

DESTINATION GREATER
VICTORIA



2019
ANNUAL REPORT



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Message From The Chair



Kimberley Hughes
Chair, Board of Directors

It is a great pleasure to have assumed the role of Chair on January 1, 2020. By all accounts, 2019 was a very successful year for our industry and our destination. As we reflect on what a successful year 2019 was, I would like to acknowledge the many contributions of our previous Chair Starr McMichael. I would like to personally thank Starr for her steady hand, vision and willingness to push Destination Greater Victoria forward to new endeavours.

There are many other people in the Greater Victoria visitor economy that deserve recognition as well. Our small business owners, local government officials and not-for-profit sector all contribute to a healthy, sustainable visitor economy. These stakeholders may have different perspectives, but they are united in creating an environment where our community can thrive. I would like to thank our many partner organizations for the support we received. These include the City of Victoria, District of Saanich, Greater Victoria Harbour Authority, Downtown Victoria Business Association, Greater Victoria Chamber of Commerce, Hotel Association of Greater Victoria, Victoria Airport Authority, and others.

Key statistical indicators reveal the success we had in 2019. Average hotel occupancy, average daily room rate and revenue per available room (RevPAR) were strong. Average occupancy for the year was 73.52 per cent. Average daily room rate in 2019 was \$189.10 and RevPAR in 2019 was \$139.03. Total delegate days at the Victoria Conference Centre was 118,661, which is down slightly from 121,430 in 2018 but is still a very respectable result.

2019 began with notable meetings, events and conferences. The IMPACT Sustainability Travel & Tourism Conference and Capital City Comic Con once again created off-peak and shoulder season demand. As the year progressed another major event returned to Greater Victoria: Northwest Deuce Days. Almost 1,400 spectacular pre-1952 collector vehicles came to Greater Victoria from all over the world. Not only did Northwest Deuce Days bring visitors to Greater Victoria, but it had widespread support throughout the community. A free event, residents were able to view these collector vehicles up close and talk to the owners. Destination Greater Victoria is in the tourism business, but is also a proud community organization.

After years of sustained growth, very suddenly our industry and community is facing unprecedented and difficult times. In these days of uncertainty, our community leaders are coming together to forge a new path and create new opportunities for our destination. I am inspired by the hope, courage and perseverance of our destination. The team at Destination Greater Victoria will help to support the recovery of our industry. In the meantime, we will take care of each other and look forward to welcoming our guests back when the time is right.

Sincerely,

Kimberley Hughes
Chair – Destination Greater Victoria Board of Directors

Message From The CEO



Paul Nursey
CEO, Destination Greater Victoria

As CEO it is my pleasure to deliver Destination Greater Victoria's 2019 Annual Report. We had another stellar year in 2019. Our hotels, restaurants and attractions experienced robust business. Our transportation partners at Victoria International Airport and BC Ferries reported strong passenger volumes. The Victoria Conference Centre hosted 66 conferences, including 29 citywide conferences. In 2018 the Greater Victoria visitor economy arguably had its strongest year ever. 2019 did not reach the lofty heights of 2018, but key statistical indicators in 2019 were only slightly behind those for 2018.

2019 was the third year of Destination Greater Victoria's five-year strategic plan. This plan anchors the organization - providing a vision and roadmap for periods of growth and periods of uncertainty. We will continue to use key elements of this plan through 2021, including a focus on sustainability and telling our story as community partner that shares the values of residents who call Greater Victoria home.

The foundation of Destination Greater Victoria remains its members. With almost 1,000 members Destination Greater Victoria is truly representative of our diverse community. Membership includes private sector businesses, public sector entities and not-for-profit organizations. The array of viewpoints and mandates might be varied, but the binding value of a healthy and sustainable visitor economy brings our membership together. Destination Greater Victoria cannot fulfill its mandate without a strong and engaged membership. There are true leaders in our community who see the value of the visitor economy, and we thank you for your support.

Lastly, I would like to thank the Board of Directors and Chair Starr McMichael. This was Chair McMichael's second and final year as Chair of the Destination Greater Victoria Board of Directors. Under her leadership and steady presence, the Board of Directors governed the organization effectively. I wish our former Chair the very best in her future endeavors, and welcome our new Chair Kimberley Hughes.

Sincerely,

Paul Nursey
CEO

A person wearing a dark jacket, blue jeans, and a grey knit hat is captured in mid-air, jumping over a series of large, dark, wet rocks. The person's reflection is clearly visible in the shallow water between the rocks. The background features a calm sea, distant mountains, and a cloudy sky. The overall scene conveys a sense of adventure and outdoor recreation.

Our Mission

We inspire the world to experience our destination.

Our Vision

Destination Greater Victoria will be internationally recognized as a leader in sustainable tourism development, ensuring Greater Victoria remains one of the top destinations in the world.

Giving Back To The Community

Destination Greater Victoria supports several community initiatives and partner organizations - both charitable organizations as well as other not-for-profit societies. These include:

- EcoStar Awards
- Southern Vancouver Island Anglers Coalition
- Vancouver Island South Film and Media Commission
- Indigenous Tourism Association of Canada
- Capital Regional District Food and Agriculture Initiatives Roundtable
- BC Hospitality Foundation

These organizations are important to Greater Victoria as a destination. Destination Greater Victoria wants to promote Greater Victoria as a sustainable tourism destination – one that encourages indigenous tourism, local agriculture and enhancements to our environment.

Each year, Destination Greater Victoria holds its annual charity golf tournament at Bear Mountain Resort in partnership with our official charitable partner, the BC Hospitality Foundation (BCHF). The tournament brings Destination Greater Victoria members together from across industries for a fun-filled day.

Our Official Charity

The BC Hospitality Foundation's mission is to offer financial assistance, beyond traditional medical benefits and insurance, to individuals in the hospitality community during times of financial need. As well, BCHF supports the industry's next generation by providing scholarships to students enrolled in hospitality, culinary and wine programs. Our partnership with the BCHF shows our support of an organization dedicated to the advancement of the hospitality and tourism industries, which create thousands of jobs in Greater Victoria. The annual BCHF golf tournament is just one way Destination Greater Victoria supports the charity. We also help the BCHF spread the word about its contributions to the hospitality industry and enhance its profile by providing access to various marketing and promotional channels.



Delivering On A Five-Year Strategy

In 2017, Destination Greater Victoria launched its 2017-2021 Five-Year Strategic Plan. The plan is aligned with the five-year Municipal and Regional District Tax (MRDT) funding cycle. Guided by the goals set in the Destination Greater Victoria 2017-2021 Five-Year Strategic Plan, the following was accomplished in the third year of the plan.

Destination Greater Victoria continued its focus on driving demand in the shoulder seasons and off season. This approach is centred on hosting meetings, events, and conferences at the Victoria Conference Centre. Delegates attending meetings, events and conferences stay in Greater Victoria hotels, eat at Greater Victoria restaurants and shop at Greater Victoria retailers at a time of year when visitation is traditionally modest. In 2019 the Victoria Conference Centre hosted 29 citywide conferences (defined as a conference of 400 people or more with delegates staying at two or more hotels), and 66 conferences in total. There were 118,661 delegate days in 2019. Delegate days is a measure of attendance at meetings, events, and conferences. This is lower than the 121,430 delegate days in 2018 but is still considered a success. Augmenting this, Destination Greater Victoria and partners held their own conferences, including the IMPACT Sustainability Travel and Tourism Conference, and Capital City Comic Con.

Telling the story of the visitor economy – who we are and what we do – is a strategic focus of Destination Greater Victoria. The story of the Greater Victoria tourism industry is not only about jobs and the economy – but people and the community as well. In 2019 Destination Greater Victoria initiated a video project to tell this story. Interviews with several tourism industry leaders revealed how they viewed Destination Greater Victoria, as well as how Destination Greater Victoria's vision and strategy has shaped their business. Communicating the positive benefits of the industry in an accessible and immediate manner is an excellent tool for telling the Greater Victoria visitor economy story.

Destination management is another area of focus identified in the 2017-2021 Five-Year Strategic Plan. In 2019 Destination Greater Victoria engaged a wide array of community stakeholders, including municipal, provincial, and federal governments, as well as industry partners across the province and country. Destination Greater Victoria's supply-side focuses in 2019 were contributions to increasing Chinook salmon stocks to support the endangered southern resident killer whale population, sponsorship of Indigenous festivals and conferences, as well as memoranda of understanding (MoUs) with Capital Region Food and Agriculture Initiatives Roundtable and Vancouver Island South Film and Media Commission to help further their work. Through the Transportation and Destination Management Committee (TDMC), DGV worked on issues regarding emergency preparedness, city bike lanes, motor coach parking and a transportation electrification strategy.

In 2019 Destination Greater Victoria engaged with a wide array of community stakeholders on destination management issues, including municipal, provincial and federal governments, as well as industry partners across the province and country.

As part of the MRDT agreement with the City of Victoria, Destination Greater Victoria is required to contribute \$1 million to the David Foster Harbour Pathway project over ten years. In 2019 Destination Greater Victoria was pleased to contribute \$175,000 to the project.



Business Discussion And Analysis

Meetings and Events

Through Business Events Victoria (BEV), Destination Greater Victoria's meetings, events and conferences department focused efforts bidding on and winning meetings, events and conferences for the Victoria Conference Centre. As part of the Municipal and Regional District Tax (MRDT) agreement beginning on January 1, 2017, Destination Greater Victoria assumed leadership of sales and marketing of the Victoria Conference Centre. Assuming this responsibility aligned hotel partners and suppliers with Destination Greater Victoria's business acumen and detailed knowledge of the visitor economy. Greater Victoria is traditionally a seasonal leisure market destination, with strong visitation from May to September. A strategic focus of Destination Greater Victoria is to hold conferences in the shoulder seasons and off season when hotel vacancy is higher. This strategic focus has seen success in reducing seasonality in the destination. In 2019, the Victoria Conference Centre hosted 29 citywide conferences and 66 conferences in total. Many of these were held in the shoulder seasons and off season.

Sports

On April 1, 2018 Destination Greater Victoria assumed leadership of sport tourism in Greater Victoria from SportHost Victoria. It was the desire of both organizations to have an integrated sport tourism organization to fully capitalize on Greater Victoria's potential as a desirable tournament destination. The Greater Victoria Sport Tourism Commission was announced in 2018 as a legal entity of Destination Greater Victoria, under the leadership of Executive Director Keith Wells. Since its inception the model has yielded successful bids. In 2019, Greater Victoria hosted or won the right to host the NCCAA Women's Basketball Victoria Invitational, The Pan Am Cross Country Cup 2020 and the FIBA Men's Olympic Basketball Qualifying Tournament.

