

# Tourism Toronto

## BUSINESS PLAN & ANNUAL BUDGET 2009



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## CHAIR'S MESSAGE

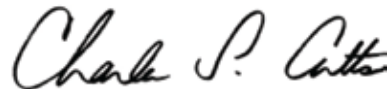
On behalf of our entire Board of Directors and Tourism Toronto team, we are pleased to present the proposed 2009 Business Plan and Budget. This plan and budget is designed to fulfill the stated objectives and goals in keeping with our mission and covenants with our strategic partners.

Tourism Toronto's fundamental purpose is the effective and efficient stewardship of resources designed to promote the Greater Toronto Area as a premiere destination of choice for leisure travellers, travel planners, meeting delegates, meeting planners and travel-related media. Within that stewardship is support from over 1,200 members as well as our strategic partnership with the Greater Toronto Hotel Association and a myriad of corporations, associations and governmental bodies that share and support our objectives. Our Board challenged the executive team and staff of Tourism Toronto to design and implement a budget and business plan that takes into account the challenges and opportunities facing the visitor and meetings industry.

We thank our Board, our Committee Chairs and all of the members and supporters of our organization for their contribution to this plan. As we move forward, we continue to build upon prior successes, monitor and respond to new challenges and work to ensure that Tourism Toronto achieves its objectives.

We look forward to continuing to serve you in the coming year.

Sincerely,

A handwritten signature in black ink that reads "Charles P. Catta". The signature is written in a cursive, flowing style.

Chair of the Board of Directors

# PRESIDENT'S MESSAGE

It is with great enthusiasm and pride in our entire staff and volunteer leadership team that I present the proposed 2009 Business Plan and Budget. The enclosed plan has been prepared by our executive team and our staff who, in consultation with our members, partners and organizational committees, have made proposals and adjustments based on key learnings from current and anticipated challenges and opportunities.

Our planning and implementation continues to rely on four key pillars to support our vision:

## Planning

The 2009 Business Plan and Budget continues to focus upon and capitalize on identifying and targeting “high-value customers” in all business sectors. Financial planning also takes into account increasing concerns about “flatness” in many core sectors with direct impact on Destination Marketing Fees generated. While working to stabilize our overall operations, the plan also seeks to support the investment in a “Growth Strategy” for new business opportunities and a diversification of current and targeted customers.

## Resources

Tourism Toronto continues to be extremely fortunate to have the tremendous support of the Greater Toronto Hotel Association and over 1,200 member partners as well as major partnerships with local, provincial and national organizations that share our mission. With this opportunity comes the equal responsibility to manage and invest these resources to deliver optimum results. Equally, the opportunity and responsibility traverses the entire GTA. Several key components of the plan include the creation and investment of marketing and incentive dollars to leverage with our key partners including our Advisory Groups representing the Regions.

Significant resources are dedicated in the 2009 Business Plan and Budget to support the Host City effort of ASAE and The Center's Annual Meeting and Expo here at the Metro Toronto Convention Centre and in our host hotels in August 2009. This prestigious meeting provides all involved an opportunity to host and expose our destination and our facilities and venues to over 6,500 delegates, including 3,500 Association Executives, who alone represent over \$500 million in potential buying power that could be secured in future bookings. Hosting ASAE and The Center will require an investment of time, money, partner equity and leadership similar to the outstanding effort implemented in hosting the successful PCMA Annual Meeting in 2007.

# PRESIDENT'S MESSAGE

The delicate balance of increased investments in new and expanded initiatives during a relatively lean financial period in terms of growth in revenues requires a vigilant focus on efficiencies in spending, elimination of non-essential expenses and the redistribution of a variety of one-time expenses. A major advantage of the 2009 plan is the implementation of over \$200,000 in annual savings generated from the relocation of Tourism Toronto's corporate offices and the commensurate adjustment in required office space and lease terms.

## Integrity

Attendant with our stewardship of our resources is our continued pledge to conduct the business of our organization with an openness, transparency and commitment to our corporate responsibility to the community and the constituents we serve. The staff of Tourism Toronto will continue to rely upon and support our Board of Directors, our Committee Chairs and Members and the member partners and stakeholders to fulfill this commitment. The goals associated and integrated throughout the Plan continue to provide "stretch" challenges that exceed the percentage of increases in funds available. This will require our teams and our partners to continue to find ways to maximize our return on investments.

