

June 30, 2015

His Worship Mayor Malcolm Brodie  
And Members of City Council  
The City of Richmond  
6911 No. 3 Road  
Richmond, BC V6Y 2C1

Delivered via email to: [mayorandcouncillors@richmond.ca](mailto:mayorandcouncillors@richmond.ca)

Your Worship and Members of Council,

Mr. Steve Veinot, Chair of Tourism Richmond's Board of Directors, and I are looking forward to our Annual Presentation on behalf of our organization on July 6<sup>th</sup>, 2015.

Please find attached our 2014 Annual Report and Audited Financial Statements for your reference. We are looking forward to discussing the results from the year.

We have enjoyed our conversations in the past, and look forward to discussing opportunities in the future between our tourism industry and the City of Richmond. As well, we would be pleased to answer any questions you may have concerning our organization.

Should you wish to contact me prior to the meeting to ensure we come prepared to meet your expectations, please do not hesitate to call or email me directly at 604 821-5477 or [tlakeman@tourismrichmond.com](mailto:tlakeman@tourismrichmond.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Tracy", followed by a horizontal line.

Tracy Lakeman  
CEO

Attachments





# FAR EAST meets *West Coast*



**TOURISM RICHMOND**  
2014 Annual Report



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# chair & ceo report



## STRATEGIC PLANNING

In 2014, the organization continued to concentrate on driving our 2012 - 2016 *Strategic Plan* mission to achieve the following significant results through our efforts and programs:

- A** A unique and compelling "Richmond" brand will be successfully promoted and widely recognized in the markets in which we operate;
- B** Membership and the Richmond community at large will be involved with and encouraging tourism in Richmond;
- C** Revenue for Tourism Richmond will grow annually by 5%;
- D** Tourism Richmond will be a recognized partner in the growth of products, attractions and services that enhance Richmond as a desired West Coast destination.

Your Board and Tourism Richmond staff refreshed our *Strategic Plan* vision to better reflect the purpose for which Tourism Richmond exists, and that we are committed to continually strive towards: "Richmond – Canada's compelling West Coast destination connecting you to unique and diverse experiences."

To support and reflect this Vision, a new logo and tagline was created for all leisure and travel trade marketing. It encompasses a built-in call to action to consumers and emphasizes our destination rather than us, the DMO. The new tag line, "The Far East meets West Coast" tested positively in our core North American markets.

## BOARD GOVERNANCE

Board governance was also a priority during 2014. The Governance committee completed a new and comprehensive Board Governance Manual prepared for the Board of Directors of Tourism Richmond. The governance framework reflected in the manual sets out the governance structure and policies, as approved by the Board, pursuant to which the Board exercises its responsibilities and carries out its duties of stewardship and accountability. The Board Manual incorporates the Board's structure and responsibilities as set out in the Society Act, the Bylaws and the Agreement between Tourism Richmond and the City of Richmond. The Board Manual is divided into the following sections:

- **Governance Structure** outlines the general roles and responsibilities of the Board, position descriptions for individual directors, the Board Chair, Vice-Chair and the CEO, and guidelines for committees, including terms of reference for each standing Committee.
- **Governance Processes** details the policies and processes that govern the Board's work.
- **Standards of Conduct** sets out a Code of Conduct to which all Directors are required to adhere.

## PERFORMANCE

Tourism Richmond is a results oriented organization. Ensuring a return on the industry's investment is paramount to us. Researching our visitors and markets, benchmarking against industry standards, and measuring key performance indicators play a role with everything we do.

Results from our Visitor Volume Model Study and tourism spending analysis reported:

- Richmond had a very successful year with an estimation of visitors spending a total of 6.5 million days/nights in Richmond. This includes 4.4 million visitor nights of which more than 3.5 million were overnight in paid accommodations and approximately 920,000 visitor nights were overnight with friends or family. According to Tourism Vancouver, visitation to Metro Vancouver was 8.94 million.
- These visitors spent over \$575 million at hundreds of our Richmond businesses during their stay. Seventy percent (70%) of those dollars were spent at businesses other than lodging.
- Tourism has become a top industry and revenue generator for Richmond, contributing \$368 million in Gross Domestic Product (GDP) each year.

While visitor centres throughout the province are experiencing declines in the number of visitors, both our Steveston Visitor Centre and post office revenues are experiencing unprecedented growth. This popular location, set in the fictional TV-town of Storybrooke, offers one-of-a-kind *Once Upon A Time* gifts as well as postage services and a taste of Richmond's history.

According to a recent benchmark study, Tourism Richmond demonstrates a greater investment in international markets relative to our budget category peers, in which we allocate 47% of our sales and marketing expenditures to international markets and 53% to domestic markets. Seventy percent (70%) of our international allocation was in the US and 30% in Asia. This is representative of our diverse, multicultural destination served by our international airport hub. We remain uniquely positioned to access and service more long-haul domestic visitors and more international visitors than DMOs of a similar size.

Tourism Richmond is considered as a progressive organization, generally adopting an online media focus more quickly than our own budget peer group (the less than \$5M DMO group) and all Canadian DMOs on average. Fifty-six percent (56%) of our sales, marketing and promotional expenses were allocated to online media, with the remaining 44% assigned to traditional media.

The Tourism Industry Association of Canada (TIAC) and Visa Canada released a report on inbound Visa Cardholder spending in Canada during the summer of 2014. Visa Canada's extensive data collection allowed TIAC to quickly drill down into unprecedented detail on the spending habits of international visitors. Of the top five inbound countries (USA, China, France, UK and Germany), Richmond was mentioned as one of the top ten cities visited in all countries but France. In fact, Richmond was number two (Vancouver was number one) for spending by visitors from China. Tourism in Richmond is strong as we continue to build upon our three key attributes – Affordable, Accessible and Asian.

We thank Tourism Richmond's Board of Directors for their guidance and commitment, our members and partners for their support and participation, and we extend a special thank you to our staff who make it all possible.



Steve Veinot, Chair



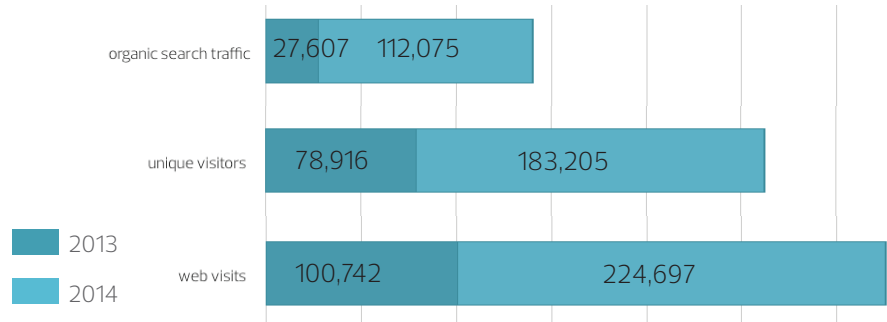
Tracy Lakeman, CEO



# by the numbers

## WEBSITE TRAFFIC

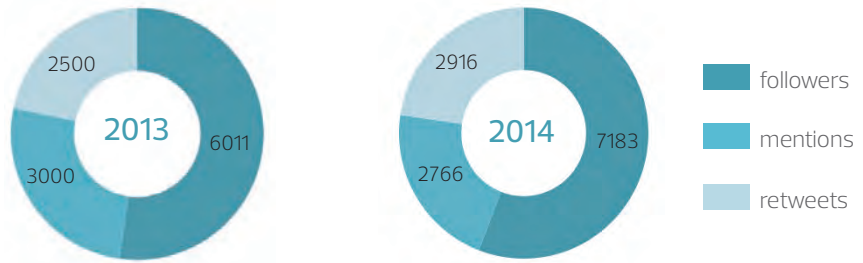
↑ **306%**  
increase in organic traffic