David Foster Harbour Pathway Contribution

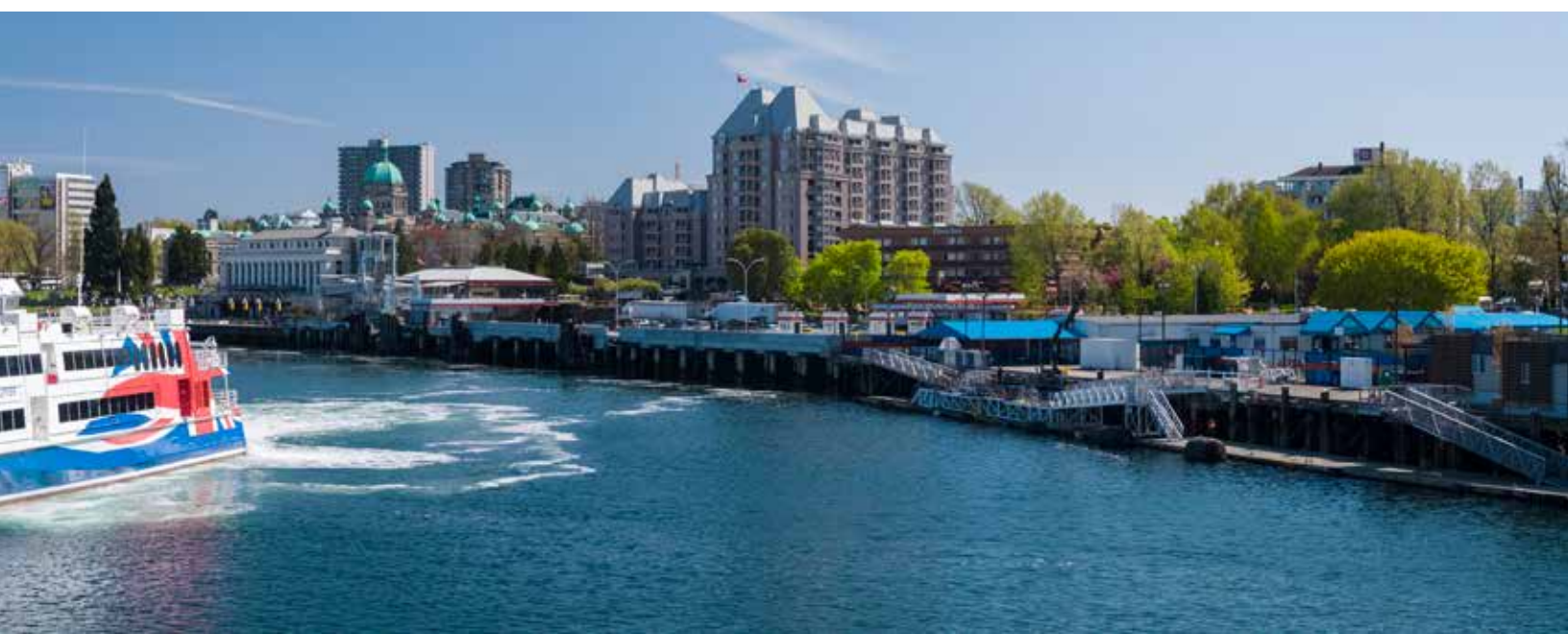
As part of the MRDT agreement with the City of Victoria, Destination Greater Victoria agreed to contribute \$1 million over ten years to the construction of the David Foster Harbour Pathway. This project will connect visitors and residents to key attractions in downtown Victoria. Once complete, the David Foster Harbour Pathway will extend over five kilometres from Rock Bay to Ogden Point. From 2017 to 2019 Destination Greater Victoria contributed \$475,000 to the David Foster Harbour Pathway project, which is \$190,000 ahead of schedule.

Belleville Terminal

Upgrades to Belleville Terminal is a priority for Destination Greater Victoria. Belleville Terminal is the Victoria terminus of Black Ball Ferry Line's MV Coho from Port Angeles and Clipper Navigation's catamaran passenger service from Seattle. Previous phases of the project upgraded the wharf and rehabilitated areas adjacent to Belleville Street.

The next phase is a new terminal. For US Customs and Border Patrol (USCBP) to be able to provide integrated pre-inspection/clearance services at Belleville, significant additional facilities will be needed at an upgraded terminal.

In 2019 Destination Greater Victoria continued to work with Black Ball Ferry Lines, Clipper Navigation and government partners to find a solution for pre-inspection/clearance services through redeveloped facilities at Belleville Terminal.



Destination Marketing

In 2019, Destination Greater Victoria continued its deeper, always-on approach to reaching target consumers. Campaign efforts also were focused on moving consumers further down the path to purchase with conversion-based tactics.

Destination Marketing Campaigns

Destination Greater Victoria's Destination Marketing department continued its focus on driving shoulder and off-season travel as well as visitation in the spring and summer months. In 2018, The marketing department shifted from individual campaign themes to a more inclusive strategy. The result in 2019 was several successful consumer campaigns including Dine Around & Stay in Town Victoria, a Spring/Summer campaign, the Royal BC Museum Maya Exhibit promotion, and an Autumn/Winter (holiday season) campaign.

The Destination Greater Victoria 2019 spring/summer marketing campaign's overarching message to visitors was to "Stay a little longer." The campaign focused on length of stay and encouraged shoulder season travel. Advertising and promotion ran January through June and included many key themes of the destination, such as culinary, romance, outdoor adventure, events and more.

The campaign included a mix of digital advertising including display, native, video, Facebook, Instagram and Spotify. It also utilized out-of-home tactics such as bus, transit hub display and print advertising. The campaign's primary markets were Washington State and British Columbia (particularly the Lower Mainland), and secondary markets were California and Alberta.

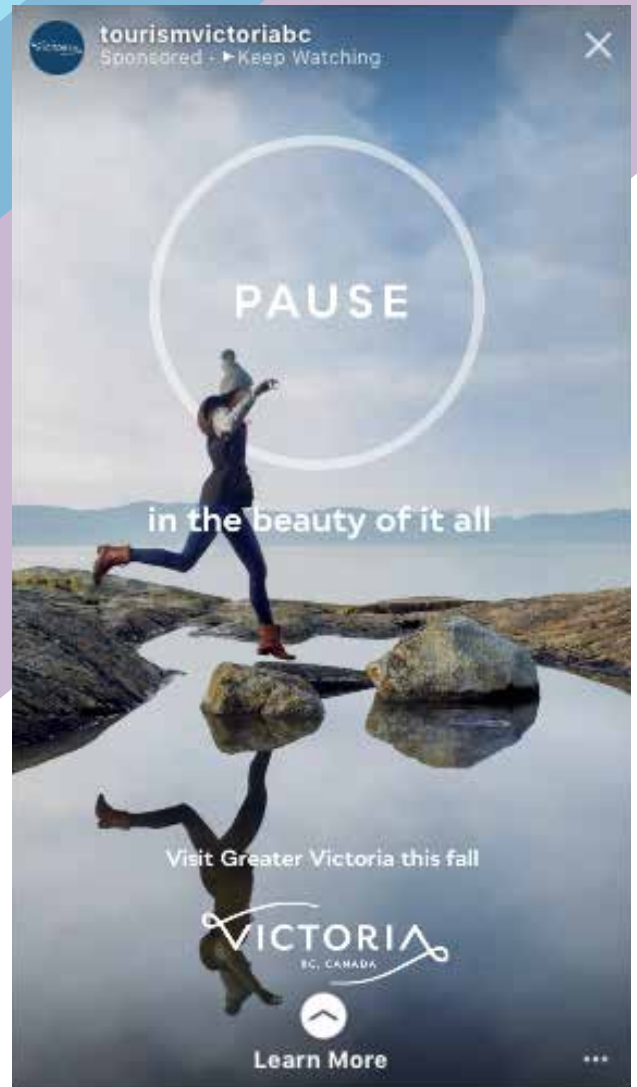
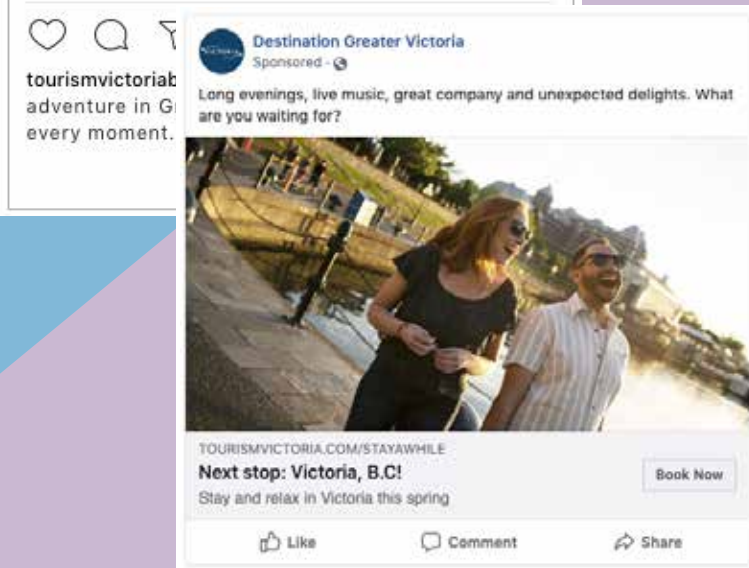
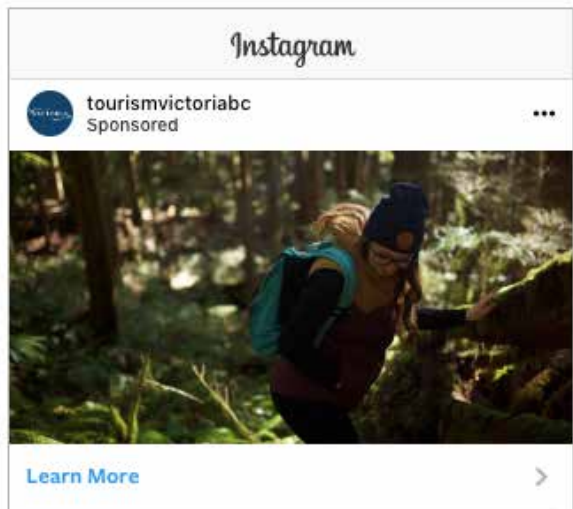
Creative content evolved based on what was occurring in the destination. As audiences were built, messaging moved from awareness to conversion with retargeting. New blogs were published regularly and added to the Destination Greater Victoria landing page. The result was a coordinated, always-on campaign that built and amplified Destination Greater Victoria's message over time.

The spring 2019 marketing initiative was extremely successful. From January 30 to June 27, there were 51,262,447 digital ad impressions, 126,763 ad clicks generated to the landing page, and 1,573 conversions elicited through continuous optimizations.

For the sixth consecutive year, Destination Greater Victoria commissioned an independent third-party research firm to assess the spring destination advertising campaign and measure its effectiveness. The report showed the campaign successfully moved Washington State consumers further along the path to purchase. In Western Washington, the ROI of the 2019 spring campaign was 53:1.

