



# 2013 ANNUAL REPORT

EDMONTON DESTINATION MARKETING HOTELS | IN PARTNERSHIP TO ADVANCE TOURISM IN EDMONTON







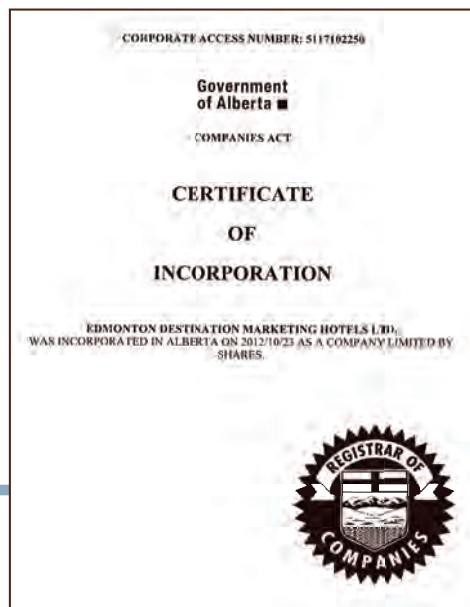
## WHAT BROUGHT US HERE?

Edmonton's Destination Marketing Fund (DMF) was speeding forward without an agreed upon intention, until late 2012 when a number of members stopped to ponder if we were actually headed in the right direction. We were at a crossroads.

The indicators began in September 2010, when the Alberta Hotel & Lodging Association (AHLA) commissioned an independent report to impartially review all DMFs operating in Alberta. As a central province-wide DMF Trustee, the AHLA's intent was to recognize common practices and issues. At the time it was published, the report showed Edmonton had no formal or documented organization structure – but from an operational prospective (although it was identified as 'fragile') Edmonton had the best practices.

This report initiated an ongoing dialogue, resulting in the Edmonton DMF's decision to become an independent association that would follow the AHLA's voluntary code of conduct recommendation. This recommendation detailed the need for DMFs to become their own legal entity – with their own bylaws – operating separate from their Trustees. In this case, the Trustee was Edmonton Economic Development Corporation (EEDC), the parent of Edmonton Tourism.

After many strategy meetings, the Edmonton DMF Board of Directors went out to the membership through a major presentation, sharing the concept of this independent body. The foundation of this proposed association was clarified and on October 23, 2012, the Edmonton Destination Marketing Hotels Ltd. (EDMH) came into being.



INDEPENDENT, ACCOUNTABLE, LEGALLY-BOUND:  
THE EDMONTON DESTINATION MARKETING HOTELS LTD.

# THE OBJECTIVES OF A NEW ASSOCIATION JAN. 1, 2013

## EDMONTON DESTINATION MARKETING HOTELS LTD. OBJECTIVES

### TO BE A MEMBERSHIP-BASED ORGANIZATION

To develop effective methods of advertising and promoting Members' goods and services

### TO BE AN ADVOCATE FOR ITS MEMBERS

To be an advocate for the Members by lobbying for the interests of the Members and supporting the tourism industry in Edmonton

### TO MARKET EDMONTON AS A TOURISM DESTINATION ON BEHALF OF ITS MEMBERS

In concert with other organizations interested in visitation to Edmonton, to market and promote Edmonton as a tourism destination by:

- » partnering with destination marketing organizations and/or with other tourism industry participants with similar objectives and goals sponsoring special events (CFR, CCMAs, Cavalia, etc.)
- » working with various stakeholders with a shared interest in enhancing the experience of visitors to the Edmonton region; (EIA, Travel Alberta, Edmonton Tourism, etc.)
- » retaining the services of third party marketing firms

# 2013

*L-R:*

*Tina Tobin*  
*Alberta Place Suite Hotel*

*Grant McCurdy*  
*Mayfield Inn &*  
*Conference Centre*

*Robin Cumine*  
*Radisson Hotel*  
*Edmonton South*

*Kelly McCauley*  
*Coast Plaza Hotel*

*Karen Naylor*  
*Super 8 Edmonton South*

*Michael Sieger*  
*Hilton Garden Inn West*



## FIRST STEPS

From January through to the end of June, the interim board had executed all Part 9, Not-For-Profit legal requirements, hired the Alberta Hotel & Lodging Association as a Trustee (under a two-year agreement), reviewed and approved the provisional Edmonton Tourism 2013 budget and tactical plan, and hired an Executive Director (sourcing 37 candidates and filtering to four finalists). EDMH offices were rented, and compliancy of the Competition Act was ensured through a special Osler, Hoskin & Harcourt (specialists in business law and specifically DMF issues) presentation to the membership.

On the 5<sup>th</sup> of July, 2013 at the inaugural EDMH General Meeting – held at the newly secured EDMH offices – the firstly elected board of the Edmonton Destination Marketing Hotels Ltd. was first voted in.

## TWO-DAY BOARD RETREAT

The new board devoted two full days of their time to an EDMH strategic retreat. Through facilitated, collaborative and sometimes intense discourse the outcome was the creation of a suggested governance and foundational model. This in turn, once ratified by the membership, would create a code-of-conduct for this and future boards as well as for the Executive Director and any future staff.