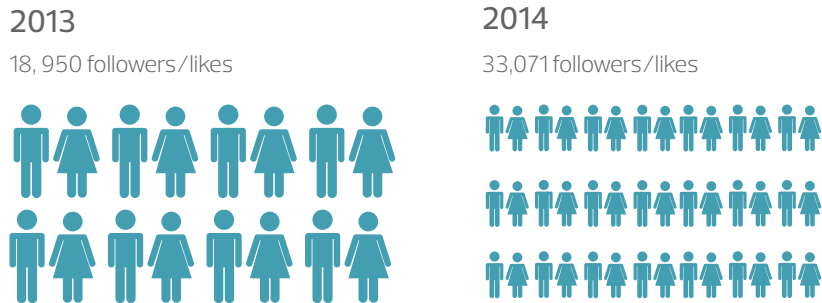
## SOCIAL MEDIA



↑ **20%**  
increase in followers



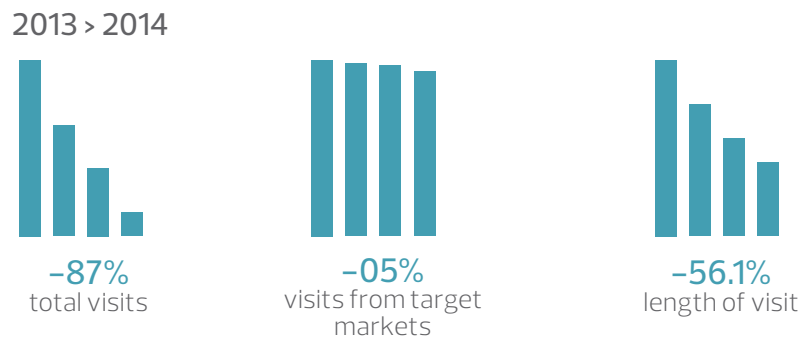
↑ **75%**  
increase in followers



## BLOG



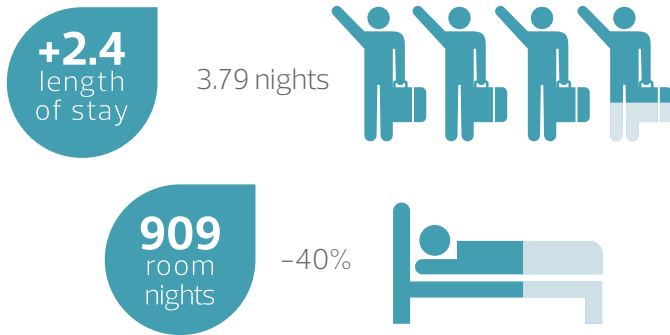
**365 Days of Dining Blog**



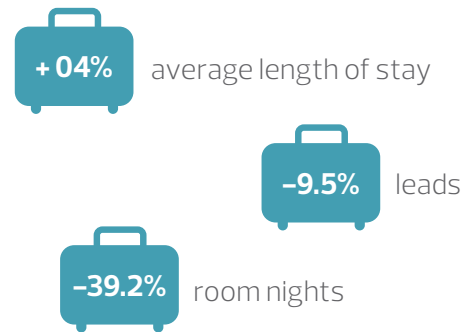


# by the numbers

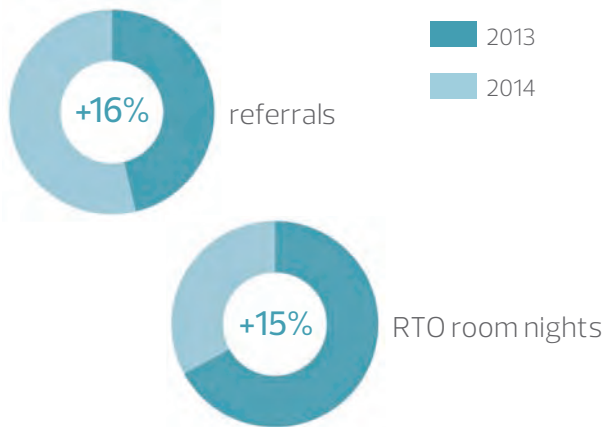
## LEISURE PROMOTIONS



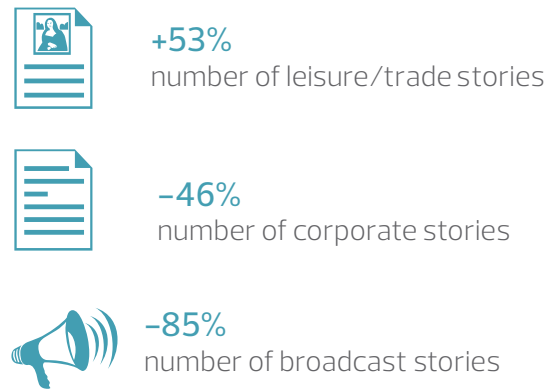
## MEETINGS & EVENTS



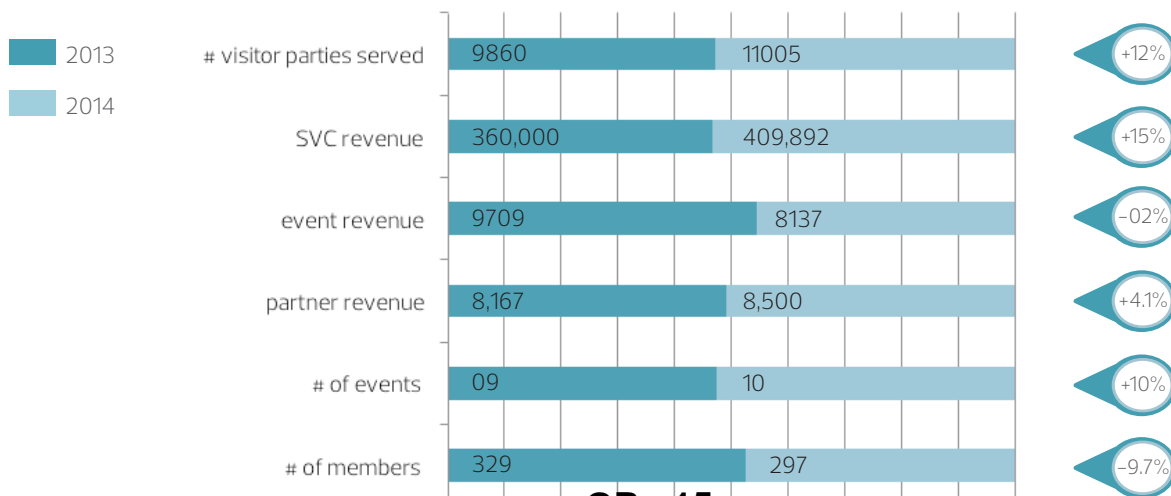
## TOUR & TRAVEL



## COMMUNICATIONS



## PARTNER & VISITOR SERVICES



GP - 15

# marketing



"If you close your eyes at the Sea Harbour Restaurant for just a few moments, you could swear you're in Hong Kong. Everywhere I look, there is something more delicious than the next, vying for my rapidly decreasing stomach space." – Steve Dolinsky, *Chicago Tribune*

## PROGRAM FOCUS

In 2014, we continued to build awareness and visitation in Richmond through the three key "Triple A" attributes – Affordable, Accessible and Asian – but expanded our messaging to support our overall brand and new tag line "The Far East meets West Coast."