As a lead marketing partner of the Royal BC Museum, Destination Greater Victoria ran a fact-based creative campaign aimed to delight, intrigue and inspire travellers to experience the *Maya: The Great Jaguar Rises Rises* exhibit in 2019. This integrated marketing campaign was supported by paid digital media tactics such as display, social and search ads. The campaign delivered 29,000 views and resulted in over 3.6 million total impressions to Destination Greater Victoria's *Maya: The Great Jaguar Rises* landing page.

In addition to consumer or leisure travel marketing, the marketing department supported Business Events Victoria (BEV), Major Events and Conferences, and the Greater Victoria Sport Tourism Commission with social media marketing, advertising, creative design and several business-to-business (B2B) campaigns.



Greater Victoria looks and feels like no other place

From our historic downtown to our rugged coastline and rainforests, you'll discover a destination filled with diverse and unexpected delights. Why not come experience it for yourself?

Find special deals and tools to help plan your next visit to Victoria.

tourismvictoria.com/stayawhile



Social Media and Content Marketing

Content Strategy

Destination Greater Victoria's content strategy aims to inspire travellers by publishing and promoting inspirational content about Greater Victoria. The challenge is to shift travellers' thinking from "a place I'll go someday," to "I'm going to plan my next trip there."

Drawing upon search trends and learnings from the past year allowed Destination Greater Victoria to create and place the correct content in front of the correct audience at a key moment in the decision-making process, motivating and mobilizing potential travellers to visit our destination.

Social Media

Destination Greater Victoria used audience growth, engagement, impressions and reach as key indicators of performance on leisure travel-focused social media channels. Through consistent posting of timely and informative and aspirational content, Destination Greater Victoria saw growth across all audiences. Destination Greater Victoria also adapted strategies across platforms to reach more people than ever. For example, Instagram saw a 33 per cent growth in audience, a 57 per cent increase in engagement, an increase of 142 per cent in impressions and an increase of 152 per cent in reach over 2018.

In 2019 Destination Greater Victoria piloted a project with Crowdriff and Destination British Columbia to deliver stories of the destination in a new visual format which is currently hosted on www.hellobc.com. More than 40 stories were created over the second half of 2019 to increase exposure to the destination, as well as our members and stakeholders.

Going Local Blog

The Going Local blog serves as a platform to inspire and inform travellers about the range of activities available in Greater Victoria. Blogs in 2019 were shared across social media channels to an audience of 157,000 followers and further promoted through the Visit Victoria eNewsletter. By utilizing key partnerships with members, Destination Canada and Destination British Columbia, blogs were further amplified.

In 2019, Destination Greater Victoria focused on data driven content by analyzing search trends from 2018 and using this information to create and publish the correct content at the correct time. The initiative yielded a 16 per cent increase in organic pageviews to the Going Local blog, from 230,656 pageviews in 2018 to 267,692 pageviews in 2019. Destination Greater Victoria also worked to refresh and publish blogs that had historically performed well. The most popular blog of the year generated 38,284 views and in total over 70 blogs were created or refreshed in 2019.

2019 was a year of steady growth. The marketing team navigated changing algorithms, adapted strategies, leveraged key partnerships and focused on search trends that resulted in a greater reach of content.



33% AUDIENCE GROWTH
57% INCREASED ENGAGEMENT
142% INCREASE IN IMPRESSIONS
157% INCREASE IN REACH



1% AUDIENCE GROWTH
17% GROWTH IN ORGANIC REACH
28% INCREASE IN ENGAGEMENT



3% AUDIENCE GROWTH
17% GROWTH IN ORGANIC REACH
28% INCREASE IN ENGAGEMENT



OVER 70 BLOGS PUBLISHED
34% INCREASED PAGEVIEWS
16% ORGANICALLY

Media & Influencer Relations

The role of the Travel Media department at Destination Greater Victoria is to achieve positive editorial and influencer coverage of the destination to drive visitation to the region. In 2018, Destination Greater Victoria realigned the team, adding an Influencer and Media Relations Manager and Media Relations Specialist. Due to the dedicated resource to the influencer space, there has been meaningful coverage through social media channels and enhanced relationships with influencers.

The Travel Media department strategically focused on both quality of coverage as well as quantity. There was also greater alignment with marketing efforts, ensuring media support during key campaign timeframes, as well as focusing on campaign themes and marketing objectives. Specific attention was placed on the Pacific Marine Circle Route and product diversification. As well, the Travel Media department worked more closely with the Travel Trade department, linking coverage to our key international travel trade markets and providing insights to Destination BC and Destination Canada media visits.

In July 2019, Destination Greater Victoria attended GoMedia Canada 2019 in Ottawa, where it was announced that Greater Victoria will host the 2020 conference. Produced annually by Destination Canada and the Tourism Industry Association of Canada, GoMedia brings key Canadian tourism partners together

with top travel media from around the world. As GoMedia 2021 host city, Greater Victoria will host approximately 130 travel media from around the world to meet with tourism officials through one-on-one meetings, interactive networking events, and immersive destination experiences. The four-night event also features receptions, sponsored luncheons, tours of the destination, and professional development opportunities.

Media highlights from 2019 include: A three-page travel and soft adventure feature in Air Canada's EnRoute Magazine, a seven-page spread in Kia Ora, Air New Zealand's in-flight magazine and Greater Victoria being named in Fodor's 2020 Go List. Influencer relations continued to grow in 2019. Destination Greater Victoria hosted Vancity Wild, a well-known Vancouver-based couple who worked on several assignments with the Travel Media department to promote the shoulder season and provide well-written, thoughtful blog posts and social posts throughout the year.



Travel Trade

The strategic lens of travel trade focuses on long-term, sustainable growth for the destination. Travel trade drives measurable, incremental room nights and yield with a specific focus on need and shoulder periods.

Travel trade is a vital piece of the visitor economy, providing Greater Victoria with base business and aiding compression in the destination. Tour operators and receptive tour operators contract rates at least 12 to 18 months in advance. For the visitor economy, a balanced portfolio of tour, leisure, corporate group and Free Independent Traveler (FIT) minimizes risk and yields transient FIT and direct bookings.

The Destination Greater Victoria Travel Trade department is focused on two geographical areas: Asia/Pacific and North America/Europe. Destination Greater Victoria's geographic approach is based on achieving the best ROI for the destination, long-term sustainability and consideration of how markets align with Destination BC priorities. The priority international markets are Australia, China, Germany, UK, Japan, Mexico, South Korea and the United States. The United States remains the largest international market based on proximity and intent to travel; however, there has been growth from all identified international markets in 2019.

In 2019, Destination Greater Victoria continued its Signature Travel Network (STN) partnership for the third year. STN is a consortium with over 7,000 independent members, predominantly in the United States. The partnership was once again funded by the DMF. In November 2019, Destination Greater Victoria's travel trade specialist attended the STN annual conference, with over 2,300 agents and owners in attendance. It also provided the opportunity for face-to-face appointments with over 80 agents and presentations to over 120 agents in a group training session. Although year-over-year results for 2019 were not as positive

as they were in 2018, the partnership provided important and impactful ways to showcase the destination including Greater Victoria being highlighted as Destination of the Month by STN in March 2019.

Other co-op partnerships included an investment in the markets of Japan, Canada and the USA which had a very successful combined return on investment (ROI) of 7:1.

In the Chinese market, Destination Greater Victoria partnered with Destination BC, Vancouver Airport Authority and other BC destination marketing organizations for a Chinese New Year (CNY) promotion. The inaugural campaign began with the Canada-China Year of Tourism in 2017. This campaign aims to promote visitation and exploration to the Chinese market via online and traditional trade and consumer promotions, attracting families celebrating CNY in B.C. On February 8, 2019, Destination Greater Victoria, its members and Mayor Lisa Helps from the City of Victoria hosted a CNY welcome dinner. In attendance were 88 Chinese visitors. In total, the promotion attracted 164 guests, generated 106 room nights and many patrons of attractions in Victoria during the two week CNY holiday period. The ROI was 6:1.

Greater Victoria is blessed with international recognition and interest. The majority of long-haul, international marketing efforts are led by Destination Greater Victoria's partners at Destination BC and Destination Canada, which have in-market representation and appropriate funding.

Tradeshows are a platform to meet travel product buyers and identify business needs for the destination. In 2019, Destination Greater Victoria partnered with Destination BC and Destination Canada to attend Corroboree (Australia), Rendezvous Canada (held in Toronto), Focus (Japan) and Canada's West Marketplace (held in Richmond).



The Greater Victoria Sport Tourism Commission

As a membership-driven organization, the Greater Victoria Sport Tourism Commission (GVSTC) is pleased to have the support of over 60 partners in the community. This support helps us bid on – and win – events.

Beyond the substantial economic impact of these events, sport tourism fosters pride in our community, helps keep children active, drives participation and encourages a healthy lifestyle for all residents of Greater Victoria.

The Sport Tourism Committee, chaired by Pacific Institute for Sport Excellence (PISE) CEO Robert Bettauer, is engaged and working hard to promote Greater Victoria as a premier sport tourism destination.

The Greater Victoria region enjoyed a successful year in 2019. The Commission sponsored 19 events in 2019, including:

- HSBC Women's World Rugby Sevens
- USPORTS Field Hockey, Soccer & Swimming Championships
- NCAA Victoria Invitational Basketball

Major sports events planned for 2020 and beyond include:

- 2020 Pan Am Cross Country Cup
- 2020 Bear Crossing Canadian National Cyclocross Championships
- 2022 55+ BC Games
- 2022 World Para Sitting Volleyball Championship bid
- 2023 IAAF World Cross Country Championship bid
- 2023 Memorial Cup bid
- 2024 Invictus Games bid

The traditional focus of the visitor economy is marketing and communications. However, in recent years this focus has expanded to include destination management – specifically involvement of the community in fostering a sustainable industry. Sport tourism is the perfect marriage of these values. It drives strong visitation to Greater Victoria but also creates connections throughout the community.



Major Events & Conferences

2019 was the second year of IMPACT Sustainability Travel & Tourism Conference (IMPACT) and Capital City Comic Con. Both events were created by Destination Greater Victoria and partners to address seasonality and increase predictable business in the off season.

IMPACT SUSTAINABILITY TRAVEL & TOURISM

January 20-23, 2019

The 2nd annual IMPACT conference was held at the Victoria Conference Centre (VCC) from January 20-23, 2019. This conference was created to address the desire for broader and deeper discussions about sustainable tourism in Canada. The goal of the conference is to unite the tourism industry around the values of sustainability, as well as inspire delegates to make positive changes in their communities and businesses. In 2019 there were 275 delegates at IMPACT, which was a 41 per cent increase year-over-year, generating over 350 room nights. Attendees were from destination management/marketing organizations (DMOs), operators, accommodations, service providers, tourism industry associations (TIAs), non-profits, government officials, students, media, academics, clean technology businesses and more. Powerful stories were told, creating conversations that inspired conference attendees. As a destination for global travelers who crave authentic, local experiences, Canada is in a unique position to lead the world in discussions on sustainability. Municipal, provincial and nationally elected representatives and government officials shared their visions, listened to the industry and continued to address the opportunities and challenges tourism brings.

