



Buffalo Niagara Convention & Visitors Bureau, Inc.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

UNAUDITED

*For Presentation at the Board of Directors Meeting on Wednesday
November 8, 2023*

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

Table of contents	Page 1
Summary Review Memorandum	Page 2 -3
Balance Sheet	Page 4
Statement of Activities	Page 5
Statement of Total Revenues	Page 6
Statement of Total Expenses	Page 7 -8

Buffalo Niagara Convention & Visitors Bureau, Inc.
Summary Review Memorandum
For the Nine Months ended September 30, 2023

Balance Sheets:

- **Accounts Receivable – Trade** – All amounts are current and no collections issues are present. Increase over prior quarters is a result of 2024 visitor guide sales made during the third quarter,
- **SBA-EIDL Loan** – In 2020, VBN applied for and received a \$ 150,000 SBA Economic Injury Disaster Loan accompanied by a \$ 10,000 grant. Repayment of the loan is over 30 years at 2.75% interest. VBN commenced making payments on the loan in September of 2021 in the amount of \$ 641.00 per month. There is no penalty for early repayment.

Statements of Activities:

For the nine months ended September 30, 2023, the Bureau has realized a decrease in net assets of \$ 426,260, approximately \$ 99,000 behind the budgeted pace through September of 2023. Additional revenues from the Erie County Theatre grant, a multi-year NYS Music Program grant and a NYS EDA grant received by VBN for 2023 have accounted for the majority of the increase in total revenues. Conversely, expenses related to this program contributed to the overall increase in expenditures. Below is a synopsis of the relevant activities.

Revenues:

Through September, revenues were ahead of budget by approximately \$ 297,000. The majority of the variance is due to additional grant revenues recognized for the Erie County Theatre program, VBN's Music program and the NYS EDA grant program grant. In addition, VBN opened a high yield money market account through September the new account and banking arrangement have netted almost \$ 40,000 in additional interest income.

Expenditures:

Through September, expenditures are approximately \$ 395,000 ahead of the budgeted pace. below are some of the more significant variances:

- **Personnel Costs** – Variance is resulting from timing as it pertains to the recording of the VBN's vacation accrual as of September 30, 2023.
- **Convention Commitments** – Lesser than expected as one group required less assistance in holding their event.
- **Tradeshows** – Additional convention related shows attended during the first half of 2023. Additionally additional expenses related to the IPW show in advance of the FAM were incurred.
- **Sales Bids and Promotions** – Increase attributable to additional sales promotion opportunities including a DC sales mission in September, several large site inspections hosted during the second and third quarters of 2023, additional Customer Advisory Council programming costs.
- **Research** – Higher than anticipated costs related to research related service arrangements incurred during the first half of the year.

Buffalo Niagara Convention & Visitors Bureau, Inc.
Summary Review Memorandum
For the Nine Months ended September 30, 2023

- **FAM Tours** – Hosted several large Familiarization tours during the second and third quarter of the year. MPI Thought Leaders Summit, IPW, and a Sports Diversity FAM to name a few incurred higher than expected costs or had not been budgeted for. MPI sponsorship revenue helped offset the additional costs incurred.
- **Professional Fees** – Variance related to costs associated with VBN’s Music Program.
- **Film/Video** – Costs associated with the production of a Theatre promotional Video account for the variance.

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
BALANCE SHEET
SEPTEMBER 30, 2023 AND 2022

UNAUDITED

	2023	2022
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,528,502	\$ 3,203,528
Accounts Receivable - Erie County	-	-
Accounts Receivable - Trade	117,733	114,467
Grants Receivable	149,000	52,000
Prepaid expenses and supplies	202,948	106,490
	Total current assets	2,998,183
Property and equipment, net	47,638	40,409
	Total assets	\$ 3,045,821
	\$ 3,045,821	\$ 3,516,894

LIABILITIES AND NET ASSETS

Current liabilities:		
Short-term borrowings	\$ -	\$ -
Accounts payable and accrued expenses	276,705	307,328
Accounts payable - Foundation	893	15,184
Deferred revenue - Other	206,800	162,934
Deferred revenue - Erie County Grant	970,206	1,034,965
SBA - EIDL Loan	141,108	144,859
	Total current liabilities	1,665,270
Net assets	1,450,109	1,851,624
	Total liabilities and net assets	\$ 3,045,821
	\$ 3,045,821	\$ 3,516,894

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30 2023 AND 2022

	Actual 9 Month(s) 09/30/23	Budgeted 9 Month(s) 09/30/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 9 Month(s) 09/30/22
REVENUES	<u>\$ 3,454,091</u>	<u>\$ 3,157,248</u>	<u>\$ 296,843</u>	<u>9.40%</u>	<u>\$ 4,191,536</u>	<u>\$ 3,101,429</u>
MARKETING DEPARTMENT EXPENSES	\$ 1,464,231	\$ 1,194,143	\$ 270,088	22.62%	\$ 1,571,090	\$ 1,379,915
SALES & SERVICES DEPARTMENT EXPENSES	1,442,358	1,356,359	85,999	6.33%	1,796,905	1,290,195
DESTINATION DEVELOPMENT	210,549	226,923	(16,374)	-7.22%	292,780	167,923
ADMINISTRATIVE & FINANCE EXPENSES	763,213	707,285	55,928	7.91%	930,761	739,145
TOTAL EXPENSES	<u>\$ 3,880,351</u>	<u>\$ 3,484,710</u>	<u>\$ 395,641</u>	<u>11.35%</u>	<u>\$ 4,591,536</u>	<u>\$ 3,577,178</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (426,260)	\$ (327,462)	\$ (98,798)		\$ (400,000)	\$ (475,749)
NET ASSETS - BEGINNING	1,876,369	1,876,369	-		1,876,369	2,327,373
NET ASSETS - ENDING	<u>\$ 1,450,109</u>	<u>\$ 1,548,907</u>	<u>\$ (98,798)</u>	<u>-6.38%</u>	<u>\$ 1,476,369</u>	<u>\$ 1,851,624</u>

