

DESTINATION GREATER

VICTORIA



2023 Annual Report

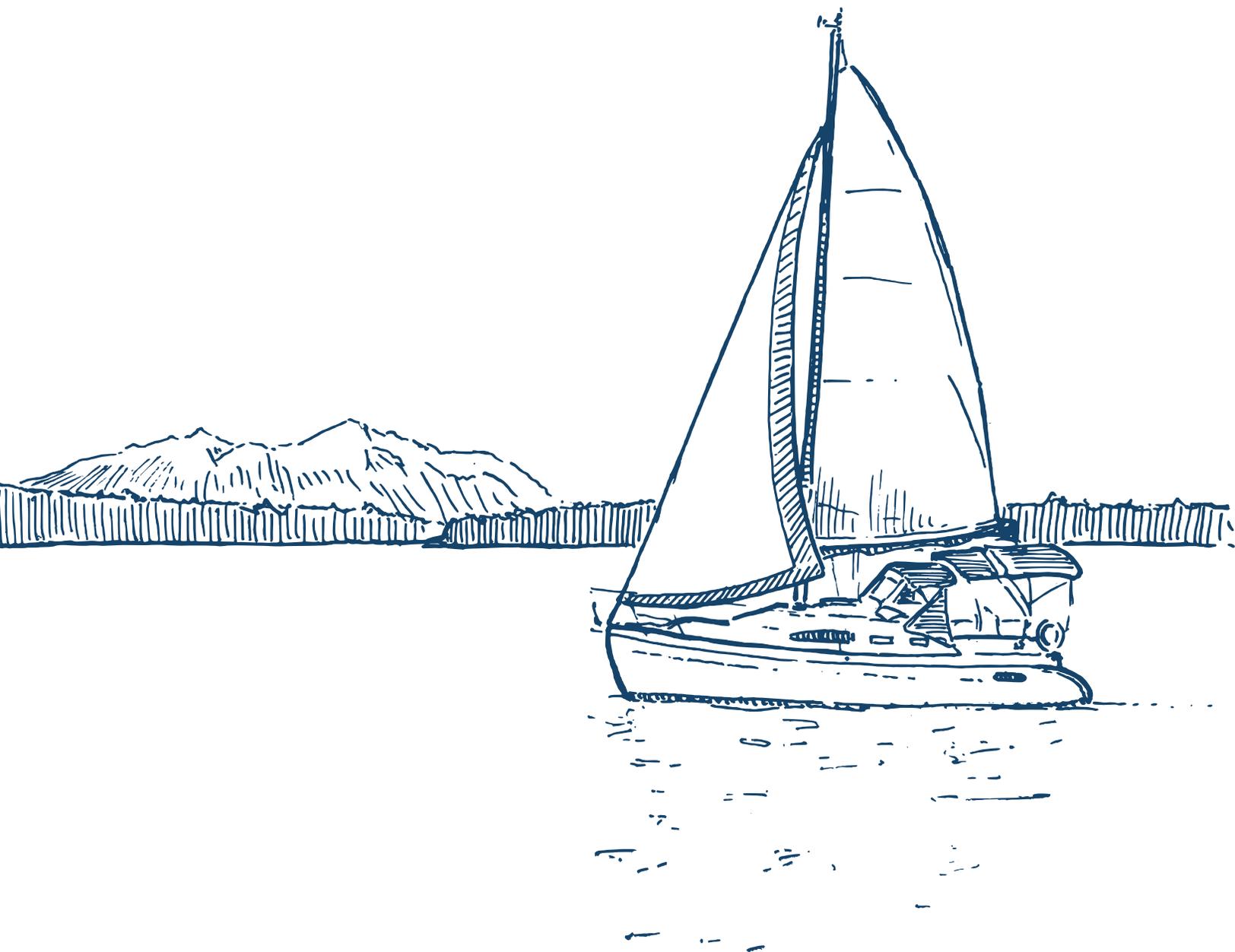


Table of Contents

Message from the Chair	4
Message from the CEO	5
Our Mission and Values	6
Giving Back to the Community	7
DGV by the Numbers	8
Business Discussion and Analysis	9
Key Functional Area Highlights	13
Destination Marketing	14
Business Events Victoria	18
Travel Trade	20
Sport Tourism Commission	22
Corporate Communications and Community Relations	25
Visitor Services	28
Member Services	30
Destination Stewardship	32
Research	36
Governance	37
Finance and Corporate Services	38
Management and Financial Analysis	39
Balanced Scorecard	43
Audited Financial Statements	45
2023 Board of Directors	62



Chris Watson
Chair, Board of Directors

Message from the Chair

As Chair of the Board, I am pleased to reflect on the past year, which presented us with both challenges and successes.

In 2023, our strategic oversight and commitment to good governance played a crucial role in guiding DGV through the complexities of navigating the ongoing recovery from the pandemic. This was the second year of reopening following prolonged travel restrictions, highlighting the importance of robust strategic planning and prudent decision-making.

With support from the Board, the organization made appropriate adjustments to reflect the new normal following the pandemic and adjust to the changing landscape within the visitor economy. Two significant changes to Destination Greater Victoria's (DGV) bylaws were presented to members at the annual general meeting in April 2023. To be more inclusive, DGV updated the membership category for B&Bs and inns that wasn't effective, now termed "Accommodations of 49 Rooms or Fewer". And the Sustainability Advisory Committee was elevated from an ad-hoc committee to a full-standing committee within DGV, acknowledging the importance of integrating sustainability into the organization's strategies for marketing and managing Greater Victoria's visitor economy.

Destination Greater Victoria, under the Board's strategic guidance, experienced a strong financial outcome by year's end. This allowed for a Board-approved investment in the organization's restricted reserves. Despite the possibility of a mild recession, DGV maintains a strong financial position and the Board has every confidence the organization will be able to deliver on its 2024 Business Plan.

As we celebrate DGV's 50th anniversary in 2024, we acknowledge the strong foundation laid by those before us. Like previous boards, ours is made up of a diverse group of business leaders possessing specialized expertise. We are a board focused on addressing challenges head-on, leveraging our collective experience and knowledge to drive innovation and success. Looking ahead, we remain committed to fostering a culture of excellence, accountability, and continuous improvement, ensuring that Destination Greater Victoria can continue its important work of bolstering and growing the visitor economy, an important economic driver in the region.

A handwritten signature in black ink, appearing to read 'Chris Watson', with a long horizontal flourish extending to the right.

Chris Watson
Chair, Board of Directors, Destination Greater Victoria

Message from the CEO

2023 marked the second year of reopening after the prolonged travel and meeting restrictions imposed by the pandemic, which affected us throughout 2020, 2021, and the first quarter of 2022. Supported by tapering pent-up demand as well as our enviable destination, coupled with robust marketing and sales efforts, Greater Victoria's visitor economy thrived. The year was characterized by a vibrant domestic leisure market, meaningful visitation from the United States and international source markets, and a solid conference calendar, contributing significantly to our overall success.

We could not have accomplished so much without our highly engaged team who delivered exceptional results. Our employee survey for 2023 confirmed an engagement index score of 76.2, well above our balanced scorecard target of 70.0 as well as results for pre-pandemic surveys. This not only demonstrates high levels of business focus and teamwork but also a collective commitment to serving our communities. In terms of corporate leadership, our team drove many important achievements over the year, as highlighted in this Annual Report.

In 2023, DGV celebrated Greater Victoria being named the first urban destination in North America to receive the Responsible Tourism Institute's prestigious Biosphere Certification and was ranked #2 in North America on the highly regarded Global Destination Sustainability-Index (GDS-Index). DGV's strong financial position allowed for the organization to make its final payment on the David Foster Harbour Pathway three years ahead of schedule and make the maximum contribution to fully restore the restricted reserve. Additionally, Conde Nast Traveler's Readers' Choice ranked Victoria as the #1 city in the world, further solidifying our position as a top destination.

Destination Greater Victoria played a crucial role in leading the recovery of the visitor economy. Through our collective efforts, we managed to end the year on a positive note, with most of our members in a stronger position than they were at the beginning of the year. This progress underscores our collective resilience and commitment to navigating challenges and seizing opportunities together.

As we move forward, it's essential to remember the lessons we've learned and the successes we've achieved together. 2024 marks DGV's 50th anniversary, a five-decade journey defined by an unwavering commitment to serving our community and delivering results. By staying committed to our goals and working collaboratively, we can continue to drive growth and prosperity for all involved.



Paul Nursey
CEO, Destination Greater Victoria



Paul Nursey
CEO, Destination Greater
Victoria



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 is proud to partner with other organizations that align with its core values or contribute to the Greater Victoria visitor economy. Throughout 2023, DGV supported several community initiatives and partner organizations, both charitable and other not-for-profit.

These include:



BC HOSPITALITY FOUNDATION (BCHF)

The BCHF is the official charitable partner of Destination Greater Victoria. The BC Hospitality Foundation raises funds to support those working within the hospitality industry who are facing financial crisis due to a health condition. Funds are raised for BCHF through a raffle at the annual Destination Greater Victoria Christmas Luncheon. Destination Greater Victoria also helps organize the annual BCHF Victoria charity golf tournament.



WEAR2START

Wear2Start is the official charitable partner of Business Events Victoria. It is a non-profit society that builds confidence by providing clothing and services to empower self-identified women as they take their next steps. Business Events Victoria promotes Wear2Start through its communications channels, including websites, social media, newsletters, and conference planning information sheets.



PENINSULA STREAMS SOCIETY

Peninsula Streams Society coordinates restoration and habitat conservation projects throughout Greater Victoria. Their goal is to build healthy aquatic habitats that supports self-sustaining populations of native species in both freshwater and marine environments. Destination Greater Victoria collaborates with them in a variety of ways, including regenerative tourism initiatives. In 2023, Destination Greater Victoria supported the Songhees Walkway Pocket Beach restoration project with financial and in-kind donations.



DGV by the Numbers

Destination Greater Victoria works to build a vibrant, year-round visitor economy that contributes economic value for Greater Victoria, provides stable revenue growth for tourism businesses, and generates jobs and benefits for citizens in ways that are sustainable and closely aligned with community values. In 2023, we accomplished a great deal and we are proud to share these results with you.

#1

BEST CITY IN THE WORLD
Conde Nast Traveler's Readers
Choice Awards

1st

Biosphere Certified urban
destination in North America

#2

GDS-Index most sustainable
destination in North America

3rd

consecutive Carbon Positive year

12

awards and global brand recognitions

29

full time employees

53

members linked to
Biosphere Platform

58:1

spring/summer marketing
campaign ROI

76%

employee engagement score

88%

community support for tourism

92%

member satisfaction

228

local media stories –
99% favourable sentiment

645

travel media and influencer
placements

877

engaged members

72,679

room nights attributed to business
events and sport tourism

\$1.1 MILLION

in ticket sales at the Visitor
Information Centre

2.3 MILLION

website visits

\$11 MILLION

destination marketing organization

Business Discussion and Analysis

Continuing to drive recovery: learning that success is never a straight line

The Business Analysis and Discussion section provides the business context or framing of the content in this annual report. In 2023 we experienced both strong success and significant challenges. Destination Greater Victoria was pleased to play a role in leading the visitor economy's second year of recovery from the impacts of the COVID-19 pandemic. Overall the destination, along with most DGV members, ended 2023 in a much stronger position than they started the year.

Continued recovery

2023 built upon the recovery experienced in 2022, which was the first year of reopening

after prolonged COVID-19 travel and meetings restrictions experienced in 2020, 2021 and the first quarter of 2022. Supported by continuing but tapering pent up demand, an enviable destination, and strong marketing and sales efforts, Greater Victoria's visitor economy was vibrant in 2023 driven primarily by ongoing strength in the domestic leisure market and a busy conference year.

