



August 8, 2018

Mr. Robert Graber
Clerk, Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, NY 14202

Dear Mr. Graber:

Enclosed please find the 2nd quarter reports for 2018 outlining efforts made toward achieving funding purposes as stated in our Business Plan and Budget for Visit Buffalo Niagara and Buffalo Niagara Convention Center and financial statements for the period ending June 30, 2018.

Sincerely,

A handwritten signature in blue 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

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August 7, 2018

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

A handwritten signature in black ink, appearing to read "Patrick J. Kaler", written in a cursive style.

Patrick J. Kaler
President and CEO

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2018 Second Quarter Report

FINANCE & ADMINISTRATION				
Q2 Financials	Projected	Budgeted	Variance	% Variance
Revenues	\$2,358,368	\$ 2,317,656	\$ 40,712	1.76%
Expenses				
Marketing Department	\$ 656,581	\$650,014	\$ 6,567	1.01%
Convention Sales & Services	913,084	884,146	28,938	3.27%
Destination Development	130,314	121,121	9,193	7.59%
Airport Visitor Center	90,619	87,172	3,447	3.95%
Downtown Visitor Center	56,339	56,473	(134)	-.24%
Administrative & Finance	434,216	421,652	12,564	2.98%
TOTAL EXPENSES	\$ 2,281,153	\$ 2,220,578	\$ 60,575	2.73%
Increase (Decrease) In Net Assets	\$ 77,215	\$ 97,078	\$(19,863)	

SALES					
Q2 Sales Results	Goal	Actual	+/-	% Variance	
Convention Leads	72	82	10	13.89%	
Sports Leads	75	77	2	2.67%	
Group Tour Leads	47	48	1	2.13%	
Definite Business	116	145	29	25.00%	
Hotel Room Nights	40,850	35,503	-5,347	-13.09%	
YTD Sales Results					
Convention Leads	144	175	31	21.53%	
Sports Leads	147	150	3	2.04%	
Group Tour Leads	101	102	1	.99%	
Definite Business	219	287	68	31.05%	
Hotel Room Nights	88,900	80,145	-8,755	-9.85%	
YOY Comparison	2018	2017			
Convention Leads	175	126	49	38.89%	
Sports Leads	150	147	3	2.04%	
Group Tour Leads	102	97	5	5.15%	
Definite Business	287	255	32	12.55%	
Hotel Room Nights	80,145	111,145	-31,000*	-27.89%	

*Decrease in year over year room nights is due to a multiple year/multiple event agreement signed with NYS Bar Exam which represented 21,000 hotel room nights. The deficit also reflects the uncertainty of the Adams Mark Hotel's pending sale. With the sale now finalized, VBN leadership and sales staff are engaging in discussions with the new ownership to ascertain their timeline for renovations and messaging to be used when presenting the property to prospective meeting, tour and sports professionals. The publicity of the County's convention center study has also created a challenge for booking the facility. While interest is high for the future of the facility, meeting planners note the aging physical plant and uncertainty of the building's future as reluctance to book in the near future.

Q2 Major Bookings	Hotel Room Nights	Economic Impact
Gaelic Athletic Association Continental Youth Championships	4,600	\$5,083,675
NHL Combine- Buffalo Sabres	2,200	\$1,861,765
NAPS Hockey Tournament Boys	2,000	\$1,538,150
Delaware North	1,785	\$1,150,700
National Rural Electric Cooperative Association	1,245	\$879,700
North American Prospects Showcase Elite 8 Tournament	1,134	\$801,340

Tourico Holiday Inc. Group Tours	1,100	\$325,700
Amerilink Group Tours	1,100	\$362,080
NYS PHAA Field Hockey Championships	492	\$402,170
AAU Basketball	390	\$298,500
NY Health Information Management	350	\$411,000
Department of Defense – Education Conference	300	\$225,950
Municipal Electric Utilities Association of New York	254	\$131,480

Q2 Site Visits	Hotel Room Nights	Economic Impact
Civil Service Employees Association	3,100	\$1,884,945
Conference on Food Protection	1,845	\$1,105,400
National Rural Electric Coalition Association	1,660	\$879,700
Church of Pentecost Easter Convention	970	\$795,000
United States Bowling Congress	925	\$710,765
America Walks Summit	665	\$757,200
United State Hockey League Fall Classic	600	\$435,293
Automobile License Plate Collectors	580	\$467,800
New York State Magistrates	450	\$402,900
Daughters of the American Revolution	450	\$228,140
United States Track & Field	400	\$195,625
USS Truckee 2020 Biennial Reunion	275	\$130,848
Amphibious Ships Reunion	250	\$107,175
Synergos	225	\$103,650
Gaelic Athletic Association – Mid West Championships	200	\$79,985
USS Grand Canyon	160	\$65,950
Stein Collectors International	150	\$67,200
NYS Organization of Mothers of Multiples	100	\$52,500
NYS Medical Assistants Association	65	\$45,725
USS Tusk's	40	\$39,500