Attractions  
Northlands Conventions  
VISITORS GUESTS  
INTEGRITY  
Accountability  
TOURISTS  
Edmonton Vision  
EVENTS HOTELS  
Collaboration  
Mission  
HOSPITALITY Tourism  
Edmonton International Airport  
CITY OF EDMONTON  
Travel Alberta



*Transition takes time, yet the EDMH Board have managed to assess, manage change, hire the right team and reinvent themselves in less than nine months. This has resulted in an organization that now leads the way in DMF collaboration, alignment and forward thinking. As a major Edmonton Tourism stakeholder, the EDMH Board and Members have contributed to our vision of success. We look forward to working together to further this evolution in 2014, ensuring that Edmonton continues to gain significant market share as a major events, meetings/convention and tourism destination in the years to come."*

**MAGGIE DAVISON** VICE PRESIDENT, EDMONTON TOURISM

# EDMH VISION, MISSION, STRATEGIC OBJECTIVES, VALUES

## Vision

Edmonton will be western Canada's premier hospitality destination, attracting visitors for a wide variety of activities and experiences, creating prosperity for our members

## Mission

Our purpose is to direct investment in initiatives that create, drive and sustain growth in Edmonton as a travel destination for the benefit of our members

### Strategic Objectives

1. To maintain, engage and grow EDMH's membership. Success includes:
  - » Showing results
  - » Measuring ROI
  - » Communicating with Members
  - » Maximum member participation in marketing initiatives
2. To assure the long term sustainability of Edmonton Destination Marketing Hotels. Success includes:
  - » Showing results
  - » Regular and ongoing communications with members and other stakeholders
  - » Ensuring that the EDMH has the right partners
  - » Measuring ROI
  - » Clusters working at maximum effectiveness and alignment with EDMH goals
3. To seek innovative initiatives that will drive tourism to Edmonton
4. To drive room revenue through investment of Destination Marketing Fund dollars

### Values

- » ACCOUNTABILITY
- » INTEGRITY
- » COLLABORATION
- » STEWARDSHIP

# VISION

EDMONTON WILL BE WESTERN CANADA'S PREMIER HOSPITALITY DESTINATION, ATTRACTING VISITORS FOR A WIDE VARIETY OF ACTIVITIES AND EXPERIENCES, CREATING PROSPERITY FOR OUR MEMBERS



## Report from the Chairman of the Board, **Robin Cumine**

As I began to compose this letter, I realized how quickly my first year has passed as Chairman of Edmonton Destination Marketing Hotels Ltd. 2013 was an intense, eventful year in which we defined the major milestones that will enable us to reach our ambitious vision of becoming western Canada's premier hospitality destination. It has been a year with many rewarding moments, as well as some interesting challenges. Though a year of transition, we made solid progress on many fronts, including building out our strategic and operational platforms.

It's almost unimaginable to reflect on what we've accomplished in such a short time. I remember a little over a year ago when a few of us, acknowledging the voluntary code of conduct advised by the AHLA, set forth to create our own legal entity, separate from our trustee. What evolved is the Edmonton Destination Marketing Hotels Ltd. How far we have come from the first meeting with Ken Fiske, Danny Crowell and me where the seeds of our first DMF were planted all the way back in 2005.

I am honoured to have been the interim Chair as we created this new association, and then voted-in to lead it through our inaugural year. It has been a great privilege to be part of the board and membership that created and voted to accept our Mission, Vision, Values and Strategic Objectives. These are our 'true north' values, that will keep us guided and accountable.

I reflect on a number of foundational accomplishments in our first year. 2013 is the year that we hired our incredible Executive Director, Karen Chalmers; held two

General Meetings, and set a course that will change the way we interact with those we fund. From Edmonton Tourism to the CFR – we now require a more collaborative partnership with a clear view for transparency and a strong ROI. We are amazingly fortunate to have Karen Chalmers join the EDMH team as our inaugural Executive Director. In Karen, we have an accomplished leader who has a proven track record of success in global sales, marketing and executive management experience.

Our success this past year has been a result of the hard work, persistence and commitment of each and every individual who served as a board member of the EDMH in 2013. I would like to thank the Board for the commitment, dedication, leadership and vision that they have shown. We have reached where we stand today, primarily because we have agreed upon and adhered to a set of core values which are the stars by which we have and will continue to navigate in the years to come.

You will find that the stories and numbers within this report demonstrate our collective commitment to achieving EDMH's vision, mission and values.

*Ideals are like stars: you will not succeed in touching them with your hands, but like the seafaring man on the ocean desert of waters, you choose them as your guides, and following them, you reach your destiny ~ Carl Schurz*

With thanks,

**ROBIN CUMINE, CHA**

GENERAL MANAGER, RADISSON HOTEL EDMONTON SOUTH

# MISSION

OUR PURPOSE IS TO DIRECT INVESTMENT IN INITIATIVES THAT CREATE, DRIVE AND SUSTAIN GROWTH IN EDMONTON AS A TRAVEL DESTINATION FOR THE BENEFIT OF OUR MEMBERS



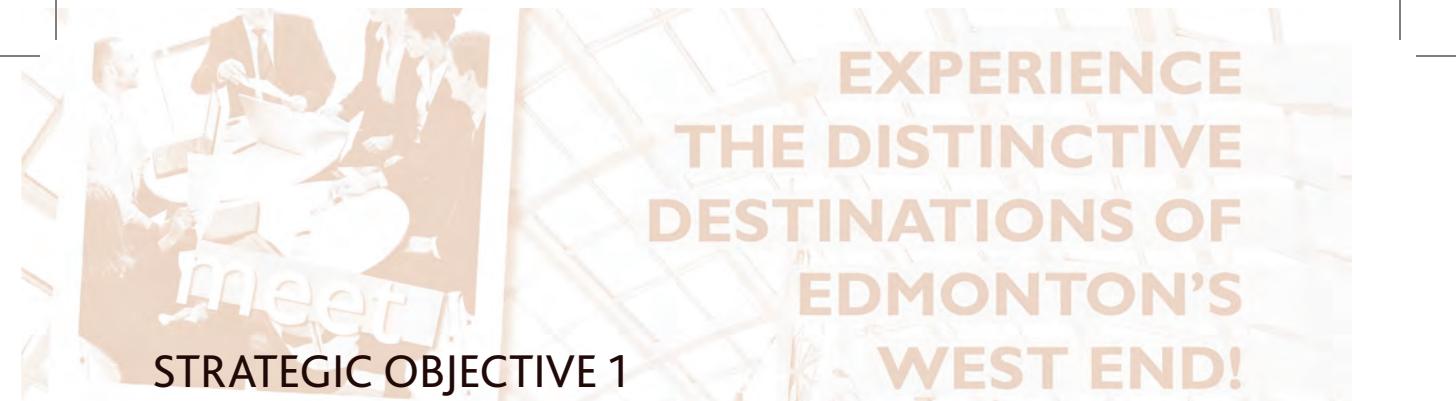
## Report from the Executive Director, Karen Chalmers