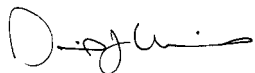
## Partnerships

Thusly, the continued strength and success of any community-based organization, including Tourism Toronto, is the level and degree of partnerships that we are able to establish and foster. The 2009 Business Plan and Budget includes a number of initiatives that seek to expand upon these partnerships both in our core business units as well as a sensitivity to focusing on and taking advantage of business opportunities in presumably under-served areas. This is perhaps most vivid in our expanding efforts with our Regional partnerships.

On behalf of all involved, I want to take this opportunity to join our Chair in thanking those who share in this partnership.

On a personal note, I sincerely thank all who have contributed their time, expertise and support of the Tourism Toronto Family.

Yours Truly,



David Whitaker  
President & CEO

## 2008 IN REVIEW

The number of overnight visitors to Toronto are currently projected to remain stable to the end of 2008. Tourism Toronto estimates a 0.4% increase in visitors who spend one or more nights in the destination to around 10.7 million. Trends show continued growth among overseas visitors who now spend more than \$1.1 billion in Toronto, with marked increases from emerging markets like Mexico. Domestic travel also remains a source of growth for the Toronto Region. While visitor numbers from the U.S. are forecast to decline, the rate of decline is leveling and the U.S. will still account for more than 2 million overnight trips and more than \$1 billion in visitor spending.

		2004	2005	2006	2007	2008*	Change*
Domestic	Visitors	6.35	6.64	6.88	7.07	7.22	2.0%
	Spending	\$1.60	\$1.70	\$1.81	\$1.89	\$1.98	5.0%
U.S.	Visitors	2.27	2.27	2.26	2.17	2.02	-6.8%
	Spending	\$1.12	\$1.08	\$1.15	\$1.12	\$1.05	-6.8%
Overseas	Visitors	1.23	1.39	1.41	1.40	1.45	3.4%
	Spending	\$0.83	\$0.97	\$1.04	\$1.10	\$1.14	3.3%
TOTAL	Visitors	9.85	10.29	10.55	10.64	10.69	0.5%
	Spending	\$3.54	\$3.75	\$4.00	\$4.11	\$4.17	1.3%

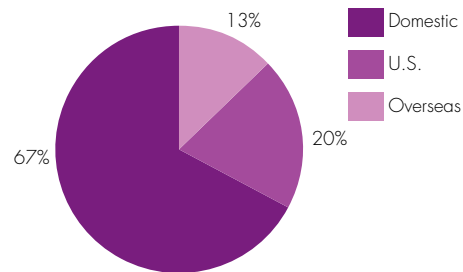
Source: Tourism Toronto based on data provided by Statistics Canada and the Conference Board of Canada

\*Tourism Toronto forecast (U.S. and overseas based on Ontario border crossings Jan-June 2008 with YTD change carried forward for rest of year. Toronto numbers using Toronto visitors 2007/Ontario Arrivals 2007).  
Visitors in millions, spending in \$billions

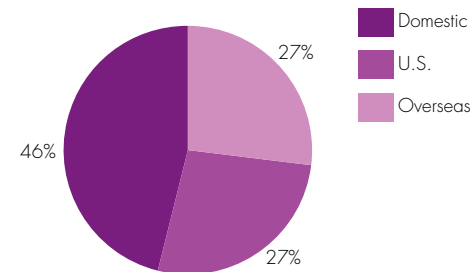
# 2008 IN REVIEW

International visitors from the U.S. and overseas countries represent one-third of all overnight visits, yet well over half of visitor spending in the Toronto Region, establishing them as high-value customers. Not only do emerging markets like China and Latin America represent opportunities to attract more visitors, the visitors from these countries have shown travel tendencies to stay longer and consume more of our destination, leaving a greater economic impact. In 2008, overseas visitors are expected to surpass U.S. visitors in total spending in Toronto for the first time.

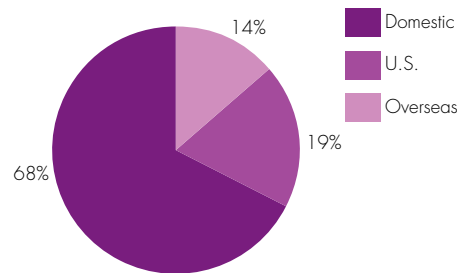
Overnight Visitors by Origin 2007



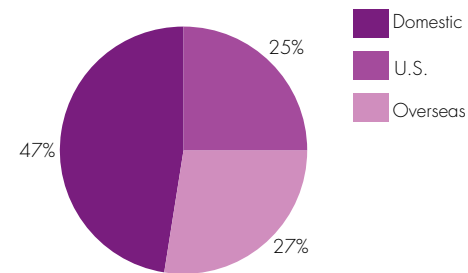
Overnight Visitor Spending by Origin 2007