- Increased attendance by 41 per cent over 2018
- Growing national partnership with Indigenous Tourism Association of Canada (ITAC) and Travel and Tourism Research Association (TTRA)
- Delegates from all Canadian provinces and territories were represented at IMPACT in 2019 making it a truly national conference.

I was inspired, moved and have acted upon many of the things that I experienced in this year's conference. I am inspired by the leadership of the conference organizing committee, Greater Victoria DMO and team, and by the substantive depth of content, inclusion, and women leaders that were present." — Attendee

Notable IMPACT Attendees

ELECTED OFFICIALS

- Hon. Lisa Beare, British Columbia's Minister of Tourism, Arts and Culture
- Hon. Jeanie Dendys, Yukon's Minister of Tourism and Culture
- Elizabeth May OC, Leader of the Green Party of Canada
- Mayor Lisa Helps, City of Victoria
- Mayor Josie Osbourne, District of Tofino
- Mayor Wally Yachimetz, Town of Calmar
- Councillor John Grills, Resort Municipality of Whistler
- Councillor Jeremy Loveday, City of Victoria

NON-ELECTED OFFICIALS

- Kate Ballegooyan, Kluane FN
- Catherine Braun Rodriguez, Government of Alberta
- Angeline Chew, City of Vernon
- Robyn Cyr, Shuswap Tourism/CSRD
- April Froment, District of Tofino
- Jan Jansen, Resort Municipality of Whistler
- Sarah Marsh, Government of Yukon
- Kathy Rodberg, Town of Calmer
- Valerie Royale, Government of Yukon

2019 HIGHLIGHTS



Exponential Growth
in Attendance



National Engagement
Participation from every Province



90% of Sponsors achieved
their onsite objectives



Growing national partnership
with ITAC and TTRA



March 20-24, 2019

Capital City Comic Con is a three-day celebration of pop culture across many genres, including animation, anime/manga, toys, gaming, fantasy, science fiction, television, movies, entertainment and comics. Guest speakers, exhibitors and panel sessions had something for everyone.

2nd Annual Capital City Comic Con: 9,500+ COMIC ENTHUSIASTS

26%

Growth year-over-year

1,700+

Attendees purchased
3 day pass

24%

Attendees were from
outside Greater Victoria

599

Attendees purchased
Family Passes

3,200

Room nights in the
destination

96%

Were satisfied with the 2nd Annual
Capital City Comic Con

96%

Surveyed would
recommend
Capital City Comic Con



67% VICTORIA

17% NORTH VANCOUVER ISLAND

6% GREATER VICTORIA

6% CANADA AND INTERNATIONAL

4% LOWER MAINLAND

CELEBRITY GUESTS

Dan Folger, Jake "The Snake" Roberts, Marina Sirtis, Garrett Wang, Skeet Ulrich, Malcolm McDowell

COMIC GUESTS

Larry Hama, Bob McLeod, Glen Mullaly, John Gallagher, Brett Breeding, Jordan Stratford, Ken Steacy, Diana Greenhalgh, Kasey Golden, Ian Boothby, Pia Guerra, Bob Camp, Andy Poon, Sun Khamunaki, Nat Jones, Marco Rudy, Gareth Gaudin, Dan Schoening, Chapterhouse Artists & Authors

TESTIMONIALS

"Dan Folger's panel was the most hilarious, fun, amazing event. It could not have been better. People loved it!" – Attendee

"Awesome Experience! Could not be more pleased with the professionalism and organization of such a large event. Great work to everyone involved." – Attendee

"That was a seemingly flawless convention. We had a blast. Well done, team!" – Gareth Gaudin (creator guest)

"Second year is amazing; day two is packed in here, you can't ask for a better con. Capital City is rocking it out – second year I am blown away!" – Keith Morgan (Ghostbusters of BC).



Business Events Victoria

Business Events Victoria (BEV) exceeded its targets in 2019. The Victoria Conference Centre hosted over 118,000 delegate days in 2019. This number is slightly less than the 121,000 delegate days in 2018, but 2019 is still considered a strong year for meetings, events and conferences attendance.

BEV hosted its inaugural Customer Advisory Board (CAB) meeting in January 2019. The CAB is comprised of twelve meetings, events and conferences industry leaders from across North America. They meet to discuss strategies, provide advice on the feasibility of a potential future Victoria Conference Centre expansion, give feedback on planned sales and marketing campaigns, as well as analyze tourism and business events trends globally, and how these will impact Greater Victoria.

In 2019, BEV focused on key markets in Canada and targeted areas of the US including the Pacific Northwest, California and Washington, DC. Most of BEV's business mix originates in Canada. Through BEV, Destination Greater Victoria employed two in-market sellers – one in western Canada and one in eastern Canada – focused on association and corporate markets.

BEV attended various tradeshows with hotel partners. These tradeshows include Tete-a-Tete, CSAE, and CMEE. A new tradeshow booth was the centrepiece of BEV's presence at tradeshows, and a draw for customized Converse shoes helped drive traffic to the booth. In addition to industry tradeshows, BEV was active through hosting GM mission client events, adding two new additional events in Mississauga and Seattle

to repeat locations in Toronto, Ottawa, Montreal and San Francisco. These GM mission client events are a successful way to highlight the collaboration between hotel partners and key clients. It is a proven and effective way to generate business opportunities.

One of BEV's highlights in 2019 was hosting the Meetings Today Live West event. This is a key industry event that brings together meeting planners from around the world. It was an honour to host them in Greater Victoria. Not only was BEV successful in showcasing the destination to meeting planners through various activities, but the organization received media opportunities through the Meetings Today publication. This was the first time this event has been held in Canada. It was a successful event with record attendance.

In addition to events and conferences, BEV formed a partnership with a local charity in 2019 called Wear2Start. Wear2Start is a volunteer-driven non-profit society and registered charity that helps women overcome barriers to success. They provide clothing, accessories, shoes, handbags and essential personal-care items. They also co-ordinate services, such as haircuts and clothing alterations, for self-identified women who require assistance in obtaining professional clothing suitable for work and life. Wear2Start is now BEV's official charitable partner. Throughout 2019 BEV partnered with Wear2Start on various initiatives to promote fundraising and donations to the organization. It was a fantastic opportunity for clients and BEV to give back to the local community.



BUSINESS EVENTS VICTORIA

	2019 GOALS	2019 Total	2018 Total	COMPARISON TO GOALS	COMPARISON TO LAST YEAR
Confirmed Room Nights	23,500	37,951	34,184	+14,451	+3,767
New Leads	230	267	264	+37	+3
Potential Room Nights	80,000	94,461	159,112*	+14,461	-64,651
VCC Delegate Days	110,000	118,661	121,430	+8,661	-2,769
VCC REVENUE	\$1,200,000	\$1,350,171	\$1,508,427	+\$150,171	-\$158,256

*Includes 48,744 potential room nights (17 leads) from Sport Tourism which is now separate from BEV



Research and Insights

Destination Greater Victoria provides research resources and analyses to help members and partner stakeholders gain a wide range of insights about industry performance, visitors to our region and the value of tourism to Greater Victoria's economy. In May 2019 Destination Greater Victoria appointed a dedicated Business Research Specialist to increase research capacity for members as well as support marketing and destination management initiatives. This role has added value considerably over the year.

A major research initiative completed in 2019 was the release of Destination Greater Victoria's 2019 Visitor Survey Report. This visitor-focused study aimed to better understand the characteristics, dynamics and complexity of overnight visitation to Greater Victoria over a full year. Rather than interviewing visitors only during the peak summer period, as has previously been the case, the research was conducted each season throughout the year to provide a comprehensive picture of visitor characteristics as well as the key aspects of their visit and their perceptions of Greater Victoria. Work commenced during late 2018 and continued through 2019. Data were collected through 4,002 in-destination intercept interviews with overnight visitors along with 986 online post-visit surveys, providing information about a wide range of trip parameters on a seasonal basis. Going forward the dataset underlying the report will be a valuable tool to help inform decision-making by DGV's management team as well as members. The 2019 Visitor Survey Report can be accessed on Destination Greater Victoria's website.

In 2019 Destination Greater Victoria's research team also completed annual surveys regarding DGV Staff Engagement and Membership Services. The Staff Engagement research showed

continuing high levels of job satisfaction, teamwork, organizational alignment, professional development and general engagement among Destination Greater Victoria's employees. The Employee Engagement Composite Measure for 2019 was 71.4%, which was an increase from 68.6% in 2018 and compares very favourably across industry benchmarks. Similarly, the Membership Services research confirmed high satisfaction with services and benefits provided by Destination Greater Victoria for its members, while also showing opportunities to improve or extend services going forward. Member satisfaction rate for 2019 was 93%, an increase from 90% in 2018.

Additionally, to provide insights to support bids for new business, marketing initiatives, collaborations with partners and destination management, Destination Greater Victoria's research outputs included ongoing monitoring and analysis of hotel business on the books, analysis of primary and secondary source markets for Greater Victoria, a report for the third year of the Pacific Marine Circle Route co-operative marketing partnership, a report on air transportation access into Greater Victoria, and an analysis of motor coach frequency and parking in downtown Victoria to help inform City of Victoria policies. There continues to be extensive work using Destinations International's Event Impact Calculator to quantify the economic impacts of meetings, conferences, festivals, major events and sports events. In 2019 Destination Greater Victoria became a member of the international Travel and Tourism Research Association (TTRA), providing access to an array of research insights nationally and globally. Destination Greater Victoria looks forward to continuing to develop its research outputs to benefit members and other stakeholders.

Leveraging Partnerships

Destination Greater Victoria works vertically, across multiple layers of the tourism sector, with regional, provincial and national stakeholders. The development of partnerships is aligned with Destination Greater Victoria's strategy to drive incremental, year-round visitation with a focus on non-peak seasonality.

PACIFIC MARINE CIRCLE ROUTE

The Pacific Marine Circle Route (PMCR) co-operative marketing partnership entered its third and final year in 2019. The collaboration between Destination Greater Victoria, Tourism Cowichan Society, Sooke to Port Renfrew Tourism Association, Sidney Business Improvement Area Society and Destination British Columbia enabled us to focus on partner alignment, build on traffic to the microsite and build awareness through existing as well as new channels such as influencer media.

B.C. ALE TRAIL

Under the leadership of the B.C. Craft Brewers Guild, and supported by Destination BC co-operative marketing resources, Destination Greater Victoria continued its relationship with the B.C. Ale Trail program. Through media and influencer initiatives, and traditional marketing methods we continue to promote Victoria's reputation as the "cradle of the craft beer revolution."

