



Buffalo Niagara Convention & Visitors Bureau, Inc.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

UNAUDITED

*For Presentation at the Board of Directors Meeting on Wednesday
February 7, 2024*

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

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Buffalo Niagara Convention & Visitors Bureau, Inc.
Summary Review Memorandum
For the Twelve Months ended December 31, 2023

Balance Sheets:

- **Accounts Receivable – Trade** – All amounts are current, and no collections issues are present. The increase over prior quarters is a result of 2024 visitor guide sales made during the third and fourth quarters of 2023.
- **Grants Receivable** – VBN was awarded several New York State CFA and EDA grants during 2023. The largest of which is a Federal pass-through grant from NYSEDA in the amount of \$ 500,000. Additionally, another \$ 300,000 in NYS grants for various marketing related projects which are in progress is reflected in this receivable.
- **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 31 years at 2.75% interest. VBN commenced making payments on the loan in December of 2021 in the amount of \$ 641.00 per month. There is no penalty for early repayment.

Statements of Activities:

For the Twelve months ended December 31, 2023, the Bureau has realized a decrease in net assets of \$ 527,000, approximately \$ 128,000 behind the budgeted pace for 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 December, revenues were ahead of budget by approximately \$ 467,000. 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. Co-op revenues were also up over budget as VBN partnered with other NYS DMOS's to promote the Upstate Eats Trail. In addition, VBN opened a high yield money market account through December the new account and banking arrangement have netted almost \$ 60,000 in additional interest income.

Expenditures:

Through December, expenditures are approximately \$ 595,000 ahead of the budgeted pace. below are some of the more significant variances:

- **Personnel Costs** – Variance results from several open sales department staff positions. Two of the positions were filled during the month of December.
- **Advertising** – The increase is attributed to the additional grants that were awarded to VBN during 2023, the majority of which was used for both digital and print media.
- **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.

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- **Sales Bids and Promotions** – Increase attributable to additional sales promotion opportunities including a DC sales mission in September, a large UK sales mission in October and significantly more site inspections undertaken during 2023 including several large sites hosted during the second and third quarters of 2023.
- **Website Development** – Additional website enhancements spotlighting special attractions were added during the last half of 2023 accounting for the additional costs.
- **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
DECEMBER 31, 2023 AND 2022

UNAUDITED

	2023	2022
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,241,856	\$ 2,004,005
Accounts Receivable - Erie County	-	-
Accounts Receivable - Trade	42,837	73,892
Grants Receivable	350,937	60,000
Prepaid expenses and supplies	219,620	211,044
	Total current assets	1,855,250
Property and equipment, net	47,638	47,638
	Total assets	\$ 1,902,888

LIABILITIES AND NET ASSETS

Current liabilities:		
Short-term borrowings	\$ -	\$ -
Accounts payable and accrued expenses	182,511	159,092
Accounts payable - Foundation	12,046	16,085
Deferred revenue - Other	219,267	160,600
Deferred revenue - Erie County Grant	-	40,192
SBA - EIDL Loan	140,473	144,241
	Total current liabilities	554,297
Net assets	1,348,591	1,876,369
	Total liabilities and net assets	\$ 1,902,888

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	Actual 12 Month(s) 12/31/23	Budgeted 12 Month(s) 12/31/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 12 Month(s) 12/31/22
REVENUES	\$ 4,658,975	\$ 4,191,536	\$ 467,439	11.15%	\$ 4,191,536	\$ 4,130,638
MARKETING DEPARTMENT EXPENSES	\$ 2,071,752	\$ 1,571,090	\$ 500,662	31.87%	\$ 1,571,090	\$ 1,765,244
CONVENTION & SPORTS SALES & SERVICES EXPENSES	1,875,192	1,796,905	78,287	4.36%	1,796,905	1,639,152
DESTINATION DEVELOPMENT	272,110	292,780	(20,670)	-7.06%	292,780	222,305
ADMINISTRATIVE & FINANCE EXPENSES	967,699	930,761	36,938	3.97%	930,761	954,941
TOTAL EXPENSES	\$ 5,186,753	\$ 4,591,536	\$ 595,217	12.96%	\$ 4,591,536	\$ 4,581,642
INCREASE (DECREASE) IN NET ASSETS	\$ (527,778)	\$ (400,000)	\$ (127,778)		\$ (400,000)	\$ (451,004)
NET ASSETS - BEGINNING	1,876,369	1,876,369	-		1,876,369	2,327,373
NET ASSETS - ENDING	\$ 1,348,591	\$ 1,476,369	\$ (127,778)	-8.65%	\$ 1,476,369	\$ 1,876,369

