THE POWER OF TOURISM
FUELLING MANITOBA’S ECONOMY

2012/13 ANNUAL REPORT
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At a recent town hall meeting organized by the Canadian Tourism Commission (CTC) and the Tourism Industry Association of Canada (TIAC), Manitoba’s tourism industry heard that one of TIAC’s primary goals is to bring together as many as 15 different federal agencies that make policies affecting tourism through the Federal Tourism Strategy. Viewing decisions through a “tourism lens” – across government departments – is one key to strengthening and growing this vital industry.

Similarly, Travel Manitoba has encouraged the province of Manitoba to adopt a “whole of government” approach in tackling some of the challenges that face the tourism industry. Travel Manitoba identified the need for a provincial tourism strategy and a new sustainable funding model in our business plan, and we are delighted that the department of Culture, Heritage and Tourism is moving ahead on these issues in its new Action Plan. We also recommended having one vision, one strategy, and one brand, as effective
marketing of Manitoba as a premier tourism destination requires agreement and cooperation amongst a wide range of stakeholders.

According to the United Nations World Tourism Organization (UNWTO) *Tourism Vision 2020*, tourism is the world’s fourth fastest growing industry, with one billion international travellers, $1 trillion in global revenues, and 4% annual global growth predicted. The message from the Tourism Industry Association of Canada is clear: “Canada can win its fair share.” And Manitoba can – and should - win its fair share. Travel Manitoba’s objective is to increase tourism expenditures in Manitoba to exceed $1.5 billion by 2016 and in doing so, increase our market share amongst other Canadian provinces and territories. To do this, we need to use the collective power of our resources to outsmart the competition. As Travel Manitoba works toward the development of a new tourism brand, set to launch in 2014, we are confident that Manitoba’s tourism industry will embrace the brand and begin a new chapter of collaboration and cooperation, making us stronger as we grow together.

Bob Sparrow  
CHAIR OF THE BOARD OF DIRECTORS
MESSAGE FROM THE PRESIDENT & CEO

Over the course of the last year we made important progress towards building tourism in Manitoba. Part of that building process was reinforcing our relationships with important stakeholders. This included working closely with the Tourism Secretariat to clearly define roles and collaborate on the delivery of a provincial tourism strategy. We also reinforced our working relationships with the Regional Tourism Associations and Destination Marketing Organizations – ensuring a strong understanding of purpose and duties to better support our tourism industry.

At the heart of tourism in Manitoba are the industry members whose products, services and experiences welcome almost 11 million visitors to the province who spend nearly $1.45 billion. In 2012/13, Travel Manitoba zeroed in on our relations with industry, hosting sector-specific summits as a way to gather real-time feedback from operators to help shape our future strategies. Opening a two-way channel for ongoing discussions will better equip Travel Manitoba and our industry members to meet challenges head-on and take advantage of opportunities for collaboration and partnership.

As we laid the foundation for a new brand this year, based on the sound research behind the Explorer Quotient™, industry participation in the formation of our new brand was crucial. And just as crucial will be the industry’s willingness to support this new brand and the Explorer Quotient™ as a way for Manitoba to establish a competitive edge in the worldwide tourism marketplace. With the launch of the new brand in 2014, we will ensure industry members have the tools they need to help us establish one vision, one strategy and one brand to continue to build tourism in Manitoba.

There are exciting things on the horizon for Manitoba: among them, the opening of the Canadian Museum for Human Rights, the expansion of the Winnipeg Convention Centre, the Journey to Churchill exhibit in Assiniboine Park and the redevelopment of West Hawk town site and other improvements in Whiteshell Provincial Park. We will continue to partner with cities to acquire major events aimed at promoting Manitoba’s culinary, music and festival attractions. Events on the horizon include the JUNO Awards in 2014 and the Canada Games in 2017. We will continue to welcome the world to experience our unique blend of wilderness and culture, and a healthy, vibrant tourism sector will exceed their expectations.

Colin Ferguson  PRESIDENT & CEO, TRAVEL MANITOBA
ABOUT TRAVEL MANITOBA
Travel Manitoba is the only public/private non-profit tourism marketing organization that provides a province-wide platform to promote Manitoba as a premier travel destination. Travel Manitoba is a Crown corporation whose role is to provide leadership by collaborating with tourism businesses, communities, destination marketing organizations and governments to realize the full potential for tourism in Manitoba.

VISION
Travel Manitoba leads the marketing and development of Manitoba’s tourism industry.

MISSION
Grow tourism revenues by harnessing the collective investment in tourism to create strong connections between visitors and Manitoba’s unique experiences.

STRATEGIC PRIORITIES
• Lead marketing excellence
• Strengthen relationships with business and government
• Collaborate to build a competitive provincial tourism strategy

OBJECTIVES
• Lead the provincial tourism initiative
• Increase annual expenditures and visitation
• Increase investment in tourism marketing
• Build stronger relationships with industry stakeholders
• Establish a strong brand for Manitoba within Canada and internationally
• By 2020, rank fifth in Canada in tourism expenditures
$1.45 BILLION
in visitor spending

10.8 MILLION
visitors

$567 MILLION
in export revenue with
1.5 million out-of-province visitors

$531 MILLION
in tax revenues
for government

5,457
tourism & hospitality
businesses

24,500
direct and indirect
jobs

*Source: 2011 Travel Survey of Residents of Canada. Please note that results cannot be compared to previous surveys due to a redesign of the survey. The survey’s new scope is more inclusive and allows more trips to be collected. These changes are increasing the survey estimates from previous years.