United States and international markets embark on recovery

As 2022 turned to 2023, the path was cleared for United States and International markets to re-engage in travel to Canada. In September 2022, Canada removed the requirement for proof of





vaccination and use of ArriveCAN, significantly reducing perceived travel barriers to the country. As the winter sales and marketing season began, sales teams were back in the fields promoting visitation to Canada and marketing could generate a return on investment again. As a result, increased and meaningful visitation from the United States and international source markets was noticed by our members, albeit not at pre-pandemic levels. The arrival of travellers from outside Canada was a strong boost to morale in the destination knowing that recovery of a diversified visitor economy was in fact underway, while concurrently recognizing that more work will be needed in the years to come.

Meetings and conferences recover meaningfully

2023 was a year that blended new business with meetings and conferences that were rebooked

from pandemic years. The Business Events Victoria team continued to show professionalism in managing rebooked programs and securing new opportunities. A highlight of the year was hosting the 2023 Destinations International (DI) CEO Summit, where leaders of tourism boards from around the world along with the suppliers and partners that support them, gathered in Victoria in April. As 2023 unfolded, a trend began to surface: a slight decrease in the number of delegates attending meetings and conferences compared to pre-pandemic levels. The gap appears to be approximately 20 per cent. This trend is being noted across Canada and more learning is underway along with ideas on how to address this. On the whole, the segment recovered well and by the end of 2023, Business Events Victoria was meaningfully contributing to a busy and diversified conference hosting year.



Back in the game with sport tourism

The sport tourism landscape was robust in 2023. The Greater Victoria Sport Tourism Commission (GVSTC) provided support for a diverse range of events, including the Vancouver Canucks Training Camp, the Times Colonist 10K, and the Swiftsure International Yacht Race.

Working with Destination Greater Victoria and more than 50 community stakeholders from municipal, corporate, and hospitality sectors, the GVSTC adopts a highly seasonal approach to event sponsorship. 95 per cent of events are scheduled strategically outside the traditional summer season. This guarantees a year-round sports calendar and broadens the appeal of regional tourism.

Momentum grew as the year went on

Business momentum built as the year went on. A broad range of members reported that a strong summer was surpassed by a robust fall and a strong Christmas holiday season. This was despite mounting economic concerns due to rising interest rates. Consumers seemed focused on enjoying life to some degree with travel, attractions, and retail all performing well.

Challenges at BC Ferries

2023 was also a year where headlines in the region were punctuated by ongoing media stories about challenges with BC Ferries' staffing, scheduling, and vessel mechanical issues. The almost weekly news stories risked causing damage to the Greater Victoria brand due to a perceived inconvenience of travelling to Vancouver Island. A series of

meetings was held with BC Ferries and information and perspectives were exchanged. Destination Greater Victoria is pleased to see the company is making investments in mechanical upgrades to its current fleet, and that BC Ferries' capital plans are being executed.

Slow and steady recovery in air capacity

Victoria International Airport is steadily recovering from impacts of the pandemic, with a consistent increase in activity. In 2023, the airport served a total of 1.742 million passengers, nearing the pre-pandemic level of 1.924 million recorded in 2019.

Air capacity is rebounding steadily, and Destination Greater Victoria is proud to be an investment partner on airline route development business partnerships. We believe destination organization support is vital to stimulate airline route recovery in the post-pandemic world. DGV's comprehensive investment includes financial marketing partnership support as well as in-kind marketing services. With DGV's support, Porter Airlines began providing service daily between Toronto Pearson International Airport and Victoria International Airport in September 2023.

Adjusting to post pandemic cruise recovery

The 2023 cruise season welcomed 326 ships and 970,000 cruise visitors between April and October. Despite three fewer ships arriving in Victoria this year compared to 2022, there were 26 per cent more cruise visitors due to higher ship occupancy. Changing environmental standards had an effect on the cruise visitor experience, as vessels began arriving into port later than they would have previously.

In January 2023, the International Maritime Organization's (IMO) Carbon Intensity Index came into effect, and cruise vessels sailing into Victoria have decreased their sailing speeds to and from Alaska in an effort to reduce their carbon emissions. Voluntary speed reductions in certain waters around Vancouver Island under the ECHO program, designed to reduce the impact of commercial shipping on at-risk whales, is another factor in the later arrival times. It is encouraging

to see businesses adapting their offerings and modifying their products to better align with these new arrival times.

Exceptionally strong destination brand and brand accolades

Building on strong and ongoing media and public relations activities, and a well-cultivated brand strategy, Destination Greater Victoria's brand has never been stronger. Notably, DGV received top honours such as being ranked the #1 best city in the world, #3 friendliest city in the world and #8 best food scene in the world by Condé Nast Traveler's readers in the 2023 Readers' Choice Awards. TravelAwaits ranked DGV as the most walkable city outside of the U.S., and Forbes included DGV in its list of Best Places to Travel in 2023. Marketing initiatives in the Seattle area during spring and summer yielded an exceptional return on investment (ROI) of 58:1, surpassing our goal of 40:1. Insignia Research conducted a study on third-party ad tracking to measure the results. Our spring campaign, the largest of the year, saw its success directly linked to DGV's marketing strategy.

Growing importance of tourism

With the pandemic behind us, we acknowledge that the journey to recovery and embracing the "new normal" comes with its own set of obstacles. Greater Victoria is adjusting to workforce changes that have affected the downtown core and the region as a whole. The shift to hybrid work models has made it clear that visitor traffic is vital to sustaining the places locals enjoy and keep our region vibrant. Now, more than ever, every visitor counts. Each leisure visitor, each cruise passenger, each business traveller, each customer is important to the survival of local businesses and organizations.

As 2023 concluded, two years of recovery had been consolidated. While the difficult years of 2020 and 2021 will never be erased or fully recovered from, the foundations are set for sustained ongoing vibrancy.

Key Functional Area Highlights



Destination Marketing



2023 was another build-back year in Greater Victoria, and destination marketing continued to put Victoria top-of-mind for prospective travellers. DGV made its second-largest marketing investment in paid advertising in the organization’s history, and performance was strong across key metrics.

The Marketing Communications team had three key balanced scorecard metrics for 2023: 2 million

sessions on tourismvictoria.com; 500 travel media placements; and a 40:1 marketing campaign ROI as measured by a survey with Insignia research. All of these targets were exceeded.

In 2023, Destination Greater Victoria maintained its focus on the key domestic markets of Vancouver, Calgary, and Toronto as well as two key US markets – Seattle and San Francisco.

2023 Balanced Scorecard targets and results

2023 Balanced Scorecard Metrics	Target	Result
2 million sessions on tourismvictoria.com	2 million	2.32 million
Travel media placements	500	645
Marketing campaign ROI as measured by Insignia research	40:1	58:1

The COVID-19 pandemic shone a light on many things, including how much we value travel, and how much we value being with friends and family. Our creative in 2023 leaned into this with a core theme of Connection.

New visual asset collection in 2023 included agri-tourism still images, drone aerial footage of the Inner Harbour and Westshore around Fort Rodd Hill, and video footage of the David Foster Harbour Pathway.

With Victoria hosting Scotiabank Hockey Day in Canada in January 2024, a hockey/sport-related TV/video spot was developed in 2023 for the live full-day broadcast, with plans to also air the spot adjacent to key hockey viewer activities such as the trade deadline.

Travel Media

The return to travel continued in 2023, with journalists and influencers getting out on the road. In 2023, Destination Greater Victoria generated 645 placements through pitches and hosting 98 journalists and influencers (approximately 85 per cent journalists). We continued to work with our DMO partners, particularly Destination BC, and members with group familiarization tours (FAMs) and individual visits, where Greater Victoria as a destination was being showcased on a multi-night itinerary. Hosting travel media requires support from DGV members and partners, and we're grateful for their participation and support in 2023.

THE MOST SIGNIFICANT MEDIA PLACEMENT ACHIEVEMENTS IN 2023 WERE:

- Voted #1 city in the world by more than 500,000 *Condé Nast* readers
www.cntraveler.com/gallery/2014-10-20top-25-citiesin-the-world-readers-choice-awards-2014
- Voted #3 friendliest city in the world by *Condé Nast* readers, and #8 food scene in the world
www.cntraveller.com/gallery/friendliest-cities-in-world-2023
www.cntraveller.com/article/best-cities-for-food-in-the-world
- *Travel + Leisure* 50 Best Places to Travel in 2023
www.travelandleisure.com/best-places-to-go-2023-6827750
- *USA Today* – 10 Destinations to Visit with Kids in 2023
www.usatoday.com/story/travel/destinations/2023/01/05/family-travel-ideas-visit-kids/10982751002/
- *Forbes* – Best Places to Travel in 2023
www.forbes.com/sites/laurabegleybloom/2023/03/30/the-23-best-places-to-travel-in-2023-chosen-by-the-experts/?sh=7a08a31876da
- *TravelAwaits* – Most Walkable City Outside of the US 2023
www.travelawaits.com/2886119/most-walkable-cities-international/
- *Travel + Leisure* – Most Beautiful Places in Canada 2023
www.travelandleisure.com/beautiful-places-in-canada-7554665
- *Vogue* – Victoria BC Sustainable Travel Guide
www.vogue.com/article/victoria-bc-sustainable-travel-guide
(10.8M unique visitors)
- *Trip Savvy* – The Most Beautiful Islands in the World
www.tripsavvy.com/most-beautiful-islands-in-the-world-6950934
(4.14M unique views)

Our relationship with in-market public relations firm MMGY NJF continued in 2023 and was instrumental in securing top-level coverage and journalists from the US, and some of the many accolades that Greater Victoria achieved in 2023, including The Good Housekeeping Award for Family Travel, The Sunset Top Destinations in the Pacific Northwest.

Group FAMs included Impact Conference 2023, a Mexico FAM in cooperation with Destination BC, Destination Vancouver, and Tourism Whistler, a GoMedia FAM, a Travel Classics FAM, and industry led FAMs by the Magnolia Hotel and Fairmont Empress.

Destination Greater Victoria attended a selection of key shows and conferences, namely International Media Marketplace NY in January, and Travel Classics in Vancouver. We also participated in desksides in Toronto and California.

Owned Media

Most of Destination Greater Victoria's marketing efforts drive to tourismvictoria.com. Continuing to grow qualified traffic to the website and first-party data is a foundational strategy. DGV's paid efforts drive to our website, but organic and referral traffic are essential elements, and DGV's blog content, website search engine optimization (SEO) efforts, e-newsletter, and social media all aim to support website visitation targets.

WEBSITE

In November 2023, DGV launched a new consumer website featuring a refreshed look and feel, as well as simplified navigation. The back-end includes a digital experience platform which personalizes the experience for website visitors and provides enhanced data collection.

Destination Greater Victoria's website saw more than 2.3 million sessions in 2023, an increase of approximately 10 per cent over 2022, but still shy

of the 2.6 million sessions achieved in 2019. Data comparability changed mid-year with Google sunsetting its Universal platform and moving to Google Analytics 4 (GA4), which is the latest version of Google's web analytics platform.

In 2023, the Destination Greater Victoria website generated 23,711 referrals to hotels through the Check-in Canada engine, for nearly \$13.8 million in referrals.

BLOG

Blog content is essential for website SEO and serves as fuel for DGV's social media and e-newsletters. In 2023, the Marketing team posted 29 blogs, generating 310,699 views, with an average engagement time of 59 seconds. Our Must Try Brunch Spots blog, one that the team continues to refresh, was a top performer again, as was the Dine Around and Stay in Town blog. Our Family Friendly Ideas blog rounded out the top three.