Overnight Visitors by Origin 2008



Overnight Visitor Spending by Origin 2008



## 2008 IN REVIEW

### HOTEL PERFORMANCE

	Occupancy	Change
2005	67.3	3.7%
2006	67.3	0.0%
2007	68.3	1.5%
2008*	68.9	1.0%

	Average Daily Rates	Change
2005	\$130.55	2.8%
2006	\$136.89	4.9%
2007	\$138.27	1.0%
2008*	\$140.34	1.5%

Hotel occupancy across the GTA moved upward in 2007 to 68.3%, its highest level since 2000. With that increase of 1.5% over the previous year, Toronto also moved up three spots to 13<sup>th</sup> among North America's top urban destinations. At the same time Average Daily Rate also increased, demonstrating real growth in demand for the destination.

In 2008 Tourism Toronto is forecasting a relatively flat (but steady) occupancy rate and an increase in ADR of 1.5%. This modest growth is expected despite the external challenges facing our industry and compares favourably with other North American destinations. In the first seven months of 2008 Toronto moved from 16<sup>th</sup> to 13<sup>th</sup> in a ranking of top North American cities, with our high-occupancy months of the fall still to come (compared with some destinations whose highest months are in the winter). Toronto continues to perform ahead of the Canadian and U.S. national averages and ahead of many of our direct competitors for leisure and convention business.

### HOTEL INVENTORY

	2007	*2008	Change
Hotel Rooms	38,940	40,000	2.6%

Source: Smith Travel Research. \*Tourism Toronto estimates

## 2008 IN REVIEW

### TOTAL G7 ATTENDANCE (exc AGO)

	2007	2008	Change
January	224,464	236,514	5.4%
February	185,648	239,706	29.1%
March	388,568	417,466	7.4%
April	340,417	353,841	3.9%
May	550,966	597,456	8.4%
June	756,247	696,005	-8.0%
July	1,095,669	1,069,118	-2.4%
Year to Date	3,541,979	3,610,106	1.9%

Monthly attendance figures reported by the six largest attractions in Toronto show increases in early 2008. Several months in early 2007 saw significant attendance declines so this year's growth represents a return to more normal visitor levels.

Attendance is reported on a consolidated basis for Casa Loma, CN Tower, Ontario Place, Ontario Science Centre, Royal Ontario Museum and Toronto Zoo.  
(AGO will re-open in mid-November)

# THE COMPETITIVE SET

## OCCUPANCY

City	2006	2007	Change
New York	82.5%	83.7%	1.5%
Oahu Island	82.5%	76.9%	-6.8%
Los Angeles-Long Beach	75.3%	75.2%	-0.1%
San Francisco/San Mateo	73.0%	75.2%	3.0%
San Diego	73.3%	72.9%	-0.5%
Anaheim-Santa Ana	72.6%	72.4%	-0.4%
Miami-Hialeah	71.3%	72.0%	1.1%
Seattle	70.6%	71.5%	1.4%
Vancouver	69.9%	71.2%	1.9%
Philadelphia	69.4%	68.8%	-0.8%
Washington	68.3%	68.5%	0.3%
Boston	67.1%	68.5%	1.9%
<b>Toronto</b>	<b>67.3%</b>	<b>68.3%</b>	<b>1.5%</b>
Orlando	67.7%	67.9%	0.3%
Chicago	67.5%	67.6%	0.3%
Phoenix	68.2%	66.9%	-1.9%
San Antonio	68.3%	66.2%	-3.1%
Houston	65.2%	66.1%	1.3%
Minneapolis-St. Paul	65.6%	65.9%	0.5%
Nashville	66.6%	65.8%	-1.3%
Denver	64.4%	65.6%	1.8%
Atlanta	64.4%	63.2%	-1.8%
USA	63.3%	63.2%	-0.2%
Tampa-St. Petersburg	64.8%	61.6%	-4.9%
Montreal	62.1%	61.5%	-1.0%
Dallas	61.6%	60.3%	-2.1%
Canada	59.6%	60.3%	1.2%
Norfolk-Virginia Beach	59.0%	60.3%	2.2%
St. Louis	60.1%	60.2%	0.1%
Detroit	57.0%	58.6%	2.8%
New Orleans	62.1%	57.4%	-7.5%