*Due to methodology changes, economic impact numbers such as taxes and jobs are not comparable to 2010.
LEADING MARKETING EXCELLENCE

RESEARCH-BASED STRATEGY

In 2012/2013, Travel Manitoba invested in the Canadian Tourism Commission’s innovative market segmentation tool, the Explorer Quotient™, or EQ. EQ goes beyond traditional market research to incorporate psychographics – the reasons why people travel and how their personal beliefs, social values and view of the world shape the travel decisions they make. Based on this information, travellers are grouped into nine distinct types.

The EQ types most drawn to Manitoba and the experiences we have to offer are the Authentic Experiencer, who avoids “tourist traps” and whose travel focus is on beauty and natural environments, and the Cultural Explorer, who loves to go “off the beaten track,” is fascinated by history and wants to be part of the local culture.

BENEFITS OF EQ

The EQ research provides Travel Manitoba with a complete and in-depth understanding of our customer’s core values, and it will continue to guide our decisions regarding marketing and product development, as well as market selection. EQ has also provided a platform for renewed collaboration and partnership with our industry. Defined customer segmentation, and the research that supports our decisions, will enhance Travel Manitoba’s partnership with the Canadian Tourism Commission. It will also make it easier for Manitoba industry partners to work with Travel Manitoba as we all agree on who our target customers are and what our message to them is. Having a clear direction will simplify decisions and improve results.
With the power of EQ providing valuable insight into the traveller types most likely to visit Manitoba, Travel Manitoba engaged agency McKim Cringan George to work on creating a new brand to define our province as a travel destination. The brand development was based on research done for past campaigns as well as an industry survey carried out in December 2012. Two-hundred and fourteen tourism stakeholders completed an online survey while 11 individuals representing a cross section of tourism and community leaders were interviewed over the phone, providing helpful and insightful feedback.

Industry members told us their customers like to immerse themselves in local culture and enjoy natural settings and the outdoors. When asked to describe Manitoba’s personality, the top responses were friendly (at 49%) and generous (at 16%). While respondents had a hard time identifying one thing that sets Manitoba apart from every other travel destination, they did agree on two distinctive aspects that our past research has identified as unique components of our identity as a destination: Manitoba as a cultural oasis and our accessible wilderness.

These two pillars, supported by the EQ research, laid the groundwork for the brand platform – a background document that connects the two features of cultural oasis and accessible wilderness to the customer and illustrates how Manitoba can stand out from the competition. From here, the creative team developed two brand concepts that were tested in key markets, in both English and French. The results of the testing will be used to shape and refine the brand, readying it for launch in 2014.
One of the ways Travel Manitoba serves the tourism industry is by providing a province-wide platform to promote Manitoba tourism businesses. Our programs provide industry partners opportunities to reach new markets that are otherwise cost prohibitive.

In 2012/13, Travel Manitoba built on the recognition of the “It’s Manitoba Time” campaign, and offered new partnership opportunities for industry that included:

- A program of weekly pages in the *Winnipeg Free Press* Travel section, expanded to include full-page weekend editorial in the *Brandon Sun*, *Dauphin Herald*, *Thompson Citizen*, *Kenora Daily Miner*, *Thunder Bay Chronicle* and the *Grand Forks Herald*.

- The creation of high-definition videos featuring the Travel Manitoba mascot Toba the Polar Bear. Toba appeared in six videos in 2012/2013 including the Canadian Fossil Discovery Centre in Morden, the Manitoba Museum, A Maze in Corn near St. Adolphe, Asessippi Ski Area and Resort and The Forks River Trail.

- Advertising opportunities in our seasonal Vacation Planners, website and newspaper offered our partners a chance to expand their marketing reach.
The power of Tourism fuelling Manitoba's economy
Partnership and collaboration with industry is a cornerstone to Travel Manitoba’s long-term success in fulfilling its mandate, and it is equally as critical to the health of the tourism industry itself. By partnering with industry on marketing programs, Travel Manitoba is able to extend the reach and impact of its marketing efforts. In turn, operators with limited resources can benefit from subsidized marketing programs in priority markets.

- **Over 110 partners invested $410,000** in Travel Manitoba marketing and development co-op programs, signaling their confidence in Travel Manitoba’s research-based decision making in marketing the province. In fact, **37% of partners increased their investment** in 2012/13 over 2011/12. Of those, **20 new partners** came on board for the first time in 2012/13.

- Their confidence paid off: leads provided to partners were also **up 13.4%**.
Travel Manitoba increased its e-marketing and social media efforts in 2012/13, developing and implementing a social media strategy, adding a position to the E-Marketing team, training staff in effective social media use, conducting social media workshops for industry, and developing innovative social media campaigns with the help of industry leader, ThinkSocial Media.

The following pages show the positive results Travel Manitoba experienced across various social media platforms.
Fans up

11,265 to 13,534

Promoted 10 of our top performing posts and generated an increase of 100 new likes per promoted post.