E-NEWSLETTER

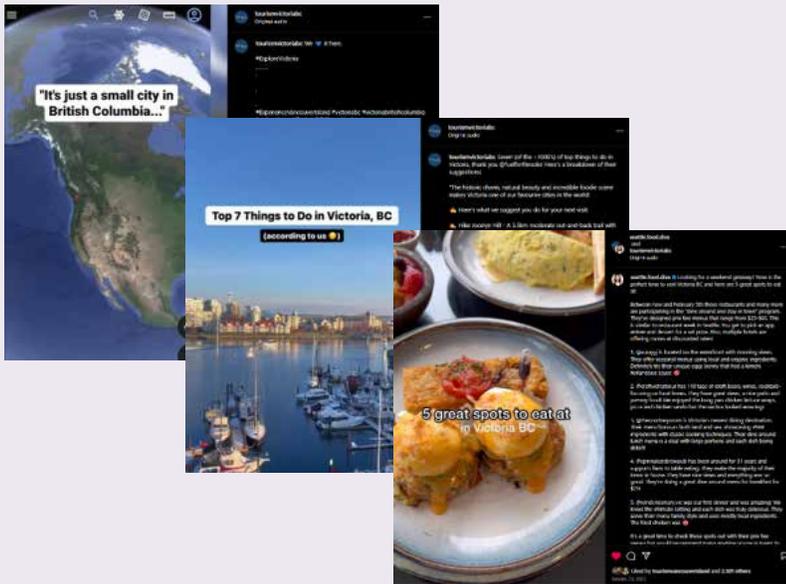
In 2023, DGV added more than 4,200 engaged contacts to our consumer database (up 9.5 per cent), driven in large part by a paid lead generation campaign. Twenty-four e-newsletters were sent to its subscribed consumer database, with an average open rate of 42.24 per cent with engaged contacts. Our database now exceeds 48,000 contacts.





SOCIAL MEDIA

The social media landscape remained dynamic in 2023, necessitating analysis and adjustment due to changes in the Facebook algorithm to ensure that our posts received views. While Facebook as a platform saw a 0.7 per cent drop in growth in 2023, Destination Greater Victoria experienced a 5.3 per cent increase in followers. Instagram saw even stronger growth with a boost of 7.7 per cent following in 2023. And while still imagery continues to perform well on Facebook, in Instagram, video/reels are king, with all of DGV's top posts of 2023 being reels. DGV has been using CrowdRiff software for several years, and this platform for user-generated content continues to be essential to our content strategy. While DGV continues to monitor TikTok, we did not activate this channel in 2023, outside of a small test with Dine Around and Stay in Town. Paid support for blog posts or other posts showing viral potential was reinforced with paid boosting.



Paid Advertising

Destination Greater Victoria ran two core campaigns in 2023, as well as evergreen activity, and three smaller-scale campaigns: one regional campaign to launch 2023 that was focused up-Island, a co-op campaign in partnership with Destination BC for Flavour Trails agritourism, and a last-minute summer savings campaign to drive bookings in late August and September. Third-party research in the Seattle market confirmed a 58:1 return on investment, with strong recall of the campaign. The spring campaign featured refreshed Connection creative by MMGY Global and a media mix that skewed strongly towards digital, but also included radio and traditional TV. Creative was developed to align with the sales

funnel: inspire, engage, convert; with creative catered for each of the terminal audiences as well as a general audience. The fall campaign creative was an iteration of the spring creative, leveraging awareness but integrating more seasonally appropriate imagery, and aiming to draw those expressing interest further down the planning/sales funnel. Metrics from the campaigns were solid and provide insight into how Greater Victoria achieved top-of-mind awareness with potential travellers in our core markets.

Additionally, Destination Greater Victoria worked with US ferry partners on cooperative advertising in the Pacific Northwest aimed at driving ferry bookings and overnight stays in Greater Victoria.

Business Events Victoria



Destination Greater Victoria leads the sales and marketing for the Victoria Conference Centre (VCC) and drives significant meetings business for Greater Victoria’s conference hotels. The Business Events Victoria (BEV) team works to bring meetings, conferences, and incentive programs to the region. 2023 was the first year that meetings returned to full capacity without pandemic-related restrictions. The pace of business accelerated, with approximately 20 per cent more leads received in 2023 compared to 2022. This uptick is translating to a strong booking pace for future years.

The VCC had a solid year with 20 citywide

conferences and 35 other larger conferences. While total delegate days in 2023 were down 3.7 per cent compared to 2022, this decline should be interpreted in the context of the abnormal circumstances surrounding event scheduling. Because many events cancelled due to COVID restrictions were rescheduled into 2022, total delegate days for 2022 was artificially inflated compared to historical levels.

We were grateful to invest \$275,000 from the Province of British Columbia’s Business Events and Conferences Restart Fund in lead attraction and competitive incentives. 2023 was the second and final year that DGV received support from this

2023 Balanced Scorecard targets and results

	2023 Goals	2023 Year End	2022 Year End	Pace Comparison to Goals	Pace Comparison to 2022
Confirmed Room Nights	30,000	43,905	25,533	+13,905	+18,372
New Leads	300	429	353	+129	+76
VCC Rental Revenue	\$995,000	\$1,307,264	\$1,071,540	+\$312,264	+\$235,724
VCC Delegate Days	90,000	83,986	87,256	-6,014	-3,270



fund, available through BC's Ministry of Tourism, Sport, Culture, and the Arts. The fund provided financial support to 11 city destination management organizations (CDMOs) deeply engaged in attracting and hosting business events, conferences, and exhibitions prior to the COVID-19 pandemic.

Adjusting to emerging trends to meet the needs of prospective clients, we launched a marketing campaign with the support of our hotel partners to highlight Victoria as a "Bleisure" destination, where people combine business travel with leisure activities. Bleisure is increasing in popularity as more and more individuals blend work commitments with vacation experiences, making the most of their time away from home. We successfully leveraged Victoria's appeal to capture the interest of this market, booking an additional 21 conferences through this campaign which yielded 3,246 room nights.

An ongoing priority is to bring qualified clients to Victoria to experience it firsthand, with the goal of converting their experience into future bookings for the city. In 2023, we hosted three FAMs. One of particular significance was a US meeting planner focus group FAM curated by Meetings Today, an organization that serves North America-based planners of meetings, conventions, tradeshow, conferences, and events by delivering the essential destination, logistics, career and strategic information they need to produce successful events.

Together we brought key US planners to Victoria to experience the destination, and with the lens of a focus group, they were able to offer insights on how we can improve as a meetings destination. Many of the learnings from this group have contributed to our future plans. This year, the VCC team also launched a new 360°-video tour of the Victoria Conference Centre to better showcase the unique space and the many features the VCC has to offer. This is already contributing to a more seamless booking experience for event planners.

Additionally, the BEV team promoted the many reasons to host meetings in Victoria in-market at various trade shows and events throughout the year. Alongside our conference hotel partners, we represented the Destination team at major Canadian trade shows such as the Canadian Society of Association Executives (CSAE) Tête-à-Tête, Canadian Meetings and Events Exposition (CMEE), CSAE Annual Conference, Venue West, Executive Travel Shows, and others. In addition, we partnered with Destination Canada at their international trade shows, IMEX and IBTM.

Hosting key industry events in Victoria, such as DI's CEO Summit in April and Destination Canada's Innovate Canada Oceans II in September, provided our destination and member businesses with international exposure that showcased our region's ability to host high-profile events.

Travel Trade



Our Travel Trade team actively facilitates connections between our local tourism offerings and various industry players like tour operators, receptive tour operators, and travel agents. This is achieved through channels such as referrals, participation in trade shows, and organizing familiarization trips (FAMs). By doing so, we contribute to the ongoing development and marketing efforts aimed at enhancing the destination's appeal.

Strategic investment in this area proves invaluable as it fosters long-term and sustainable growth for the destination. DGV's team reaches into international markets and distribution channels that individual businesses cannot access independently. Our approach is geared towards generating measurable increases in room bookings, particularly during off-peak periods.

Through partnerships with travel agency consortia like Signature and AMA, we are able to expand our marketing reach by tapping into their extensive client databases. These partnerships play a pivotal role in driving additional room bookings to our hotels and attracting visitors to explore our diverse array of attractions and activities.

Travel Trade focused efforts in the markets that showed the strongest potential for driving incremental room nights and sustainable growth for the destination. This was the first full year of activity since the COVID-19 pandemic restrictions, and the team was engaged in various activities in-market to connect with clients again.

Key source markets in 2023 included Canada, US, Mexico, the United Kingdom, and Australia. Throughout the year, the Travel Trade team collaborated with Destination Canada and Destination BC on opportunities to increase global reach, including facilitating familiarization tours to key clients from targeted markets.

Signature Travel Network

Destination Greater Victoria was once again a Preferred Destination for the Signature Travel Network, giving us access to their network of over 15,000 travel advisors, primarily based in the United States. We are currently rolling out the final activities in our 2023-2024 campaign which began in June 2023 and ends in May 2024.

In 2023, we unveiled our Victoria microsite for

the Signature Network, for advisors to use as an informational hub for Victoria products, itineraries, flight information, images, and more. We conducted a FAM with travel advisors focused on the upper-moderate and luxury markets. Additionally, we sent four themed B2B emails to advisors to promote seasonal dispersion and pre/post-cruise stays and attended two in-person marketplaces to speak with advisors directly.

From Signature's GDS reporting for 2023, we have seen an increase of 21 per cent year-over-year in room nights (from 896 to 1,081) for all Victoria hotel properties, along with a 47 per cent increase for our Signature Preferred property (The Fairmont Empress) from 174 to 255 room nights over the same period. We have also seen a 3 per cent Average Daily Rate (ADR) increase compared to last year in the Signature GDS (from \$262 to \$271).

AMA Travel

Destination Greater Victoria's partnership with Alberta Motor Association (AMA) provides marketing and sales opportunities across the AMA membership base, including television and advertising in the 17 AMA Travel Branches across Alberta. In 2023, AMA surpassed the one-million-member mark.

In 2023, Travel Trade executed a collaborative campaign with AMA, which included direct-to-consumer emails, social media posts, digital ads, a dedicated microsite, and a television spot from February to May.

Over this period, the campaign generated 408 room nights with an ADR of \$262 and a 2.65-night average length of stay. Additionally, the various tactics deployed generated more than 2.1 million impressions across the AMA channels.

This year, the Travel Trade department continued its efforts to sell the region. The Travel Trade team helped to develop 38 new overnight tour programs through their efforts at trade shows and through direct correspondence with global travel trade partners. The Travel Trade team also continued its member-partner referral growth with 747 referrals and 1,540 room nights from consortia and co-op activities.

The team participated in various trade shows to showcase Victoria's offerings. Key trade shows and events included:

- Rendez-Vous Canada (June 2023, Québec City)
- Showcase Canada Europe (November 2023, Hamburg)
- California Member Sales Missions (March 2023)
- Seattle Sales Mission (October 2023)



Sport Tourism Commission

The Greater Victoria Sport Tourism Commission (GVSTC) plays a crucial role in boosting off-season activity in the tourism sector and enhancing the vibrancy of Greater Victoria. Throughout the year, the GVSTC identifies, bids on, and supports a variety of engaging sporting events for the Capital Region. These efforts are done in collaboration with Destination Greater Victoria and involve more than 50 community stakeholders from municipal, corporate, and hospitality sectors.

In 2023, the GVSTC provided support for over 30 diverse sporting events, ranging from track and field to cycling, sailing, and basketball. Together these events contributed a record 28,774 attributable hotel room nights in Greater Victoria. GVSTC employs a stringent evaluation framework to guide sponsorship and investment choices, prioritizing data-driven decision-making processes. Following a highly seasonal approach to event sponsorship, 95 per cent of events were strategically scheduled outside the traditional summer months. This approach ensures a year-round sports calendar,

which maximizes engagement and broadens the appeal of regional tourism. Additionally, the GVSTC took pride in assisting with the relaunch of the Greater Victoria Sports Awards in 2023, a beloved annual event which had been inactive since 2006.