I didn't ring in the year 2013 with the EDMH, but what a ride it's been in seeing this year out!

The effectiveness of an Executive Director lies solely on the shoulders of an organization's board. This job functions to execute the directives of the board, which are charged on the behalf of its membership. And in the case of the EDMH, this dynamic board has a vision that operates decades in front of where we presently are. So with that momentum, my job has been to lay foundations to position 2014 and upon which to build forward.

One major accomplishment is ensuring a strong understanding with all levels of Edmonton Tourism, which are effectively our delivery marketing arm. The terms 'accountable, alignment and leveraging' have been cornerstone to my communication, ensuring that – as the EDMH board are stewards of its' membership investment – we engage in activities that drive business to our hotels only, and that all activities that are activated deliver our Mission. In 2013, with the launch of Edmonton Tourism's winter microsite, only EDMH hotels are listed. Indeed all funding relationships are now being assessed for the direct value they will bring our membership.

Our EDMH relationships extend beyond our city through both the provincial and national levels. At all touch-points we support Brand Edmonton with, and independent of, Edmonton Tourism. But when we speak without our DMO, we still speak with one vision and one voice. We leverage each organisations strengths to represent one powerful Edmonton tourism opportunity.



# EXPERIENCE THE DISTINCTIVE DESTINATIONS OF EDMONTON'S WEST END!

## STRATEGIC OBJECTIVE 1

TO MAINTAIN, ENGAGE AND GROW EDMH'S MEMBERSHIP. SUCCESS INCLUDES SHOWING RESULTS; MEASURING ROI; COMMUNICATING WITH MEMBERS; MAXIMUM MEMBER PARTICIPATION IN MARKETING INITIATIVES



### Westend Cluster Report from representing board members, Michael Sieger and Grant McCurdy

The Westend Cluster focused its marketing efforts in 2013 on campaigns that were to drive to the objectives of: increasing web traffic; increasing hotel online reservations; and increasing direct phone contact with hotels. The overall goal was to drive visitors to spend one additional night.

The campaigns were focused on both the Leisure and Meetings markets. The Leisure campaign directed to the rubber tire market using a variety of media, including print, radio, online and TV advertising. One memorable campaign targeted the Princess Diana exhibit at West Edmonton Mall. All leisure advertising focused on selling vacation packages, featuring accommodations combined with event tickets through member hotels. Most promotions were targeted to the Regina/Saskatoon areas, Calgary, and Northwest Alberta, and spoke to the Cultural Explorer Type (EQ).

The Meetings initiative primarily consisted of a magazine campaign, creating awareness of the meeting space and facilities in West Edmonton, and was supported by targeted tradeshow activity. This was a 12 month campaign that targeted meeting influencers, conventions, trade shows delegates and group tours.

In partnership with



**West Edmonton Mall**  
The home of The Santa Maria

All member hotels minutes  
from West Edmonton Mall

**EDMONTON**  
destination hotels  
**WESTEND**  
[www.destinationwestedmonton.com](http://www.destinationwestedmonton.com)

## STRATEGIC OBJECTIVE 1

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### Southside Cluster Report from representing board members, Karen Naylor and Robin Cumine

The Southside Cluster's 2013 objectives were to increase website Leisure traffic, as well as hotel online reservations. The goal for the Meetings market was to increase meeting and tour requests. A new aspect for 2013 was the inclusion of 'auto phone forward', which gave the consumer an alternate way to book accommodations.

In 2013 the Southside created the You've Arrived lure piece, which was the core takeaway piece from every tradeshow and trade enquiry.

The Leisure Campaign focused on the rubber tire market featuring the multiple shopping options in this area, with festivals and Southside attractions combined with hotel accommodation. This campaign covered a 12 month period with a series of promotions primarily targeting Alberta travellers. For Meetings, the Southside capitalized on the ability within the cluster to host large meetings between two or more hotels. The proximity to the Edmonton International Airport also was identified as a benefit for conferences and meeting delegates. Southside representatives reflected these messages at many tradeshows that targeted both the meeting and leisure influencer.



In spirit, unique local boutiques, and restaurants, and atmospheric pubs make Edmonton's South Side one of the diest neighbourhoods. It is also home to some's hottest festivals including the Edmonton Fringe Theatre Festival, Art Walk, Under the Sky, and more!



EDMONTON  
destination hotels  
SOUTHSIDE

[StayEdmontonSouth.com](http://StayEdmontonSouth.com)

## STRATEGIC OBJECTIVE 1

TO MAINTAIN, ENGAGE AND GROW EDMH'S MEMBERSHIP. SUCCESS INCLUDES SHOWING RESULTS; MEASURING ROI; COMMUNICATING WITH MEMBERS; MAXIMUM MEMBER PARTICIPATION IN MARKETING INITIATIVES



### Downtown Cluster Report from representing board members, **Garrett Turta and Tina Tobin**

The Downtown Cluster's goal in 2013 was to increase Leisure website traffic and hotel online reservations. For the Meetings market, the objective was to increase meeting and tour requests.