Fan Photo of the Week has increased our fan engagement and user-generated content.
E-MARKETING AND SOCIAL MEDIA

TravelManitoba.com

83% in unique visitors

162% in visits to home page

11% in mobile visits to home page
ManitobaHot.com

Over 22,000 people clicked through to our Manitoba Hot campaigns (Fall into the Arts, Shopping & Dining, Spring Break)

437% in unique visitors

428% in page views
The power of Tourism fuelling Manitoba's economy

E-MARKETING AND SOCIAL MEDIA

EverythingChurchill.com

FishHuntManitoba.com

↑ 152%↑ 139%
IN UNIQUE VISITORS IN VISITS TO HOME PAGE

↑ 108%↑ 149%
IN UNIQUE VISITORS IN ORGANIC SEARCHES

New site featuring improved navigation
Pay-per-click campaigns:

**GENERATED OVER**

7 MILLION IMPRESSIONS ON GOOGLE

Jets Away campaign:

This partnership with the travel trade was a multimedia campaign conducted in coordination with Winnipeg Jets games in Toronto and Ottawa. It accounted for **898 mentions** and **692 new Twitter followers** – an increase in mentions and engagement of **650%**. TV commercials reached almost five million viewers in North America on Maple Leafs TV and SportsNet East.
The power of Tourism fuelling Manitoba’s economy
MEETING VISITORS’ NEEDS

Travel Manitoba’s Visitor Information Centres continue to see an increase in travel counselling sessions despite the availability and accessibility of travel information on the web. Travel Manitoba’s Travel Counsellors offer individualized trip planning support.

Travel Counselling Sessions

26.8% to 49,235
MEETINGS, CONVENTIONS & EVENTS

Bringing meetings, conventions and events to Manitoba provides a significant opportunity to increase Manitoba’s annual tourism receipts. Travel Manitoba partners with Tourism Winnipeg, Brandon First and Destination Dauphin to acquire major events and to invest in the development of new events.

• In partnership with Tourism Winnipeg, the “Bring It Home” local influencer program yielded eight national conventions representing approximately $5.6 million in direct expenditures.

• Tourism Winnipeg and partners have secured 142 new conferences spanning into 2017, representing approximately 35,000 delegates and associated direct spending estimated of $33.0 million.

• Travel Manitoba worked with Brandon First board and staff to conduct a facilitated workshop as an initial step in developing a long-term strategic plan for the organization to secure events for Brandon.
Travel Manitoba’s Media Relations and Travel Trade teams promote Manitoba’s tourism experiences to national and international markets. By bringing international media and travel trade professionals here to explore our province and by pitching Manitoba travel stories and products at marketplaces and sales missions, Manitoba’s recognition as a destination of choice is growing.

In 2011, Travel Manitoba secured the bid for the GoMedia Canada Marketplace in 2014. This annual marketplace that sees media paired with travel industry experts for one-on-one appointments will also feature pre- and post-trips that give delegates the chance to experience Manitoba first-hand. The marketplace will come on the heels of Travel Manitoba’s launch of a new tourism brand for Manitoba, extending the reach of our new identity.
MEDIA RELATIONS


- The number of media from the United Kingdom and Germany increased from five in 2011/12 to 12 last year.

- The Media Tour program supported 78 media projects in total, including hosting three group media trips.

TRAVEL TRADE

- Hosted 33 companies on FAM tours to Manitoba, 10 from the United Kingdom.

- Had 406 appointments with travel companies through 14 sales missions and marketplaces in the US, Germany and France.
  - Returned to ITB Berlin marketplace and held 14 trade and 16 media appointments.
  - Sales mission to France with five industry partners yielded 33 new contacts made with six travel trade appointments.

- By the end of 2012/13, German tour companies Canusa and DERtour already had 70 bookings to Manitoba for 2013.
  - The variety of Manitoba products offered by German tour operators expanded to include more Churchill summer, paddling, lodges and fly-drives.
  - Travel Manitoba partnered with North Dakota, Minnesota and Saskatchewan on a co-op program to promote a new fly-drive tour to Germans through the partner states and provinces.
STRENGTHENING INDUSTRY RELATIONS

A key objective for Travel Manitoba in 2012/13 was to build stronger relationships with industry stakeholders. With an aim to be the first resource that tourism industry operators consider when they are looking for tourism information, development assistance and marketing advice, Travel Manitoba saw 2012/13 as a year to lay the foundation for further collaboration to grow tourism in Manitoba. EQ offers Manitoba’s tourism industry a common language for future marketing, product development and partnerships with Travel Manitoba. Sharing the EQ knowledge with industry and soliciting their feedback were key to strengthening industry relations in 2012/13. In future years, Travel Manitoba will provide the necessary tools to enable the alignment of the tourism industry under the EQ customer segmentation model.

TOURISM INDUSTRY SUMMITS

In order to improve communication with industry, Travel Manitoba introduced industry summits as a means to bring various sectors of the tourism industry together to discuss challenges and opportunities facing the tourism industry and seek input on Travel Manitoba’s role and its marketing initiatives. These summits, which replaced the Industry Advisory Committees, have generated real-time feedback from industry, offering valuable input for planning and decision-making. In 2012/13, Travel Manitoba hosted the second annual summit for the fish/hunt sector, and the first summit for those working in international markets, the culture and heritage tourism sector, the accommodations sector, and for Regional Tourism Associations/Destination Marketing Organizations.
MANITOBA TOURISM CONFERENCE

The focus of the year’s Manitoba Tourism Conference was on EQ, as 125 members of Manitoba’s tourism industry gathered on September 10 and 11, 2012. Keynote speaker Greg Klassen, CTC Senior Vice-President of Marketing Strategy and Communications shared how and why EQ was created and talked about its potential to enhance cooperation in the tourism industry to take advantage of the great potential that exists for tourism in Canada.