## PROGRAM HIGHLIGHTS

What differentiates Richmond from other areas in B.C. and Canada is its unique Asian food and culture blended within a truly West Coast setting. In the past few years, through research and media interest, we have determined that this differentiator drives visitor stays and consideration from our target markets.

We developed a series of branded print ads that showcase our dining experiences from Asia and the West Coast – these were promoted in collateral and advertising in the Seattle market.



Our newly-created tag line "The Far East meets West Coast" ties in everything Richmond has to offer from the West Coast (whale watching, Steveston, farm-to-table food products, maritime festivals, scenic coastlines) to the Far East (hundreds of Asian dining experiences, Chinese New Year, Buddhist temples, Asian Night markets and the Golden Village).

For all consumer based communications, we created a unique logo for *visitrichmondBC.com* which encompasses our call to action and our brand in one unique communication.



The third year of the *Attraction Pass* was developed around a three night stay in Richmond for a free attractions pass, promoting both Richmond's affordability and accessibility. This year, we changed our radio buy to online remarketing to users who visited our landing page already with much success in driving new traffic back to the page. However, Richmond's high occupancy rate affected overall room bookings for this promotion in 2014.

In our first full year of in-house community management, we continued to build our Facebook followers with a series of contests which included Chinese New Year, whale watching, Richmond Play for Free and Once Upon a Time and surpassed our goal for new fans by 310%. In addition, we revived *365daysofdining.com* with a variety of freelance bloggers and fresh content to retain the over 3,000 dedicated followers of the blog.

Our website continued to do extremely well this year with annual views increasing by 230% percentage through SEM, SEO and content management.

## CAMPAIGNS AND RESULTS

- Branded online ads generating a .30% click through rate compared to industry average of .08% -- a 26% increase over industry average which solidly demonstrates Seattle's interest in Richmond as a foodie destination.
- From 2013, we increased visits to our website by 230% totaling 240,594 with unique users increasing by 247% to 195,675.
- *TourismRichmond.com* hotel booking widget generated 3,375 referrals to our member hotels.

### *Play For Free Attraction Pass Promotion*

- Generated almost 32,000 visits to our landing page which is a 77% increase from 2013. Over 7,900 searches were conducted from these visitors for hotel room stays which resulted in a 65% increase compared to 2013. Our high occupancy and low availability for rooms during summer 2014 impacted our overall room bookings.
- Through both our Once Upon A Time ("ONCE") and Richmond Play for Free promotions, we generated almost 1,000 room nights for our hotel partners.
- The Richmond Play For Free Attraction Pass generated 7,976 referrals to hotel partners on our site.

### *Once Upon A Time Promotion*

- Promotion ran September to October 2014 and generated close to 15,000 total entries. Facebook users were able to 'share' the contest with their friends; giving them bonus entries into the contest. Unique entries totaled approximately 6,000.
- The ONCE 'Book and Stay' promotion generated 4,551 hotel referrals to the six participating member hotels.
- The ONCE promotion generated 100+ extra hotel nights in Richmond at the six participating hotels.

### *Whale Watching Promotion*

- Ran during April and May for five weeks. We received 830 entries. With a goal of 500 entries, results surpassed this by 60%.

### *Chinese New Year 'Get Lucky' Promotion:*

- Starting on January 6, this three-and-a-half week promotion had 4,300 entries. 67% of these entries were from non-local participants.

### *Digital Marketing*

- Facebook results: As of December 31, 2014, 33,071 people have 'liked' our page and we gained 15,600 new fans. We had over 560,000 organic impressions and more than 300,000 mentions.
- Twitter results: As of December 31, 2014, we had over 7,183 followers and were mentioned 2,900 times with over 3,000 retweets.
- *365 Days of Dining* blog results: During 2014, the blog had over 18,000 new visitors. With a total of 61,000 users viewing the blog and 160,000 page views, the blog continues to be a success long after the conclusion of the 365 original posts.



# sales



"Richmond Tourism is a great partner as we can be assured that they take great care of our clients. They worked hard to ensure the site visit details were executed seamlessly, making the visit a success. We look forward to reinvesting this right back into the industry!"

– Brenda M. Howes, Founder and CEO, The Howes Group

Over the years, Richmond has grown and has developed the awareness of having the capacity, products and services to host National and Regional association and corporate conferences and events. We have successfully 'branded' Team Richmond as a unified voice when in market. This provides our partners with an opportunity to participate as one team in a cost effective way, as prohibitive costs may have otherwise prevented their participation. We continue to attract conventions that are less than 800 delegates, based on our meeting space capacity.

	LEADS 2014	LEADS 2013	ROOM NIGHTS 2014	ROOM NIGHTS 2013	ECONOMIC IMPACT 2014	ECONOMIC IMPACT 2013
TOTALS	70	74	22,057	35,830	\$14,510,700.00	15,259,800.00

## PROGRAM HIGHLIGHTS: CONVENTION SALES

### *Trade Shows*

In 2014, our focus shifted from attending the non-traditional formatted trade shows to a one-to-one B2B formatted event. We participated in a total of 17 shows which allowed us to garner, engage and build new relationships while meeting with future planners to add to our growing database. New shows included:

- M&IT (a division of IncentiveWorks) in Montreal and Ottawa.
- Attendance, as preferred partners, at the Annual ConferenceDirect partner meeting and the CDX 2014 top 100 client marketplace along with their CDX fall top 100 client event.
- Attendance, as preferred partners, at the HelmsBriscoe ABC conference.
- Attendance at American Express InterAction B2B marketplace.
- Participated at the Collaborate B2B market.
- Attendance at SPIN Conference for Senior Planners International Network.
- Attendance at FICP National Congress (Financial Insurance Conference Planners).

### *In Market Sales Missions*

In addition to attending B2B networking shows and hosting our annual client event, sales missions were conducted in Ottawa and Toronto which continue to represent our two main markets for associations and corporate group meetings and events.

### *Client Event*

Our annual client event was moved from November to July and welcomed 27 Executive Directors/CEOs from Ottawa's most pre-qualified association accounts. Team Richmond included Tourism Richmond and four other partners. This event allowed Team Richmond to network with key business influencer's. Pre-event, Tourism Richmond scheduled sales calls and office visits to the top senior planners that were fully prospected and qualified.

### *In Kind*

We are grateful for the support we continue to receive from our member partners and stakeholders. Their support contributed towards the cost to host, gift, provide transportation and numerous other expenses incurred when in market.

### *Incentive Offer*

The annual booking incentive of 'Fly Into Richmond, Leave \$1,000 Richer' attracted favorable results. A total of \$9,526.00 was distributed when definite conferences were booked. Room nights actualized represented 2,001. Our incentive cost equaled \$4.76 per room night booked.

### *Independent SITES/FAMS*

As we did not orchestrate and host an annual meeting and events group FAM trip, we did welcome individual client site visits. This tactic allowed us to personalize the trip and showcase our partners, resulting in a higher rate of conversion. A total of 11 site inspections were conducted. Our Sites/FAMS would not be possible without the support of our member partners.

