



Visit Buffalo Niagara

Board of Directors Meeting
Wednesday, May 10, 2023

Buffalo Niagara Convention Center, Room 106A

PRESENT: C. Abbott-Letro, M. Alnutt, M. Brown, D. Castle, A. Chase, M. Chiazza, M. Glasgow, T. Long, K. Minkel, M. Roberts, D. Spasiano, G. Wells

ABSENT: T. Beauford, D. Gallagher, W. Paladino, S. Ranalli, H. Taran

STAFF: J. Calkins, D. Marzo, H. Nowakowski, R. Toney

GUEST: D. Gonser, S. Hopkins, C. Karpik

CALL TO ORDER: Board Chair, Cindy Abbott-Letro, convened the meeting of the Visit Buffalo Niagara Board of Directors at 3:00 p.m.

APPROVAL OF MINUTES: A motion was made by Ms. Roberts and seconded by Ms. Wells to approve the February minutes. Motion carried.

AUDIT REVIEW: Mr. Marzo reported that during the first quarter of 2022, Visit Buffalo Niagara underwent its annual independent audit, conducted by Lumsden & McCormick. The audit reports, management letter and required communications were reviewed in detail and approved by the Audit & Finance Committee at a meeting in April. Mr. Marzo introduced Donna Gonser and her team to present the reports.

Ms. Karpik reported the audit went well and management was well prepared. The auditors issued a clean, unmodified opinion. VBN's consolidated statements include the Foundation and Buffalo Niagara Sports Corporation. Their review included the adoption of Accounting Standards Update (ASU) 2016-02, *Leases*, effective January 1, 2022. A single audit was not required for 2022.

Ms. Karpik reported accounting estimates were reasonable, there were no audit journal entries or past journal entries. They performed limited fraud procedures, and no unusual items were noted.

Footnote 1 - to the Consolidated Financial Statements outlines the requirement in the Erie County contract to repay the County surplus funds, which was changed a number of years ago to be an excess of net assets over 6 months average of operating expenses for the preceding 36 months.

Footnote 4 - is related to the \$150,000 EIDL Loan received in 2020. Payments on the loan began in May 2021 in the amount of \$640/month.

Footnote 5 – Effective January 1, 2022, VBN adopted Financial Accounting Standards Board Accounting Standards Update ASU 2016-02 for leases. For leases longer than one year, the organization is required to recognize a Right of Use Asset (ROU) and a lease liability representing the present value of the remaining lease obligation on the Balance sheet of the organization. For 2022 the implementation of the new standard did not impact the Organization’s statements of activities.

Footnote 9 - Risks and Uncertainties discusses the impact COVID had on operations, how VBN reacted to the pandemic and stimulus funds received in 2020 and 2021.

Ms. Karpik reviewed the financial statements and reported that in 2022, VBN received just under \$4 million in grants, which included County funding and CARES Act funding. There was a decrease in revenues of \$2,080,236 compared to the prior year. Advertising revenues increased by \$111,083 due to not publishing a Touring Guide in 2021 and resuming publication in early 2022.

Total expenses were \$4.6 million; \$5.4 million in program services. The increase in payroll and related benefits is a result of hiring new employees. Under Contributions, \$3,212 was received for the Paul Murphy Scholarship Fund which was established in Paul’s honor for students seeking a hospitality degree. These funds are restricted on the balance sheet.

Ms. Karpik reported the change in net assets was a decrease of \$475,418. Total assets were \$2.7 million and long-term debt for the EIDL loan was \$144,000.

A motion was made by Mr. Spasiano and seconded by Mr. Alnutt to approve the audited financial statements as presented. Motion carried.

EXECUTIVE COMMITTEE REPORT/ELECTION OF DIRECTORS: Mr. Kaler reviewed Board member nominees David Schutte (Schutte Hospitality Group) and Michelle Urbanczyk (Explore & More Children’s Museum). A motion was made by Ms. Minkel and seconded by Mr. Spasiano to approve the Board member nominations. Motion carried.

FINANCE REPORT: Mr. Marzo reviewed the financial statements for the quarter ending March 31, 2023. VBN ended the quarter with \$5.1 million in total assets, which includes cash and cash equivalents and the County grant. The total County grant for 2023 is \$3.8 million, payable in two installments and the first installment was received in March.

For the three-month period, the Bureau realized a decrease in net assets of \$38,000, approximately \$47,000 behind the budgeted pace. Most of the variance is timing related and we expect it to fall more in line as we go through the year.

Through March, revenues are ahead of budget with additional revenue recognized from the Erie County Theatre Grant and a portion of the NYS Music Grant. Expenses are approximately \$80,000 ahead of budget, most of which is timing related.

Salaries variance is due to the monthly PTO accruals that will fall back in line as the year moves on. Variances related to advertising, professional fees and film video are attributable to the Theatre and Music Program initiatives which were not part of the 2023 budget.

Mr. Marzo reported the Foundation and Sports Commission had limited activity. For the Foundation, activity was mostly centered around the mobile Visitor Center and for the Sports Commission, there is no activity to report.

A motion was made by Mr. Long and seconded by Mr. Chiazza to approve the financial statements as presented. Motion carried.

Q1/PRESIDENT'S REPORT: Mr. Kaler reviewed the numbers from the STR, Key Data and monthly recovery reports and noted that occupancy through Q1 is up 4.9% compared to 2019 and ADR is up 18.2% over 2019. Q1 border crossings were down 20.7% from 2019.

Mr. Kaler reported sales leads for the 1st quarter at 131 are down 33.8% from 2019. Definite expected attendance is down 52.0% over 2019 levels. Mr. Kaler announced significant bookings with National Indian Educators Association (2026), American Cheese Society (2024) and the Northeast Black Law Student Association (2024). We will be hosting two upcoming FAMs, Arrowhead Meeting Planners in May and MPI Thought Leaders in August.

On the marketing side, Mr. Kaler reported we are seeing an increase in hosted travel writers. Upcoming projects include an Arts & Culture campaign.

On the industry relations side, we are working on filling the calendar for the mobile visitor center with summer events. Recent industry partner meetings included Hotel Sales and planning for Buffalo Eclipse 2024.

ADJOURNMENT: There being no further business, a motion was made by Ms. Minkel and seconded by Ms. Wells to adjourn the VBN meeting. Motion carried. Meeting adjourned at 4:12 p.m.

Minutes prepared by H. Nowakowski

Approved: /s/ Cindy Abbott-Letro
Cindy Abbott-Letro, Chair