Q2 Lost Business

Meeting/Event	Year(s)	Hotel Room Nights	Reason Lost
The Wildlife Society Annual Conference	2019	3,250	After conducting their site inspection, the Board decided the size of the convention center was too small to accommodate the breakout rooms needed for their program.
International Association of Sheet Metal, Air, Rail Transportation Workers	2019	1,880	The Board of Directors decided to take the meeting to San Diego who put together a very attractive meeting package.
The United Synagogue of Conservative Judaism	2020	1,545	BNCC & Hyatt are already booked, planner considered the Adam's Mark, decided not to book there.
United States Environmental Protection Agency	2019	845	The BOD decision was to eliminate Buffalo from the list of contenders, Cleveland, Green Bay and Milwaukee are still in consideration.
College Music Society	2020	840	Group has selected Miami to host their conference; Buffalo did not make the short list.
Precision Machined Products Association	2020	660	After conducting their site of the Adam's Mark, the group decided to book in Milwaukee and would seriously consider Buffalo, once the hotel is renovated.
Biocontrols USA	2018	510	Client's preferred dates were not available.
Intersolar Global East Conference	2019	350	Group has chosen to stay in NYC.
IMN Solutions Fall meeting	2018	235	Hotel room rates were too high for this group
American Association of Medical Dosimetrists	2019	185	Poor condition of Buffalo meeting hotels was cited by meeting planner.

Q2 Sales Initiatives and Programs

Helms Briscoe Annual Business Conference – a two- day conference where VBN representatives met with 20 HB planners to discuss their client’s needs. This conference is a great way to interact with 3rd party planners.

Sales Mission DC 1 – VBN participated with representatives from Rochester, Niagara Falls, Albany, Westchester, NYC and Long Island for three client events; a total of 31 prospective clients attended the events.

Sales Mission DC 2 – VBN and BNCC representatives arranged an afternoon presentation to the Experient DC office a 3rd party meeting planner company - 30 members attended. Also to capitalize on our time in DC, we set up appointments with six National Association Meeting Planners to discuss meeting needs and promote our meeting package.

Military Reunion Network Northeast Roundtable– attended and participated in networking and workshop activities. Ten Military Reunion planners stopped at our booth. One immediate lead and the potential of five others that need further development were garnered.

Empire State Society of Association Executives – VBN coordinated ten hospitality partners to attend the conference and trade show. Overall, there was very good traffic at the booth and four immediate leads were generated and three prospects needing further development were discussed.

Smart Meetings – 105 meeting planners were in attendance, we had appointments with 13 of them. This is our first time attending the show which was well organized and the staff made sure each supplier made the best use of their time with planners. One immediate lead was garnered.

Familiarization FAM – 23 meeting planners were in attendance, it was a good mix of tour operators and meeting planners. During the two-day visit they were immersed in everything Buffalo. A breakfast marketplace was organized where 20 Erie and Niagara County hotels and attractions interacted with our guests.

Military Reunion Network - The Annual Summit is an opportunity for reunion planners to attend education sessions and interact with hospitality suppliers; 25 appointments were conducted generating three immediate leads and five that need further development.

CVB reps & PCMA Capital District events – VBN attended two separate events; both very successful offered an opportunity to network with over 100 National Association Meeting Planners in total.

National Association of Sports Commissions – BNSC sales team attended the annual conference and tradeshow; 45 event planners and rights holders met with staff to discuss hosting future events in Erie County. 15 leads needing development were collected.

North American Rinks Conference and Expo (NARCE) – BNSC representatives were on hand to promote attendance for this conference to be held in Buffalo in 2019, 2020, 2021.

Brand USA Mega FAM – in cooperation with Brand USA, VBN hosted 14 tour operators and travel agents from UK and Ireland. These operators and agents are frontline representatives who advise consumers on destinations for personal travel. During their two day visit, they were treated to tours of Darwin Martin House, Hotel Henry, Buffalo Naval Park, Canalside, Maid of the Mist, to name a few.

International Pow Wow - This is the largest travel trade show in North America and is sponsored by Brand USA and US Travel Association; in total 185 appointments were conducted during the show. The Nine Days in NY package is growing in popularity and is in its second year being promoted.

NAJ East – 19 appointments were conducted with international tour receptive operators. We also participated in a networking breakfast and reception.

MARKETING

Q2 Website & Mobile	2018	2017	Variance
Website Visitors	352,043	364,756	-3.49%
Pageviews	741,165	704,975	5.13%
Time on Page	1:22	1:36	-14.58%
YTD Website & Mobile	2018	2017	Variance
Website Visitors	662,636	654,169	1.29%
Pageviews	1,322,149	1,244,204	6.26%
Time on Page	1:24	1:36	-12.50%

The roll-out of the Buffalo Wing Trail and the campaign supporting it has been a source of significant traffic to the website during Q2, off-setting a corresponding drop in referrals from Facebook. We are keeping pace with site traffic numbers from 2017, but find the dramatic decline in referrals from Facebook to be very concerning. Among the best performing referral sources were: Facebook, Instagram, University at Buffalo and I Love NY.