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
TOTAL REVENUES
FOR THE NINE MONTHS ENDED SEPTEMBER 30 2023 AND 2022

	Actual 9 Month(s) 09/30/23	Budgeted 9 Month(s) 09/30/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 9 Month(s) 09/30/22
Erie County Grant	\$ 2,889,045	\$ 2,889,045	\$ -	0.00%	\$ 3,852,057	\$ 2,804,895
BNCC Management Fee Allocation	-	-	-	-	-	-
Erie County - Theatre/ARP Act Grant	33,000	-	33,000	-	-	-
Advertising Sales	152,230	150,000	2,230	1.49%	150,000	115,097
Assessments - Convention	8,710	10,000	(1,290)	-12.90%	15,000	-
NYS Matching Funds Program	47,532	47,000	532	1.13%	47,000	48,897
Joint/Co-Op - Marketing	29,000	5,625	23,375	415.56%	7,500	19,069
Joint/Co-Op - Sales	33,224	28,000	5,224	18.66%	35,000	52,262
Joint/Co-Op - Destination Development	2,310	-	2,310	-	5,000	750
Grant Revenues	214,000	25,000	189,000	756.00%	75,000	52,272
Interest Income	39,492	378	39,114	10347.62%	500	315
Miscellaneous Income	5,513	2,200	3,313	150.59%	4,479	6,146
Merchandising Revenues - Conventions	35	-	35	-	-	1,726
Total Revenues	<u>\$ 3,454,091</u>	<u>\$ 3,157,248</u>	<u>\$ 296,843</u>	<u>9.40%</u>	<u>\$ 4,191,536</u>	<u>\$ 3,101,429</u>

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30 2023 AND 2022

	Actual 9 Month(s) 09/30/23	Budgeted 9 Month(s) 09/30/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 9 Month(s) 09/30/22
<u>Personnel Costs:</u>						
Salaries	\$ 1,415,011	\$ 1,374,180	\$ 40,831	2.97%	\$ 1,833,729	\$ 1,263,238
Payroll Taxes & Fringe Benefits	243,798	264,715	(20,917)	-7.90%	353,291	219,028
Training	48,211	40,300	7,911	19.63%	45,500	20,907
Total Personnel Costs	\$ 1,707,020	\$ 1,679,195	\$ 27,825	14.70%	\$ 2,232,520	\$ 1,503,173
<u>Sales & Marketing Expenditures:</u>						
Advertising	\$ 616,716	\$ 423,892	\$ 192,824	45.49%	\$ 605,000	\$ 705,580
Convention Commitments	105,375	114,500	(9,125)	-7.97%	150,000	92,600
Visitor Guide	150,762	152,500	(1,738)	-1.14%	160,000	97,746
Tradeshows	128,359	116,000	12,359	10.65%	148,000	135,262
Printing	7,499	10,250	(2,751)	-26.84%	29,500	1,213
Postage	2,586	2,312	274	11.85%	3,001	1,968
Sales Bids & Promotions	150,354	111,500	38,854	34.85%	130,000	132,364
Convention Sales & Services	17,650	26,903	(9,253)	-34.39%	35,050	24,813
Travel & Meetings	16,456	26,552	(10,096)	-38.02%	39,000	21,522
Receptions	18,158	30,500	(12,342)	-40.47%	47,500	18,891
Research	126,197	113,475	12,722	11.21%	160,000	161,065
Website Development/Hosting	86,608	76,122	10,486	13.78%	101,500	82,282
Familiarization Tours	151,332	91,870	59,462	64.72%	100,000	73,490
Professional Fees & Public/Media Relations	58,250	31,500	26,750	84.92%	42,000	33,825
Freelance/Graphic Artist	36,008	32,045	3,963	12.37%	40,000	25,171
Regional Marketing	8,031	8,040	(9)	-0.11%	8,040	8,167
Promotional Items	7,370	19,577	(12,207)	-62.35%	24,500	6,778
Destination Development	58,897	69,823	(10,926)	-15.65%	82,950	56,977
Film/Video/Photo Productions	52,018	35,500	16,518	46.53%	45,000	84,565

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30 2023 AND 2022

	Actual 9 Month(s) 09/30/23	Budgeted 9 Month(s) 09/30/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 9 Month(s) 09/30/22
Photography	14,750	15,090	(340)	-2.25%	22,500	26,195
Social Networking/Wing Trail	3,104	3,745	(641)	-17.12%	6,500	3,044
Total Sales & Marketing Expenditures	\$ 1,816,480	\$ 1,511,696	\$ 304,784	20.16%	\$ 1,980,041	\$ 1,793,518
Technology & Equipment	39,584	34,125	5,459	16.00%	45,000	23,181
Departmental Administrative Expenses	317,267	259,694	57,573	22.17%	333,975	257,306
Total Expenses	\$ 3,880,351	\$ 3,484,710	\$ 395,641	11.35%	\$ 4,591,536	\$ 3,577,178