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.
TOTAL REVENUES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	Actual 12 Month(s) 12/31/23	Budgeted 12 Month(s) 12/31/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 12 Month(s) 12/31/22
Erie County Grant	\$ 3,852,057	\$ 3,852,057	\$ -	0.00%	\$ 3,852,057	\$ 3,739,861
Erie County - Theatre/ARP Act Grant	40,192	-	40,192	-	-	59,808
Advertising Sales	152,230	150,000	2,230	1.49%	150,000	118,311
Assessments - Convention	8,710	15,000	(6,290)	-41.93%	15,000	-
NYS Matching Funds Program	47,532	47,000	532	1.13%	47,000	48,897
Joint/Co-Op - Marketing	37,000	7,500	29,500	393.33%	7,500	31,533
Joint/Co-Op - Sales	38,730	35,000	3,730	10.66%	35,000	64,003
Joint/Co-Op - Destination Development	2,310	5,000	(2,690)	-53.80%	5,000	2,555
Grant Revenues	415,937	75,000	340,937	454.58%	75,000	60,272
Interest Income	58,729	500	58,229	11645.80%	500	399
Miscellaneous Income	5,513	4,479	1,034	23.09%	4,479	3,357
Merchandising Revenues - Conventions	35	-	35	-	-	1,642
Total Revenues	<u>\$ 4,658,975</u>	<u>\$ 4,191,536</u>	<u>\$ 467,439</u>	<u>11.15%</u>	<u>\$ 4,191,536</u>	<u>\$ 4,130,638</u>

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	Actual 12 Month(s) 12/31/23	Budgeted 12 Month(s) 12/31/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 12 Month(s) 12/31/22
<u>Personnel Costs:</u>						
Salaries	\$ 1,828,723	\$ 1,833,729	\$ (5,006)	-0.27%	\$ 1,833,729	\$ 1,683,402
Payroll Taxes & Fringe Benefits	320,025	353,291	(33,266)	-9.42%	353,291	289,436
Training	52,575	45,500	7,075	15.55%	45,500	34,755
Total Personnel Costs	<u>\$ 2,201,323</u>	<u>\$ 2,232,520</u>	<u>\$ (31,197)</u>	<u>5.86%</u>	<u>\$ 2,232,520</u>	<u>\$ 2,007,593</u>
<u>Sales & Marketing Expenditures:</u>						
Advertising	\$ 1,002,069	\$ 605,000	\$ 397,069	65.63%	\$ 605,000	\$ 787,046
Convention Commitments	130,375	150,000	(19,625)	-13.08%	150,000	107,100
Visitor Guide	150,762	160,000	(9,238)	-5.77%	160,000	97,996
Tradeshows	157,061	148,000	9,061	6.12%	148,000	189,976
Printing	28,339	29,500	(1,161)	-3.94%	29,500	7,968
Postage	2,847	3,001	(154)	-5.13%	3,001	3,124
Sales Bids & Promotions	218,408	130,000	88,408	68.01%	130,000	147,011
Convention Sales & Services	25,570	35,050	(9,480)	-27.05%	35,050	28,642
Travel & Meetings	29,877	39,000	(9,123)	-23.39%	39,000	31,610
Receptions	18,867	47,500	(28,633)	-60.28%	47,500	40,912
Research	158,213	160,000	(1,787)	-1.12%	160,000	191,957
Website Development/Hosting	127,046	101,500	25,546	25.17%	101,500	159,824
Familiarization Tours	157,998	100,000	57,998	58.00%	100,000	92,009
Professional Fees & Public/Media Relations	69,750	42,000	27,750	66.07%	42,000	55,100
Freelance/Graphic Artist	46,796	40,000	6,796	16.99%	40,000	32,969
Regional Marketing	8,031	8,040	(9)	-0.11%	8,040	8,167
Promotional Items	12,839	24,500	(11,661)	-47.60%	24,500	6,179
Destination Development	79,382	82,950	(3,568)	-4.30%	82,950	72,443
Film/Video/Photo Productions	72,037	45,000	27,037	60.08%	45,000	108,913

BUFFALO NIAGARA CONVENTION & VISITORS BUREAU, INC.

TOTAL EXPENSES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	Actual 12 Month(s) 12/31/23	Budgeted 12 Month(s) 12/31/23	\$ Variance Over (Under)	% Variance Over (Under)	Annual Budget 2023	Actual 12 Month(s) 12/31/22
Photography	29,800	22,500	7,300	32.44%	22,500	31,658
Social Networking/Wing Trail	3,104	6,500	(3,396)	-52.25%	6,500	6,966
Total Sales & Marketing Expenditures	\$ 2,529,171	\$ 1,980,041	\$ 549,130	27.73%	\$ 1,980,041	\$ 2,207,570
Technology & Equipment	52,644	45,000	7,644	16.99%	45,000	6,285
Departmental Administrative Expenses	403,615	333,975	69,640	20.85%	333,975	360,194
Total Expenses	\$ 5,186,753	\$ 4,591,536	\$ 595,217	12.96%	\$ 4,591,536	\$ 4,581,642