CONNECTING AMERICA: SIGNATURE TRAVEL NETWORK

Through a co-op with Destination Canada, Destination Greater Victoria was able to partner with national retail consortium, Signature Travel Network (STN) for a third and final year. By continuing Preferred Destination status with STN, Destination Greater Victoria was part of "The Signature Family" of over 7,000 agents across 492 retail locations in the US. The agreement allowed the travel trade team to target already qualified consumers through a combination of sales tactics including print and digital articles, webinars, FAM and tradeshow access, and direct emails to travel agents across the Network.

Visitor Services

Visitor Services' mission is to apply destination knowledge and outstanding customer service for visitor information and booking services, helping create unforgettable travel experiences and extend lengths of stay.

Visitor Centre

The Greater Victoria Visitor Centre is the 'front desk' of the destination and gives Destination Greater Victoria an opportunity to engage visitors.

In late 2019, Destination Greater Victoria began minor renovations to the Visitor Centre for a refreshed look and feel. As part of that process Destination Greater Victoria looked at updating its digital advertising platform. New to the Visitor Centre is a 98" high-resolution display providing members with opportunities to advertise to visitors via 4K video. Additionally, there are also two new interactive displays. These screens provide members with innovative ways to connect with visitors and highlight their products.

Focus on Improving Member Product Sales

Visitor Services focused on informing travelers about products and services offered by Destination Greater Victoria members as well as selling tickets at the Visitor Centre. Destination Greater Victoria placed a strong emphasis on sales training and detailed product knowledge with an increased focus on sales, driving

business results and delivering revenue for Destination Greater Victoria member-businesses.

Volunteer Program

Destination Greater Victoria continued its volunteer program in 2019. More than 80 friendly and dedicated volunteers offered over 4,500 hours of their personal time to assist visitors in downtown Victoria and at the Victoria Cruise Terminal. The volunteers are valuable contributors to the Greater Victoria visitor economy. It is important for visitors to feel welcome in a destination. Positive experiences lead to return visits and extended length of stays.

Victoria Cruise Terminal Operations

Since 2015 Destination Greater Victoria has offered visitor services at the Victoria Cruise Terminal. Working in partnership with the Greater Victoria Harbour Authority and Western Stevedoring, the Visitor Centre kiosks provided an opportunity to offer general information to cruise visitors and refer them to a broad and diverse base of Destination Greater Victoria member-businesses. The Visitor Service locations also gave Destination Greater Victoria another point of contact with visitors to the destination to enhance their visit to Greater Victoria.



Member Services

Destination Greater Victoria works in partnership with almost 1,000 member businesses and municipalities, each operating a unique business with unique needs. The Member Services department is a cornerstone of Destination Greater Victoria. Destination Greater Victoria works hard to connect members with its various teams to inspire the world to experience our destination.

Over the course of the year, the Member Services department provided many opportunities to learn and engage with the Destination Greater Victoria team and other members. Some of those opportunities are through the following events.

Coffee Talks

Member Services organizes coffee talks throughout the year. Members come to the Destination Greater Victoria corporate office to discuss their business with Destination Greater Victoria employees. This interaction allows the businesses to educate Destination Greater Victoria so that they can be supported appropriately. Member Services organized 51 coffee talks in 2019.

Member Events

Monthly member mixers are held throughout the year, including Destination Greater Victoria's annual Open House and Christmas luncheon. Mixers are hosted at our member businesses providing them with an opportunity to showcase their business. In 2019 there were more than 1,500 attendees for these events.

Member Workshops

There were a series of member workshops held in spring and fall 2019 covering a variety of topics of practical relevance for member businesses. Examples include "Emergency Preparedness," "Working with Travel Trade" and "Trip Advisor Workshop." There were 139 total attendees and an average of 19 attendees per workshop.

Personal Business Visits & Promotion

Our Member Services department conducts regular visits to member businesses over the year. These visits allow one-on-one education for the Member Services department and lets Destination Greater Victoria employees gain first-hand experience with the member-business and how it fits in the Greater Victoria visitor economy.



Corporate Communications and Destination Management

Destination Greater Victoria continued its focus on telling Greater Victoria's visitor economy story in 2019. The people and places that are integral to the operation of the visitor economy need to maintain a public profile. It is through this storytelling – communicating the positive attributes of this valuable economic sector – that a foundation for marketing and attracting visitors can be created.

One example of this storytelling in 2019 was Destination Greater Victoria's new video on how the visitor economy contributes to the broader community. Filmed at the end of 2019 and unveiled at the 2020 Business Plan Launch, this video contains a series of interviews with people working in the visitor economy and highlights its importance to business and sustaining a healthy community.

Economic sectors do not operate in isolation. Rather, they conduct their business in an environment of public scrutiny and require support from the communities in which they operate. The visitor economy is like any other industry in this regard. Promoting the positive attributes of the sector requires relationships with local media, continual social media updates and close relationships with local stakeholders and associations.

Destination Greater Victoria enjoys close working relationships with the Greater Victoria Harbour Authority, the Greater Victoria Chamber of Commerce, Downtown Victoria Business Association, Hotel Association of Greater Victoria, local governments and many others. Destination Greater Victoria also maintains a strong relationship with the Province through Destination BC (DBC). For example, there is ongoing work with DBC on a destination development strategy for Southern Vancouver Island.

Destination marketing organizations around the world are increasingly focused on destination management. Their core mandate is still to market the destination, but marketing is no longer their sole focus. They are taking a leadership role in creating, maintaining and advocating for their local visitor economy. Destination Greater Victoria has assumed a similar role, working on files such as the potential Belleville Terminal redevelopment, analyzing future demand at the Victoria Conference Centre and contributing financially to Chinook salmon stock enhancements to help support the endangered southern resident killer whale population.



Finance and Corporate Services

In early 2019, Destination Greater Victoria signaled to its membership that there could be economic headwinds as the year progressed. While 2019 was overall one of the best years on record for the Greater Victoria visitor economy, forecast difficulties were already being realized at the end of the year.

Compared to 2018, Destination Greater Victoria's gross revenue decreased 1.5 per cent – or \$140,000 – in 2019. This decrease was largely due to less MRDT revenue. Destination Greater Victoria receives MRDT revenue from the City of Victoria and District of Saanich and these funds form most of the destination marketing budget.

The incremental MRDT revenue derived from online accommodation platforms (or Airbnb revenues) was \$970,000 in 2019. These funds were committed to municipal affordable housing initiatives and have no net impact on the revenues of Destination Greater Victoria.

Destination Greater Victoria also received revenues from the Victoria Hotel Destination Marketing Association in the form of the Destination Marketing Fee. The association authorized additional resources to be deployed in the market which negated the decrease in MRDT revenue. This kept the top line revenue stable for the year in order to continue to deliver marketing initiatives. Destination Greater Victoria's core marketing services were delivered throughout the year. Marketing services account for 72 per cent of the organization's total spend which is a testament to the hard work of Destination Greater Victoria staff and their dedication to marketing Greater Victoria as a world-class destination.

Labour costs for the year were 33.4 per cent of Destination Greater Victoria's revenue (2019 Target: 35 per cent).

Destination Greater Victoria's 2019 fiscal year ended with a surplus of revenues over expenses of \$220,000. Destination Greater Victoria reinvested \$115,000 of this immediately back into marketing initiatives in line with the organization's zero-based budgeting approach. Destination Greater Victoria management are committed stewards of stakeholders' funds and spend only when it is appropriate and in line with the core mission and strategic objectives.

The Greater Victoria tourism economy is resilient, but we have seen cycles in the industry in the past. The organization must prepare for potential downturn in the Greater Victoria visitor economy. The remaining surplus of \$105,000 will be transferred to the internally restricted reserve fund, which is in place to cover operating costs for up to six months in the event of a significant economic decline.

Destination Greater Victoria is a not-for-profit, member-based organization. The organization is the eligible entity for City of Victoria MRDT funds. The agreement with the City of Victoria to

become the eligible entity came into effect January 1, 2017. It has full support from industry and government partners and the agreement provides increased funding stability for Destination Greater Victoria's sales and marketing efforts. Visitor Services and Member Services are funded predominantly by membership fees, member-exclusive advertising opportunities on Destination Greater Victoria's website and print publications, as well as at the Visitor Centre. Revenue is also generated from member events. Destination Greater Victoria's revenues will continue to show variations from internal forecasts, but they will continue to be monitored on a monthly basis - allowing as much time as possible for corrective action to be implemented if necessary.

Revenues

MUNICIPAL AND REGIONAL DISTRICT TAX

Municipal Regional District Tax (MRDT) revenue decreased by two per cent in 2019 – from \$5,980,000 in 2018 to \$5,860,000. Destination Greater Victoria receives MRDT from the City of Victoria and District of Saanich, and these funds form most of the destination marketing budget.

The incremental MRDT funds related to the Online Accommodation Platform (or Airbnb revenues) was \$970,000. These funds were committed to municipal affordable housing initiatives and therefore have no net impact on the revenues of Destination Greater Victoria.

DESTINATION MARKETING FEE

The DMF is administered by the Victoria Hotel Destination Marketing Association (VHDMA) as a one per cent voluntary marketing fee applied to the hotel rate for guests. Approximately 20 hotels in Greater Victoria voluntarily joined the program, which began June 1, 2011. The funds generated from this fee go to Destination Greater Victoria exclusively for sales and marketing initiatives with the express purpose of generating room nights.

Destination Marketing Fee (DMF) released revenue was \$1,720,000 in 2019, up from \$1,530,000 in 2018. This represents a 13 per cent increase. It is important to note Destination Greater Victoria can only record DMF funds provided there is a corresponding expense to which the revenue can be matched. If more DMF funds are received than are expensed in a period, then the excess funds are recorded as deferred revenue liability on the balance sheet. The amount of DMF funds recorded as deferred revenue decreased from \$640,000 in 2018 to \$450,000 in 2019.

MEMBERSHIP SERVICES

Membership services revenue includes fees for membership, advertising, events and retail sales. Revenues in 2019 decreased by two per cent (\$27,000) compared to 2018. This revenue includes the Greater Victoria Sport Tourism Commission which is a separate member-based organization that operates within Destination

Finance and Corporate Services

Greater Victoria's legal structure and has its own membership revenue component.

TRAVEL AUCTION

Destination Greater Victoria historically hosted an online travel auction with donations from both members and non-members twice a year. The net funds from these activities were primarily used for membership activities and initiatives. This initiative was discontinued in 2019.

RESERVATION AND TICKET COMMISSIONS

Destination Greater Victoria sells members' tickets, bus passes, maps and special-event tickets at the Visitor Centre. In 2019, commissions on revenue from these activities decreased by 17 per cent compared to 2018, to \$193,000.