Source: Smith Travel Research

## AVERAGE DAILY RATES

City	2006	2007	Change
New York	\$241.40	\$269.84	11.80%
Oahu Island	\$157.02	\$168.67	7.40%
Miami-Hialeah	\$144.29	\$157.63	9.20%
Boston	\$141.49	\$151.59	7.10%
Washington	\$141.54	\$149.10	5.30%
San Francisco/San Mateo	\$138.56	\$148.59	7.20%
San Diego	\$131.29	\$138.89	5.80%
<b>Toronto</b>	<b>\$136.89</b>	<b>\$138.27</b>	<b>1.00%</b>
Vancouver	\$123.53	\$130.16	5.40%
Chicago	\$122.94	\$129.36	5.20%
Montreal	\$123.93	\$122.62	-1.10%
Los Angeles-Long Beach	\$114.11	\$122.59	7.40%
Seattle	\$113.43	\$122.22	7.70%
Anaheim-Santa Ana	\$112.83	\$121.39	7.60%
Phoenix	\$113.28	\$120.54	6.40%
Philadelphia	\$111.71	\$119.14	6.60%
New Orleans	\$118.26	\$116.05	-1.90%
Canada	\$109.10	\$113.82	4.30%
Orlando	\$101.65	\$105.82	4.10%
Tampa-St. Petersburg	\$97.84	\$103.76	6.00%
USA	\$97.89	\$103.64	5.90%
San Antonio	\$97.12	\$101.56	4.60%
Denver	\$90.71	\$99.21	9.40%
Minneapolis-St. Paul	\$93.67	\$98.40	5.00%
Dallas	\$85.89	\$91.60	6.70%
Houston	\$84.68	\$91.38	7.90%
Nashville	\$84.35	\$91.12	8.00%
Atlanta	\$86.01	\$89.93	4.60%
Norfolk-Virginia Beach	\$85.01	\$88.59	4.20%
Detroit	\$85.52	\$85.05	-0.60%
St. Louis	\$81.39	\$84.91	4.30%

## THE YEAR AHEAD

### CHALLENGES – Uncertainty, Value, Pace, Efficient Use of Resources

In 2009, we will continue to face several on-going challenges to the success and evolution of Toronto's tourism and meetings performance. The U.S. economy is going through a period of adjustment and uncertainty while the global travel industry is reacting to an upward spike in fuel and related costs. Well documented issues such as the uncertainty around border crossing criteria, visa regulations and changes in currency exchange rates have to some degree become the "new normal" and will continue to have a direct correlation to Toronto's price and value proposition.

The Canadian travel industry has had an historic reliance on nearby overnight visitors from bordering U.S. states drive markets and the attendant value proposition attracting these customers. In 2008, Tourism Toronto began to reach more aggressively beyond the U.S. border states to reach potential high value consumers on a U.S. national and international basis.

Throughout 2008, confusion and misinformation surrounding the Canadian R&D Guidelines, adversely affected the number of self-contained and citywide tentative room nights secured from within the lucrative and critically important medical and pharmaceutical industries. However, the Pharmaceutical Research and Manufacturers of America (PhRMA) Board of Directors has adopted a new set of standards to be added to the PhRMA Code on Interactions with Healthcare Professionals to be instituted in January 2009, which will more closely align the Canadian and U.S. Codes of Conduct. The continuing trend to smaller city-wide conventions is evident throughout 2008 and 2009. In addition, 2009 will continue to challenge our overall efforts as Toronto will host and realize 21,594 fewer city-wide room nights in 2009 than in 2008.

#### City-wide Impact

	2006	2007	2008	2009	2010
City-wides	14	11	13	11	8
Attendance	104,300	99,400	71,100	78,750	73,500
Room-nights	243,567	159,885	160,487	138,893	135,910

## THE YEAR AHEAD

In partnership with our hotel and meetings facilities, Tourism Toronto will continue to explore and implement strategies for new business opportunities and new target market segments (such as groups with peak-room nights between 1,100 and 1,499 that will bring into focus over 500 new prospect accounts for our sales teams to pursue. 2009 will also present a major opportunity to expose our product to key decision makers as Toronto will host ASAE and the Center's Annual Meeting in August of 2009 bringing with it over 3,500 association executive directors and senior staff. A current budget in excess of \$3 million is being raised in partnership with our industry and sponsors and a significant amount of Tourism Toronto's budget will be invested in this opportunity as well.