Social Media	2018	2017	Variance
VBN on Facebook	90,474	82,696	9.41%
Twitter	27,721	23,707	16.93%
Instagram	25,754	22,360	15.18%

Domestic Advertising / Marketing

The highlight of the quarter was the record-breaking \$3.2 million ad equivalency value generated by articles about Buffalo in a variety of publications, including two appearances in The New York Times and coverage of the Buffalo Wing Trail by the Associated Press. The implementation of the Unexpected Buffalo campaign continued in digital, print, TV, streaming audio and out-of-home platforms. Print insertions were featured in key feeder markets Rochester, Erie, Pittsburgh and Toronto. Transit advertising was also visible in the GTA. For the first time, we purchased time on a streaming audio channel -- Spotify -- in an attempt to reach Millennial/Gen-X consumers. The roll-out of the Buffalo Wing Trail in nearby markets in both print and OOH media also got underway this quarter. In addition, the Craft Beer Marketing Initiative (supported by a Market NY grant) commenced in Q2.

Canadian Marketing Initiative

Targeting the Canadian market (Ontario, specifically) continues to be a priority of our marketing efforts. Ontario consumers are being targeted with messaging for the Unexpected Buffalo, Buffalo Wing Trail and Buffalo Brewcation Destination craft beer campaigns throughout the high season months. Additionally, we continue to engage Canadian consumers via our monthly e-newsletter program.

International Marketing

Buffalo has a presence in Brand USA's 2018 Inspiration Guide and the Canada East Multi-channel program.

Social Media

On Instagram, #TravelBUF, our user-generated imagery campaign, continues to grow at a rapid rate. At the end of Q2, submissions to our hashtag campaign surged past 41,000 submissions.

Video content continues to be the crux of our content on Facebook, Instagram and Twitter. The release of Right Here, Right Now, the timelapse promotional video, ushered in over 600K views on Facebook and 11,000+ on YouTube. One of our Buffalo Stories, highlighting RiverWorks ziplining, also exceeded 150K views.

For the Buffalo Wing Trail, we're also in the midst of releasing 12 short form videos highlighting each stop on the trail. These videos have helped in boosting our Instagram followers for @buffalowingtrail to over 1,000 followers in about three-month's time.

Video Production

The premiere of the "Right Here Right Now" time-lapse video took place on June 14 at the Albright-Knox Art Gallery. The video has now been seen nearly 500,000 times on Facebook and YouTube, making it the second-most viewed video VBN has ever produced. A series of videos highlighting each of the twelve Wing Trail locations is being released weekly over the course of the summer. New "Buffalo Stories" videos featuring attractions and restaurants continue to be released and high profile events such as the Taste of Buffalo, the Colored Musicians Club Jazz Festival and Garden Walk Buffalo are being promoted on social video through a series of short social media commercials. Work is also underway on a series of first-person videos in which Millennial and Gen-X Buffalonians talk about their passions and pursuits in Buffalo. These videos will be distributed via Facebook and Instagram later this summer. In addition, production commenced on a new video highlighting the visitor experience in East Aurora and on a new Unexpected Buffalo :30 commercial that will be a part of the 2019 campaign.

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Media Relations			
Media Outlet	Circulation	Media Value	Headline and Quotes/Highlights
The New York Times	30,659,688	\$1,135,575	36 Hours in Buffalo
The New York Times	30,126,541	\$320,395	From Refugees to a Reunion, Buffalo Lives Up to Its Welcoming Reputation
National Geographic Traveler	628,284	\$4,379	Epic Summer: Best Family Trips (Buffalo RiverWorks)
Saveur.com	646,078	\$1,555	A New Buffalo Wing Trail Will Show you the Best of Buffalo (And Its Wings)
The Associated Press	117,371,602	\$432,477	Buffalo Unveils Wing Trail of Chicken Wing Hotspots
10Best: EatSipTrip	569,446	\$3,995	Forget Wings: Buffalo, NY is a Hot Dog Town
GoErie.com/ Lake Erie Lifestyle Magazine	147,652	\$837	Buffalo Keeps Reinventing Itself
JimByersTravel.com	108,026	\$1,519	Buffalo is a City on the Rise
Architectural Digest	816,139	\$142,825	Reinvigorated by architecture, this postindustrial New York mecca looks to its past to forge a bold future.
The Globe and Mail	851,981	\$16,300	Eat Your Way Through Buffalo's New Chicken Wing Trail
Lonely Planet	1,469,204	\$8,657	Get Your Wet Naps Ready: Buffalo Debuts the Buffalo Wing Trail
BudgetTravel.com	105,757	\$492	Best Budget Travel Destinations in the Northeast
The New York Times	3545788	\$353,281	A Buffalo, N.Y. Restaurant with Bonafides from Acapulco, Quebec and Beyond

INDUSTRY RELATIONS / DESTINATION DEVELOPMENT			
Q2 Downtown VIC	2018	2017	Variance
Walk-In Traffic	5,466	6,082	-10.13%
Merchandise Sales	\$7,246	\$8,296	-12.66%
YOY Downtown VIC			
Walk-In Traffic	7,893	7,951	-.73%
Merchandise Sales	\$10,542	\$12,643	-16.62%
Q2 Airport VIC			
Walk-In Traffic	17,153	17,832	-3.81%
Merchandise Sales	\$71,675	\$73,382	-2.33%
YOY Airport VIC			
Walk-in Traffic	26,610	27,820	-4.35%
Merchandise Sales	\$106,202	\$111,726	-4.94%
Q2 Travel Pulse	Sent	Open Rate	Click-Through Rate
April	1,574	21.16%	6.15%
May	1,588	18.20%	5.72%
June	Not yet sent	Not yet sent	Not yet sent
Q2 Tourism Insider	Sent	Open Rate	Click-Through Rate
June 12	2,194	22.55%	2.28%