### *Average Length of Stay*

The average length of stay from these conferences was 3.39 room nights.

## PROGRAM FOCUS: TRAVEL TRADE

Director of Sales, Gayle Morris, was the only Canadian recently featured and honoured in the July 2014 issue of *thetouperator.com* magazine. "Being recognized and selected by your industry peers as one of the top 20 people in the Industry's Choice Awards through *thetouperator.com* is humbling," commented Gayle. In addition, Tourism Richmond was asked to be a presenter at the NTA Contact Marketplace Leader's Summit and Tourism Yukon, where Gayle participated as a guest panelist on China trade relations.

We continue to position Richmond as the 'most Asian friendly city in Canada' and tour operators in China see Richmond as a strong partner. Richmond has enjoyed steady growth in Chinese visitation since Canada received approved destination status (ADS) in 2010. Traditional escorted group tours account for the largest segment of travelers from this market, however there are growing opportunities for Richmond with the independent travel (FIT). Richmond benefits from five air carriers with direct service to/from China landing at YVR. There is also a growing number of routes through the United States; offering a two nation vacation experience.

No matter the international market, creating awareness and travel demand for Canada comes first. Tourism Richmond continues to build our Canadian brand, followed by the B.C. brand and then delivering an unforgettable, complimentary "Metro Vancouver" experience.

## PROGRAM HIGHLIGHTS: TRAVEL TRADE

### *Trade Shows*

The team participated in six industry B2B trade shows in 2014:

- GoWest Summit
- RTO WEST
- Active America China
- Rendezvous
- CTC Showcase
- CanadasWest Marketplace

### *Active America China*

In March, Tourism Richmond hosted American and Canadian suppliers for Active America China – the first time this event was held in Canada. This was an excellent opportunity for Chinese buyers and North American tourism suppliers to do business with China in a very accessible environment. The conference attracted a record number of 58 Chinese buyers and 22 North American tourism suppliers.

"Active America China was a great opportunity to meet new buyers that we have not yet had a chance to meet via CTC Tradeshow events. The calibre of attendees were fabulous, and many were very interested to learn about our product. Having the FAM included in the whole program also gave attendees great insight into what BC has to offer. Lastly, the presentations for sellers on the Wednesday morning was superb; learning about new online tools that can help reach FIT customers was particularly helpful for me. I'm used to hearing market updates at tradeshow events, but getting information on resources that can help move our business forward, was excellent!"

To offset the cost of producing and hosting this event, Tourism Richmond was successful in creating sponsorship and partner packages that was presented to both US and Canadian suppliers. We are thankful to the following partners for assisting us with this very successful event:

- CTC
- Destination BC
- Tourism Vancouver
- Tourism Whistler
- Tourism Victoria
- Via Rail
- Tourism Jasper
- Cirque du Soleil
- Kay Jewellers Worldwide
- Travel Oregon
- Travel Portland

### *Japan and Korea*

Japan and Korea showed growth as well. Richmond and our stakeholders were featured in the following programs:

- Destination BC Japan 2014 -2015 Educational Guide Book (focusing on Steveston, Richmond Curling Club, Farm-to-Fork U-Pick farms, Vancouver Whale Watch & Seabreeze Adventures, BCIT Aerospace Technology Campus and the Richmond Olympic Oval.)
- JTB Osaka Canada program. Receptive Tour Operator (Maple Fun)
- Maple Fun ANA airlines Spring campaign (April, May and June – eight departures per month.)
- Meitestu Educational Programs
- Wonderland feature on Youtube, featuring Richmond Curling Club

### *Sales Missions*

With partners, Team Richmond executed two in-market sales missions to China, visiting key accounts in Taiwan as well. This included destination training in new markets:

- Xiamen
- Qingdao
- Wuxi
- Chengdu
- Sichuan
- Tianjin (a feeder city to Beijing)

We maintain very positive and successful relationships with our West Coast Receptive Tour Operators (RTO). Our annual Eastern Canada RTO visit continues to play an important role as we strengthen these relationships with the East Coast RTOs.

### *Referrals*

A total of 1,253 referrals were distributed to our member partners and industry stakeholders. Each of the referrals provided contact details, brief profiling of the organization and request for further information; hotel rates, availability, attraction pricing, hours of operation and image requests.

### *SITES/FAMS*

Throughout the year, in concert with Destination BC and the CTC, we played host to 16 group FAMS/Site visits to our community. This included visits from Hainan Tourism and Suzhou Tourism Authority.



# communications



"Richmond, B.C. has the best Chinese food outside of China. I'm talking about serious 'eat my face off' travel. Foodie gems abound all over this town." – Colleen Seto, *City Palate Magazine*

The Communications department's role is to increase awareness of Richmond as a must-experience travel and group business destination. The team also works to position Tourism Richmond as the lead voice for tourism in Richmond, B.C., with media and stakeholders by supporting and aligning with corporate, sales and marketing initiatives through media relations and corporate communications activities.

The team was strategically focused on generating positive media coverage by leveraging the destination's most relevant and topical stories including new tourism products, its highly regarded Asian culinary scene, and the fact that ABC TV's popular drama *Once Upon A Time* is filmed in Steveston. The team continued to build on well-established media relations programs while developing new creative content and increasing media, influencer and industry relationships in key target markets and market segments.

## PROGRAM HIGHLIGHTS

- 321 articles about Richmond BC.
- Attended seven media conferences and events with 438 media from Canada, the US, Asia and Europe. At Canada Media Marketplace, the team secured appointments with leading travel publications such as AFAR magazine, National Geographic Traveler, New York Daily News, San Francisco Chronicle, Fodor's and Every Day with Rachel Ray.
- Through the Visiting Journalist Program, 51 travel, lifestyle and culinary media from print, online, blogs and television outlets were hosted in Richmond.
- In celebration of compelling and inspiring storytelling and to generate feature length articles on the destination, Tourism Richmond launched an innovative Travel Writer Contest. Canadian and American journalists and bloggers were invited to explore Richmond, B.C., publish a feature length article and then enter to win one of four CDN \$1000 cash prizes.
- As a host city for the Active America-China Summit, Tourism Richmond's news release and public relations efforts generated over 50 articles in B.C. and China.

### Articles Appeared In:

- Chicago Tribune
- City Palate Calgary
- San Francisco Magazine
- Seattle Weekly
- Westjet UP! Magazine
- Travel + Leisure
- Dallas Morning News
- Vacay.ca
- Psychology Today
- Huffington Post
- AFAR Magazine (online)
- Fodors.com
- Smart Meetings
- Courier Magazine
- Meetings Focus
- Association News



Active America opening night



GP - 24  
Media Dinner in San Francisco

# visitor & partner services



"In a world torn by ethnic and religious strife, the Highway to Heaven is a model of cross-cultural tolerance and understanding. When you leave the area, you will feel that your life has been enriched, and that you have, in your own way, contributed to world peace and understanding." – *Judith Fein, Dallas Morning News*

Tourism Richmond's Visitor Centres – located in the historic Steveston Museum (open year-round seven days a week) and the Bayview Street kiosk (open seasonally on weekends) – experienced a 14% increase with 23,398 visitors served in 2014. Visitors from BC represented the largest percentage of overall visitation and grew 15%. Visitors from other parts of Canada increased 73% over last year. In July and August, 22% of all visitors to the Visitor Centre listed the hit ABC TV show *Once Upon A Time* ("ONCE") as their primary reason for coming to Richmond.