Sport tourism not only provides local families with exciting events in the community to enjoy, but also offers travellers a tangible commitment to our destination — a booking on their calendar to eagerly anticipate. This dual role not only enriches the tourism experience but also fosters a sense of engagement and investment among participants, contributing to the overall vitality of the region.

Under the guidance of Chair Robert Bettauer, CEO of the Pacific Institute for Sport Education (PISE), and alongside other community sport and business leaders, the GVSTC Committee actively contributes to driving the sport tourism agenda forward in Greater Victoria, aiming to position our region as a premier destination for sport tourism in Canada.

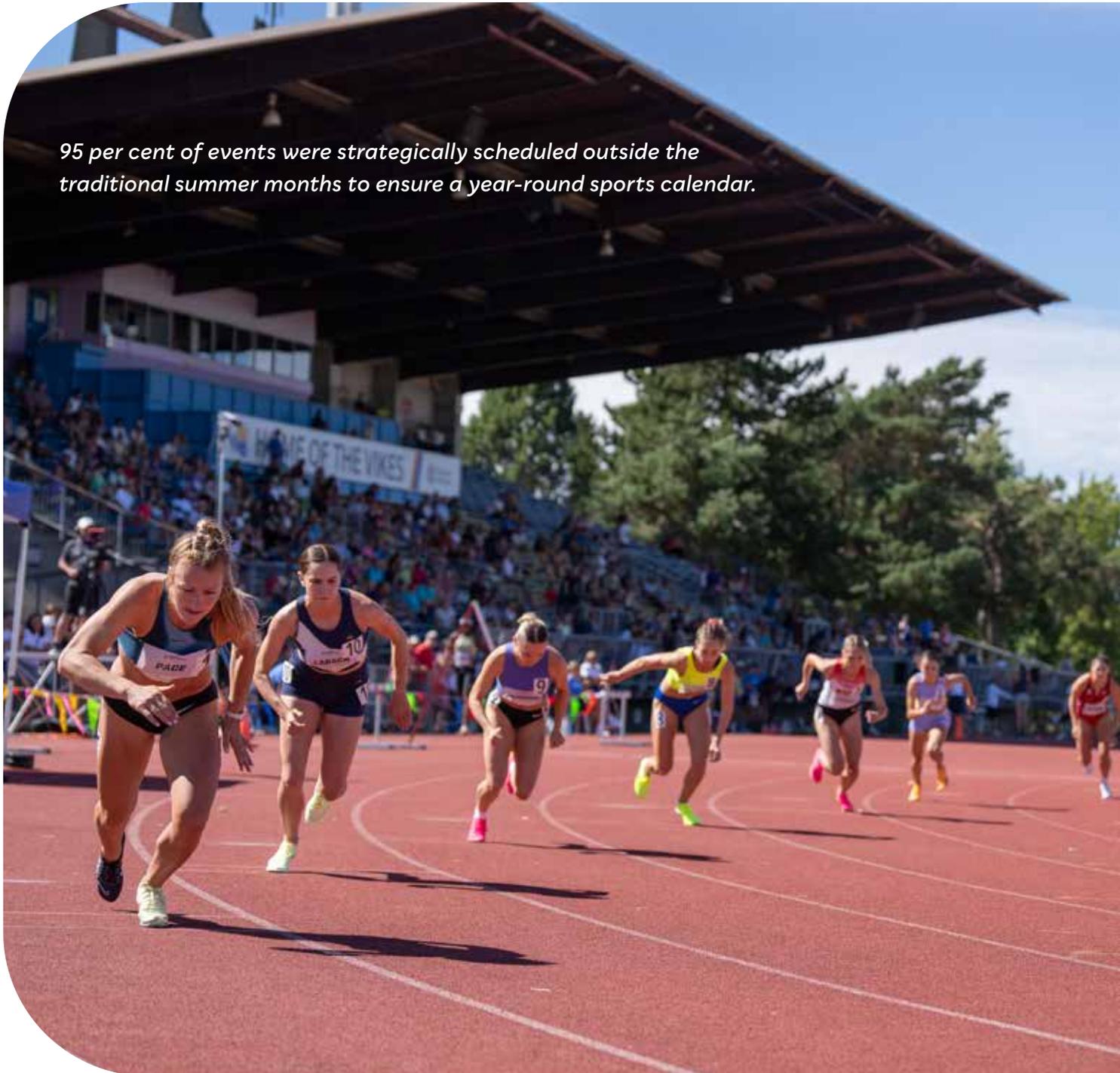
Big Wins

Event	Sport	Date	Room nights
USPORTS Swimming Championships	Swimming	Feb 23-25, 2023	831
BC Cheerleading Provincial Championship	Cheerleading	Mar 4-5, 2023	695
Ironman 70.3 Victoria	Triathlon	May 28, 2023	1,404
RAN Sevens Qualifier - Victoria	Rugby	Aug 19-20, 2023	936
Bear Crossing CX UCI C2 La Cyclocross Championships	Cycling	Nov 24-26, 2023	878

2023 Balanced Scorecard targets and results

2023 Balanced Scorecard Metrics	Target	Result
Gross GVSTC membership revenue	\$65,000	\$61,775
Room nights attributable to sport tourism - sponsored	16,000	16,251
Room nights attributable to sport tourism - bids	18,000	12,523

95 per cent of events were strategically scheduled outside the traditional summer months to ensure a year-round sports calendar.





In 2023, the GVSTC provided support for a diverse range of events, including:

- Victoria City Police Basketball Tournaments
- Strathcona Cup
- CARHA Pacific Cup
- West Coast Cup
- USPORTS Swimming Championships
- Canada West University Curling Championships
- Goddess Run
- BC Cheerleading Provincial Championship
- TC10k
- 160th Victoria Highland Games & Celtic Games
- Swiftsure International Yacht Race
- Ironman 70.3 Victoria
- Belgium Waffle Ride Canada
- South Island SUP Challenge
- Canada vs Japan National Basketball
- Royal Beach Victoria Open
- BC Bike Race
- Agency Grand Prix
- Victoria Track Classic
- Langford Bikefest
- Visas Cricket
- RAN Sevens Qualifier
- Canadian National Lawn Bowling Championships
- BC Sports Hall of Fame Summit
- Vancouver Canucks Training Camp
- Softball National Championships
- Royal Victoria Marathon
- Greater Victoria Sports Hall of Fame
- Bear Crossing CX UCI C2 La Cyclocross Championships
- UVIC Alumni Boys Basketball Tournament

Corporate Communications and Community Relations

Destination Greater Victoria takes seriously its responsibility as the ‘voice’ of Greater Victoria’s visitor economy and the members it represents. We recognize the importance of effective representation in promoting tourism, maximizing economic benefits, fostering collaboration, and ensuring positive impacts on the community and the region as a whole. To that end, our corporate communications efforts in 2023 were centred on a strategic plan aimed at amplifying corporate messaging that promotes the value of the work we do.

Corporate communications efforts supported various initiatives from the annual Greater Victoria Flower Count to the Victoria Pride Parade and the Dine Around & Stay in Town promotion. The team also supported the announcements of various corporate awards and accolades:

- Destination Greater Victoria (DGV) celebrated Greater Victoria being named the Responsible Tourism Institute’s (RTI) prestigious Biosphere Certification, making Greater Victoria the first urban destination in North America to receive the designation
- Professional Excellence Award Presented by the Tourism Industry Association of BC and the BC Hotel Association at the at the 2023 BC Tourism & Hospitality Conference
- Destination Organization Award for Global Impact from Destinations International, the global trade association for destination organizations.

In 2023, DGV introduced thought leadership articles in the weekly Member Minute newsletter. These added-value pieces have provided DGV’s perspective and position on hot topics or subjects of interest to our members, the communities we serve, and local media.

Corporate campaigns

Greater Victoria and its downtown core have long benefited from a mix of visitors, residents, and workers to sustain a vibrant, interesting shopping and dining experience. One of the foundational changes to the Greater Victoria economy during the pandemic was the BC Government’s implementation of a work-from-home policy. Greater Victoria has long relied on public sector workers to support the local economy. As the economy adjusts to a new reality from this change, tourism is being relied on more than ever to support the business community. For this reason, we launched the “Every Visitor Counts” campaign in the fall to communicate how beloved local businesses and amenities rely on both visitors and locals to survive and add to the vibrancy of our



EVERY VISITOR COUNTS CAMPAIGN

Six 60 second videos produced for conventional broadcast in the Vancouver extended market which includes all of Vancouver Island

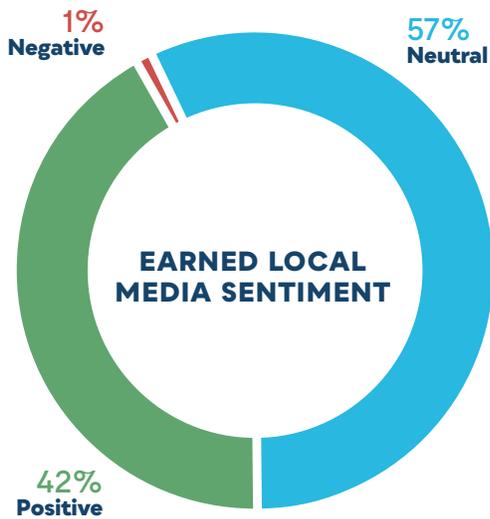
Total television audience: 1.9 million

community. The multi channel campaign featured six one-minute videos airing in high rotation during peak visibility times on CHEK TV through September and October. The campaign extended to our member minute newsletter, DGV’s website, YouTube channel and LinkedIn.

Throughout the year, extensive planning for corporate communications activities to celebrate the upcoming 50th anniversary of DGV also took place. Research into the history of the organization began in earnest in September which helped to identify key storytelling opportunities for 2024.

Media Relations

Destination Greater Victoria representatives provide commentary in local media as well as the visitor economy perspective in stakeholder consultations and government relations. In 2023, there were 228 individual earned local media placements. Earned local media sentiment was primarily neutral to positive.



In 2023, we achieved success in pitching unique stories to media as they cover various angles of the visitor economy in Greater Victoria. The tourism master plan resident engagement, the Porter Air announcement, and the Belleville Terminal Redevelopment update from the Province are just three of many examples where DGV has provided quotes for news releases, on camera or live interviews, or reached out to newsrooms directly to provide context.

Other wins in terms of media coverage have been related to important files. In early September, at Victoria City Council’s Committee of the Whole meeting, Council approved the Greater Victoria Housing Society’s request for \$2.5 million from the Victoria Housing Reserve Fund to assist with the construction of a 40-unit affordable workforce housing project. DGV provided valuable comment to many news outlets on the subject. In early October, news that Conde Nast Traveler’s readers ranked Victoria as the No. 1 Best Small City in the World resulted in several interview requests from national, provincial, and local news outlets. A couple of weeks later, the province’s decision to restrict short-term rentals became a hot topic and comment was requested from DGV about how the decision would affect the tourism in the area.

Community relations activations

Participating in community relations and activations is invaluable for Destination Greater Victoria; it strengthens our credibility and contributes to sustainable destination growth. Building strong community ties fosters local support and collaboration. Engaging in community events provides valuable insights into local preferences and trends, enhancing marketing strategies.

Destination Greater Victoria actively works with community organizations to support meaningful initiatives while maximizing value and exposure for DGV. A diverse range of community relations activities offered various engagement opportunities in 2023.

On July 1, DGV’s Visitor Centre team spent Canada Day at the Inner Harbour alongside event volunteers welcoming visitors and sharing



important information about our destination and the schedule of events. With an anticipated 60,000 people expected throughout the day, we took the opportunity to promote our resident engagement survey as people walked by.