Delegates participated in two sessions that offered top-level understanding of the insights that EQ can provide, including in terms of market development, product development and marketing and communications. Using their own experience, delegates did a number of exercises to help them determine what EQ type their best customer is and, based on that knowledge, the ways in which EQ can help enhance their experience.
SHARING INFORMATION

Travel Manitoba’s Industry Relations team and colleagues work closely with members of the tourism industry to share knowledge and information, including:

- Offering six Experience Development and/or EQ support sessions and workshops to various industry groups throughout the year.
- Presenting Travel Manitoba’s objectives and plans as Colin Ferguson, President and CEO spoke at 18 different tourism industry events.
- Hosting a seminar in partnership with Tourism Winnipeg on the opportunities to capitalize on the LGBT market.
- Holding a social media workshop for eleven fish and hunt operators, offering tips on social media strategy, including how to effectively use Facebook and Twitter, and how to monitor, crowdsource and manage their online reputations. These businesses are continuing with one-on-one coaching sessions to further strengthen their social media abilities.
- Creating a market development plan for two niche market opportunities: Aboriginal Cultural Festivals and Welcoming New Canadians.

In 2012/13, Travel Manitoba acquired and began implementation planning for the SimpleView Customer Relationship Management/Content Management System. These new database systems will completely replace the existing and limited program that drive Travel Manitoba’s website and printed publications. When fully implemented in 2014, SimpleView will offer a continually updated, shared managed system that offers flexibility to both Travel Manitoba and industry partners.
MANIToba TOURISM AWARDS

The Manitoba Tourism Awards celebrated its 14th year recognizing Manitoba’s tourism champions, leaders and pioneers. Over 240 tourism members were in attendance as the awards honoured 12 winners in 11 categories.

Aboriginal Tourism Award
Manito Ahbee Festival Inc.

Aspiring Youth Award
Steve Langston, Dirty T-Shirt Productions

Winnipeg Airports Authority Award of Distinction
Doug Webber, Webber’s Lodges

Event of the Year Award
Folklorama
Winnipeg Folk Festival

Event of the Year Community Innovation Award
City of Winkler – Beach Boys Concert

Marketing Excellence Award
Oak Hammock Marsh Interpretive Centre

Partnership Award
Leigh Cochrane Memorial Visitors Centre/ Fisher River Cree

Product Development Award
Adrenaline Adventures

Service Excellence Award
Goldwing Ambassadors, Winnipeg Airports Authority

Sustainable Tourism Award
Churchill Northern Studies Centre

Volunteer of the Year Award
Tim Lewis, Manitoba Stampede & Exhibition
The tourism industry is not well understood, and Travel Manitoba placed additional emphasis in 2012/13 on increasing awareness of tourism as an economic driver.

Travel Manitoba also shared the value of tourism message and promoted Manitoba tourism products to the general population and the business community through 19 regular appearances by Travel Manitoba’s CEO or other staff on CJOB’s The Winnipeg Business Report radio show, sponsored by the Winnipeg Chamber of Commerce.
ENHANCING TOURISM INSIGHT

Having up-to-date traveller information has always been a challenge – Statistics Canada information has a two-year time lag in some cases. But with EQ, the research is current and the results are unlikely to change dramatically over time. Knowing our primary targets thanks to EQ, Travel Manitoba will be able to better identify our other research requirements. Research continues to drive Travel Manitoba’s strategies and Travel Manitoba participates in several organizations to stay ahead of changing trends in research.

• Manitoba was in the spotlight for Canadian tourism research as Winnipeg hosted the Canadian Travel and Tourism Research Association Conference October 10–12, 2012. Chaired by Travel Manitoba’s Senior Manager of Research and attended by over 100 tourism researchers, the conference focused on the growth of technology, subsequent changes in consumer behaviours and its continual impact on changing research methodologies.

• Travel Manitoba’s membership in the Canadian Tourism Commission’s Research Advisory Committee – comprised of both public and private sector tourism organizations – provides understanding regarding issues affecting the CTC, changes and challenges for CTC research efforts and provides national industry feedback and networking.
The power of Tourism fuelling Manitoba’s economy

Visitors spending & visitation overall 2011

- **Manitoba**: $880.6 million, 9,209,000 person visits, $96 per person visit
- **Other Canadian Provinces**: $399.0 million, 1,183,000 person visits, $337 per person visit
- **United States**: $110.0 million, 371,000 person visits, $297 per person visit
- **Overseas**: $58.1 million, 86,000 person visits, $676 per person visit

**Total Visitor Spending**: $1,447,700,000
**Total Visitation**: 10,849,000

Source: Statistics Canada – Travel Survey of Resident of Canada (TSRC) and International Travel Survey (ITS), Research Resolutions – 2011 Detailed Tabulations

Please note that the results from the 2011 Travel Survey of Residents of Canada cannot be compared to previous surveys. Statistics Canada offers the following explanation: The Travel Survey of Residents of Canada has undergone a redesign in 2011. The survey scope is more inclusive and allows more trips to be collected. Moreover, its new design makes it easier to report trips. These changes are increasing the survey estimates from previous years. This creates a break in the domestic tourism series.
THE VALUE OF THE TOURISM INDUSTRY IN MANITOBA

According to the latest statistics, tourism in Manitoba contributed $1.45 billion to our economy in 2011, with total visitation reaching 10.8 million. Manitobans account for the majority of visitation (85%) and spending (61%), followed by other Canadian provinces at 27% of expenditures and 11% of visitation. The United States accounts for 8% of expenditures and 3% of visitation and overseas visitors account for 4% of expenditures and 1% of visitation.