Q2 Ambassador/Volunteer Engagement				
Date	Convention/Event Name	# of Volunteers	# of Hours	Total Hours
4/4-4/8	USA Hockey U14 Boys Nat'l Championship	17	3-5-hour shifts	143 hours
4/7-4/8	Biennial Niagara Invitational	2	4-hour shift	8 hours
4/7	USA Hockey U14 Boys Nat'l Championship	4	4-hour shift	24 hours
4/16-4/17	International Aviation Show	7	3-hour shift	21 hours
4/19-4/20	2018 Nickel City Cloggers' Festival	7	3-hour shift	21 hours
5/3-5/4	Association of Concert Bands	5	3-hour shift	15 hours
5/7-5/9	VBN Receptionist	2	4-hour shift	8 hours
5/21-5/22	African Violet Society of America	7	3-hour shift	21 hours
5/26	2018 Buffalo Marathon Expo	5	3-hour shift	15 hours
6/2	STAR Swimming Kick-Off Meet	1	4.5-hour shift	4.5 hours
6/14	2018 Genealogical Conference	6	3-hour shift	18 hours
6/22	Pharmacists Society State of NY - PSSNY	1	3-hour shift	3 hours
6/22-6/24	STAR Swimming Long Course Open	4	3.5 to 4.5-hour	16 hours
6/22-6/23	Buffalo Bills 50 Yard Finish	39	2-4-hour shift	186 hours
6/24-6/25	ALP 2018 Regional Conference	4	2-3-hour shift	13 hours
6/24	IEDC Spring Conference	1	3-hour shift	3 hours
6/26	USA Hockey Development Camps	2	4-hour shift	8 hours
	TOTAL	114	2-5-hour shifts	527.5 hours
Q2 Visit Buffalo Niagara Academy Programs				
Industry Meeting	Date	Attendance	Survey Score	
Q2 Industry Meeting at Hotel Henry Urban Resort & Conference Center. Educational topic – Human Trafficking in the Hospitality Industry. Speakers: Erie County Sheriff's Office Human Trafficking Investigator Detective Theresa Nietzel and International Institute Licensed Social Worker – Human Trafficking Division	April 18	70	Very well received; several partners scheduled presentations	
Industry Night at the Buffalo Transportation Museum	April 20	40	Jim Sandoro gave a private tour	
National Travel & Tourism Week. Kicked off the week with billboard campaign donated by Lamar, light the town red from several organizations/building owners; Wellness Walk from visitor center on Wednesday; Random Acts of Kindness to flight attendants staying at area hotels; FAM Double Decker Bus Tour	May 6-12	60 on bus tour	Great response – host was Joel Dombrowski	
Beacon Awards – recognize bring it home ambassadors, volunteers and exemplars in hospitality and tourism; honored outgoing chair Jon Dandes; award college scholarships	May 8	401	Wonderful event	
Industry Night at the Colored Musicians Club	June 15	30	Tour of Museum and sit in on practice night	
Front-Line Staff Training	Date	Attendance	Survey Score	
Buffalo Niagara Visitor Journey A2D volunteer training	May 16	7	5	
Buffalo Niagara Visitor Journey A2D Buffalo Zoo	May 21	26	5	
Buffalo Niagara Visitor Journey A2D Wyndham Garden Downtown	June 4	6	5	
Buffalo Niagara Visitor Journey A2D volunteer training	June 14	6	5	
Buffalo Niagara Visitor Journey A2D Embassy Suites downtown	June 21	6	5	

VBN EVENTS CALENDAR

Event	Date	Location	Description
Industry Night at the Barrel House	Aug 23 or 30	Barrel House	Tasting; Buffalo Kayak, Kombucha, get to know the neighborhood (Underground Coffee, Mazureks, bike path)
Q3 Industry Meeting	September 12	The Terrace at Hoyt Lake	Back to school – Delila, 2019 touring guide kick off, front line training, etc.
Tourism Summit	TBD - Sept. or October	Buffalo Niagara Convention Center	TBD
Board of Directors Meeting	November 7	WNED Board Room	Marketing Plan and Budget