GRANTS

Grants were received from both the City of Victoria (\$18,760) and the District of Saanich (\$18,000) in 2019. The funding was used to support operation of Destination Greater Victoria's Visitor Centre. Grant applications are submitted annually. Additionally, the following municipalities also support Destination Greater Victoria through membership: City of Victoria, District of Saanich, District of Oak Bay, Township of Esquimalt, Town of Sidney and City of Langford.

Expenses

MARKETING SERVICES

Marketing services include activities that promote Greater Victoria as a destination, such as advertising, media relations, travel trade, business events, website activities and market research. Most categories of marketing services for 2019 remained consistent with those of 2018 except for advertising and publications. The decrease was primarily due to a reduction in initiatives such as NorthStar 22 and the Powerful Marketing Network. The total cost was \$6,540,000 — down 6.5 per cent from \$7,000,000 in 2018. As a percentage, expense of total revenue for Marketing Services decreased to 72.0 per cent. This compares to 75.0 per cent in 2018.

GENERAL AND ADMINISTRATIVE

There was an overall increase in general and administrative expenses from 2018 to 2019. Most of this increase in 2019 is related to increasing capacity at Destination Greater Victoria to effectively manage the organization's revenue increase. In 2016 Destination Greater Victoria committed \$1,000,000 over ten years to the David Foster Harbour Pathway. In 2019 Destination Greater Victoria paid \$175,000 to this obligation, bringing the organization's obligation down to \$525,000. A further general and administrative expense is Destination Greater Victoria's membership in the Tourism Industry Association of Canada. This membership allows exclusive access to federal decision-makers and influencers.

INFORMATION SERVICES

Visitor and Information expenses include all personnel and overhead costs associated with the Visitor Centre. Expenses decreased by six per cent, or \$55,000, from 2018 to 2019. Most of this decrease is a result of cost saving initiatives and a staff reorganization at the Visitor Centre.

MEMBERSHIP SERVICES

Membership Services expenses include all overhead costs associated with personnel who work in the Member Services area, as well as costs associated with member events, activities and initiatives. Expenses in 2019 were effectively the same as in 2018.

AMORTIZATION

Amortization expenses relate to the expensing of assets owned by Destination Greater Victoria, including furniture, computer equipment, significant marketing collateral and leasehold improvements. From 2018 to 2019, the amortization expenses were essentially the same.

MUNICIPAL AND REGIONAL DISTRICT TAX

The purpose of the MRDT program is to assist designated recipients to fund tourism marketing, programs and projects.

The MRDT program is jointly administered by the Ministry of Finance, the Ministry of Jobs, Tourism and Skills Training, and Destination British Columbia. The MRDT program is one of a number of supports available to enhance tourism marketing in B.C.

The MRDT program is intended to help grow B.C. revenues, visitation and jobs, and amplify B.C.'s tourism marketing efforts in an increasingly competitive marketplace.

To promote a coordinated and efficient use of funds, the following MRDT program principles have been adopted:

- **Effective tourism marketing, programs and projects,**
- **Effective local-level stakeholder support and inter-community collaboration,**
- **Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics, and**
- **Fiscal prudence and accountability.**

Source: Municipal and Regional District Program Requirements Fall 2015 (Government of British Columbia).

In the City of Victoria it has been agreed in principle by all relevant parties that incremental Online Accommodation Platform (i.e. Airbnb) MRDT revenues will be designated for affordable housing for hospitality industry workers.

Risk Management

Destination Greater Victoria continues to actively monitor its operating environment for risks. Management assesses both the likelihood and potential impacts of each risk, and works to manage them down and mitigate effects. The following risks were identified in 2019.

Risk Level	Description
High	Very likely risk with highly significant or acute impacts financially and/or on ability to deliver strategy.
Medium-High	Likely risk with potentially significant impacts financially and/or on ability to deliver strategy.
Medium	Compromises finances or operations and places constraints or drag on ability to deliver strategy.
Low-Medium	Risk is present or likely but only moderately impacts ability to deliver strategy.
Low	Risk exists in the environment but is not materially impacting ability to deliver strategy.

Risk	Description	Current Assessment of Impact and Likelihood	Mitigation Strategy
Economic Downturn	A range of tourism indices and economic analyses, including forecasts by CIBC and BMO, indicate the economy is at or approaching a point of cyclical correction that could result in recession or sizeable economic downturn. This would impact the tourism industry generally and could reduce Destination Greater Victoria's revenues by up to 10%. DGV's revenues lag economic conditions by up to three or four months.	High likelihood over the near to intermediate term, although with medium impact due to mitigation strategy.	Destination Greater Victoria has recognized the situation well in advance and is taking action to review planned activities and expenditures, constrain costs as well as staffing, particularly by postponing filling of vacant roles, and positioning for a decline in revenue. Early action is necessary because of lags in core revenue streams. This will enable DGV to assist members effectively and take advantage of opportunities that arise to grow market share.
Managing Disruptive Tourism Industry Risks	The growing tourism industry is subject to ongoing disruptions and shocks from macro-level external economic, political, and societal forces. The recent coronavirus outbreak is likely to have disruptive impacts for the tourism industry for 2020, although impacts may differ in degree and extent by location.	Medium likelihood and impact, with high likelihood of impacts from the coronavirus outbreak. In 2015 tourism was disrupted by volatile stocks and reduced consumer confidence, slowing global growth, terrorism and potentially fewer visitors from Seattle. Although these factors have had less impact into 2020 and some have been mitigated, it remains prudent to continue focusing on this risk. Main risks in 2020 other than coronavirus are reduced intention to travel, eroding consumer confidence, and increased tax burdens.	Continue building a solid tourism brand via promotional efforts to ensure Greater Victoria remains desirable to visit. Adhering to sound protocols for managing issues and communications. Ensuring strong relationships are maintained with industry partners. Destination Greater Victoria continues to build prudent restricted reserves or contingency to address disruptions.
Impacts of the Sharing Economy	Ongoing growth of the sharing economy could impact tourism adversely from overcrowding, loss of social license, uneven playing fields, and inequitable socio-economic contributions. Growth of sharing economy tours and activities (Airbnb Experiences) and effects on visitor experiences will be a main concern going forward.	Medium likelihood and impact given increasing recognition of the socio-economic effects of the sharing economy as well as recent developments securing regulation and taxation. Over the short to medium term the primary concern will be risks from the expansion of sharing economy tours or experiences.	Continue to engage with diverse stakeholders to better understand and address the sharing economy, and work in partnership with key stakeholders and government to develop effective solutions. Build knowledge base about statutory, licensing and safety requirements for operators of activities offered as tours or experiences.

Risk	Description	Current Assessment of Impact and Likelihood	Mitigation Strategy
Changes to BC MRDT Program	Historically BC's MRDT program has been a reliable source of funding for tourism marketing and promotion. The provincial government has changed the program to allow MRDT from Airbnb (and probably similar platforms eventually) to be used for affordable housing.	Medium likelihood (changes in place) and impact, given that Destination Greater Victoria has an eligible entity contract with the City of Victoria until 2021. Will need to start work towards reducing possible longer-term impacts.	Monitor impacts of the program changes on the tourism industry and take proactive strategic steps to strengthen or implement new agreements with municipalities. Continue to deliver high returns on tourism marketing funds, add value for business partners and promote tourism's socio-economic benefits.
Visitor-Resident Interface	Although Destination Greater Victoria is focused on sustainability and yield rather than high volume strategy, calls of over-tourism are increasing in Canada and could eventually surface in Victoria. Tourism's impact on residents must be constantly monitored, the interface must be very well understood, and it is critical to address issues and concerns effectively to avoid loss of social license.	Although there is currently a low likelihood of this being a concern in Victoria, primarily due to Destination Greater Victoria's focus on sustainable tourism and sound decisions on carrying capacity, this could have high impact on tourism business if it became an issue for local communities. There will almost certainly be more scrutiny on good stewardship going forward.	Destination Greater Victoria will continue to focus on doing, and being seen to do, the right thing from a social impact perspective. A community first approach will be used when formulating strategy to ensure social license is maintained and carrying capacity stays healthy. Destination Greater Victoria will also pursue dispersion strategies in Greater Victoria and southern Vancouver Island, and will work increasingly candidly with partner agencies.
Increased Scrutiny	When membership-based and non-profit organizations gain increased funding there is a need for greater transparency about how funds are used and returns on investment. For example, introduction of per diems for meals for staff and greater analysis of balanced scorecard results. There is the risk the organization may lack sufficient performance tracking and/or evaluation systems.	Medium likelihood but with low impact given Destination Greater Victoria's systems and mitigation. The organization operates on the basis that growth in funding increases accountability and comes with greater scrutiny by members and government.	Destination Greater Victoria is a Balanced Scorecard organization tracking robust KPI's across all channels. Activities not supporting execution of Destination Greater Victoria's strategy or business plan are not pursued. Destination Greater Victoria has increased its capacity in governance and evaluation to unlock the full potential of balanced scorecard.
Cyber Security Breach	Although many of Destination Greater Victoria's key systems are with reputable third party service providers, it is possible that a breach of systems and records could occur despite high quality and sophisticated systems protocols.	Medium likelihood but with low impact given mitigation.	Destination Greater Victoria has up to \$1 million insurance coverage for a wide range of cyber security breach scenarios, including direct reimbursement if financial systems are compromised, legal expenses if litigation arises or specialist legal assistance is required due to cyber security issues, and also technical support to recover from a security issue. The objective is to remove this risk from the balance sheet.
Business Events Strategy Failure	New lines of business may be vulnerable to changes in the market, unanticipated forces, or learning curves while rolling out. There is a risk outcomes might not match expected returns on investment.	Low likelihood and low impact given growth and success of this evolving line of business. Destination Greater Victoria's strategy for Business Events is investing in and helping to develop major events and/or conferences in order to build visitation across the shoulder season. Although this is still a relatively new business line for Destination Greater Victoria that carries the risk of one or some events and conferences not being as fully successful as anticipated, proof of concept has been achieved. Although IMPACT and Comic Con are viable, it is still necessary to improve performance and ROI while also developing further events and conferences.	Clearly defined benchmarks for success are in place and being tracked. If this line of business is not successful over the medium term there is scope for selective strategic divestitures. Experience to date suggests positive progress and results, with strong business going forward. The risk has been further mitigated through hiring a Vice President, Major Events and Conferences with accountability for profit and loss performance.

Balanced Scorecard

2019 was the fifth full year that Destination Greater Victoria deployed the Balanced Scorecard performance management framework. The Balanced Scorecard provides a clear and concise framework for implementing and tracking targets across multiple dimensions focused on each pillar of strategy. Below are targets and results for the 2015 to 2019 Balanced Scorecards, including some new or amended measures for 2019.