All campaigns capitalized on the creative that exemplifies the 'Escape to Downtown' theme, showing how everything – the arts, cultural events, theatre, shopping and fine dining – are nearby. A billboard campaign in Saskatoon, Lloydminster and Red Deer ran for 26 weeks during the prime rubber tire traffic season, which is spring and summer. This was leveraged by an online and print newspaper campaign that ran in the same cities as the billboard during the summer.

The overall Meeting campaign delivered the same messaging, but targeted through ads in Canada's major meetings and convention magazines. Both Leisure and Meetings marketing initiatives were supported by targeted tradeshow activity.

**So close, the experience practically comes to you.**

Everything your delegates care about are all within steps of each other when you host your conference in Edmonton's downtown. Accommodations that cater to any budget. Inspiring facilities. And yes, even theatre.

EDMONTON  
destination hotels  
DOWNTOWN  
[edmontondowntown.com](http://edmontondowntown.com)

12 | EDMONTON DESTINATION MARKETING HOTELS

Travel Alberta  
Canada

# YOUR INVESTMENTS IN ACTION

## CLUSTER BUDGET



### PRINCESS DIANA EXHIBIT & CAMPAIGN

## DIANA a celebration

FEBRUARY 9 TO JUNE 9, 2013  
WEST EDMONTON MALL, LEVEL TWO, PHASE I

YOWL, TELUS, AIR CANADA, DELTA, Global, EDMONTON JOURNAL

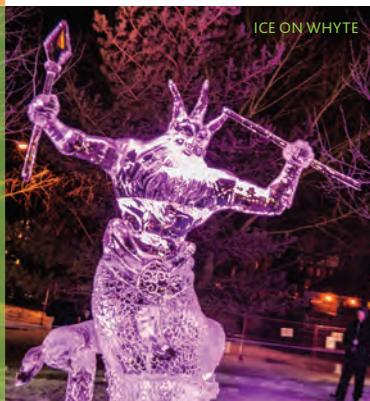


An award-winning exhibition celebrating the life and work of Diana, Princess of Wales.

HOTEL & TICKET  
PACKAGES AVAILABLE  
BOOK NOW!

EDMONTON  
destination hotels  
WESTEND  
Alberta  
Tourism  
Canada

1-866-493-7833



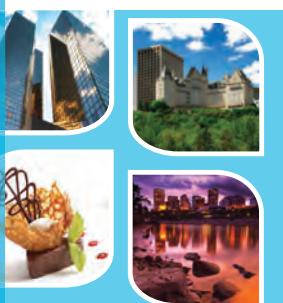
YOU'VE ARRIVED BROCHURE

# YOU'VE ARRIVED!

EDMONTON DESTINATION HOTELS SOUTHSIDE



OLD STRATHCONA SLEIGH RIDE



YOUR  
DESTINATION

Edmonton offers accommodations that cater to every budget and facilities to fit any purpose. From five-star luxury to budget lodgings, Edmonton offers entertainment, a gorgeous river valley park system, places to eat and drink, shopping and other amenities within easy walking distance. Whether you come work or play, you'll have a great day.



So close, the experience practically comes to you.

Everything our delegates care about,

are all within steps of each other when you're staying in the heart of downtown.

Accommodations that cater to your needs, inspiring facilities, and

yes, even golf.

EDMONTON  
destination hotels  
DOWNTOWN  
Alberta  
Tourism  
Canada

DOWNTOWN ADVERTISING CAMPAIGN



# YOUR INVESTMENTS IN ACTION

## ENTERPRISE BUDGET

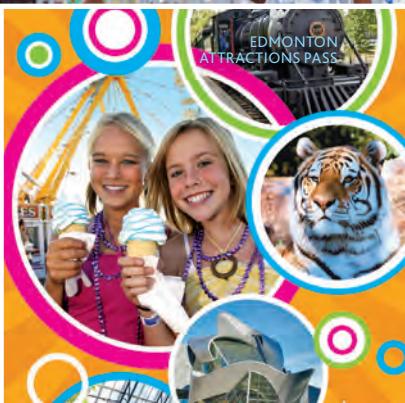
UNDER 18 VOLLEYBALL  
CANADIAN OPEN



EDMONTON INTERNATIONAL  
ATHLETICS FESTIVAL TRACK CLASSIC



EDMONTON  
ATTRACTIOnS PASS



TELUS WORLD OF SCIENCE HARRY POTTER & BODY WORLDS EXHIBITS



TOUR OF ALBERTA BIKE RACE

LPGA GOLF AT THE ROYAL MAYFAIR



# VALUES

ACCOUNTABILITY; INTEGRITY; COLLABORATION; STEWARDSHIP

## 2013 Executive Summary

Edmonton is the largest northern-most city in North America. Beginning as a trading centre for First Nations and then for European Traders, positioned under the Aurora Borealis – our future shines as brightly as our past.

Our province will have the fastest growing provincial economy in 2014. Alberta has been the largest contributor to economic growth in Canada for three consecutive years, outpacing the much larger economies of central Canada. The Conference Board of Canada cites Edmonton as our nation's third largest performer.

As Alberta's capital, Edmonton's business engine has articulately and effectively identified our city for its' business proficiency but, in comparison, our tourism message has not always been aligned or compelling. To date, most Canadians or conference influencers don't know our river valley is the largest urban parkland in North America, or that Edmonton gets an average of 2,300 of sunshine per year (equating to 17 hours a day, more than any other city in Canada). Nor do they know this energized, dynamic city offers expansive and diverse culture, cuisine satisfying any culinary desire, unique experiences and world-class hotels. All travellers receive a welcome that is distinctly, uniquely Edmonton.