- 8 staff on site
- 200 official destination maps shared

Destination Greater Victoria employees and volunteers along with their families participated in the 28th annual Victoria Pride Parade July 9. Crowd estimates suggested upwards of 40,000 people would be in attendance. This was DGV's first time in the parade and we look forward to participating again next year. As a "Rose" sponsor (second top tier) of the Victoria Pride Society's week-long schedule of festivities, we received exposure at various ticketed and public events and mentions on social among other benefits. Media coverage was favourable for DGV – a picture of our entry

in the parade was the lead image in the Victoria News' highlight story on vicnews.com, and we appeared on screen for approximately 45 second during CHEK TV's live broadcast of the parade. Commentary during the coverage included the importance of tourism to our local economy.

Later in that month, DGV supported the Victoria Symphony and their Symphony in the Summer Festival (previously known as Symphony Splash) to achieve our community relations goals in tandem with theirs. To round out the year, DGV supported the Downtown Victoria Business Association's Lights of Wonder event in December.

Of note, DGV was proud to be a community sponsor of the Victoria Foundation's Vital Signs report, an annual community check-up that measures the vitality of our region, identifies concerns, and supports action on issues that are critical to our quality of life.



Visitor Services



Visitor Services' mandate is to apply destination knowledge and outstanding customer service for visitor information and booking services, helping create unforgettable travel experiences, extend lengths of stay, and encourage repeat visitation. This mandate is fulfilled by Destination Greater Victoria staff at the Visitor Centre, located at 812 Wharf St., the information kiosks at the Victoria Cruise terminal and on-ground support for citywide conferences held at the Victoria Conference Centre.

Visitor Centre

The Greater Victoria Visitor Centre is the 'front desk' of the destination and gives Destination Greater Victoria a unique opportunity to engage with visitors. It provides excellent service and encourages visitors to extend their stay.

Building on the recovery of 2022, 2023 saw our destination back up and running in substantially all areas. An entire team of Visitor Information Counsellors was trained and was busy supporting our members through the season.

The recovery of the visitor economy in Greater Victoria was reflected in the Visitor Services department this year. Sales at 812 Wharf St. show a very similar proportional structure to 2019 with continued focus on bus sightseeing, whale watching, and attractions. There is a continued trend towards visitor interactions being for information-gathering purposes rather than resulting in on-site ticket sales. Demand has not yet reached 2019-proportional levels, despite foot traffic numbers returning to 75 per cent of pre-pandemic levels. We believe that this is a result of a greater proportion of more self-reliant Canadian



and US tourists in the visitor population. As we welcome guests from further afield back to the destination in 2024 and beyond, we expect to see our ticket sales return to a more normalized level.

Improving member product sales and knowledge

Visitor Services continued to focus on informing travellers about products and services offered by Destination Greater Victoria members as well as selling tickets at the Visitor Centre. Destination Greater Victoria continued to place a strong emphasis on sales training and extensive product knowledge, with an increased focus on sales, driving business results, and delivering increased revenue for Destination Greater Victoria member businesses.

Victoria Cruise Terminal operations

Since 2015, DGV has offered Visitor Services at the Victoria Cruise Terminal. Working in partnership with the Greater Victoria Harbour Authority (GVHA) 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. This visitor service location also gave DGV a platform to encourage visitors to learn more about the destination and inspire them to return for a land-based vacation. The season saw a record 970,000 cruise visitors to the destination, and our team worked strongly alongside Greater Victoria Harbour Authority and our cruise stakeholders and partners to make each visit memorable for the right reasons.

Member Services

Destination Greater Victoria continued to provide services, support, benefits, and value for its members throughout 2023. Acknowledging the resilience and ongoing recovery of member businesses from the impacts of the pandemic, there continued to be a strong emphasis on helping and supporting to build back a strong and vibrant visitor economy.

Member events and networking were key areas of focus throughout the year. Member mixers resumed monthly and were well-attended. Workshops for members were organized throughout the year, covering topics such as how to make the most of DGV membership, tips for working with travel trade, content and social media marketing, sustainability, and how to engage with and benefit from the Biosphere program. Over the year, many members provided 'coffee talks' about their business for DGV's staff. The Member Services team also introduced small events in spring and fall specifically to assist new members with orientation and networking, which were very well-received.

On a larger scale, Destination Greater Victoria hosted its annual Open House at its Broughton Street corporate office in September 2023 as well as the Annual Christmas Luncheon on December 6, 2023, at Crystal Garden, attended by more than 300 members. DGV's 2023 Business Plan launch was held at Victoria Conference Centre on February 8, 2023, and the Annual General Meeting was at the Inn at Laurel Point on April 28, 2023. All these events were well attended by members, reflecting DGV's focus on effective member engagement.

A main initiative during 2023 was to characterize Destination Greater Victoria's membership value proposition. Drawing on industry experience as well as member insights and feedback, the aim was to

distill and define the areas where DGV adds value for member businesses, then highlight these to help drive member recruitment and retention. The key areas of added value were found to be:

1. putting member businesses in front of customers year-round (via visitor services, the Vacation Guide, conference delegates, and in-market partners);
2. amplifying members' marketing investments and reach (through DGV's website, marketing campaigns, social media, and promotions); and
3. connecting member businesses across the tourism industry (through member events, workshops, research, governance, and advocacy).

Destination Greater Victoria also added value for members in 2023 through the Biosphere Sustainability Program, developed and implemented by the Responsible Tourism Institute. DGV achieved Biosphere certification for Greater Victoria's visitor economy in March 2023 and supported many member businesses in their journeys toward Biosphere credentials. Under DGV's umbrella, in 2023 member businesses received full access to the Biosphere Program at no cost for one year. Due to high uptake, from January 2024 access will be at no cost on an ongoing basis as a further benefit for members. By 2023 year-end, there were 53 member businesses participating in the Biosphere Sustainability Program, with continuing strong growth in uptake and progress.

During 2023, the Member Services team worked diligently to build back DGV's membership base toward pre-pandemic levels. Membership renewals and collection of dues, which are an important part of DGV's funding, continued to be more efficient and streamlined through the



secure online invoicing and payment system. Uptake of these online services increased in 2023 compared to 2022, along with the use of the member extranet. Commencing the year with 821 member listings, a total of 120 new DGV members were recruited in 2023, which, along with 92 per cent member retention, resulted in a base of 877 members at year-end. Work to continue building DGV's membership, enhance engagement, and

further streamline processes will be a priority during 2024.

Member Services remains foundational to Destination Greater Victoria's core operations. The team remains focused on recruiting and supporting both new and existing businesses, while extending engagement opportunities and providing benefits and services for all members.

Destination Stewardship



In 2023, Destination Greater Victoria continued to demonstrate its commitment to stewarding Greater Victoria’s visitor economy in alignment with local community values, marking a year of significant partnerships and sustainability achievements.

A highlight for the year was developing an innovative partnership with the City of Victoria and Greater Victoria Housing Society, which will deliver 40 affordable rental units for hotel and hospitality workers, funded by Online Accommodation Platform (OAP) Municipal Regional District Tax (MRDT) from short-term rentals.

In March 2023 Destination Greater Victoria achieved destination-level Biosphere Certification

for Greater Victoria, through the Biosphere Sustainability Program developed by the Responsible Tourism Institute and founded on the 17 United Nations Sustainable Development Goals (SDGs). Throughout the year DGV’s staff supported our members in achieving Biosphere Certification, ending 2023 with 11 member businesses being Biosphere Certified and 53 member businesses participating in the Biosphere program.

Building upon strong Biosphere credentials, Destination Greater Victoria participated in the Global Destination Sustainability (GDS) Index



for the first time in 2023. Through a strong collaborative effort between DGV and the City of Victoria, and based on a track record of sustainability leadership from industry, Victoria achieved the ranking of the 2nd Most Sustainable Destination in North America. This accomplishment, alongside achieving Biosphere

Certification for Greater Victoria, showcased our leadership in sustainable tourism to our community as well as nationally and globally. In addition, DGV's Climate Positive accreditation was maintained through Ostrom Climate to further underscore our commitment to positive environmental stewardship.

INNOVATIVE HOUSING PROJECT BENEFITS HOSPITALITY WORKERS

In September, Victoria City Council approved the Greater Victoria Housing Society's request for \$2.5 million from the Victoria Housing Reserve Fund to assist with the construction of a 40-unit affordable workforce housing project at 2558 Quadra Street. This decision was in accordance with DGV's 2022-2026 contract with the City of Victoria to allocate Online Accommodation Platform (OAP) Municipal Regional District Tax (MRDT) revenue for affordable housing purposes.

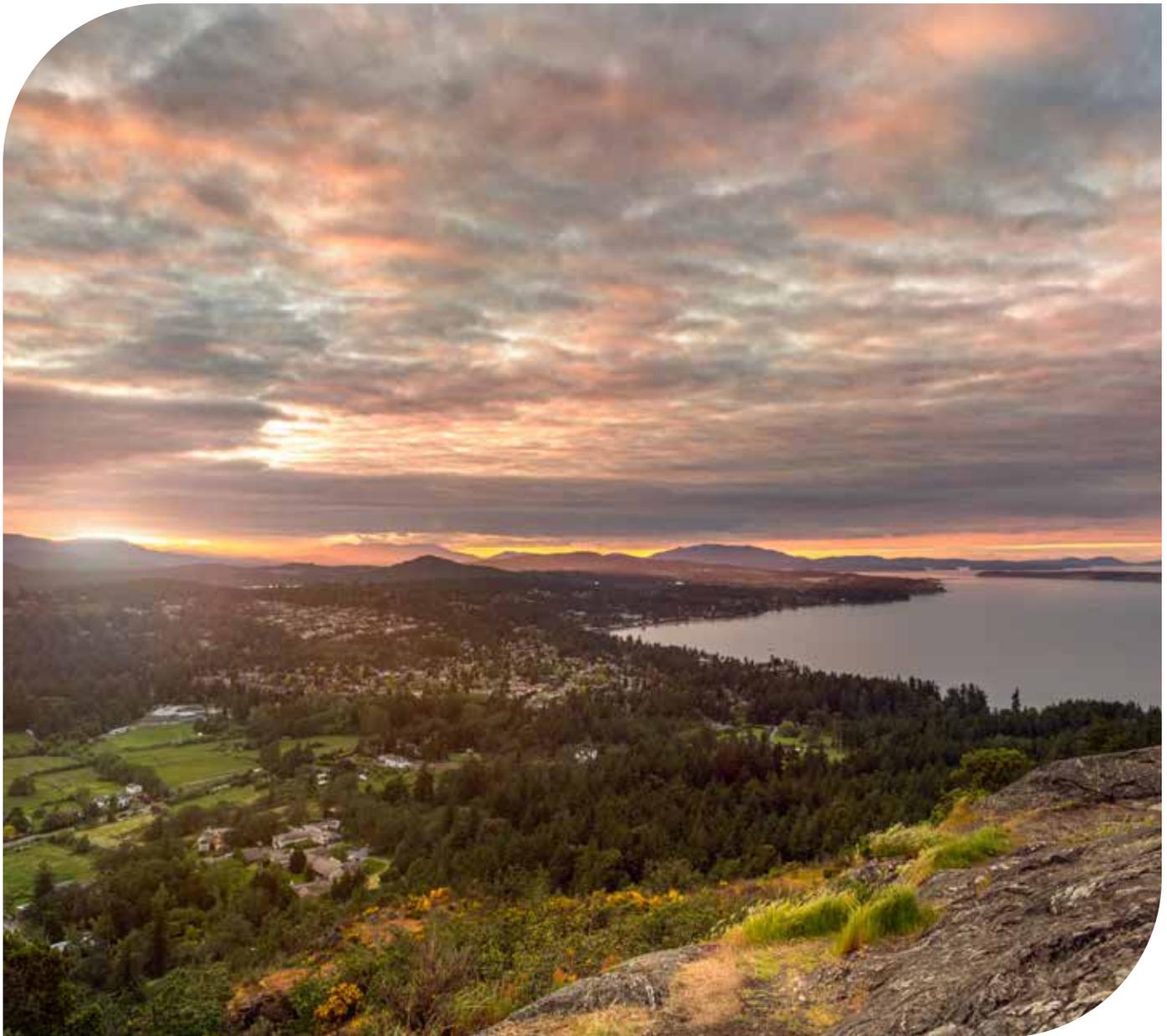
Since 2018, funds collected from OAP MRDT have been placed in the City of Victoria Housing Reserve Fund, specifically earmarked for the creation of affordable workforce housing for hotel and hospitality workers. The OAP MRDT related to affordable housing is part of the BC Provincial Sales Tax Legislation and operates under a provincial regulatory framework co-managed by Destination BC and The Ministry of Finance.