Saskatchewan and Ontario were the largest contributors to visitation and expenditures from Canadian provinces, with North Dakota and Minnesota being the largest contributors from the US. Germany and the United Kingdom continue to be strong international markets for Manitoba, with Asian countries including China, India and the Philippines steadily growing.

The 2011 statistics signal a new benchmark for measuring the value of the tourism industry as Statistics Canada redesigned its Travel Survey of Residents of Canada, making it more inclusive, however rendering comparisons to data from previous years incompatible.
Travel Manitoba recognizes that the Government of Manitoba is its primary shareholder, and Travel Manitoba is committed to demonstrating the potential of the tourism industry and how tourism growth can help support key provincial priorities. A “whole of government” approach is necessary to ensure that programs affecting tourism work efficiently together and that provincial departments and agencies see the development of the tourism industry as a priority.

In 2012/13, Travel Manitoba served as the catalyst to the implementation of the Premier’s Economic Advisory Council Task Force on Tourism, which resulted in the provincial government announcing a commitment to modernize the provincial tourism promotion strategy in the November 19, 2012 Speech from the Throne. Travel Manitoba recommended that the provincial government establish an interdepartmental working group of deputy ministers to focus on tourism and apply a tourism lens to decision-making. Manitoba Culture, Heritage and Tourism responded positively in this regard, and is chairing a new working group of deputy ministers for key departments.

Travel Manitoba will continue to work closely with the provincial Tourism Secretariat to define the role of each, and to work together for a stronger, more collaborative approach to tourism growth.
Manitoba’s tourism industry is experiencing tremendous momentum, with the Conference Board of Canada’s latest forecast indicating tourism in Manitoba will continue to grow, at an estimated, and aggressive, increase of 5.1% in total tourism spending in 2013. This growth is expected to continue into 2014 and 2015 as economic conditions continue to improve.

There are many contributors to the growth of tourism in Manitoba, including the future Canadian Museum for Human Rights, the renaissance of Assiniboine Park, the development of Upper Fort Garry, expansions to the Whiteshell and Birds Hill Provincial Parks and the proposed UNESCO World Heritage designation for Manitoba’s east side boreal forest. Combined with Manitoba’s unique product offerings including arctic safaris in both winter and summer months, pristine wilderness areas, world-class hunting and fishing and our diverse arts and cultural institutions and festivals, Manitoba will continue to see positive growth and our industry will continue to thrive.
TOTAL OVERNIGHT VISITS

- 2007: 3,665,000
- 2008: 3,076,000
- 2009: 3,362,000
- 2010: 3,536,000
- 2011e: Estimated 3,430,000
- 2012f: Forecast 3,527,000
- 2013f: Forecast 3,620,000

- e = estimated
- f = forecast
The power of Tourism fuelling Manitoba’s economy

BOB SPARROW (Chair)
Owner
Norwood Hotel

MARION MORBERG (Vice-Chair)
Board Member
Spirit Way

BOARD OF DIRECTORS

CYNTHIA CAMPBELL
Executive Director, Finance & Corporate Controller
Manitoba Public Insurance

NORMAND GOUSSEAU
Chief Executive Officer
Entreprises Riel

MERV GUNTER
Owner/Operator
Frontiers North Adventures

HELEN HALLIDAY
General Manager
Delta Winnipeg

RIVA HARRISON
Executive Director of Marketing and Communications
CentrePort Canada Inc.

WADOOD IBRAHIM
Chief Executive Officer
Protega

SONNY LAVALLÉE
Chairman, Board of Directors
Northern Manitoba Trappers’ Festival

EVA LUK
Principal
Luk-Law

LOIS MACDONALD
Manager
Riverbank Development & Tourism Services

DARYL SILVER
President
Continental Travel Group

NICOLE STEFANIUK
Controller
Winnipeg Airports Authority Inc.

GERRY TURENNE
President & CEO
Turenne et Cie (2005) Ltée
Management Consultants/Consultants en Gestion

MARY JANE LOUSTEL, EX-OFFICIO
National Aboriginal Program Executive
IBM Canada

CINDY STEVENS, EX-OFFICIO
Deputy Minister
Culture, Heritage and Tourism
OUR PEOPLE  Travel Manitoba’s people are vital links in the provincial tourism industry, consistently demonstrating their dedication to enhancing tourism in Manitoba through program development and administration. Our people are committed to fiscal responsibility, accountability and generating solid results.