Our Visitor Counselors report interactions with tourists from around the world, all coming to explore the fictional TV town of Storybrooke, Maine, the setting of ONCE which is filmed in Steveston. One lady from the Yukon uses all of her annual leave to come and stay in the Steveston Hotel for the chance to wake up in Storybrooke every morning. A City Councilor from Washington State visited three times in 2014. Accompanied by her teenage daughter, the two watched filming all day long on the streets of Steveston.

Most fans, affectionately known as ONCERS, have one thing in common – they stop in at the Tourism Richmond Visitor Centre and buy items from our exclusive ONCE line of merchandise. Every day, the Visitor Counselors receive inquiries on the 1-800 information line about this ratings-leading TV show.

## PROGRAM HIGHLIGHTS: VISITOR SERVICES

Retail sales in the Visitor Centre increased by 147% to \$46,900 from \$19,000 in 2013. ONCE merchandise and products from small B.C. based suppliers accounted for a majority of the sales. Our unique line of greeting cards as well as specialty gift items contributed to the overall sales increase.

Our operating agreement with the Steveston Historical Society requires Tourism Richmond to operate the post office in the Steveston Museum. Canada Post increased rates substantially in March 2014. In addition, letter mail in Canada continues to decrease. Despite these factors, annual sales grew in 2014 while the operating margin increased as well.

Tourism Richmond's trained Visitor Counselors were on site at 10 conferences and events, including:

- The Maritime Festival at Britannia Heritage Shipyards.
- The Active America Conference, welcoming guests upon arrival at YVR.
- The Sheraton Vancouver Airport Hotel and the Richmond Olympic Oval during the Scott Dance Canada Championships and Pacific Rim Gymnastics Championships.
- We made attraction and F&B bookings directly from these sites, thus ensuring our members receive more direct benefits.

We made attraction and F&B bookings directly from these sites, thus ensuring our members receive more direct benefits. We also provided Official Richmond Visitor Guides, maps and dining guides to 14 other meetings and events during the year.

## PROGRAM HIGHLIGHTS: MEMBER/PARTNER SERVICES

Tourism Richmond held more events than ever before in 2014. Social media was the topic of two educational seminars that both sold out within days of registration opening.

As the official WorldHost deliver organization in Richmond, the Customers with Disabilities workshop was held in Richmond for the first time in 2014. The session also sold out quickly. The content presented added to our mission to support Richmond as a leading Canadian municipality in terms of accessibility. This workshop covered important topics including "dos and don'ts", correct language and awareness of special needs.

The number of organizations we partnered with in 2014 increased substantially. WorldHost Training Services and Sheraton Vancouver Airport joined the Service Awards program as partners. We renewed our agreements with the Richmond Review, Richmond News, Richmond Centre, Vancouver Airport Authority and Pajo's Fish & Chips. Over 300 people were in attendance at the annual Service Awards Gala held at River Rock Casino Resort. River Rock Casino Resort is in the second year of a five-year agreement as the Presenting Partner of the Tourism Richmond Service Awards program.

Our strong relationship with Vancouver Airport Authority continues. Our annual Commercial Driver Appreciation event was held in partnership with YVR in 2014. The event was expanded to include driver safety and helpful tips and information. We spoke with 450 taxi, limousine and charter bus drivers during the two day event.

Our Industry Luncheon, held in April, was attended by 160 people. Attendees had an opportunity to network with fellow tourism professionals. After an outstanding buffet provided by the Executive Airport Plaza Hotel, we were honoured to have Destination B.C.'s CEO Marsha Walden provide an update on her organization's direction. Tourism Richmond's 2014 advertising campaign was introduced at this must-attend event.

The strong need for networking opportunities was met at the annual Tourism Richmond Christmas party. A record number of attendees enjoyed outstanding food and drink provided by our F&B partners. Over 225 people were entertained by the Celtic themed band Blackthorne. We were honoured to have the Consul General of the Philippines and his wife in attendance. We thank our venue partner, the Gulf of Georgia Cannery National Historic Site, for their outstanding support.

Increased attendance and participation by our members at our networking, educational and social events resulted in in-kind contributions increasing by 5% over 2013 to more than \$64,000.

Dues for the accommodation sector, the largest revenue producing sector, remain unchanged.

Tourism Richmond is recognized as the leading industry association for tourism and hospitality business in our community. Membership stood at 297 as at December 31, 2014.



# client testimonials



“Working with Richmond Tourism and Deidre DeVico specifically is always a pleasure! She and her team take the time to educate you on the hidden gem that is Richmond, identifying cost savings, places to go, things to see with the goal of partnering with planners to provide the best in event and conference experiences to both organizers and participants. Richmond Tourism is the Destination Marketing Organization (DMO) that always makes it happen, easily and seamlessly! Consider Richmond for your next event, I honestly believe this DMO makes planners shine!”

*Marie-Louise Doyle, Director, Event Solutions for Pragmatic & President and Principal Planner Doyle & Associates Events*

“The Asian population in Richmond has created as unique a culinary destination as you'll find in any North American suburb. Food Street is a destination in itself. Once here... you'll make a point of returning.”

*Adrian Brijbassi, Vacay.ca*

“I have thoroughly enjoyed working with Tourism Richmond on my programs. They are very attentive to our needs, and the personalized site schedules are very detailed! Deidre does a great job taking care of her clients and ensuring they have everything they need to make for a successful Richmond-bound event!”

*Leanne Calderwood, CMP, Director, Global Accounts HelmsBriscoe*

# board of directors



## **Steve Veinot, Chair**

A hotel industry veteran with over 23 years of experience, Steve Veinot held various positions with the Hilton Vancouver Airport in Richmond prior to joining the Sheraton Vancouver Airport Hotel as General Manager. Steve has spent the majority of his life in Ottawa, Ontario where he graduated from the University of Ottawa and immediately entered the hospitality field working with the Holiday Inn, Radisson and Marriott brands.



## **Wayne Duzita, Vice Chair**

In his 45 year career, Wayne Duzita has held a variety of positions prior to joining AeroTerm as Associate Vice President Western Region. Wayne is an active volunteer in the Richmond community currently serving as Chair of the Richmond Christmas Fund, Board member of the Richmond Olympic Oval, and Co-Chair for Trinity Western University Richmond Advisory Council. In the past he was Chair of Canuck Place Children's Foundation, Co-Chair of the 2010 Richmond Olympic Oval Steering Advisory Committee and Chair of the YVR Business Forum.



## **Gary Collinge, Treasurer and Chair, Finance Committee**

Currently the General Manager of the Hilton Vancouver Airport, Gary's experience includes General Manager at the Hampton Inn & Suites and the Georgian Court Hotel in Vancouver. Gary supported the bid for the Vancouver 2010 Olympic Winter Games and the Vancouver Convention & Exhibition Centre expansion. He has served three terms as a Board member, been the chair of the Vancouver Hotel Association, and served as a Director of the Business Improvement Association in Victoria and with the BC Hotel Association.



## **Russell Atkinson**

Russell is the Marketing Manager at the Vancouver Airport Authority, responsible for managing relationships with airline and tourism partners. Russell has over 14 years of experience in the aviation and technology sectors. Prior to joining the airport, Russell spent the better part of his career with the Oneworld Airline Alliance in a range of marketing, product strategy and technology roles spread across Vancouver and New York. Russell is also a graduate of Simon Fraser University's Beedie School of Business Executive MBA programme.