GREATER VICTORIA TOURISM INDUSTRY INDICATORS ¹						
Measure	Unit	2015 Result	2016 Result	2017 Result	2018 Result	2019 Result
Accommodation Occupancy Rate	%	70.2	74.2	73.4	76.4	73.52
Average Daily Room Rate	\$	147.74	159.55	169.19	184.20	189.10
RevPAR	\$	103.65	118.43	124.21	140.77	139.03
Conference Centre Delegate Days	#	96,590	106,808	108,836	121,430	118,661
YYJ Airport Arrivals	#	1,710,825	1,856,421	1,934,842	2,048,627	1,924,385

DESTINATION GREATER VICTORIA PERFORMANCE MEASURES

1. FINANCIAL PERSPECTIVE

Measure	Unit	2015		2016		2017		2018		2019	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Marketing Campaign ROI	ratio	20:1	78:1	30:1	58:1	30:1	56:1	30:1	59:1	36:1	53:1
Business Events Confirmed Room Nights	#	11,000	12,788	11,500	12,169	13,000	22,966	20,000	34,184	23,500	37,951
Victoria Conference Centre Revenue	\$	N/A	949,501	N/A	1,132,846	995,000	1,330,263	1,100,000	1,508,427	1,200,000	1,350,171
Visitor Centre Ticket Sales	\$	1,250,000	1,555,786	1,650,000	1,595,939	1,675,000	1,855,703	1,800,000	1,994,912	2,500,000	1,753,500
Gross DGV Membership Services Revenue	\$	978,050	995,100	1,016,350	1,096,784	1,041,100	1,095,378	1,200,000	1,124,832	1,200,000	1,114,451
Gross GVSTC Membership Revenue	\$	---	---	---	---	---	---	---	121,879	100,000	82,250
Room Nights Attributable to Sport Tourism	#	---	---	---	---	---	---	---	---	8,000	16,486
Room Nights Attributable to Major Events & Conferences	#	---	---	---	---	---	---	---	---	3,000	5,779
Major Events & Conferences Attendees	#	---	---	---	---	---	---	---	---	12,000	12,181
Major Events & Conferences Portfolio Net Revenue	\$	---	---	---	---	---	---	---	---	15,000	15,625
Proportion of Gross Revenue Allocated to Labour	%	39.0	35.7	38.3	35.8	31.3	29.8	33.0	32.4	35.0	33.4

2. CUSTOMER PERSPECTIVE

Measure	Unit	2015		2016		2017		2018		2019	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Sessions on TourismVictoria.com – Total Digital Platform	#	N/A	1,858,674	N/A	2,133,963	2,000,000	1,836,529	2,000,000	1,942,040	2,000,000	2,623,025
Travel Media and Influencer Editorial Placements	#	275	350	300	319	325	329	325	328	250	439
New Business Leads for Members (BEV and Leisure)	#	200	307	300	328	375	484	375	516	400	535
Incremental Overnight Tour Programs	#	10	23	15	16	18	12	20	37	20	35
Travel Trade Cooperative Programs ROI	ratio	N/A	N/A	N/A	N/A	N/A	N/A	5:1	5:1	5:1	7:1
Business Events Potential Room Nights	#	43,000	42,040	45,000	56,058	50,000	77,263	70,000	159,112 ²	80,000	94,461
Sport Tourism Potential Room Nights	#	---	---	---	---	---	---	---	---	30,000	32,070

DESTINATION GREATER VICTORIA PERFORMANCE MEASURES

3. INTERNAL PROCESS PERSPECTIVE

Measure	Unit	2015		2016		2017		2018		2019	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Annual Savings Attributable to Process Efficiencies	\$	25,000	26,950	10,000	16,389	10,000	18,950	7,500	40,000	10,000	32,038
Visitor Centre Plan for Renovations	---	N/A	N/A	N/A	Scoped	Commence	Architect drawings completed	Plan approved and work underway	Not proceeding	N/A	N/A
Brand Refresh and Update	---	N/A	N/A	N/A	N/A	N/A	N/A	Completed and rolled out	Completed and rolled out	N/A	N/A
Accuracy of Quarterly Financial Forecasts	%	---	---	---	---	---	---	---	---	Within 5%	3.8
Cascading Balanced Scorecard	---	---	---	---	---	---	---	---	---	Complete	Incomplete

4. LEARNING & GROWTH PERSPECTIVE

Measure	Unit	2015		2016		2017		2018		2019	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Employee Engagement Composite Measure	%	Benchmark	Underway	65.0	63.3	65.0	65.7	68.0	68.6	70.0	71.4
Median Years of Employee Tenure	#	---	---	---	---	---	---	---	---	2.3	2.4
Staff Undertaking Professional Development	%	---	---	---	---	---	---	---	---	100	100
Organizational Continuity Program	---	---	---	---	---	---	---	---	---	Underway	Underway

5. FOUNDATION

Measure	Unit	2015		2016		2017		2018		2019	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Member Satisfaction Rate (Satisfied or Neutral)	%	90	97	90	97	90	90	90	90	90	93
Board and Committee Meetings Participation	%	---	---	---	---	---	---	---	---	80	70
Local Media Placements	#	75	130	115	134	115	118	115	117	115	119
Political Briefings or Opportunities	#	20	40	35	40	35	41	40	55	45	49
Community Support for Tourism	---	N/A	N/A	N/A	N/A	N/A	N/A	Benchmark	98% Positive	Monitor	Monitor

¹ Source: Chemistry Consulting Group.

² Includes 48,744 potential room nights for Sport Tourism, which is now separate from Business Events Victoria.



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INDEPENDENT AUDITORS' REPORT

To the Members of Greater Victoria Visitors & Convention Bureau

Report on the Financial Statements

Opinion

We have audited the financial statements of Greater Victoria Visitors & Convention Bureau (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Greater Victoria Visitors & Convention Bureau

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Victoria, Canada
February 28, 2020

GREATER VICTORIA VISITORS & CONVENTION BUREAU


Statement of Financial Position

December 31, 2019, with comparative information for 2018


	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,513,143	\$ 1,543,531
Accounts receivable	1,491,522	1,512,654
Inventories	9,050	13,386
Prepaid expenses	186,251	273,960
	4,199,966	3,343,531
Capital assets (note 2)	169,542	201,101
Investments (note 7)	829,528	778,252
Investment (accumulated equity loss) in Canadian Tourism Legacy Conferences Ltd (note 6a)	1,707	(8,378)
	\$ 5,200,743	\$ 4,314,506
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 2,025,356	\$ 1,089,720
Deferred revenue (note 4)	911,794	960,680
Deferred destination marketing fees (note 5)	452,150	637,478
	3,389,300	2,687,878
Leasehold inducements	85,726	121,199
Net assets:		
Internally restricted reserve fund (note 7)	829,528	778,252
Unrestricted	896,189	727,177
	1,725,717	1,505,429
Commitments (note 8)		
	\$ 5,200,743	\$ 4,314,506

See accompanying notes to financial statements.

On behalf of the Board:



 Kimberley Hughes - Director



 Erika Stenson - Director

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues:		
Municipal regional district tax	\$ 6,827,514	\$ 5,978,496
Less: Contribution towards affordable housing	(972,433)	-
	5,855,081	5,978,496
Destination marketing fee (note 5)	1,718,485	1,525,137
Membership services:		
Membership fees	572,846	609,022
Advertising fees	605,112	611,587
Retail sales	61,136	74,332
Sundry	69,001	39,677
Events	25,201	26,102
	1,333,296	1,360,720
Travel auction	-	32,163
Government grants:		
Municipal	36,760	28,000
Visitor services	-	120,000
Reservation and ticket commissions	193,403	233,051
	9,137,025	9,277,567
Expenses:		
Marketing services (note 9)		
Advertising and publications	2,986,059	3,469,129
Media relations	529,317	519,350
Travel trade	652,068	692,291
Research	208,514	208,139
Business events	1,805,765	1,696,333
Web marketing	363,013	414,050
	6,544,736	6,999,292
General and administrative	1,218,349	1,192,069
Information services	814,568	869,194
Membership services	255,569	252,509
Amortization	93,600	90,489
	8,926,822	9,403,553
Gain (equity loss) in Canadian Tourism Legacy Conferences Ltd (note 6a)	10,085	(8,378)
Excess (deficiency) of revenues over expenses	\$ 220,288	\$ (134,364)

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Internally Restricted Reserve Fund	Unrestricted	Total
Balance, December 31, 2017	\$ 617,076	\$ 1,022,717	1,639,793
Excess (deficiency) of revenues over expenses	1,176	(135,540)	(134,364)
Transfer to reserve fund	160,000	(160,000)	-
Balance, December 31, 2018	778,252	727,177	1,505,429
Excess of revenues over expenses	-	220,288	220,288
Transfer to reserve fund	51,276	(51,276)	-
Balance, December 31, 2019	\$ 829,528	\$ 896,189	1,725,717

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 220,288	\$ (134,364)
Items not involving cash:		
Amortization of capital assets	93,600	90,489
Amortization of leasehold inducements	(35,473)	(35,472)
Equity losses (gains) in related parties	(10,085)	8,378
	268,330	(70,969)
Changes in non-cash operating working capital:		
Accounts receivable	21,132	(372,871)
Inventories	4,336	(9,175)
Prepaid expenses	87,709	(149,344)
Accounts payable and accrued liabilities	935,636	303,999
Deferred destination marketing fees	(185,328)	49,942
Deferred revenue	(48,886)	438,980
	1,082,929	190,562
Investing:		
Purchase of capital assets	(62,041)	(43,822)
Increase in investments	(51,276)	(778,252)
Increase in short-term deposits	-	632,880
	(113,317)	(189,194)
Increase in cash and cash equivalents	969,612	1,368
Cash and cash equivalents, beginning of year	1,543,531	1,542,163
Cash and cash equivalents, end of year	\$ 2,513,143	\$ 1,543,531

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2019

Nature of operations:

Greater Victoria Visitors & Convention Bureau (the "Bureau") is incorporated under the Society Act (British Columbia) as a non-profit organization as described in paragraph 149(1) of the Income Tax Act. The Bureau is exempt from income taxation. Its principal business activity is the promotion of tourism in the Greater Victoria area. On November 22, 2018 the Bureau transitioned to the new Societies Act (British Columbia).

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for Not-For-Profit Organizations in Part III of the CPA Handbook. The Bureau's significant accounting policies are as follows:

(a) Revenue recognition:

The Bureau follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Revenue from membership dues is recognized on a straight-line basis over the term of the membership. Revenue from advertising spaces is recognized on a straight-line basis over the term of the contract. Government grants are recorded as revenue on a straight-line basis over the term of the grant. Reservation and ticket sales are collected on behalf of members and the net commissions are recognized as revenue when a service has been rendered for which a fee is chargeable. The municipal regional district tax revenue and online accommodation platforms revenues are recognized in the period in which the related room sales occur. Destination marketing fees are recorded as revenue in the period in which the related expenses have occurred.