ROW 5: Dené Sinclair, Doug Evans, Simone Gilles, Lori Schmitt
ROW 4: Rebecca McKie, Lyall Wilson, Rick Gaunt, Linda Whitfield
ROW 3: Jillian Recksiedler, Stephanie Bachewich, Kirsten Neil, Karla Pratt, Laurenda Madill, Diane Bobbitt, Mark Clarke, A.J. Kelly, Ryan Schultz
ROW 2: Alexis McEwen, Michel LaRivière, Cathy Senecal, Lori Klan, Geneviève Bourier, Lindsay Egan
ROW 1: Brigitte Sandron, Lilian Tankard, Yan Cong, Colin Ferguson, Leigh Ens, Carol Jarvie

Missing: Julia Adams, Cindy Perrett
The power of Tourism fuelling Manitoba’s economy
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INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF TRAVEL MANITOBA

We have audited the accompanying financial statements of TRAVEL MANITOBA, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets, remeasurement gains and cash flows for the years ended March 31, 2013 and March 31, 2012, and 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 public sector accounting standards, 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 is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of TRAVEL MANITOBA as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards.

BDO Canada LLP
Chartered Accountants
Winnipeg, Manitoba
June 18, 2013
## STATEMENT OF FINANCIAL POSITION

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<td><strong>ASSETS</strong></td>
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<td><strong>Current Assets</strong></td>
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<td>Cash and short-term deposits (Note 2)</td>
<td>$1,190,778</td>
<td>$1,215,653</td>
<td>$787,905</td>
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<td>Trade accounts receivable</td>
<td>724,994</td>
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<td>Prepaid expenses</td>
<td>17,590</td>
<td>35,988</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>$1,933,362</td>
<td>$1,873,533</td>
<td>$2,092,195</td>
</tr>
<tr>
<td>Due from the Province of Manitoba (Note 3)</td>
<td>97,993</td>
<td>150,413</td>
<td>204,727</td>
</tr>
<tr>
<td>Capital assets (Note 4)</td>
<td>136,492</td>
<td>131,033</td>
<td>128,015</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$2,167,847</td>
<td>$2,154,979</td>
<td>$2,424,937</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$944,412</td>
<td>$1,273,683</td>
<td>$1,234,042</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>147,781</td>
<td>78,852</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$1,092,193</td>
<td>$1,352,535</td>
<td>$1,234,042</td>
</tr>
<tr>
<td>Retirement allowances and other benefits payable (Note 5)</td>
<td>436,932</td>
<td>454,633</td>
<td>441,434</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$1,529,125</td>
<td>$1,807,168</td>
<td>$1,675,476</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>426,024</td>
<td>141,778</td>
<td>546,446</td>
</tr>
<tr>
<td>Restricted for purchase of capital assets</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>136,492</td>
<td>131,033</td>
<td>128,015</td>
</tr>
<tr>
<td>Accumulated remeasurement gains</td>
<td>1,206</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$638,722</td>
<td>$347,811</td>
<td>$749,461</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
STATEMENT OF OPERATIONS
For the year ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Province of Manitoba</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$7,613,000</td>
<td>$7,613,000</td>
</tr>
<tr>
<td>Other initiatives – Federal and provincial funding</td>
<td>730,000</td>
<td>1,839,500</td>
</tr>
<tr>
<td>Partnership and leveraged marketing</td>
<td>452,155</td>
<td>712,446</td>
</tr>
<tr>
<td>Other</td>
<td>30,644</td>
<td>22,526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,825,799</td>
<td>10,187,472</td>
</tr>
</tbody>
</table>

| **Expenditures** |       |       |
| Marketing and industry development | 6,407,019 | 8,442,340 |
| Visitor services | 1,165,883 | 1,173,506 |
| Corporate services | 950,699 | 953,784 |
| Amortization     | 12,493  | 12,099 |
| Contribution to Manitoba Homecoming Inc. | - | 7,393 |
| **Total**        | 8,536,094 | 10,589,122 |

**Excess (deficiency) of revenue over expenditures for the year**
$289,705  $(401,650)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$141,778</td>
<td>$75,000</td>
</tr>
<tr>
<td>Restricted for purchase of capital assets</td>
<td>$75,000</td>
<td>$131,033</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>$131,033</td>
<td>$347,811</td>
</tr>
<tr>
<td>Total</td>
<td>$347,811</td>
<td>$749,461</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenditures for the year</strong></td>
<td>302,198</td>
<td></td>
</tr>
<tr>
<td><strong>Interfund Transfers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of capital assets ($15,117 in 2012)</td>
<td>(17,952)</td>
<td>17,952</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$426,024</td>
<td>$347,811</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### STATEMENT OF CASH FLOWS

**For the year ended March 31**

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (deficiency) of revenue over expenditures for the year</td>
<td>$289,705</td>
<td>$(401,650)</td>
</tr>
<tr>
<td>Adjustment for non-cash items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>$12,493</td>
<td>$12,099</td>
</tr>
<tr>
<td>Unrealized measurement gain</td>
<td>$1,206</td>
<td>$-</td>
</tr>
<tr>
<td>Changes in non-cash working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>$(103,102)</td>
<td>$652,658</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$18,398</td>
<td>$(6,248)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$(329,271)</td>
<td>$39,641</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$68,928</td>
<td>$78,852</td>
</tr>
<tr>
<td>Due from Province of Manitoba</td>
<td>$52,420</td>
<td>$54,314</td>
</tr>
<tr>
<td>Retirement allowances and other benefits payable</td>
<td>$(17,701)</td>
<td>$13,199</td>
</tr>
<tr>
<td>Total</td>
<td>$(303,404)</td>
<td>$(389,551)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Financing and Investing Activities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Capital Activities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets</td>
<td>$(17,952)</td>
<td>$(15,117)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net (decrease) increase in cash and short-term deposits</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>$(24,875)</td>
<td>$427,748</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and short-term deposits, beginning of year</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>1,215,653</td>
<td>787,905</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and short-term deposits, end of year</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>$1,190,778</td>
<td>$1,215,653</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Organization
   Travel Manitoba was created as a Crown Corporation on April 1, 2005 under The Travel Manitoba Act as the culmination of extensive consultation and leadership from both the tourism industry and the provincial government. Travel Manitoba’s mission is to grow tourism revenues by harnessing the collective investment in tourism to create strong connections between visitors and Manitoba’s unique experiences. Travel Manitoba collaborates closely and in partnership with the tourism industry and governments to attract visitors to Manitoba, sustaining and creating jobs and businesses in the tourism sector in the province.