Destination Greater Victoria (DGV) is the official destination management organization for the region. While workforce housing development isn't core to DGV's work, DGV and its partners can contribute to addressing the issue of workforce housing.

In 2023, a partnership was forged among the City of Victoria, Destination Greater Victoria, and the Greater Victoria Housing Society (GVHS) to fund this below-market purpose-built rental project. Contributing \$2.5 million in OAP MRDT funds to the project closed the project's existing equity gap and enable the project, which had already received zoning approvals, to move forward. In return for this funding contribution, the Greater Victoria Housing Society is prioritizing housing units within the building for hotel and hospitality workers.

The pressing need for affordable housing has been a long-standing concern in Greater Victoria, particularly for the hardworking individuals who power the local hotel and hospitality industry. The lack of affordable housing options not only poses significant challenges for workers but also impacts the overall operations of many businesses within the sector.

The approval of this funding to support an important housing project represents a small, but important step towards resolving the housing crisis faced by hotel and hospitality workers in Greater Victoria and underscores the power of partnerships and community collaboration in addressing pressing societal challenges.



Throughout 2023 Destination Greater Victoria worked diligently and effectively to deepen and extend our relationships with Indigenous partners, municipal partners and community stakeholders. A strong emphasis was placed on building further stakeholder alignment while also increasing awareness and understanding of the value and importance of Greater Victoria's visitor economy. Key stewardship initiatives included sponsorship of the South Island Powwow on the National Day for Truth and Reconciliation and supporting efforts by the Peninsula Streams Society to restore the Songhees Pocket Beach at Lime Bay in the Inner Harbour.

2023 was also a year for looking ahead. A major win for the destination was approval of the long-awaited Belleville Terminal redevelopment project, launched by the Province of British Columbia. Modernization of this core international gateway is of vital importance for the vitality and future growth of Greater Victoria's visitor economy. Also in 2023, DGV led an extensive stakeholder engagement process towards developing a 10-year Destination Master Plan for Greater Victoria, which will be completed in 2024 and provide a roadmap of opportunities and priorities for our visitor economy over the next decade.

BELLEVILLE TERMINAL: A 30-YEAR ADVOCACY EFFORT SUCCESSFULLY COMPLETED IN 2023

In June 2023, the Belleville Terminal Redevelopment Project took a significant step forward; the Province announced it had approved funding for the project. With an approved budget of \$303.9 million, the terminal will move from a less than optimal temporary structure of trailers, to a modern facility. The project is expected to be completed in time for the 2028 season.

The redevelopment of Belleville Terminal has been a central advocacy file for DGV for approximately 30 years with ongoing investments in research, advocacy, public affairs, and related efforts. Over the years, there have been many community leaders who have contributed to the effort.

For decades, this project enjoyed broad support including letters from all 13 regional municipalities, business associations such as ours, and from the public. Most recently, Honourable Rob Fleming, BC's Minister of Transportation and Infrastructure, met with responsible ministers, and so did many others. Former Mayor Lisa Helps raised this issue with Prime Minister Trudeau several times, and organizations such as Destination Greater Victoria, the Greater Victoria Chamber of Commerce, Downtown Victoria Business Association, the Greater Victoria Harbour Authority, and others were consistent with their messaging. The Honourable Murray Rankin, while serving as a Member of Parliament for Victoria, was also very strong on the file as was MP Elizabeth May. As a result, the federal government received consistent signals of support from a variety of voices.

The need for the terminal to be compliant with and meet Canada's obligations under the Canada-US Land, Rail, Marine, and Air Transport Preclearance Agreement (LRMA) is a requirement for the United States Government to keep border processing capacity in Victoria's Inner Harbour. The downside risks of losing the ability to process and welcome visitors in the Inner Harbour was hard to contemplate.

With the announcement, these advocacy efforts came to a successful conclusion. Procurement for Phases 1 and 2 of the project got underway in the fall, and we look forward to the transformation over the next few years.

We believe the terminal design, at two stories, will be right sized to the scale of the community and will, for the most part, protect the valued views of Victoria's Inner Harbour. Past proposals for the terminal have included developments such as hotels, residential towers or large investments which would have had significant impact on the Inner Harbour. At the announcement ceremony, Songhees Councillor Gary Sam and Esquimalt Chief Rob Thomas were both proud of how the new terminal will tell the story of their nations to hundreds of thousands of visitors annually. We look forward to amplifying those important and culturally significant stories.

A lot of things, big and small, could have derailed this project, but we, along with the Province and its partners, persevered. Victorians will benefit for generations ahead with this critical infrastructure upgrade.



Research

Destination Greater Victoria's research activities in 2023 continued to inform strategy and business development while also providing members, partners, and other stakeholders with industry information to support timely and effective decision-making. DGV's research team also continued to monitor and evaluate DGV's performance on key strategic measures using the Balanced Scorecard framework, and DGV's 2023 enterprise Balanced Scorecard results are provided in this report.

DGV continued to develop dashboards to provide easy access to research information, also drawing

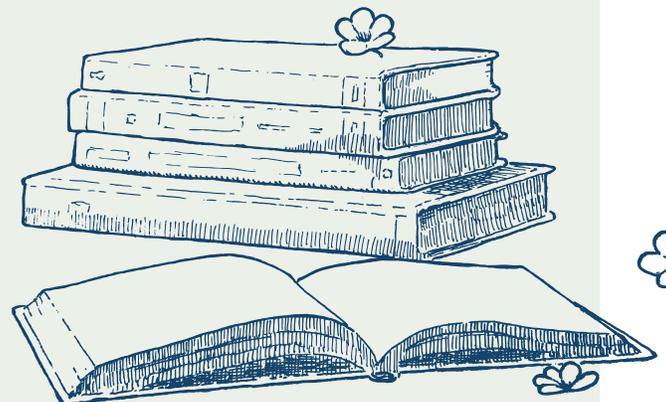
upon broader-scale data from Statistics Canada, Destination BC, and Destination Canada. A major focus for DGV's research team during 2023 was informing and supporting the development of the Tourism Master Plan for Greater Victoria, which included providing data as well as organizing and managing data collection through stakeholder engagement. Towards year-end, the team worked to enhance and extend participation in the long-standing Business on Books pace reporting program from 8 to 18 hotels. The refreshed program commenced on January 1, 2024, providing a wide representation of hotels with 120-day forward-looking pace information.

BUSINESS ON BOOKS

The Business on Books Program tracks 120-day rooms booking pace for hotels within Greater Victoria, based on bookings data provided by participating properties each week. These data are aggregated by Destination Greater Victoria (DGV) and then summarized in an online dashboard as well as a detailed 120-day pace report distributed to participating properties weekly. This allows each hotel to track its bookings pace relative to the average for the broader aggregated set and also compared to bookings for the same days and months the previous year.

The program has been in place for many years involving 8 downtown hotels. Given the insights this information provides, in 2023 the Hotel Association of Greater Victoria (HAGV) advised it would like to offer participation in the Business on Books Program as a benefit for all HAGV members. To facilitate this, Destination Greater Victoria worked to refresh and extend the program to a more diverse group of hotels across Greater Victoria.

The newly enhanced Business on Books Program was rolled out in January 2024, with 18 hotels across Greater Victoria participating. Having more hotels involved provides a larger and more diverse sample, leading to greater accuracy and more representative insights while allowing more hotel partners to benefit from collective data contribution.



Governance

Destination Greater Victoria's governance activities remain geared to delivering best-practice governance in line with the organization's constitution and bylaws, supporting the Board of Directors and Advisory Committees to represent members and partners effectively, overseeing organizational performance, and providing strategic input. In 2023, DGV continued to facilitate access to the resources of the Institute of Corporate Directors (ICD) for Board Directors and the Executive Team.

Key governance activities for 2023 included providing support, tools, training, and networking opportunities for efficient Board and Committee processes, such as facilitating meetings as well as meetings packages, organizing training for Directors, maintaining records through the Board and Committee Portal, and coordinating annual Board and Committee nominations. Two notable changes to Destination Greater Victoria's bylaws were approved by members at the Annual General Meeting in 2023: that ① the accommodation membership categories for "25 Rooms or Fewer" and "From 26 to 149 Rooms" be changed to "49 Rooms or Fewer" and "50 to 149 Rooms," respectively, to improve member representation, and ② the Sustainability Advisory Committee be a full DGV standing committee, recognizing the need to incorporate sustainability into the organization's approach to marketing and stewarding Greater Victoria's visitor economy. These changes came into effect on January 1, 2024.



Finance and Corporate Services

2023 continued the strong growth of the prior year and saw continued development in visitor numbers, room nights, and ADR. Financially, Destination Greater Victoria has planned to lean into this opportunity and aggressively deployed resources into the market across all business lines.

Accommodation tax revenues followed the above trends and rebounded strongly. Hotel tax revenue increased by 13.6 per cent over 2022 to \$7,467,786, and overall revenue for the bureau is now 21 per cent above pre-pandemic levels at \$11,063,827.

Our focus in 2023 was broader and deeper than the previous year and fully re-engaged all segments of the visitor economy. Reconnecting with the American traveller to improve our mix of visitors continued to be a significant element, and developing our relationship with the American agency, MMGY Global, resonated well with the customer. Destination Greater Victoria's well-controlled, low-overhead model permits effective leverage of government supports such as the Provincial Business Events and Conferences Restart Fund and the Federal, Pacifican Tourism Relief Fund.

The organization ended the year with a planned surplus of \$291,375 after funding the Board-approved increase of \$150,000 in restricted reserves. We remain in a strong financial position to drive an aggressive 2024 Business Plan even if revenues soften into a potential light recession.

Destination Greater Victoria is a not-for-profit organization. Its mandate does not include generating large surpluses, and management is committed stewards of stakeholders' funds. Expenditures occur when appropriate, fully aligned with the organization's core mission and strategic objectives.

The organization is the eligible entity for the City of Victoria Municipal and Regional District Tax (MRDT) funds. The agreement with the City of Victoria to become the eligible entity for MRDT initially came into effect on January 1, 2017 and was renewed for a further five years from January 1, 2022. It has the full support of industry and government partners, providing funding stability for Destination Greater Victoria's sales and marketing programs.

MUNICIPAL AND REGIONAL DISTRICT TAX (MRDT)

The purpose of the MRDT program is to assist designated recipients to fund tourism marketing, programs, and projects. Affordable housing was added as a permissible use of funds in Budget 2018.

The MRDT program is jointly administered by the Ministry of Finance, the Ministry of Tourism, Arts and Culture, and Sport, and Destination British Columbia. The MRDT program is one of several supports available to enhance tourism marketing in B.C.

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

To promote coordinated and efficient use of funds, the following MRDT program principles are adopted by MRDT recipients, including Destination Greater Victoria:

- 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.