BUFFALO NIAGARA CONVENTION CENTER			
Q2 Revenue	Goal	Actual	Variance
Rent Revenue	\$152,623	\$158,263	+3.7%
F&B Revenue	\$873,400	\$1,111,691	+27.3%
Electrical Service	\$22,200	\$23,516	+5.9%
Other Revenue	47,378	\$63,442	+33.9%
TOTAL REVENUE	\$1,095,601	\$1,356,912	+23.9%
YTD Revenue	2018	2017	Variance
Rent Revenue	\$493,465	\$469,252	+5.2%
F&B Revenue	\$1,923,496	\$1,904,925	+1.0%
Electrical Service	\$95,954	\$112,932	-15.0%
Other Revenue	\$115,066	\$96,766	+18.9%
TOTAL REVENUE	\$2,627,981	\$2,583,875	+1.7%
Q2 Events	2018	2017	Variance
Number of Events	43	42	+2.4%
Attendance	51,201	44,054	+16.2%
YTD Events	2018	2017	Variance
Number of Events	76	76	0%
Attendance	200,406	185,833	+7.8%
F&B Profit Margin	29.7%	31.2%	-4.8%
Guest Satisfaction Survey	4.76	4.83	-1.4%
Comments Q2			
<p>Total revenues were up to budget in the second quarter of 2018 by \$261k or 23.9%. The increase in rentals in Q2 2018 of \$5k was a result of the City of Buffalo Fire Department Exam (\$18k) The increase in food and beverage revenues in Q2 2018 was a result of three M&T meetings (\$138k), the first time St. Joe's Lasallian event (+\$89k) and the Policeman's Ball (\$30k). Electrical revenues were up flat to budget in Q2. Other revenues exceeded budget due to an increase in pass-through charges to clients.</p>			
Q2 Major Events Hosted			
Month	Event Name	Number of Attendees	
April	Buffalo Wine Festival	3,000	
April	New York State United Teachers – NYSUT 2018 Representative Assembly	2,500	
April	St. Joseph's Collegiate Institute Lasallian 2018	1,300	
April	Insurance Club of Buffalo – I-Day 2018	1,144	
April	Break the Floor Productions – NUVO Dance Convention	800	
April	Buffalo State College WNY Association of College Career Centers –Teacher Recruitment Days	693	
April	NEC/AAAE -2018 International Aviation Snow Symposium	515	
May	Dave & Adam's Cardworld – 2018 Nickel City Con	15,343	
May	Buffalo – Erie Marathon Association, Inc. – Runners Expo & Post Race Party	7,454	
May	City of Buffalo Department of Human Resources - Fire Department Exam	2,500	
May	M&T Bank – Officer's Meeting	2,083	
May	ECMC Foundation Springfest Gala	1,693	
May	Break the Floor Productions – 2018 Jump Dance Convention	800	
June	Lancaster High School – Junior/Senior Prom	870	
June	M&T Bank – Risk Division Meeting	681	
June	Erie County Department of Social Services – Staff Conference	500	
June	Delta Phi Epsilon Sorority– 2018 Annual Convention	375	

Q2 Major Events Booked		
Year	Event Name	Expected Revenue
2018	Delaware North – 2018 F&B Summit	\$100,000
2018	West Herr Automotive – Employee Appreciation Event	\$50,000
2018	Independent Health Foundation, Inc. – First Night	\$26,756
2018	M&T Bank – CPS Meeting	\$26,324
2018	Buffalo Fitness Expo 2018	\$9,630
2019	Roswell Park Alliance Foundation – All Star Gala	\$75,000
2019	Roman Catholic Diocese of Buffalo – 2019 Gala	\$60,000
2019	Buffalo Motorama 2019	\$26,145
2019	Town Square Live Events L.L.C. – Buffalo on Tap 2019	\$16,700
2019	National Association of College Fairs – 2019 College Fair	\$13,000
2020	UB Dental Alumni Association – 2020 Dental Meeting	\$55,520
Q2 Notable Sales Activities		
Date	Program	
April	Hosted and attended Bring it Home Breakfast with VBN	
April	Albany Sales Trip – Presentations to Association Development Group & Cap Hill Management Association	
April	Attended MPI – Northeast Chapter Gala Event, Albany	
April	Attended ESSAE Meeting, Membership & Marketing Institute, Albany	
May	DC Sales Calls and hosted events with VBN	
May	Presentation to Experient DC Office	
May	Site Inspection with NYS Association of Magistrates Court Clerks and Conference Direct Rep	
June	Participated in VBN FAM	
June	NYS Board of Law Examiners walk thru	
June	Participated in ESSAE Trade Show with VBN & Hospitality Partners, Saratoga Springs	
June	Site inspection with CSEA and Empire Meeting Solutions	



Buffalo Niagara Convention & Visitors Bureau, Inc.

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

UNAUDITED

For Presentation at the Board of Director's Meeting on Wednesday August 1, 2018

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
BALANCE SHEET
JUNE 30, 2018 AND 2017

UNAUDITED

	2018	2017
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 644,586	\$ 734,511
Accounts Receivable - Erie County	1,744,469	1,752,409
Accounts Receivable - Trade	51,090	47,324
Grants Receivable	83,359	-
Prepaid expenses and supplies	169,134	138,869
	Total current assets	2,673,113
Property and equipment, net	52,121	55,506
	Total assets	\$ 2,728,619

LIABILITIES AND NET ASSETS

Current liabilities:		
Short-term borrowings	\$ -	\$ -
Accounts payable and accrued expenses	220,633	182,090
Accounts payable - Foundation	28,695	24,154
Deferred revenue - Other	14,084	14,084
Deferred revenue - Erie County Grant	1,744,469	1,752,409
	Total current liabilities	1,972,737
Net assets	736,878	755,882
	Total liabilities and net assets	\$ 2,728,619

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BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