## **Joe Erceg**

Joe is the Deputy Chief Administrative Officer and the General Manager of Planning and Development for the City of Richmond. Joe has 30 years of experience in City Planning and has worked in both the private and public sectors. Joe has been responsible for the preparation of many Area Plans, Strategies and the 2014 Official Community Plan. His current portfolio includes Human Resources, Long Range Community Planning, Development Approvals/ Building Permits and Transportation Planning.



## **Kathryn Warren**

Kathryn Warren has been in the hotel industry, both in Toronto and Vancouver, for over 23 years, and is an active contributor to the Richmond business community. She has served two terms as President of Tourism Richmond and held the post of Chair of the Tourism Richmond Marketing Committee. Kathryn is past Chair of the Richmond Hotel Association and served on the Board of Directors for the Richmond Chamber of Commerce.

# board of directors



## **Cathryn Volkering Carlile**

General Manager of Community Services with the City of Richmond. Her career path has included responsibilities in the Parks and Recreation, Arts, Culture and Heritage, Economic Development, Sustainability and the Environment, Sport Hosting, Social Planning, Sponsorship/Fund Development, Tourism and Major Events. Cathryn was actively involved in the development of the Richmond Olympic Oval, from the initial bid phase through to the successful post-Games legacy conversion.



## **Michael Chiu**

Michael Chiu is the President of Mar-Con Wire Belt Inc, and brings more than 30 years experience in manufacturing industries. He has served as a founding member, Past President, and Community Director of The Richmond Sunset Rotary Club and President of Volunteer Richmond Information Services Society. Michael has also been the Director of The Richmond Community Foundation, Director, Founding member of the Richmond Chinese Community Society, and Director of Strathcona Employment Assistance Services.



## **Aspha J. Dada**

Aspha manages a diverse law practice and has extensive experience in civil litigation; corporate and commercial matters; real-estate development; and immigration law. He also litigates civil matters in the Supreme Court of British Columbia and the BC Court of Appeal. Aspha sits on the board of Intercol Holdings Ltd, which was instrumental in successfully bringing the La Quinta brand to Canada. La Quinta Inn Vancouver Airport located in Richmond, BC is the first La Quinta outside the United States.



## **Eda Koot**

Eda has built her hospitality career with Delta Hotels along with several years with Fairmont. Transitioning the Delta Vancouver Airport Hotel to the independently operated Pacific Gateway Hotel was an incredible experience that has her now even more committed to the community and future of tourism in Richmond. Eda contributed to both Sun Peaks and Burnaby as Director on their respective tourism boards and currently sits on the board of go2HR which also supports our industry both locally and provincially.



## **Yannick Simovich**

Yannick Simovich's currently holds the position of General Manager at the Vancouver Airport Marriott Hotel, his most recent roles have included Director of Operations at the JW Marriott in Las Vegas, Director of Operations and Director of Food & Beverage at the Sheraton Vancouver Airport Hotel as well as several years at The Fairmont Hotel Vancouver. Yannick, who has a passion for food and wine, received his hospitality education in France and Switzerland.







taste  
the Star Coast



out West



Visitors & General Inquiries:  
[info@tourismrichmond.com](mailto:info@tourismrichmond.com)

Marketing:  
[marketing@tourismrichmond.com](mailto:marketing@tourismrichmond.com)

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**RICHMOND TOURISM ASSOCIATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2014**

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## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of  
Richmond Tourism Association

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Richmond Tourism Association (the "Association"), which comprise the statement of financial position as at December 31, 2014 and the statements of operations, changes in fund balances and cash flow for the year ended December 31, 2014 and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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## INDEPENDENT AUDITOR'S REPORT

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### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Richmond Tourism Association as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The Association reports its expenses by nature and provides supplementary information about expenses in the Schedules of Personnel Costs, Administration and General Operations and Marketing and Promotion. Allocations in the schedules are based on a direct assignment of costs attributable to each function.

Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that, in our opinion, the Association's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

*Manning Elliott LLP*

Chartered Accountants

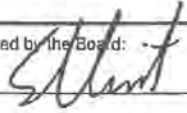
Vancouver, British Columbia


March 20, 2015

**RICHMOND TOURISM ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

	Unrestricted Fund	Business Continuity Fund	Restricted Contingency Fund	Destination Enhancement Fund	2014 Total	(Note 11) 2013 Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 866,161	\$ 20,398	\$ -	\$ -	\$ 886,559	\$ 495,555
Short-term investments	-	1,743,309	250,720	-	1,994,029	2,909,725
Accounts receivable	612,384	15	-	-	612,399	641,998
Inventory	36,954	-	-	-	36,954	24,504
Prepaid expenses	100,498	-	-	-	100,498	58,647
Interfund advances	(81,747)	-	31,747	50,000	-	-
	1,534,250	1,763,722	282,467	50,000	3,630,439	4,130,429
<b>CAPITAL ASSETS (Note 4)</b>	86,325	-	-	-	86,325	142,489
	\$ 1,620,575	\$ 1,763,722	\$ 282,467	\$ 50,000	\$ 3,716,764	\$ 4,272,918
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 230,140	\$ -	\$ -	\$ -	\$ 230,140	\$ 257,938
Unearned revenue	29,511	-	-	-	29,511	14,821
	259,651	-	-	-	259,651	272,759
Deferred contributions related to capital assets (Note 5)	47,589	-	-	-	47,589	64,026
	307,240	-	-	-	307,240	336,785
<b>COMMITMENTS (Note 6)</b>						
<b>FUND BALANCES</b>						
Invested in capital assets	38,736	-	-	-	38,736	78,463
Unrestricted	1,274,599	-	-	-	1,274,599	1,234,872
Business continuity	-	1,763,722	-	-	1,763,722	2,622,798
Restricted contingency	-	-	282,467	-	282,467	-
Destination enhancement	-	-	-	50,000	50,000	-
	1,313,335	1,763,722	282,467	50,000	3,409,524	3,936,133
	\$ 1,620,575	\$ 1,763,722	\$ 282,467	\$ 50,000	\$ 3,716,764	\$ 4,272,918

Approved by the Board:

 Director

 Director

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**RICHMOND TOURISM ASSOCIATION****STATEMENT OF CHANGES IN FUND BALANCES****YEAR ENDED DECEMBER 31, 2014**

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	Unrestricted Fund	Business Continuity Fund	Restricted Contingency Fund	Destination Enhancement Fund	2014 Total	2013 Total
BALANCE AT BEGINNING OF YEAR (Note 7)	\$ 1,313,335	\$ 2,622,798	\$ -	\$ -	\$ 3,936,133	\$ 4,772,686
INCREASE (DECREASE) IN FUND BALANCE FOR THE YEAR	331,747	(859,076)	720	-	(526,609)	(838,553)
INTERFUND TRANSFER (Note 10)	(331,747)	-	281,747	50,000	-	-
BALANCE AT END OF YEAR	\$ 1,313,335	\$ 1,763,722	\$ 282,467	\$ 50,000	\$ 3,409,524	\$ 3,938,133

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**RICHMOND TOURISM ASSOCIATION****UNRESTRICTED FUND****STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2014**