From: Municipal and Regional District Program Requirements – Summer 2021 (Government of British Columbia)

Management and Financial Analysis



Destination Greater Victoria is a not-for-profit, member-based organization. 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.

Revenues

Municipal and Regional District Tax (MRDT)

MRDT revenue increased by 13.6 per cent, from \$6,572,632 in 2022 to \$7,467,786 in 2023. This revenue stream now consistently exceeds the pre-pandemic levels of 2019. Destination Greater Victoria receives MRDT from the City of Victoria and the District of Saanich, and these funds form most of the destination marketing budget.

The incremental MRDT revenue related to the "online accommodation platform" (or Airbnb revenues) was \$1,666,951 (2022: \$1,192,515). These funds are committed to municipal affordable housing initiatives and therefore have no net impact on the revenues of Destination Greater Victoria.

Destination Marketing Fee (DMF)

The DMF is administered by the Victoria Hotel Destination Marketing Association (VHDMA) as a 1 per cent voluntary marketing fee applied to the hotel rate for guests. 20 hotels in Greater Victoria are voluntarily involved in this 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.

VHDMA Destination Marketing Fee administrators released revenue was \$2,051,623 in 2023, up from \$1,200,766 in 2022. This represents a 71 per cent increase year-over-year and reflects the VHDMA's commitment to promoting the destination. It is important to note that 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 increased from \$1,198,153 in 2022 to \$1,002,485 in 2023.

Membership Services

Membership services revenues include fees for membership, advertising, events, and retail sales. Revenues of \$787,448 in 2023 were down 10 per cent from 2022 (\$874,977). The fall was wholly expected as 2022's figure included revenue from the tri-annual Deuce Days event which will next take place in 2025. This amount includes the Greater Victoria Sport Tourism Commission. This is a separate member-based organization that operates within Destination Greater Victoria's legal structure and has its own membership revenue component.

Reservation and Ticket Commissions

Destination Greater Victoria sells members' tickets, bus passes, maps, and special-event tickets at the Visitor Centre. In 2023, commissions on revenue from these activities increased by 64 per cent to \$118,458 (2022: \$72,060). The Visitor Centre was open throughout the year and visitor traffic returned to 75 per cent of 2019 pre-pandemic levels.

Grants

Municipal grants of \$17,500 were received from the District of Saanich in 2023. The funding was used to support the operation of Destination Greater Victoria's Visitor Centre and the Greater Victoria Sport Tourism Commission. Grant applications are submitted annually. Additionally, the following municipalities also support Destination Greater Victoria through membership: the City of Victoria,

the District of Saanich, the District of Oak Bay, the Township of Esquimalt, the Town of Sidney, and the City of Langford.

Federal grants were provided through the Pacifican Tourism Relief Fund to create a Placemaking Space at the Visitor Centre at 812 Wharf Street, and to support Destination Greater Victoria's improved customer-facing website. In 2023, a total of \$333,987 was received towards these projects.

Provincial Grants were provided through the Ministry of Finance for Phase Two of the Business Events and Conferences restart program of \$287,025.

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. In 2023, Marketing Services' expenditures were \$7,900,490, a 7 per cent increase from 2022 (\$7,393,824). Destination Greater Victoria marketed aggressively during 2023, utilizing the increased MRDT and DMF funding available once it became clear that demand would continue to be strong throughout the year with no post-pandemic effects.

General and Administrative

Destination Greater Victoria's commitment to maintaining a well-controlled, low-overhead model is reflected in the 3.6 per cent increase in general and administrative expenses from 2022 to 2023. This increase was below inflation over the course of the year, demonstrating our dedication to providing good value to our membership and funding stakeholders. Destination Greater Victoria continues to operate a lean, scalable organizational model permitting proportionally increased expenditure on marketing, our membership, and visitor information services.

In 2016 Destination Greater Victoria committed \$1,000,000 over 10 years to the David Foster Harbour Pathway. In 2022, Destination Greater

Victoria paid the remaining balance of \$130,000. Destination Greater Victoria has met this obligation in full three years ahead of schedule.

Information Services

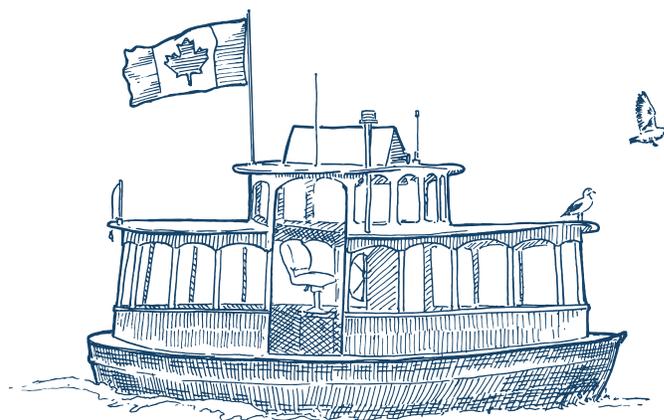
Visitor and Information expenses include all personnel and overhead costs associated with Visitor Services and the Visitor Centre at 812 Wharf Street. Expenses increased by 29 per cent from 2022 to 2023. The Visitor Centre was fully open throughout the year. Costs recovered from the Pacifican Tourism Relief Fund were allocated to creating a First Nations' Placemaking Space as part of Destination Greater Victoria's commitment to reconciliation.

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 2023 were 34 per cent higher than in 2022.

Amortization

Amortization expenses relate to the expensing of assets owned by Destination Greater Victoria, including furniture, computer equipment, significant marketing collateral, trademarks, goodwill, and leasehold improvements. Amortization expenses were 22 per cent lower in 2023 compared to 2022 due to asset reconfiguration resulting from the new Broughton Street corporate office.





Balanced Scorecard



2023 was the ninth 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 results for the 2019 to 2023 Enterprise Balanced Scorecards.

2023 Enterprise Balanced Scorecard	Unit	2019 Result	2020 Result	2021 Result	2022 Result	2023 Target	2023 Result
GREATER VICTORIA TOURISM INDUSTRY INDICATORS¹							
Accommodation Occupancy Rate	%	73.52	36.39	49.90	68.85	69.00	68.30
Average Daily Room Rate	\$	189.10	149.10	186.70	236.31	245.00	247.35
RevPAR	\$	139.03	54.25	93.17	162.71	162.00	169.05
Conference Centre Delegate Days	#	118,661	15,756	20,018	87,256	90,000	83,556
YYJ Airport Arrivals	#	1,924,385	574,837	673,748	1,490,039	1,800,000 ²	1,740,107
FINANCIAL PERSPECTIVE							
Marketing Campaign ROI	ratio	53:1	N/A ³	22:1 ⁴	22:1 ⁴	40:1	58:1
Business Events Confirmed Room Nights	#	37,951	7,305	12,114	26,203	30,000	43,905
Victoria Conference Centre Revenue	\$	1,350,171	243,945	403,326	1,071,540	995,000 ⁵	1,307,264
Visitor Centre Ticket Sales	\$	1,753,500	78,000	153,300	720,000	1,200,000	1,118,424
Gross DGV Membership Services Revenue	\$	1,114,451	480,000	387,014	454,500	650,000	481,658
Gross GVSTC Membership Revenue	\$	82,250	0	0	56,500	65,000	61,775
Room Nights Attributable to Sport Tourism – Sponsored	#	16,486	2,500	5,117	15,017	16,000	16,251
Room Nights Attributable to Sport Tourism – Bids	#	---	---	---	13,564	18,000	12,523
Proportion of Gross Revenue Allocated to Labour	%	33.4	39.0	26.8	28.3	33.0	30.3
CUSTOMER PERSPECTIVE							
Sessions on TourismVictoria.com Total Digital Platform	#	2,623,025	926,564	1,291,421	2,109,298	2,100,000	2,320,206
Travel Media & Influencer Placements	#	439	80	261	535	500	645
Incremental Overnight Tour Programs	#	35	0	2	26	30	38
INTERNAL PROCESSES PERSPECTIVE							
Experiences Strategy and Digital Platform Renewal	---	---	---	Part Scoped	Underway	Completed	Completed ⁶
E-Commerce Opportunity Exploration	---	---	---	Deferred	Part Scoped	Completed	Completed
Destination Master Plan	---	---	---	---	Underway	Completed	Ongoing
Indigenous Tourism Plan	---	---	---	---	Part Scoped	Developed	Part Scoped
LEARNING AND GROWTH PERSPECTIVE							
Employee Engagement Composite Measure	%	71.4	N/A ³	N/A ³	N/A ³	70.0	76.2
Median Years of Employee Tenure	#	2.4	N/A ³	N/A ³	2.1	2.0	2.3
Employee Value Proposition	---	---	---	---	Developed	Implemented	Implemented
FOUNDATION & ENVIRONMENTAL, SOCIAL AND GOVERNANCE							
Member Satisfaction Rate (Satisfied or Neutral)	%	93	N/A ³	N/A ³	91	90	92
Board and Committee Meetings Participation	%	70	77	79	80	80	80
Local Media Placements	#	119	121	138	152	160	228
Political Briefings or Opportunities	#	49	37	53	51	60	77
Community Support for Tourism	---	Monitor	Assess	98% Positive	Deferred ⁷	98% Positive	88% Positive ⁸
Equity, Diversity and Inclusion Training for DGV Staff	---	---	---	---	Commenced	Completed	Completed
Destinations International EDI Assessment Tool Program	---	---	---	---	---	Completed	Completed
Biosphere Certification for Greater Victoria	---	---	---	---	Committed	Certified	Certified
Members Linking to DGV on the Biosphere Platform	#	---	---	---	---	60	53
DGV Environmental Carbon Offset and Reduction Plan	---	---	Measure	Carbon Neutral	Carbon Positive	Carbon Positive	Carbon Positive

¹ Sources: STR, Victoria Destination Reports and Chemistry Consulting Group, Victoria Tourism Bulletins.

² YYJ forecast for 2023 as at 30 November, 2022.

³ Not assessed or not applicable due to impacts of the COVID pandemic.

⁴ Result and target are relatively lower because ROI was assessed for the Vancouver market rather than Seattle and spending by Canadians is lower.

⁵ Target aligns with the City of Victoria's budget for Victoria Conference Centre.

⁶ Digital Platform Renewal has been completed. The Experiences Strategy component is ongoing for 2024.

⁷ Assessment was deferred in 2022 because this would be a component of the Destination Master Plan process in 2023.

⁸ Assessment for 2023 is a composite mean score from Destination Master Plan data and Destination BC resident sentiment survey data.

Audited Financial Statements



Financial Statements of

**GREATER VICTORIA VISITORS
& CONVENTION BUREAU**

And Independent Auditor's Report thereon

Year ended December 31, 2023

**KPMG LLP**

St. Andrew's Square II
 800-730 View Street
 Victoria BC V8W 3Y7
 Canada
 Telephone 250 480 3500
 Fax 250 480 3539

INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 “**Auditor's Responsibilities for the Audit of the Financial Statements**” section of our auditor's 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.

Auditor's 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 auditor's 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.



Page 3

- 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 auditor's 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 auditor's 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
March 1, 2024

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,122,011	\$ 4,076,378
Accounts receivable	1,897,649	1,636,800
Inventories	2,774	4,774
Prepaid expenses	140,395	108,046
	<u>6,162,829</u>	<u>5,825,998</u>
Capital and intangible assets (note 2)	697,762	761,983
Investments (note 7)	945,723	710,868
	<u>\$ 7,806,314</u>	<u>\$ 7,298,849</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 2,533,059	\$ 2,313,690
Deferred revenue (note 4)	542,770	449,930
Deferred destination marketing fees (note 5)	1,002,485	1,198,153
	<u>4,078,314</u>	<u>3,961,773</u>
Leasehold inducements and loan financing	423,477	474,958
Accumulated equity loss in Canadian Tourism Legacy Conferences Ltd. (note 6(a))	2,386	1,356
Net assets:		
Internally restricted reserve fund (note 7)	945,723	710,868
Unrestricted	2,356,414	2,149,894
	<u>3,302,137</u>	<u>2,860,762</u>
Commitments (note 8)		
	<u>\$ 7,806,314</u>	<u>\$ 7,298,849</u>

See accompanying notes to financial statements.