	<u>Actual 6 Months 06/30/18</u>	<u>Budgeted 6 Months 06/30/18</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Annual Budget 2018</u>	<u>Actual 6 Months 06/30/17</u>
REVENUES	<u>\$ 2,347,660</u>	<u>\$ 2,317,656</u>	<u>\$ 30,004</u>	<u>1.29%</u>	<u>\$ 4,285,220</u>	<u>\$ 2,274,295</u>
MARKETING DEPARTMENT EXPENSES	\$ 689,992	\$ 657,389	\$ 32,603	4.96%	\$ 1,225,100	\$ 675,164
SALES & SERVICES DEPARTMENT EXPENSES	871,716	877,646	(5,930)	-0.68%	1,719,510	788,050
DESTINATION DEVELOPMENT	127,673	120,746	6,927	5.74%	210,550	108,500
AIRPORT VISITOR CENTER EXPENSES	88,279	87,172	1,107	1.27%	188,260	96,366
BUFFALO VISITOR CENTER EXPENSES	53,662	56,473	(2,811)	-4.98%	114,650	51,993
ADMINISTRATIVE & FINANCE EXPENSES	436,438	419,152	17,286	4.12%	827,150	400,278
TOTAL EXPENSES	<u>\$ 2,267,760</u>	<u>\$ 2,218,578</u>	<u>\$ 49,182</u>	<u>2.22%</u>	<u>\$ 4,285,220</u>	<u>\$ 2,120,351</u>
INCREASE (DECREASE) IN NET ASSETS	\$ 79,900	\$ 99,078	\$ (19,178)		\$ -	\$ 153,948
NET ASSETS - BEGINNING	656,978	656,978	-		601,934	601,934
NET ASSETS - ENDING	<u>\$ 736,878</u>	<u>\$ 756,056</u>	<u>\$ (19,178)</u>	<u>-2.54%</u>	<u>\$ 601,934</u>	<u>\$ 755,882</u>

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BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL REVENUES

FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

	Actual 6 Months 06/30/18	Budgeted 6 Months 06/30/18	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2018	Actual 6 Months 06/30/17
Erie County Grant	\$ 1,744,469	\$ 1,744,968	\$ (499)	-0.03%	\$ 3,489,938	\$ 1,752,410
BNCC Management Fee Allocation	-	2,000	(2,000)	-100.00%	4,000	-
Visitor Guide Advertising	267,786	286,750	(18,964)	-6.61%	286,750	279,767
Assessments - Convention	-	-	-	-	-	-
NYS Matching Funds Program	63,713	61,000	2,713	4.45%	61,000	60,927
Joint/Co-Op - Marketing	22,571	23,000	(429)	-1.87%	27,500	18,100
Joint/Co-Op - Sales	57,097	21,500	35,597	165.57%	65,000	25,742
Joint/Co-Op - Destination Development	11,800	25,000	(13,200)	-52.80%	35,500	12,700
Grant Revenues	61,421	30,000	31,421	104.74%	30,000	-
Merchandising Revenues - BVC	10,519	13,410	(2,891)	-21.56%	32,000	12,644
Merchandising Revenues - Airport VC	105,801	109,010	(3,209)	-2.94%	252,000	110,956
Interest Income	21	18	3	16.67%	32	21
Miscellaneous Income	2,462	1,000	1,462	146.20%	1,500	20
Merchandising Revenues - Conventions	-	-	-	-	-	1,012
Total Revenues	<u>\$ 2,347,660</u>	<u>\$ 2,317,656</u>	<u>\$ 30,004</u>	<u>1.29%</u>	<u>\$ 4,285,220</u>	<u>\$ 2,274,299</u>

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BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

	Actual 6 Months 06/30/18	Budgeted 6 Months 06/30/18	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2018	Actual 6 Months 06/29/17
<u>Personnel Costs:</u>						
Salaries	\$ 866,294	\$ 848,370	\$ 17,924	2.11%	\$ 1,695,250	\$ 839,792
Payroll Taxes & Fringe Benefits	164,049	162,837	1,212	0.74%	325,400	155,878
Training	20,797	23,095	(2,298)	-9.95%	48,500	19,965
Total Personnel Costs	\$ 1,051,140	\$ 1,034,302	\$ 16,838	-7.09%	\$ 2,069,150	\$ 1,015,635
<u>Sales & Marketing Expenditures:</u>						
Advertising	\$ 222,639	\$ 226,235	\$ (3,596)	-1.59%	\$ 546,100	\$ 200,317
Convention Commitments	125,159	151,500	(26,341)	-17.39%	261,000	87,255
Visitor Guide	198,002	204,000	(5,998)	-2.94%	219,000	198,597
Tradeshows	80,683	74,590	6,093	8.17%	161,000	67,880
Printing	36,007	16,375	19,632	119.89%	18,000	12,878
Postage	4,115	4,140	(25)	-0.60%	8,300	3,936
Sales Bids & Promotions	33,671	33,650	21	0.06%	100,000	35,438
Convention Sales & Services	14,962	15,515	(553)	-3.56%	36,000	21,079
Travel & Meetings	21,408	18,295	3,113	17.02%	43,250	17,591
Receptions	5,231	6,500	(1,269)	-19.52%	14,250	10,833
Research	17,176	18,516	(1,340)	-7.24%	34,000	38,081
Website Development/Hosting	36,721	37,400	(679)	-1.82%	62,000	28,723
Familiarization Tours	47,849	54,565	(6,716)	-12.31%	80,000	25,039
Professional Fees & Public/Media Relations	5,400	-	5,400	-	-	20,343
Freelance/Graphic Artist	2,960	4,550	(1,590)	-34.95%	10,000	4,913
Regional Marketing	13,630	13,500	130	0.96%	13,500	13,122
Airport Visitor Center Operations	62,177	56,719	5,458	9.62%	127,960	68,493
Market Arcade Visitor Center Operations	16,398	19,022	(2,624)	-13.79%	41,450	17,618
Promotional Items	11,735	6,005	5,730	95.42%	13,500	7,040
Destination Development	65,276	57,955	7,321	12.63%	86,250	53,733