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	2014	(Note 11) 2013
REVENUE		
Public sources (Schedule 1)	\$ 2,844,928	\$ 2,724,573
Private sources (Schedule 2)	626,731	620,943
	<hr/> 3,471,659	<hr/> 3,345,516
EXPENSES		
Personnel costs (Schedule 3)	1,294,375	1,244,847
Administration and general operations (Schedule 4)	361,624	372,393
Marketing and promotion (Schedule 5)	1,483,913	1,728,276
	<hr/> 3,139,912	<hr/> 3,345,516
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<hr/> \$ 331,747	<hr/> \$ —

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**RICHMOND TOURISM ASSOCIATION**

**BUSINESS CONTINUITY FUND**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2014**

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	2014		2013
REVENUE			
Interest	\$ 40,924	\$	63,447
<hr/>			
EXPENSES			
City of Richmond	900,000		900,000
<hr/>			
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (859,076)	\$	(836,553)

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**RICHMOND TOURISM ASSOCIATION**  
**RESTRICTED CONTINGENCY FUND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2014**

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	2014	2013
REVENUE		
Interest	\$ 720	\$ —
<hr/>		
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 720	\$ —

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**RICHMOND TOURISM ASSOCIATION****STATEMENT OF CASH FLOW****YEAR ENDED DECEMBER 31, 2014**

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	2014	(Note 11) 2013
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Decrease in fund balances for the year	\$ (526,609)	\$ (836,553)
Items not involving cash		
Amortization of deferred contributions related to:		
- Furniture and fixtures	(7,674)	(7,674)
- Leasehold improvements	(8,763)	(8,763)
Amortization	43,571	41,877
Loss on disposal of capital assets	22,764	1,292
	(476,711)	(809,821)
Changes in non-cash working capital items:		
Accounts receivable	29,599	18,899
Inventory	(12,450)	(7,718)
Prepaid expenses	(41,851)	24,579
Accounts payable	(27,798)	34,563
Unearned revenue	14,690	(94,270)
	(514,521)	(833,768)
INVESTING ACTIVITY		
Purchase of capital assets	(10,171)	(4,050)
DECREASE IN CASH AND EQUIVALENTS FOR THE YEAR	(524,692)	(837,818)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	3,405,280	4,243,098
CASH AND EQUIVALENTS, END OF YEAR	\$ 2,880,588	\$ 3,405,280
Cash and equivalents consist of cash on hand and investments in term deposits. Cash and equivalents included in the cash flow statement comprise the following statement of financial position accounts:		
Cash	\$ 886,559	\$ 495,555
Short-term investments	1,994,029	2,909,725
	\$ 2,880,588	\$ 3,405,280

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**RICHMOND TOURISM ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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**PURPOSE OF THE ASSOCIATION**

The Richmond Tourism Association (the "Association") was established on March 21, 1996 under the Society Act of British Columbia and commenced operations on that date. The purpose of the Association is to implement visitor and tourism initiatives in concert with visitor industry stakeholders to attract visitors and tourists to Richmond, and in doing so, create opportunities for business to capitalize on the economic benefits of tourism.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook – Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

**a) Basis of presentation**

The Association presents its financial statements using fund accounting. The Business Continuity Fund accounts for the portion of Additional Hotel Room Tax ("AHRT") funds accumulated to date described in Note 2(c). The Destination Enhancement Fund accounts for funds the Association intends to utilize to participate in projects that contribute to the increased profile of the City of Richmond as a tourist destination. The Restricted Contingency Fund accounts for funds set aside as a reserve in the event that the Association must continue or wind up operations without funding from the AHRT. The Unrestricted Fund accounts for the revenue and expenses which comprise all of the Association's other activities.

**b) Financial instruments**

**Measurement**

The Association's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable.

The Association initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Association subsequently measures all of its financial assets and liabilities at amortized cost.

**Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

**c) Cash and equivalents**

Cash and equivalents are comprised of cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**d) Inventory**

Merchandise held for resale is valued at the lower of cost and net realizable value, the cost being determined using the average cost method.

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**RICHMOND TOURISM ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Capital assets

Capital assets are stated at cost less accumulated amortization which is recorded over the useful life of the assets on a straight-line basis as follows:

Furniture and fixtures	10 years
Computer equipment	4 years
Leasehold improvements	life of lease

The Association monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statements of operations. Write-downs recognized under this policy are not reversed.

During the year, the Association changed its amortization policy for capital assets. This change has been applied prospectively.

f) Revenue recognition

The Association follows the deferral method of revenue recognition.

Contributions to the Business Continuity Fund are recognized as revenue when received or receivable. Pursuant to Note 2, no AHRT revenue has been allocated to the Business Continuity Fund subsequent to March 2009.

Restricted contributions not related to the Business Continuity Fund, which include membership contributions, advertising income and member event revenues, are included in the Unrestricted Fund upon issuance of invoices, and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Unrestricted Fund when received or receivable. Receivable amounts are only recognized if the amount can be reasonably estimated and collection is reasonably assured.

The Restricted Contingency Fund and Destination Enhancement Fund are allocated funds pursuant to motions passed by the Association's board of directors. These allocations are accounted for as interfund transfers following the policy disclosed in Note 1(h) below.

g) Contributed services and materials

Volunteers contribute their time to assist the Association in carrying out its activities. The value of volunteer time is not recognized in the Association's financial statements. The Association recognizes other contributed services and materials at their fair value provided a fair value can be reasonably estimated and the services and materials are used in the normal course of operations and would otherwise have been purchased.

h) Interfund transfers and balances

Interfund transfers/contributions are enacted by resolutions passed by the Association's board of directors and presented in the statement of changes in fund balances. The purpose of interfund transfers during the year is disclosed in Note 10.

Interfund balances have no specific terms of repayment and do not bear interest. As at December 31, 2014 there was an interfund balance of \$81,747 due from the Unrestricted Fund to the Destination Enhancement Fund of \$50,000 and to the Restricted Contingency Fund of \$31,747 (2013 - \$298,200 due to the Unrestricted Fund from the Business Continuity Fund).

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**RICHMOND TOURISM ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Allocation of expenses

The Association reports its expenses by nature and provides supplementary information about expenses in the Schedules of Personnel Costs, Administration and General Operations and Marketing and Promotion. Allocations in the schedules are based on a direct assignment of costs attributable to each function.

j) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets used for computing amortization, the amounts recorded as accrued liabilities, recognition of unearned revenue, and amortization of deferred contributions related to capital assets.

2. REVENUE OF THE ASSOCIATION

a) Sources

The Association received approximately 19% (2013 – 20%) of its revenue from private sources, including membership dues, contributions, advertising programs, events, partnerships, investment income and a postal outlet operation.

The remainder of the Association's revenue is derived from public sources which is almost entirely a 2% AHRT on all hotel rooms in Richmond, BC. The Association is economically dependent on the AHRT to fulfill its stated purpose.

b) Usage of AHRT

Effective April 2009, the AHRT by-law was revised to allow for 100% of AHRT revenue to be expended on tourism marketing, programs and projects and sport hosting programs and projects. On July 1, 2012, the Association renewed the AHRT agreement with the City of Richmond through June 30, 2017.

c) Business Continuity AHRT Funds

The Association and the City of Richmond have agreed that the funds previously accumulated and designated for a Trade and Exhibition Centre will continue to be tracked separately by the Association, but that the funds will now be expended on tourism marketing, programs and projects and sport hosting programs and projects. In addition, the agreement regarding these funds also requires the funding commitments disclosed in Note 6(a) below.