On behalf of the Board:



Chris Watson - Director



Trina White - Director

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Municipal regional district tax	\$ 9,134,737	\$ 7,765,147
Contribution towards affordable housing	(1,666,951)	(1,192,515)
	<u>7,467,786</u>	<u>6,572,632</u>
Destination marketing fees (note 5)	2,051,623	1,200,766
Membership services:		
Membership fees	409,129	419,671
Advertising fees	74,437	65,550
Retail sales	32,918	35,566
Sundry	215,023	20,080
Events	55,941	334,110
	<u>787,448</u>	<u>874,977</u>
Government grants:		
Provincial	287,025	614,455
Federal	333,987	11,434
Municipal	17,500	17,500
Reservation and ticket commissions	118,458	72,060
	<u>11,063,827</u>	<u>9,363,824</u>
Expenses:		
Marketing services (note 9):		
Advertising and publications	3,437,483	3,770,188
Media relations	603,078	471,239
Travel trade	768,553	456,423
Research	387,124	284,379
Business events	2,141,671	2,100,871
Web marketing	562,581	310,724
	<u>7,900,490</u>	<u>7,393,824</u>
General and administrative	1,608,284	1,577,762
Information services	766,763	596,078
Membership services	237,984	177,516
Amortization of capital assets	100,401	92,022
Amortization of intangible assets	7,500	7,500
	<u>10,621,422</u>	<u>9,844,702</u>
Loss in Canadian Tourism Legacy Conferences Ltd. (note 6(a))	(1,030)	(904)
Excess (deficiency) of revenues over expenses	<u>\$ 441,375</u>	<u>\$ (481,782)</u>

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Internally Restricted Reserve Fund	Unrestricted	Total
Balance, December 31, 2021	\$ 983,917	\$ 2,358,627	\$ 3,342,544
Deficiency of revenues over expenses	-	(481,782)	(481,782)
Release of funds for sales and marketing	(400,000)	400,000	-
Transfer to reserve fund	126,951	(126,951)	-
Balance, December 31, 2022	710,868	2,149,894	2,860,762
Excess of revenues over expenses	-	441,375	441,375
Transfer to reserve fund	234,855	(234,855)	-
Balance, December 31, 2023	\$ 945,723	\$ 2,356,414	\$ 3,302,137

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 441,375	\$ (481,782)
Items not involving cash:		
Amortization of capital and intangible assets	107,901	99,522
Amortization of leasehold inducements	(26,467)	(42,728)
Equity losses in related parties	1,030	904
	523,839	(424,084)
Changes in non-cash operating working capital:		
Accounts receivable	(260,849)	(221,480)
Inventories	2,000	1,047
Prepaid expenses	(32,349)	14,572
Accounts payable and accrued liabilities	219,369	663,026
Deferred destination marketing fees	(195,668)	502,960
Deferred revenue	92,840	(252,569)
	349,182	283,472
Financing:		
Leasehold inducements and loan financing	(25,014)	502,905
Investing:		
Purchase of capital and intangible assets	(43,680)	(628,435)
Decrease (increase) in investments	(234,855)	273,049
	(278,535)	(355,386)
Increase in cash and cash equivalents	45,633	430,991
Cash and cash equivalents, beginning of year	4,076,378	3,645,387
Cash and cash equivalents, end of year	\$ 4,122,011	\$ 4,076,378

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

Nature of operations:

Greater Victoria Visitors & Convention Bureau (the "Bureau") is registered under the Societies 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.

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 either recorded as revenue on a straight-line basis over the term of the grant or recorded as revenue in the period in which the related expenses have occurred. 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 and intangible assets:

Capital assets and intangible 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
Tradeshow equipment	Straight-line	3 years
Computer software	Straight-line	3 years
Intangible assets	Straight-line	3 - 20 years

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Capital and intangible assets (continued):

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.

Separately acquired intangible assets are recognized as an asset provided the cost can be measured reliably. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable costs of preparing the asset for its intended use. Intangible assets include the costs associated with website development costs and events.

(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) Contributed materials and services:

Because of the difficulty of determining the fair value, contributed materials and services are not recognized in the financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) 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.

(g) Inventories:

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

(h) 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. 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 and intangible assets:

	2023		
	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 253,970	\$ 171,252	\$ 82,718
Computer equipment	138,921	106,923	31,998
Leasehold improvements	554,743	102,947	451,796
Tradeshaw equipment	22,113	22,113	-
	969,747	403,235	566,512
Intangible assets	277,199	145,949	131,250
	\$ 1,246,946	\$ 549,184	\$ 697,762

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

2. Capital and intangible assets (continued):

			2022
	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 237,919	\$ 141,228	\$ 96,691
Computer equipment	117,866	93,156	24,710
Leasehold improvements	548,168	46,336	501,832
Tradeshow equipment	22,113	22,113	-
	926,066	302,833	623,233
Intangible assets	277,199	138,449	138,750
	\$ 1,203,265	\$ 441,282	\$ 761,983

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$26,758 (2022 - \$24,473) which includes amounts payable for payroll remittances, employer health tax, sales tax and workers' safety insurance.

4. Deferred revenue:

	2023	2022
Membership dues	\$ 457,310	\$ 416,813
Marketing funds	49,288	18,313
Grants	36,172	14,654
Deferred vacation guide advertising	-	150
	\$ 542,770	\$ 449,930

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

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:

	2023	2022
Balance, beginning of year	\$ 1,198,153	\$ 695,193
Amounts received	1,282,041	1,399,268
Amounts receivable	573,914	304,458
	3,054,108	2,398,919
Revenue recognized	2,051,623	1,200,766
Balance, end of year	\$ 1,002,485	\$ 1,198,153

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 negative carrying value of \$2,386 (2022 - -\$1,356) represents the Bureau's share of the accumulated equity loss to date.

During 2023, the Bureau contributed \$32,800 to the company as sponsorship and support (2022 - \$48,800). 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 Victoria Capital City Comic Convention.

During 2023, the Bureau did not contribute any funds as sponsorship and support (2022 - \$48,050). After the 2022 event, the Bureau's Board of Directors moved that the Bureau's involvement in this society would pause to assess this society's future viability. The outcome of those discussions is expected to be finalized during 2024.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

6. Related parties (continued):

(c) Victoria Military Sports Society:

The Bureau was one of five partners in the above society. The purpose of the society was to support the Victoria military and sporting community by bidding on the Invictus Games.

The society was dissolved on December 7, 2023. The Bureau was appointed the custodian of the dissolved society's records in accordance with the Societies Act (British Columbia).

(d) Greater Victoria 55+ BC Games Society:

On March 8, 2022, the Bureau incorporated the Greater Victoria 55+ Games Society. The Bureau appointed the majority of the Society's Board of Directors. The purpose of the Society was to plan, organize and stage the 2022 55+ BC Games.

The society was dissolved on October 26, 2023. The Bureau was appointed the custodian of the dissolved society's records in accordance with the Societies Act (British Columbia).

7. Internally restricted reserve:

To maintain Destination Greater Victoria's financial stability, an internally restricted reserve has been designated to provide for wind down costs, operating costs for a period of up to six months, and recovery initiatives in the event of a significant economic decline. Now that recovery from the COVID-19 pandemic is firmly underway this reserve has been restructured in line with the Bureau's new funding agreement through to 2026 to be rebuilt to a Board of Directors approved target of \$1,000,000. These internally restricted funds are available only at the approval of the Board of Directors. In 2023, the Bureau transferred \$150,000 from unrestricted reserves to the internally restricted reserve fund.

As at December 31, 2023, the amount accumulated in the internally restricted reserve was \$945,723 (2022 - \$710,868). Since December 2018, the Bureau has segregated the investments relating to the internally restricted reserve in a separate investment account. The account contains a mixture of low-risk and medium-term investments in accordance with the Bureau's Investment Strategy Statement. As at December 31, 2023, the account held 64% in equities, 31% in fixed income securities, 3% in mutual funds and 2% in units trusts and partnerships (2022 – 71% in equities, 20% in fixed income securities, 4% in mutual funds, 4% in units trusts and partnerships and 1% in cash).

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.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

8. Commitments:

(a) Leases:

The Bureau leases the premises it occupies. The lease at Suite 600 - 765 Broughton Street is for the period June 1, 2023 to May 31, 2032. 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:

	Broughton St.	Visitor Centre	Total
2024	\$ 130,883	\$ 81,457	\$ 212,340
2025	130,883	81,457	212,340
2026	130,883	-	130,883
2027	136,254	-	136,254
2028	136,254	-	136,254

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:

	2023	2022
Advertising and publications	\$ 367,896	\$ 227,640
Media relations	219,106	155,669
Travel trade	250,929	180,627
Research	110,209	45,949
Business events	250,697	180,447
Web marketing	88,838	60,213
	\$ 1,287,675	\$ 850,545

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2023

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.

Market risk is the potential for financial loss to the Bureau from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates or equity prices. The investments of the Bureau are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

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 currency risk as a result of exchange rate fluctuations and the volatility of these rates.

The Bureau is exposed to equity price risk on its investments in equities, unit trusts and partnerships and mutual funds.

There has been no change to the risk exposures outlined above from 2022.

11. Societies Act remuneration disclosure:

In 2023, the bureau paid 15 individuals (2022 - 11) with remuneration of \$75,000 or greater, and the total remuneration paid to these individuals was \$1,931,179 (2022 - \$1,417,203). No amounts were paid to directors as remuneration during 2023 or 2022.

2023 Board of Directors



Officers



CHAIR

Darlene Hollstein

General Manager, Bay Centre
Retail and Restaurants



FIRST VICE CHAIR

Chris Watson

Chair, Sales and Marketing Committee
General Manager, Best Western Plus Carlton
Plaza Hotel
Director at Large



VICE CHAIR

Brett Soberg

Chair, Transportation and Destination
Management Committee
Owner / Operator, Eagle Wing Whale &
Wildlife Tours
Recreation and Outdoor Adventure



VICE CHAIR

Eda Koot

Chair, Governance, Human Resources and
Risk Committee
General Manager, Inn at Laurel Point
Accommodation – More than 149 Rooms



PAST CHAIR

Kimberley Hughes

General Manager, Delta Hotels by Marriott
Victoria Ocean Pointe Resort

Directors



Madone Pelan

Chair, Finance and Membership Committee
General Manager, Oak Bay Beach Hotel
Accommodation – From 26 to 149 Rooms



Robert Bettauer

Chair, Sport Tourism Committee
Chief Executive Officer, Pacific Institute for
Sport Education (PISE)
Greater Victoria Sport Tourism Commission
Appointee



Trina White

Co-Chair, Sustainability Committee
General Manager, The Parkside Hotel & Spa
Director at Large



David Gudgel

Chief Operating Officer, Kenmore Air
Transportation and Sightseeing



Theresa Ito

Principal, Blue Mountain Solutions
Director at Large



Samantha Wilson-Newton

Brand Manager, Wilson's Group of
Companies / Sightseeing Victoria
Attractions



Spencer Walker

Director & Team Lead, Commercial Banking,
CIBC
Greater Victoria Chamber of Commerce
Appointee



Raymond Chan

Principal Consultant, RCA Consulting
Tourism Vancouver Island / 4VI Appointee



Stephen Hammond

Councillor, City of Victoria
City of Victoria Appointee



Susan Brice

Councillor, District of Saanich
District of Saanich Appointee