   Travel Manitoba receives core funding from the Province of Manitoba to facilitate operations and to mobilize public and private resources to further foster the growth and professionalism of the tourism industry in Manitoba. Travel Manitoba is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the Province of Manitoba.

b. Management’s Responsibility for the Financial Statements
   The financial statements of the Organization are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations as established by the Public Sector Accounting Board.

c. Basis of Accounting
   The financial statements have been prepared using Canadian public sector accounting standards for government not-for-profit organizations.

d. Cash and Short-Term Deposits
   Cash and cash equivalents consist of cash and short-term deposits with a duration of less than ninety days from the date of acquisition.

e. Contributions Receivable
   Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2013

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Financial Instruments
Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in the statement of remeasurement gains and losses. All bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in the statement of remeasurement gains and losses. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

g. Capital Assets
Capital assets are recorded at cost less accumulated amortization and are amortized on a declining balance basis over the estimated useful lives of the assets at the following rates:

- Computer hardware: 30%
- Computer software: 30%
- Furniture and equipment: 5%
- Leasehold improvements: 5%

h. Retirement Allowances and Post-Employment Benefits
The Organization provides retirement allowance and pension benefits to its employees.

Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management’s best estimates of the length of service, salary increases and ages at which employees will retire. Actuarial gains and losses are recognized in income immediately.

Employees of the Organization are provided pension benefits by the Civil Service Superannuation Fund (“the Fund”). Under paragraph 6 of the Civil Service Superannuation Act, the Organization is described as a “matching employer” and its contribution toward the pension benefits is limited to matching the employees’ contributions to the Fund.

In addition, an individual has entitlement to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management’s best estimate of salary increases and the age at which the employee will retire.
1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Retirement Allowances and Post-Employment Benefits (continued)
   Sick leave benefits that accumulate but do not vest, are actuarially determined and reflect management’s best estimate of future cost trends associated with such benefits and interest rates. Adjustment to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

i. Revenue Recognition
   The Organization follows the deferral method of accounting for contributions. Grant revenue is recognized in the period earned. Partnership and marketing revenue are recognized when services are rendered if the amount to be received can be reasonably estimated and collection is reasonably assured.

   The Organization recognizes revenue arising from non-monetary transactions in the period when services have been rendered if the amount to be received can be reasonably estimated and collection is reasonably assured.

j. Restricted Fund for Acquisition of Capital Assets
   A fund has been established by the Board of Directors in order to finance the future acquisition of capital items which are not funded by the Province of Manitoba through the provision of operating grants. Charges to the fund will occur at the discretion of the President and Chief Executive Officer. Any future redesignation of the fund balance would be subject to approval by the Board of Directors.

k. Contributed Materials and Services
   Contributed materials and services which are used in the normal course of the Organization’s operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

l. Use of Estimates
   The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management’s best estimates as additional information becomes available in the future.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2013

2. CASH AND SHORT-TERM DEPOSITS

The Organization invests all surplus cash into short-term deposits with the Province’s Treasury Division. These deposits are made up of 30, 60 and 90 day callable term deposits.

A dedicated account has been established to safeguard $100,000 for the Organization’s retirement allowance obligation and enhanced pension benefit costs. Interest earned will be retained in the account.

3. DUE FROM THE PROVINCE OF MANITOBA

Upon inception on April 1, 2005, the Organization recorded accumulated severance pay benefits receivable and payable of $368,937 transferred from the Province of Manitoba for its employees. This receivable, or portion thereof, for the Organization, will be collected by the Organization as severance benefits are paid to employees on record as at April 1, 2005.

During the year, the Organization reduced the receivable from the government in the amount of $52,420 related to employees no longer employed by the Organization. The receivable from the Province of Manitoba as at March 31, 2013 is $97,993 ($150,413 in 2012).

4. CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Amortization</th>
<th>Cost</th>
<th>Accumulated Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td>$37,630</td>
<td>$24,446</td>
<td>$36,734</td>
<td>$19,036</td>
</tr>
<tr>
<td>Computer software</td>
<td>$33,854</td>
<td>$29,032</td>
<td>$29,503</td>
<td>$27,850</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$23,150</td>
<td>$4,455</td>
<td>$22,294</td>
<td>$3,494</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$123,493</td>
<td>$23,702</td>
<td>$111,644</td>
<td>$18,762</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$218,127</strong></td>
<td><strong>$81,635</strong></td>
<td><strong>$200,175</strong></td>
<td><strong>$69,142</strong></td>
</tr>
</tbody>
</table>

Cost less accumulated amortization

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$136,492</td>
<td>$131,033</td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2013

5. RETIREMENT ALLOWANCES AND OTHER BENEFITS PAYABLE

Retirement Allowances

The Organization measures its accrued benefit obligation for each of the retirement allowance and enhanced pension benefits as at March 31 of each year. The most recent actuarial valuation report for the retirement allowance was at April 1, 2013 and the most recent finalized and approved actuarial valuation report for the enhanced pension benefits was at December 31, 2011.