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**RICHMOND TOURISM ASSOCIATION****NOTES TO FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2014**

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**3. FINANCIAL INSTRUMENTS RISKS**

The Association's financial instruments are described in Note 1(b). In management's opinion the Association is not exposed to significant currency, credit, liquidity, interest rate or other market risks. In addition, the Association is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

**4. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2014 Net Book Value	(Note 11) 2013 Net Book Value
Furniture and fixtures	\$ 105,160	\$ 56,159	\$ 49,001	\$ 64,441
Computer equipment	102,423	75,658	26,765	58,950
Leasehold improvements	58,526	47,967	10,559	19,098
	<u>\$ 266,109</u>	<u>\$ 179,784</u>	<u>\$ 86,325</u>	<u>\$ 142,489</u>

**5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions relate to contributed assets and assistance with leasehold improvements. These contributions are amortized at the same rate as the underlying assets.

	2014	(Note 11) 2013
Balance at beginning of year	\$ 64,026	\$ 80,463
Less amortized to revenue	<u>(16,437)</u>	<u>(16,437)</u>
Balance at end of year	<u>\$ 47,589</u>	<u>\$ 64,026</u>

**6. COMMITMENTS**

- a) The Association and the City of Richmond have entered in to an agreement in connection with the AHRT as described in Note 2. The agreement requires the Association to transfer the following amounts to the City of Richmond on the dates indicated:

July 1, 2015	\$ 900,000
July 1, 2016	900,000
	<u>\$ 1,800,000</u>

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**RICHMOND TOURISM ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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6. COMMITMENTS (Continued)

- b) The Association's minimum lease payments, which primarily comprise an operating lease for office premises, are anticipated to be as follows during the next two years:

2015	\$	59,930
2016		9,163
	\$	<u>69,093</u>

- c) The Association has made commitments to outside suppliers to spend funds on the following programs next year:

	Unrestricted Fund
<u>Marketing</u>	<u>\$ 55,831</u>

7. UNRESTRICTED FUND OPENING BALANCE

The opening balance of the unrestricted fund represents the excess of prior year revenue over expenses.

8. CONTRIBUTED SERVICES AND MATERIALS

Contributed services and materials with a fair value of \$195,350 (2013 - \$194,062) have been recognized as contributed goods revenue (Schedule 2) and promotion expense (Schedule 5) during the year.

9. INCOME TAXES

The Association is exempt from income tax under Section 149 of the Income Tax Act.

10. INTERFUND TRANSFERS

During the year, the Unrestricted Fund allocated \$281,747 to the Restricted Contingency Fund and \$50,000 to the Destination Enhancement Fund. The purpose of these allocations was to establish the Restricted Contingency Fund and Destination Enhancement Fund.

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**RICHMOND TOURISM ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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**11. RETROSPECTIVE RESTATEMENT**

During the year, the Association determined that a previously donated capital asset had not been recognized in the financial statements. The comparative information presented in these financial statements has been restated to recognize the capital asset as well as the matching donation which is deferred and recognized as revenue over the same time period as the related amortization expense of the capital asset. The effects of this restatement are as follows:

- As at December 31, 2013 capital assets and deferred contributions related to capital assets have increased by \$47,961 respectively.
- For the year ended December 31, 2013 unrestricted fund revenue from public sources has increased by \$7,674 representing amortization of the deferred contribution. Administration and general operations expense has also increased by \$7,674 to reflect amortization of the capital asset.
- There is no effect on the Association's previously reported fund surpluses/deficiencies nor is there any effect on the fund balances previously reported because the additional asset, liability, revenue and expense recognized by the restatement fully match off against one another.

In addition to the donated capital asset described above, certain comparative figures have been reclassified to conform to the line item groupings adopted in the current year's presentation. Such reclassification has no effect on the Association's previously reported fund surpluses/deficiencies, assets, liabilities or fund balances.



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**RICHMOND TOURISM ASSOCIATION****SCHEDULE OF PUBLIC SOURCES****YEAR ENDED DECEMBER 31, 2014****SCHEDULE 1**

	2014	(Note 11) 2013
<b>PUBLIC SOURCES</b>		
Room tax	\$ 2,806,520	\$ 2,678,865
Tourism grants	30,734	38,034
Amortization of deferred contribution – furniture and fixtures	7,674	7,674
	<b>\$ 2,844,928</b>	<b>\$ 2,724,573</b>

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**SCHEDULE OF PRIVATE SOURCES****YEAR ENDED DECEMBER 31, 2014****SCHEDULE 2**

	2014	(Note 11) 2013
<b>PRIVATE SOURCES</b>		
Advertising	\$ 54,700	\$ 61,527
Amortization of deferred contribution – leasehold	8,763	8,763
Commission – hotel	1,099	2,144
Contributed goods (Note 8)	195,350	194,062
Events – hosting	13,669	9,571
Interest and other income	5,663	3,342
Membership dues	95,493	109,964
Merchandise sales	46,851	18,944
Post office – onsite	173,140	172,332
Promotional participation	32,003	24,928
Profit share – Steveston Historical Society	–	15,366
	<b>\$ 626,731</b>	<b>\$ 620,943</b>

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**SCHEDULE OF PERSONNEL COSTS****YEAR ENDED DECEMBER 31, 2014****SCHEDULE 3**

	2014	2013
Wages and benefits	\$ 1,281,474	\$ 1,233,044
Training	8,611	7,060
Staff appreciation	4,290	4,743
	<b>\$ 1,294,375</b>	<b>\$ 1,244,847</b>

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**RICHMOND TOURISM ASSOCIATION****SCHEDULE OF ADMINISTRATION AND GENERAL OPERATIONS****YEAR ENDED DECEMBER 31, 2014****SCHEDULE 4**

	<b>2014</b>	(Note 11) <b>2013</b>
Accounting and legal	\$ 22,523	\$ 52,423
Amortization	43,571	41,877
Bad debt expense	5,282	23,634
Bank charges and interest	11,005	10,631
Data processing – computer software	49,838	52,436
Donations	2,500	2,583
Dues and subscriptions	15,955	19,437
Insurance	10,698	8,918
Loss on disposal of assets	22,764	347
Meetings	18,894	5,303
Office supplies	7,704	11,915
Other equipment rental and lease	8,772	10,591
Postage – courier	4,539	2,521
Rent	87,433	80,961
Repairs and maintenance	2,562	1,196
Telecommunications	35,415	33,622
Web hosting	12,169	13,998
	<hr/> <b>\$ 361,624</b>	<hr/> <b>\$ 372,393</b>

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**RICHMOND TOURISM ASSOCIATION****SCHEDULE OF MARKETING AND PROMOTION****YEAR ENDED DECEMBER 31, 2014****SCHEDULE 5**

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	2014	(Note 11) 2013
Advertising – media	\$ 156,112	\$ 177,495
Advertising – collateral	468,557	519,015
Agency fees	90,745	138,544
HR external resource	—	200
Event hosting – member events	17,095	24,069
Event hosting – industrial	4,211	12,227
Fulfillment	12,080	16,921
FAM tours – site visits	37,954	61,841
Industry events	7,689	11,377
Merchandise giveaways	26,067	21,230
Merchandise resale	25,344	10,443
Post office resale	124,899	130,422
Promotion (Note 8)	195,350	194,062
Research	53,989	75,765
Subcontractor	36,000	86,330
Trade shows	218,836	234,481
Travel (local) and entertainment	8,985	13,854
	<hr/> \$ 1,483,913	<hr/> \$ 1,728,276