The goal is to change how our city is perceived from a travel perspective and for Edmonton to take its rightful spot as a destination-of-choice. The EDMH Vision throws the gauntlet that Edmonton will be western Canada's premier hospitality destination. That's a lofty goal, but achievable if we create a collaborative plan focusing on the user experience – not individual agendas – and as such, all major marketers speak with one voice.

2013 is the first year for the Edmonton Destination Marketing Hotels Ltd., and as our Chairman of the Board Robin Cumine has stated, this was a year of

transition. It took us from a DMF model that mainly just funded to an organization that now invests.

As Brad Ferguson, President & CEO of Edmonton Economic Development Corporation, noted: *"tourism is the catalyst to a vibrant economy, as it is through person-to-person experiences that visitors [1] feel connected to our City; [2] build relationships with Edmontonians; [3] consider Edmonton as a place to do business; and [4] consider Edmonton as a place to live. It all starts with relationships between people, and the team at Edmonton Destination Marketing Hotels is leading by example."*

We've just started this journey. As 2013 ended the EDMH had 42 member hotels, about 20 active sales and marketing professionals volunteering to direct their individual cluster investments, six immensely accountable board members setting the direction, and one Mission: to 'direct investment in initiatives that create, drive and sustain growth in Edmonton as a travel destination for the benefit of our members.' With our numerous investment partners we demand accountability – and we all speak with one voice.



*2013 marks a period of significant change in the operating model with EDMH and Edmonton Tourism. EDMH funds it. Edmonton Tourism does it. This simple approach results in cohesion, accountability, and already yields measurable results. Tourism opens doors to opportunity. Tourists become visitors, visitors become friends, and friends come to stay, to live, and to do business in the region. We are witnessing this every day with the phenomenal growth of our city. Edmonton is the economic engine of Canada, and EDMH is a major contributor to our region's success. I would like to congratulate the EDMH Board and the entire team at Edmonton Destination Marketing Hotels for such a successful year."*

### **BRAD FERGUSON**

PRESIDENT CEO, EDMONTON  
ECONOMIC DEVELOPMENT CORPORATION



# STRATEGIC OBJECTIVE 4

TO DRIVE ROOM REVENUE THROUGH INVESTMENT OF DESTINATION MARKETING FUND DOLLARS

## Price Waterhouse Coopers LLP **Independent Auditor's Report**

MARCH 26, 2014

TO THE MEMBERS OF EDMONTON DESTINATION MARKETING HOTELS LTD.

We have audited the accompanying financial information of Edmonton Destination Marketing Hotels Ltd., which comprise the balance sheet as at December 31, 2013 and the statements of revenues, expenses and surplus and cash flows for the year ended December 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information. This financial information has been prepared using the basis of accounting disclosed in note 2 to the financial information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL INFORMATION**

Management is responsible for the preparation and fair presentation of this financial information in accordance with its Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on this financial information 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 information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, 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 information 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 information.

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

### **OPINION**

In our opinion, the financial information presents fairly, in all material respects, the financial position of Edmonton Destination Marketing Hotels Ltd. as at December 31, 2013 and the results of its operations and its cash flows for the year ended December 31, 2013 in accordance with the basis of accounting disclosed in note 2 to the financial information.

### **BASIS OF ACCOUNTING AND RESTRICTION ON DISTRIBUTION AND USE**

Without modifying our opinion, we draw attention to note 2 to the financial information, which describes the basis of accounting. This financial information, which has not been, and was not intended to be, prepared in accordance with Canadian accounting standards for not-for-profit organizations, is solely for the information and use of the members of Edmonton Destination Marketing Hotels Ltd. The financial information is not intended to be and should not be used by anyone other than specified users or for any other purpose.

*Price waterhouse coopers LLP*

CHARTERED ACCOUNTANTS

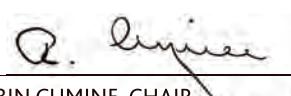
# STRATEGIC OBJECTIVE 4

TO DRIVE ROOM REVENUE THROUGH INVESTMENT OF DESTINATION MARKETING FUND DOLLARS

## Balance Sheet AS AT DECEMBER 31, 2013

	2013 \$	2013 \$
	(Unaudited)	
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	6,885,791	-
Accounts receivable	731,803	1,415
Prepaid expenses	132,565	-
	<b>7,750,159</b>	<b>1,415</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	124,492	-
Deferred revenue	7,303,104	-
	<b>7,427,596</b>	<b>-</b>
RESERVE (note 1)	300,000	-
SHARE CAPITAL (note 3)	7,593	1,415
SURPLUS	14,970	-
	<b>7,750,159</b>	<b>1,415</b>

APPROVED BY THE BOARD OF DIRECTORS

  
 ROBIN CUMINE, CHAIR  
  
 TINA TOBIN, SECRETARY

## Statement of Revenue, Expenses and Surplus FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 \$
<b>REVENUE</b>	
Deferred revenue recognized (note 1)	2,480,417
Marketing fees	43,331
Provincial funding	38,899
Interest income	14,970
	<b>2,577,617</b>
<b>EXPENSES</b>	
Promotional sponsorship	1,617,211
Advertising media purchases	502,393
Trade shows	55,828
Outside services	54,880
Graphic design/production	11,342
Promotional materials	9,783
	<b>2,251,437</b>
EXCESS OF REVENUE OVER EXPENSES	<b>326,180</b>
<b>OPERATING EXPENSES</b>	
Professional and consulting fees	167,151
Office labour and benefits	76,236
Trustee fees	25,000
Office expenses	19,576
Legal fees	11,765
Committee	9,890
Bank charges	1,288
Postage and courier	304
	<b>311,210</b>
EXCESS OF REVENUE OVER EXPENSES	<b>14,970</b>
SURPLUS – BEGINNING OF YEAR	-
SURPLUS – END OF YEAR	<b>14,970</b>

The accompanying notes are an integral part of this financial information.