The significant actuarial assumptions adopted in measuring the Organization’s retirement allowance obligation and costs are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>2.75%</td>
<td>2.75%</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>$156,578</td>
<td>$161,103</td>
</tr>
</tbody>
</table>

The significant actuarial assumptions adopted in measuring the Organization’s enhanced pension benefit and costs are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>3.75%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>$12,774</td>
<td>$2,512</td>
</tr>
<tr>
<td>Effect of change in assumptions</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Experience loss/gain adjustment</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Sick Leave

Sick leave benefits that accumulate but do not vest, are actuarially determined and are estimated to be a liability as at March 31, 2013 of $26,100 ($32,200 in 2012). The amount is not considered to be significant by management, and as such has not been recorded as a liability in the records of the Organization.
NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2013

6. FINANCIAL INSTRUMENT RISK

The Organization is exposed to different types of risk in the normal course of operations, including credit risk and market risk. The Organization’s objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Organization’s activities.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Organization to credit risk consist principally of trade accounts receivable, due from the Province of Manitoba, and short-term deposits.

The Organization’s maximum exposure to credit risk without taking account of any collateral or other credit enhancements is as follows:

<table>
<thead>
<tr>
<th></th>
<th>0-30 Days</th>
<th>30-60 Days</th>
<th>Over 60 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts receivables</td>
<td>$655,520</td>
<td>$21,525</td>
<td>$47,949</td>
</tr>
<tr>
<td>Government receivables</td>
<td>-</td>
<td>-</td>
<td>$97,993</td>
</tr>
<tr>
<td></td>
<td>$655,520</td>
<td>$21,525</td>
<td>$145,942</td>
</tr>
</tbody>
</table>

Trade Accounts Receivables - The Organization is not exposed to significant credit risk as the receivable is spread among a broad client base and payment in full is typically collected when it is due. The Organization establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management’s estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Government Receivables - The Organization is not exposed to significant credit risk as non-trade receivables are substantially all from provincial and federal governments.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2013

6. FINANCIAL INSTRUMENT RISK (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. The Organization has a planning and budgeting process in place to help determine the funds required to support the Organization’s normal operating requirements on an ongoing basis. The Organization ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain cash balances to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

<table>
<thead>
<tr>
<th></th>
<th>0-30 Days</th>
<th>30-60 Days</th>
<th>Over 60 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts payable</td>
<td>$885,456</td>
<td>$38,003</td>
<td>$20,953</td>
</tr>
</tbody>
</table>

7. CONTINGENCIES AND COMMITMENT

The Organization has entered into lease agreements for rental of facilities at various locations expiring in March 2015 with total annual payments of $504,526. In addition, the Organization has entered into lease agreements for computer equipment and a van expiring in October 2014 and April 2015, respectively, for total annual payments of $13,200 and $3,200, respectively.

The Organization has access to a loan guarantee with the Province of Manitoba for $1,500,000. The guarantee will enable Travel Manitoba to establish a line of credit up to this amount for the purpose of providing advances and profit guarantees as part of bid proposals and preparation efforts being undertaken in attracting various events to take place in Manitoba. As at March 31, 2013, this line of credit had not been drawn upon.

8. NON-MONETARY TRANSACTIONS

During the current year, the Organization entered into contracts with exchanges of non-monetary services for other non-monetary services with little or no monetary consideration involved. These transactions are within normal business activities and were done in order to carry out the mandate of the Organization.

The aggregate amount of all non-monetary transactions in the current year total $40,230 ($42,581 in 2012).

The Organization has not incurred any gains or losses in the current year with respect to these non-monetary transactions.
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2013

9. FIRST-TIME ADOPTION

Effective April 1, 2012, the Organization adopted the requirements of the new accounting framework, Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations (PSAB for NPOs). These are the Organization’s first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125, First-time Adoption by Government Organizations have been applied. Section 2125 requires retrospective application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 1 - Nature of the Organization and Summary of Significant Accounting Policies, with the exception of financial instruments, have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for NPOs statement of financial position at the date of transition of April 1, 2011. As described below the accounting policies for financial instruments have only been applied in preparing the financial statements for the year ended March 31, 2013.

The Organization issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook – Accounting Part V - Pre-changeover Accounting Standards. The adoption of PSAB for NPOs resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenditures and cash flows of the Organization.

Financial Instruments

On April 1, 2012, the organization adopted the Public Sector Accounting Handbook Sections 3450 – Financial Instruments, 2601 – Foreign Currency Translation and 1201 – Financial Statement Presentation. The new standards address the classification, recognition and measurement of financial instruments and is effective for years beginning on or after April 1, 2012, however, earlier adoption is permitted. This accounting change resulted in the presentation of unrealized gains on foreign exchange transactions of $1,206, shown in the statement of remeasurement gains. These sections have been applied prospectively; as a result, comparative amounts are presented in accordance with the accounting policies applied by the NPO immediately preceding its adoption of PSAB for NPOs.