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BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

	Actual 6 Months 06/30/18	Budgeted 6 Months 06/30/18	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2018	Actual 6 Months 06/29/17
Film/Video/Photo Productions	15,801	10,440	5,361	51.35%	27,500	15,776
Photography	7,276	3,870	3,406	88.01%	10,000	5,489
Online Media Resource	887	1,002	(115)	-11.48%	2,000	2,795
Social Networking/Wing Trail	7,095	498	6,597	1324.70%	1,000	3,830
Total Sales & Marketing Expenditures	<u>\$ 1,052,258</u>	<u>\$ 1,034,842</u>	<u>\$ 17,416</u>	<u>1.68%</u>	<u>\$ 1,916,060</u>	<u>\$ 960,799</u>
Technology & Equipment	9,277	2,375	6,902	290.61%	8,500	7,150
Departmental Administrative Expenses	155,085	147,059	8,026	5.46%	291,510	136,767
Total Expenses	<u>\$ 2,267,760</u>	<u>\$ 2,218,578</u>	<u>\$ 49,182</u>	<u>2.22%</u>	<u>\$ 4,285,220</u>	<u>\$ 2,120,351</u>

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**Buffalo Niagara Convention Center Management
Corporation**

FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

UNAUDITED

For Presentation at the Board of Director's Meeting on Wednesday August 1, 2018

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
BALANCE SHEET
JUNE 30, 2018 AND 2017

UNAUDITED

	2018	2017
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,350,272	\$ 1,264,231
Accounts receivable (net)	532,344	374,018
Accounts Receivable - County Grant	897,516	875,625
Inventory	53,828	75,505
Prepaid expenses	115,161	121,026
Total current assets	2,949,121	2,710,405
Property and equipment, net	-	-
Total assets	\$ 2,949,121	\$ 2,710,405

LIABILITIES AND NET ASSETS

Current liabilities:		
Short-term borrowings	\$ -	\$ -
Current portion of long-term debt	-	-
Accounts payable and accrued expenses	525,891	482,447
Deferred revenue - Erie County Grant	897,515	875,625
Deferred revenue - Technology Grant	-	-
Deferred revenue - Other	132,321	154,114
Total current liabilities	1,555,727	1,512,186
Long-term debt	-	-
Net Assets:		
Net assets - unrestricted	1,393,394	1,198,219
Total liabilities and net assets	\$ 2,949,121	\$ 2,710,405

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
STATEMENT OF ACTIVITIES
JUNE 30, 2018 AND 2017

UNAUDITED

	<u>Actual June 2018</u>	<u>Budget June 2018</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2017</u>
Technology Grant	\$ -	\$ -	\$ -	0%	\$ -
County Grant Funds	149,586	149,586	-	0%	145,938
Other revenues	157,881	96,834	61,047	63%	117,050
Total Revenues	<u>307,467</u>	<u>246,420</u>	<u>61,047</u>	<u>25%</u>	<u>262,988</u>
Payroll and related costs	196,176	174,571	21,605	12%	187,240
Professional fees	9,502	12,213	(2,711)	-22%	7,009
Supplies	16,276	18,171	(1,895)	-10%	12,274
Telephone	6,424	6,679	(255)	-4%	5,885
Postage and Freight	237	187	50	27%	169
Occupancy costs	55,375	44,511	10,864	24%	51,527
Equipment rental and maintenance	7,420	10,024	(2,604)	-26%	6,285
Travel expenses	2,409	2,876	(467)	-16%	7,442
Promotional expenses	9,621	9,816	(195)	-2%	7,730
Other Expenses	3,046	4,759	(1,713)	-36%	2,626
Depreciation expense	-	-	-	0%	-
Capital Equipment Purchases	-	10,000	(10,000)	-100%	-
Total Operating expenses	<u>306,486</u>	<u>293,807</u>	<u>12,679</u>	<u>4%</u>	<u>288,187</u>
Increase (decrease) in net assets	981	(47,387)	48,368	-102%	(25,199)
Net assets - beginning	1,392,413	1,245,182	147,231	12%	1,223,418
Net assets - ending	<u><u>\$1,393,394</u></u>	<u><u>\$1,197,795</u></u>	<u><u>\$ 195,599</u></u>	<u><u>16%</u></u>	<u><u>\$ 1,198,219</u></u>