# STRATEGIC OBJECTIVE 4

TO DRIVE ROOM REVENUE THROUGH INVESTMENT OF DESTINATION MARKETING FUND DOLLARS

## Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2013

CASH PROVIDED BY (USED IN)	2013
	\$
OPERATING ACTIVITIES	
Excess of revenue over expenses	14,970
NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS	
Increase in accounts receivable	(730,388)
Increase in prepaid expenses	(132,565)
Increase in accounts payable and accrued liabilities	124,492
Increase in deferred revenue	7,303,104
	<b>6,579,613</b>
INCREASE IN RESERVE	<b>300,000</b>
FINANCING ACTIVITIES	
Increase in share capital	6,178
INCREASE IN CASH	<b>6,885,791</b>
CASH – BEGINNING OF YEAR	-
CASH – END OF YEAR	<b>6,885,791</b>
SUPPLEMENTARY INFORMATION	
Interest received	14,970
Interest paid	-

## Notes to Financial Information

DECEMBER 31, 2013

### 1 NATURE OF OPERATIONS

Edmonton Destination Marketing Hotels Ltd. (the Company) is a company limited by shares incorporated on October 23, 2012 under Part 9 of the Companies Act in the province of Alberta. The Company was formed to continue similar activities of Edmonton Destination Marketing Fund ('the Fund') (a program administered and managed by Edmonton Economic Development Corporation) and is a subsequent program of the Fund under section 5.4 of the Destination Marketing Agreement between Edmonton Economic Development Corporation and participating hotels.

The Company receives contributions through its members pursuant to its Articles of Association (the Articles) and provincial funding. Before receiving shares of the Company, a member executes a subscription agreement and covenants to pay the destination marketing fee. The funding is utilized by the Company to offer services focused on the promotion of tourism through destination travel by tourists, conventions, events and delegate and business travel and firm production within Edmonton. This promotion is done through advertising, public relations, media relations, sales, promotional activities, research and associated marketing. The Company is maintained and operated under the direction of the Company's Board of Directors.

In March 2013, the Company received \$3,108,166 from Edmonton Economic Development Corporation. These monies represented a \$300,000 reserve that was established under the former Edmonton Destination Marketing Fund and \$2,808,166 of deferred revenue.

*The accompanying notes are an integral part of this financial information.*

# STRATEGIC OBJECTIVE 4

TO DRIVE ROOM REVENUE THROUGH INVESTMENT OF DESTINATION MARKETING FUND DOLLARS

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) BASIS OF PRESENTATION

This financial information has been prepared by management in accordance with Agreements between the Company and its members as described in note 1. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial information for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. This financial information has, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

### b) CASH

Cash consists of cash on deposits with banks.

### c) REVENUErecognition

The Fund recognizes marketing fees as revenue in accordance with the Subscription Agreement based on representations from the hotels. Marketing fee revenues are recorded as deferred revenues until the monies are spent on marketing initiatives as outlined in the Subscription Agreement. The Fund recognizes all other revenues on the accrual basis. Revenues that have not been spent are deferred, with the exception of interest income.

### d) EXPENDITURES

The Fund contributes various amounts to projects as a part of its nature of operations. As the Fund does not have control on how this funding is used after commitment is established, amounts are expensed when the commitment to pay occurs.

## 3 SHARE CAPITAL

The authorized capital of the Company is as follows:

Two hundred Class A common, voting shares without nominal or par value. The maximum price or consideration for which a Class A common share may be issued for is \$1.

Ten Thousand Class B common, voting shares without nominal or par value .The maximum price or consideration for which a Class B common share may be issued for is \$1

ISSUED	CLASS A SHARES	CLASS B SHARES	TOTAL SHARES
	\$	\$	\$
AS ON JANUARY 1, 2013	7	1,408	1,415
ISSUED DURING 2013	36	6,142	6,178
AS ON DECEMBER 31, 2013	43	7,550	7,593

## 4 COMMITMENT

Edmonton Destination Marketing Hotels Ltd. has entered into an operating lease agreement for office space to May 31, 2018. Total future minimum lease payments for the next five years are expected to be as follows:

	\$
2014	19,200
2015	19,200
2016	19,200
2017	19,200
2018	8,000

# STRATEGIC OBJECTIVE 4

TO DRIVE ROOM REVENUE THROUGH INVESTMENT OF DESTINATION MARKETING FUND DOLLARS

## Schedule of Revenues and Expenses by Cluster

FOR THE YEAR ENDED DECEMBER 31, 2013

<b>REVENUE</b>	<b>General</b>	<b>Downtown Cluster</b>	<b>West Cluster</b>	<b>South Cluster</b>	<b>Total</b>
Marketing fees	-	-	-	43,331	43,331
Deferred revenue recognized	1,946,362	209,341	202,308	122,406	2,480,417
Provincial funding	-	-	-	38,899	38,899
Interest income	14,970	-	-	-	14,970
	<b>1,961,332</b>	<b>209,341</b>	<b>202,308</b>	<b>204,636</b>	<b>2,577,617</b>
<b>PROGRAM EXPENSES</b>					
Promotional sponsorship	1,517,566	34,375	17,543	47,726	1,617,210
Advertising media purchases	165,728	134,013	105,794	96,858	502,393
Trade shows	13,048	16,030	5,567	21,183	55,828
Outside services	5,501	2,600	41,492	5,287	54,880
Graphic design/production	1,850	2,265	-	7,227	11,342
Promotional materials	4,550	594	4,482	158	9,784
	<b>1,708,243</b>	<b>189,877</b>	<b>174,878</b>	<b>178,439</b>	<b>2,251,437</b>
<b>GROSS MARGIN</b>	<b>253,089</b>	<b>19,464</b>	<b>27,430</b>	<b>26,197</b>	<b>326,180</b>
<b>OPERATING EXPENSES</b>	<b>238,119</b>	<b>19,464</b>	<b>27,430</b>	<b>26,197</b>	<b>311,210</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>14,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,970</b>
<b>DEFERRED REVENUE—BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED REVENUE—END OF YEAR</b>	<b>5,986,990</b>	<b>530,073</b>	<b>623,701</b>	<b>162,339</b>	<b>7,303,104</b>

# STRATEGIC OBJECTIVE 2

TO ASSURE THE LONG TERM SUSTAINABILITY OF EDMONTON DESTINATION MARKETING HOTELS.  
SUCCESS INCLUDES SHOWING RESULTS; REGULAR AND ONGOING COMMUNICATIONS WITH MEMBERS AND OTHER STAKEHOLDERS; ENSURING THAT THE EDMH HAS THE RIGHT PARTNERS; MEASURING ROI; CLUSTERS WORKING AT MAXIMUM EFFECTIVENESS AND ALIGNMENT WITH EDMH GOALS

## 2013 SWOT Analysis

### STRENGTHS

Alberta economy continues to grow, outpacing the rest of Canada  
Edmonton leads the way in top performing economies, with a 4% GDP growth in 2012 that grew faster than any other Canadian city  
Newly renovated and revitalized airport with increased air access from US and European markets  
Known for its' multiple festivals and high volunteerism community  
Gateway to the North, both in Alberta and Northwest Territories  
Opportunistic access to drive markets, including larger population bases of Calgary, Prince George and Saskatoon  
New direction and leadership at Edmonton Economic Development and Edmonton Tourism, with new staff structure poised to deliver  
EDMH is in a strong financial position to assist with marketing funds for both Edmonton Tourism and special tourism-driving events and festivals  
Expansive and growing culinary and arts community, increasing the reasons to visit Edmonton multiple times

### OPPORTUNITIES

Creation of EDMH Mission, Values and Strategic Direction ensure all activities are aligned and are now delivering to those terms  
Move the Coordinator role in-house to report to each cluster delivering on their marketing objectives and strategy  
The development of a new, more compelling Edmonton Tourism brand that leverages both the Canadian Tourism Commission and Travel Alberta brands  
Alignment and accountability between the EDMH and Edmonton Tourism, and all funding partners  
New Edmonton Tourism microsite and future website separate from the City of Edmonton  
Focus in speaking to the two Explorer Types (EQ) identified as most likely to travel to Edmonton (Free Spirit and Cultural Explorer)  
EDMH hotels will be the only hotels featured in the Edmonton Tourism microsite and future websites  
Ensure Edmonton Tourism's Meeting and Convention team fully understands EDMH product with in-person site visits

### WEAKNESSES

Edmonton International Airport is primarily a feeder to gateway hubs, making it a two-stop flight to get to Edmonton from many destinations  
Edmonton does not have a compelling tourism brand  
Product development is challenged, with minimal offerings that will work with hotels to package  
Although there is collaboration with funding partners, not all are strategic  
Ongoing changes funding partnership models with Travel Alberta make it challenging to leverage investments  
In Alberta, Calgary and Banff lead as the known tourism destinations. The northern corridor is not presently a primary consideration

### THREATS

Increased regional and global competition makes Edmonton marketing voice diminish to our target consumer next to 'noise' of multiple other offers  
New Calgary International Airport expansion and redevelopment will open in 2015. At that point any value in the Edmonton International Airport redevelopment will be mitigated  
Challenge to get support for citywide meeting and conference blocks  
ADR continues to remain low next to other major Alberta destinations. With additional inventory coming into the city this will add continued stress to the bottom line.

# STRATEGIC OBJECTIVE 3

TO SEEK INNOVATIVE INITIATIVES THAT WILL DRIVE TOURISM TO EDMONTON

## Brand Edmonton

When you consider the user experience, having a number of tourism websites that sell the same destination with occasional conflicting messages is confusing. This turns up the noise, and reduces the ability to pay attention to particular offers. It's not dissimilar to having a number of treasured pieces on a shelf versus highlighting one. When there's one item, you can appreciate it in all its detail.

In 2014, as the new Edmonton Tourism look and feel is launched, the EDMH will support our significant investment of this marketing organization, and will automatically link from our four websites to theirs. So when a user types in [www.edmontondestinationhotels.com](http://www.edmontondestinationhotels.com), they'll seamlessly link onto the Edmonton Tourism landing page. If a user types in one of our cluster websites, they will seamlessly link onto the Edmonton Tourism site on their particular cluster landing page. Each cluster's marketing activity will still be reflected, with their packages and messages, but the ever evolving brand

journey (imagery, colours, style) will reflect Edmonton Tourism's new look and feel. Through this we will reflect one voice, with similar but unique messages.

