in pass-through revenues.

Q3 Major Events Hosted

Month	Event Name	Number of Attendees
July	NYS Board of Law Examiners	2,800
July	Ryu-Kon Group – Tatsu Con	1,000
August	Dave & Adam's Cardworld – Nickel City Con	5,774
August	Get Motivated Seminar	476
September	Queen City Comic – Buffalo Comicon	2,800
September	City of Buffalo – Reading Rules	3,500
September	Town Square Media – Diversity Job Fair	1,100
September	NPN 2016 Annual Conference	956
September	City of Buffalo Common Council Senior Ball	950
September	DFAC Buffalo 2016 Buffalo Fitness Expo	600
September	Buffalo Professional Firefighters Awards Banquet	450

Q3 Major Events Booked		
Year	Event Name	Expected Revenue
2016	First Episcopal District of African Methodist Church	$36,000
2016	Blue Star Media – Discover the Dinosaurs	$28,800
2016	CSEA Holiday Party	$25,000
2017	Alcoholism & Substance Abuse Providers	$67,600
2017	Moog Inc.	$65,000
2017	Dave & Adam's Cardworld 2017 Nickel City Con	$30,250
2017	City of Buffalo –State of the City Address	$34,000
2018	Association of Collegiate School of Planning	$85,000
2018	Buffalo Insurance Day	$58,554
2019	NYS Bureau of Emergency Medical Services – Vital Signs Conference	$36,500
2020	NYC Dance Alliance	$25,482

Q3 Notable Sales Activities	
Date	Program
July	Participated in and hosted a portion of the VBN Client FAM
July	XSEDE Site with UB hosts
August	Attended and participated in ASAE with VBN in Salt Lake City
August	Attended Connect Marketplace with VBN in Dallas
August	Women Reaching Women site inspection
August	NE Atlantic District of Foursquare Churches site inspection
August	Institute for Higher Education Policy site inspection
September	DC Sales Calls
September	Attended AMPS event in DC
September	PSSNY site inspection
September	West Herr site inspection