(b) Capital assets:

Capital assets are recorded at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Office furniture and equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	remaining lease term
Tradeshaw equipment	Straight-line	3 years
Computer software	Straight-line	3 years
Website development costs	Straight-line	3 years

When a capital asset no longer has any long-term service potential to the Bureau, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(c) Leasehold inducements:

Leasehold inducements are recorded at the cost of leasehold improvements paid for by the landlord and are amortized on a straight-line basis over the lease term.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Bureau has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Bureau determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Bureau expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Significantly influenced profit-oriented enterprises:

The Bureau accounts for its significantly influenced profit-oriented enterprise using the equity method. Under the equity method, the Bureau records its investment initially at cost and the carrying amount is adjusted thereafter to include the Bureau's pro rata share of post-acquisition earnings of the investee, computed by the consolidation method. The adjustments are included in the determination of net income by the Bureau, and the investment accounts of the Bureau are also increased or decreased to reflect the Bureau's share of capital transactions and changes in accounting policies and corrections of errors relating to prior period financial statements applicable to post-acquisition periods. Profit distributions received or receivable from investees reduce the carrying amounts of the investments. Unrealized inter-entity gains or losses are eliminated.

(f) Inventories:

Inventories are recorded at the lower of actual cost and net realizable value.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the amortization period and rates for capital assets and provisions for impairment of accounts receivable.

2. Capital assets:

	2019		
	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 151,276	\$ 102,682	\$ 48,594
Computer equipment	80,392	66,060	14,332
Leasehold improvements	290,730	205,418	85,312
Tradeshow equipment	22,113	18,309	3,804
	544,511	392,469	152,042
Website development costs	127,199	109,699	17,500
	\$ 671,710	\$ 502,168	\$ 169,542

	2018		
	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 107,880	\$ 89,163	\$ 18,717
Computer equipment	65,044	61,348	3,696
Leasehold improvements	287,433	174,605	112,828
Tradeshow equipment	22,112	12,452	9,660
	482,469	337,568	144,901
Website development costs	127,200	71,000	56,200
	\$ 609,669	\$ 408,568	\$ 201,101

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$5,878 (2018 - \$13,328), which includes amounts payable for payroll remittances, employer health tax, sales tax and workers' safety insurance.

4. Deferred revenue:

	2019	2018
Membership dues	\$ 517,350	\$ 531,837
Advertising fees and listing revenue	137,440	184,908
Deferred vacation guide advertising	257,004	243,935
	\$ 911,794	\$ 960,680

5. Deferred Destination Marketing fees:

The Bureau has entered into an agreement with the Victoria Hotel Destination Marketing Association ("VHDMA") to conduct destination marketing funded by destination marketing fees collected from member hotels. The continuity of these revenues is as follows:

	2019	2018
Balance, beginning of year	\$ 637,478	\$ 587,536
Amounts received	1,256,450	1,292,524
Amounts receivable	276,707	282,555
	2,170,635	2,162,615
Revenue recognized	1,718,485	1,525,137
Balance, end of year	\$ 452,150	\$ 637,478

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

6. Related parties:

(a) Canadian Tourism Legacy Conferences Ltd:

The Bureau has a 25% equity interest in the above for-profit company, which is accounted for using the equity method. The purpose of the company is to create a high quality conference (IMPACT Sustainability Travel & Tourism) that focuses on innovation, sustainability and creating a lasting legacy in the tourism industry.

The positive carrying value of \$1,707 (2018 - accumulated equity loss of \$8,378) represents the Bureau's share of accumulated equity to date.

During 2019, the Bureau contributed \$17,347 (2018 - \$27,093) to the company as sponsorship and support. Additionally, the Bureau contributed staff time, effort and expertise which are not recorded in these financial statements.

(b) Capital City Comic Enthusiasts Society:

The Bureau is one of three not-for-profit partners in the above society. The purpose of the society being to provide and support comic and gaming activities in the greater Victoria region. Most notably through the management of the annual Victoria Capital City Comic Convention.

During 2019, the Bureau contributed \$20,000 (2018 - \$106,102) to the society as 'seed' money and support. The intention being that \$100,000 will be repaid to the Bureau over the next 3-4 years. Additionally, the Bureau contributed staff time, effort and expertise which are not recorded in these financial statements.

(c) Victoria Military Sports Society:

The Bureau is one of five partners in the above society. The purpose of the society is to support the Victoria Military and sporting committee by bidding on the 2022 and 2024 Invictus Games.

During 2019, the Bureau contributed \$10,000 (2018 - \$Nil) to the society as financial support for the bid. Additionally, the Bureau contributed staff time, effort and expertise which are not recorded in these financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

7. Internally restricted reserve:

To maintain Destination Greater Victoria's financial stability, an internally restricted reserve has been designated to provide for operating costs, for a period of up to six months, in the event of a significant economic decline. These internally restricted funds are available only at the approval of the Board of Directors.

As at December 31, 2019, the amount accumulated in the internally restricted reserve was \$829,528 (2018 - \$778,252). Since December 2018, the Bureau has segregated the investments relating to the internally restricted reserve in a separate investment account. The account contains low-risk medium-term investments, which is accordance with the Bureau's Investment Strategy Statement.

The Internally restricted reserve investments are measured at fair value at each reporting date with all changes in fair value included in net income in the period in which they arise.

8. Commitments:

(a) Leases:

The Bureau leases the premises it occupies. The lease at Suite 200 - 737 Yates Street is for the period June 1, 2012 to May 31, 2022. The Bureau secured additional space at 737 Yates Street for the period March 16, 2017 to May 31, 2022. The lease for the Visitor Centre on Wharf Street is for the period January 1, 2016 to December 31, 2025. Minimum future lease payments over the next five years are as follows:

	Yates Street	Visitor Center	Total
2020	\$ 170,150	\$ 78,238	\$ 248,388
2021	170,150	78,238	248,388
2022	80,958	81,457	162,415
2023	-	81,457	81,457
2024	-	81,457	81,457
Thereafter	-	81,457	81,457

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

8. Commitments (continued):

(b) David Foster Harbour Pathway:

The Bureau entered into an agreement in 2016 to contribute one million dollars to the building of the David Foster Harbour Pathway ("DFHP"). Payment will be made to the City of Victoria in the amount indicated in the following schedule. The Bureau may increase payment in any year and such increase shall count toward the total contribution.

During 2019, the Bureau contributed \$175,000 (2018 - \$150,000) to the City of Victoria for the DFHP (cumulative contributions to December 31, 2019 are \$475,000). The contribution is included on the statement of operations in general and administrative expenses.

These payments are firm and will not be adjusted with inflation:

	DFHP Contributions	Accumulated Contributions
2020	\$ 95,000	\$ 570,000
2021	100,000	670,000
2022	100,000	770,000
2023	105,000	875,000
2024	105,000	980,000
2025	20,000	1,000,000

9. Allocated expenses:

The Bureau classifies expenses on the statement of operations by function. The Bureau allocates certain general and administrative support expenses to departments by identifying the appropriate basis of allocating and applying that basis consistently each year. Support salaries and benefits are allocated proportionately on the basis of activity in the department. Support expenses are allocated proportionately based on the square footage of office space in each department. The allocations are as follows:

	2019	2018
Advertising and publications	\$ 240,605	\$ 218,920
Media relations	168,496	159,369
Travel trade	193,972	184,385
Research	64,564	45,819
Business events	193,796	184,212
Web marketing	63,238	59,038
	\$ 924,671	\$ 851,743

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2019

10. Financial risks and concentration of risk:

The Bureau believes that it is not exposed to significant interest rate or cash flow risk arising from its financial instruments. Liquidity risk is limited as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. The Bureau also maintains a line of credit arrangement to enable short term borrowing if needed.

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Bureau limits its exposure to credit risk on cash and cash equivalents and short-term deposits by investing in instruments issued by high credit quality financial institutions. The Bureau is also exposed to credit risk with respect to accounts receivable. The risks are minimal as the most significant receivables relate to amounts due from various governments. The Bureau monitors member and other receivables to ensure amounts remain current. Historically, the extent of receivables not recovered has not been significant.

The Bureau is exposed to interest rate risk on its fixed interest rate medium term deposits however all such investments are generally held to maturity as the Bureau does not trade in such securities.

The Bureau is exposed to financial risk as a result of exchange rate fluctuations and the volatility of these rates.

There has been no change to the risk exposures from 2018.

11. Societies Act remuneration disclosure:

In 2019, the bureau paid 9 individuals (2018 - 6) with remuneration of \$75,000 or greater, and the total remuneration paid to these individuals was \$972,467 (2018 - \$708,983). No amounts were paid to directors as remuneration during 2019 or 2018.

2019 Board of Directors

Officers



CHAIR
Starr McMichael
 President, Starrboard Enterprises Inc.
 Director at Large



FIRST VICE CHAIR
Kimberley Hughes
 Chair, Sales and Marketing Committee
 General Manager, Delta Hotels by Marriott Victoria
 Ocean Pointe Resort
 Accommodation – More than 149 Rooms



VICE CHAIR
Erika Stenson
 Chair, Finance and Membership Committee
 Head of Marketing, Sales and Business Development,
 Royal BC Museum
 Arts, Culture and Societies



VICE CHAIR
Suzanne Gatrell
 Chair, Transportation and Destination Management
 Committee
 General Manager, The Oswego Hotel
 Accommodation – From 26 to 149 Rooms



VICE CHAIR
Darlene Hollstein
 Chair, Governance, Human Resources and Risk
 Committee
 General Manager, The Bay Centre
 Retail and Restaurants



PAST CHAIR
Bill Lewis
 General Manager, The Magnolia Hotel & Spa

Directors



Geoff Dickson
 President and CEO, Victoria Airport Authority
 Transportation and Sightseeing



Christine Willow
 Partner, Chemistry Consulting Group and GT Hiring
 Solutions
 Director at Large



Allison Fairhurst
 General Manager, Abigail's Hotel
 Accommodation – 25 Rooms or Fewer



Brett Soberg
 Owner / Operator, Eagle Wing Whale & Wildlife Tours
 Recreation and Outdoor Adventure



Tom Benson
 Chief Experience Officer, WildPlay Element Parks
 Attractions



Indu Brar
 General Manager, Fairmont Empress
 Director at Large



Robert Bettauer
 Chief Executive Officer, Pacific Institute for Sport
 Excellence
 Greater Victoria Sport Tourism Commission Appointee



Janet Docherty
 President, Merridale Cidery and Distillery
 Tourism Vancouver Island Appointee



Moira Hauk
 Regional Manager, South Vancouver Island, Coastal
 Community Credit Union
 Greater Victoria Chamber of Commerce Appointee



Jeremy Loveday
 Councillor, City of Victoria
 City of Victoria Appointee



Judy Brownoff
 Councillor, District of Saanich
 District of Saanich Appointee