Edmonton Tourism's new look and feel, created in tandem with their major stakeholders and the foundational work of Make Something Edmonton, leverages both the Canadian Tourism Commission's Keep Exploring brand, as well as Travel Alberta's. These brands highlight an authentic experience that drive an emotional connection. Authentic, rugged and original – these are all key attributes of Edmonton Tourism's new look and feel. Designed to tell the story of our roots, our communities and our culture, the new creative speaks to our originality and innovative approach to life in Edmonton. A city with a history of trade, culture and entertainment, Edmonton is a vibrant urban centre in the heart of the wilderness – since way back.

**EDMONTON  
ORIGINAL SINCE WAY BACK**



*It is great to see the collaborative marketing efforts between EDMH and Edmonton Tourism. The key to successful destination marketing is working in partnership with a consistent message in the marketplace."*

**SHELLEY GROLLMUSS** VICE PRESIDENT, INDUSTRY DEVELOPMENT, TRAVEL ALBERTA

# VISION

EDMONTON WILL BE WESTERN CANADA'S PREMIER HOSPITALITY DESTINATION, ATTRACTING VISITORS FOR A WIDE VARIETY OF ACTIVITIES AND EXPERIENCES, CREATING PROSPERITY FOR OUR MEMBERS

## A View to 2014: EDMH 2014 Proposed Budget

<b>FUNDING COMMITMENTS</b>	Year of Event	Commitment Year			
			2014	2015	2016
EDMONTON TOURISM–PROGRAMS	2014	2014	1,500,000.00		
EDMONTON TOURISM–OPPORTUNITY FUNDS*	2014	2014	850,000.00	1,190,000.00	1,205,000.00
ITU World Triathlon Grand Final	2014	2014	125,000.00		
Edmonton International Athletics Festival	2014	2014	50,000.00		
Red Bull Crashed Ice	2014	50% in 2014 50% in 2015	100,000.00	100,000.00	
CFR Sponsorship	2014	2014	250,000.00		
Miss Rodeo Canada	2014	2014	25,000.00		
Canadian Country Music Awards	2014	2014	50,000.00	50,000.00	
TWoS–new exhibits	2014	2014	25,000.00		
EDMH Sponsorship Contingency Fund	2014	2014	850,000.00		
Edmonton Attractions Pass	2014	2014	75,000.00		
Edmonton International Airports (budget allocated if when tactics are received they are then Board signed-off)	2014	2014	500,000.00		
<b>INITIATIVES</b>					
Membership initiatives (ie: experiential photography/packaging/etc)	2014	2014	5,000.00		
Membership portal (annual plus creation)			4,000.00		
Edmonton Certified	2014	2014	5,000.00	5,000.00	5,000.00
CFR Marketing Campaign	2014	2014	75,000.00		
Travel Alberta Conference; Travel Alberta Calgary meetings (2); AHLA Conference; HAC, board and membership events	2014	2014	7,000.00		
CheckIn Booking Engine + campaign to maximize website launch & effectiveness	2014	2014	50,000.00		
Tradeshows, tradeshow support & giveaways	2014	2014	17,500.00		
Research; Google Ad Campaigns; Survey Monkey		2014	25,000.00		
Agency initiatives including coordination		2014	105,000.00		
Overage from 2013 budget (repayment)			300,000.00		
Contingency Fund			100,000.00		
<b>OPERATIONAL BUDGET</b>					
Office Rent, Trustee fees, bank fees, office equipment, staff, memberships, audit, legal, insurances	2014	2014	450,000.00		
<b>TOTAL</b>			<b>5,543,500.00</b>	<b>1,345,000.00</b>	
<b>TOTAL 2014 BUDGET</b>			<b>5,932,445.46</b>		
Remaining to be allocated			388,945.46		
*Edmonton Advantage rolled over from 2013 budget	200,000.00	2014	200,000.00		

\*Edmonton Advantage rolled over from 2013 budget



L-R:  
Michael Sieger  
Hilton Garden Inn West  
Garrett Turt  
The Fairmont  
Hotel Macdonald  
Tina Tobin  
Alberta Place Suite Hotel  
Grant McCurdy  
Mayfield Inn &  
Conference Centre  
Robin Cumine  
Radisson Hotel  
Edmonton South  
Karen Naylor  
Super 8 Edmonton South

EDMONTON  
DESTINATION  
MARKETING  
HOTELS LTD.

2707 Ellwood Dr SW  
Edmonton, Alberta  
T6A 4A4  
[info@edmh.ca](mailto:info@edmh.ca)

## EDMONTON DESTINATION MARKETING HOTELS 2013 Board of Directors

**G**I have been involved in the hotel sector in Edmonton since January 2011 after arriving from Southern Alberta. At that time some hotels were remitting 1% of room revenue towards the Edmonton DMF. There was not much cohesion or communication as to what was being accomplished or what the goals were of the organization. Once the new board was elected and a decision made to increase to 3% with much more accountability and feedback to the members on the goals, activities and financial status, the work began to "build" the Edmonton Destination Marketing Hotels organization. The current board of directors are a solid group of hoteliers representing the three clusters of the city with a very competent staff supporting and driving the organization. Many of the city hotels have continued to support the EDMH by remitting the 3% and working towards showcasing Edmonton to the world.

As President of the Hotel Association of Greater Edmonton (HAGE), I am pleased to also be a member of EDMH and encourage all HAGE members to become members of EDMH as the two organizations need to be aligned going forward. This alignment will ensure strong hotel sector support for both marketing and advocacy initiatives. The current guests and the hundreds of thousands of potential guests from around the world will benefit from a strong accommodations and attractions/entertainment-based Edmonton.

The EDMH has had a very positive first year of operations and there are many good things to come. The Board is solid, the plans are timely and relevant, and the execution thus far has been superb!

I look forward to Year Two and working alongside the EDMH."

**STEVE WHITE** PRESIDENT, HOTEL ASSOCIATION OF GREATER EDMONTON