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

UNAUDITED

	<u>Actual June 2018</u>	<u>Budget June 2018</u>	<u>\$ Variance Over (Under)</u>	<u>% Variance Over (Under)</u>	<u>Actual June 2017</u>
Technology Grant	\$ -	\$ -	\$ -	0%	\$ -
County Grant Funds	897,516	897,516	-	0%	875,625
Other revenues	1,315,007	1,142,506	172,501	15%	1,259,463
Total Revenues	<u>2,212,523</u>	<u>2,040,022</u>	<u>172,501</u>	<u>8%</u>	<u>2,135,088</u>
Payroll and related costs	1,168,726	1,185,435	(16,709)	-1%	1,135,893
Professional fees	77,117	99,773	(22,656)	-23%	81,516
Supplies	158,725	109,023	49,702	46%	153,419
Telephone	40,039	40,072	(33)	0%	34,304
Postage and Freight	1,277	1,122	155	14%	1,031
Occupancy costs	353,511	330,393	23,118	7%	323,577
Equipment rental and maintenance	60,178	60,140	38	0%	52,751
Travel expenses	10,701	17,244	(6,543)	-38%	20,200
Promotional expenses	37,916	58,896	(20,980)	-36%	24,343
Other Expenses	24,363	33,553	(9,190)	-27%	25,542
Depreciation expense	-	-	-	0%	-
Capital Equipment Purchases	-	20,000	(20,000)	-100%	-
Total Operating expenses	<u>1,932,553</u>	<u>1,955,651</u>	<u>(23,098)</u>	<u>-1%</u>	<u>1,852,576</u>
Increase (decrease) in net assets	279,970	84,371	195,599	232%	282,512
Net assets - beginning	1,113,424	1,113,424	-	0%	915,707
Net assets - ending	<u><u>\$ 1,393,394</u></u>	<u><u>\$ 1,197,795</u></u>	<u><u>\$ 195,599</u></u>	<u><u>16%</u></u>	<u><u>\$ 1,198,219</u></u>

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
SCHEDULE OF FOOD SERVICE OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

UNAUDITED

	For the Month		Year To date		Year To Date	
	June		June		June	
	2018	%	2018	%	2017	%
Sales:						
Sales - Food	\$ 385,006	92.2%	\$1,633,244	83.7%	\$ 1,613,125	84.7%
Sales - Beverage	32,405	7.8%	313,058	16.0%	286,703	15.1%
Sales - Vending all	211	0.1%	4,686	0.2%	5,097	0.3%
Sales - Non-foods Other	-	0.0%	-	0.0%	-	0.0%
Total Sales	417,622	100.0%	1,950,988	100.0%	1,904,925	100.0%
Cost of Sales:						
Cost of Sales - Food	116,073	30.1%	516,089	31.6%	496,909	30.8%
Cost of Sales - Beverage	12,338	38.1%	80,193	25.6%	74,712	26.1%
Cost of Sales - Vending all	135	64.0%	2,893	61.7%	2,627	51.5%
Cost of Sales - Non foods & Other	534	0.1%	10,836	0.6%	10,343	0.5%
Cost of Sales - Employee meals	-	0.0%	-	0.0%	-	0.0%
Total Cost of Sales	129,080	30.9%	610,011	31.3%	584,591	30.7%
Gross Profit	288,542	69.1%	1,340,977	68.7%	1,320,334	69.3%
Operating Expenses:						
Salaries & Benefits	125,453	30.0%	614,471	31.5%	635,853	33.4%
Professional fees/Contracts	-	0.0%	-	0.0%	-	0.0%
Supplies and Freight	9,141	2.2%	38,193	2.0%	34,479	1.8%
Occupancy	6,171	1.5%	36,557	1.9%	36,658	1.9%
Equipment rental & maintenance	1,033	0.2%	4,800	0.2%	7,418	0.4%
Travel expenses	-	0.0%	-	0.0%	-	0.0%
Promotion	6,277	1.5%	28,023	1.4%	27,772	1.5%
Other	1,043	0.2%	7,388	0.4%	8,716	0.5%
Total Operating Expenses	149,118	35.7%	729,432	37.4%	750,896	39.4%
Net Income Food Service	\$ 139,424	33.4%	\$ 611,545	31.3%	\$ 569,438	29.9%

BUFFALO NIAGARA CONVENTION CENTER MANAGEMENT CORP.
OTHER REVENUES RECAP
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

UNAUDITED

	For The Month			Year to Date			
	Actual June 2018	Budget June 2018	% Variance Over (Under)	Actual June 2017	Budget June 2018	% Variance Over (Under)	Actual June 2017
Rentals	\$ 9,264	\$ 19,485	-52%	\$ 21,590	\$ 493,465	2%	\$ 469,252
Equipment Rentals	2,055	4,063	-49%	5,252	26,344	8%	30,958
Electrical Services	1,456	-	-	7,147	96,734	3%	112,932
Commissions	196	1,454	-87%	2,961	4,386	-50%	11,076
Net Catering Revenues	139,424	62,165	124%	75,086	611,545	30%	569,438
Interest	-	-	-	-	-	-	-
Other	5,486	9,667	-43%	5,014	82,533	36%	65,807
Total Other Revenues	\$ 157,881	\$ 96,834	63%	\$ 117,050	\$1,142,506	15%	\$ 1,259,463