2009 is also a pivotal year for our Association as the current agreement with the Greater Toronto Hotel Association and our stewardship of the Destination Marketing Fee is currently set to expire December 31, 2009.

Efficient use of resources will be an even greater priority as Tourism Toronto's Annual Budget and Business Plan is predicated on a diminishing level of growth (2% projected increase in revenues at the time of this report – down from an original budget of 4% and a forecast of 2% 2009).

### **OPPORTUNITIES – Marketing to Potential, Value, Pace, Efficient Use of Resources**

- Effective destination marketing organizations need to be poised to address and aggressively counter real and/or perceived challenges as well as continually look to grow market share by targeting and interacting with new customers.
- By "Marketing to Potential" Tourism Toronto seeks to utilize and expand existing market intelligence to target growth opportunities and trends (both on the meetings and leisure fronts).
- As a global destination, Toronto is also poised to receive its share of a new "global traveler" community. This will be supported by a continued increase in public relations efforts around the world.
- Ironically, increases in unit costs generated from exchange rates of Tourism Toronto "product" create the opportunity to reposition the destination and our brand assets to attract visitors and meetings delegates who are better aligned with the experiences and expectations Toronto offers.
- The 2009 budget and planning process has also identified significant savings generated from, among other things, a reduction in overhead due to rent savings related to the move of our administrative offices and a continued focus of marketing expenditures, as opposed to general program support, through the traditional Cultural Enhancement Program and Regional Marketing Partnerships, generating cost and program efficiencies and leveraged relationships to support new initiatives.

## MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES

Currently, the goal of achieving 495,070 definite room nights is within our grasp by December 31, 2008. This forecast will represent an impressive year-over-year increase in definite business of 15%. On the city-wide front we are forecasting to fall short of confirming 15 city-wide conventions and are projecting 12–13 city-wide conventions to confirm by the end of the year.

MC&IT set an aggressive goal for fiscal year 2008 and while we are forecasting to achieve our 2008 definite room night goals through our strategic sales approach, changes are on the horizon as we monitor key economic indicators and bellwether industries in the U.S. presently experiencing economic uncertainty.

Leads or Tentatives is one of the most critical indicators for convention sales measurement. They relate to the market's interest in the destination, and more importantly, demonstrate a positive perception in the market place. MC&IT's tentative business pipeline is struggling as meeting planning professionals are expressing concerns over spiraling fuel prices, increased air fares, a weakened U.S. dollar and rising expenditures such as hotel rooms, food cost and Internet access at meeting venues. As a result, we anticipate a softening of hotel pricing throughout our competitive set, more regional meetings, reductions in the overall number of meetings and size of meetings as organizations begin to consolidate events, and reduced airline lift from key feeder cities.

According to Future Watch 2008, inflation and the prospect of an economic downturn or recession are on the radar of meeting planners globally. Recession fears emerged as a top concern for 40% of meeting professionals in the U.S. compared with 24.1% in Europe and 22.8% in Canada. Similarly, inflation is an immediate concern for 36.2% of U.S. respondents, but only 20% of Canadians and Europeans.

Toronto's meeting market mix is diversified, healthy and continues to show moderate growth in the higher revenue-generating segments. Toronto continues to attract lucrative medical and scientific convention groups thanks in part to its large and internationally acclaimed infrastructure of medicine, research, biotechnology and education. Additionally, Toronto's reputation as a centre of excellence helps to solidify a competitive advantage in booking scientific, medical and engineering association meetings and conventions.

Because Toronto's strongest market segments are also the most coveted by competing destinations and mega-hotel centres, Toronto's competitive posture will be to protect and defend the city's market share while aggressively identifying new and emerging groups. Central to both strategies is how we will differentiate ourselves in an increasingly competitive and overbuilt convention facility market.

## MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES

Across our competitive set, there continues to be an increase in new hotel projects and convention centre developments/expansions. Included in this trend is major hotel/destination development, such as the newly opened Gaylord National, Washington as well as new large hotel projects (800-1200 rooms) either planned, under construction or recently launched in key competitive cities such as L.A., San Diego, Las Vegas, Seattle, San Antonio, and Orlando. Convention centre expansions continue in Phoenix, Indianapolis, Las Vegas, Vancouver and Philadelphia. Currently there are 40 facilities under construction, and 3.8 million square feet of new exhibit and meeting space is expected to come online in 2008, and 1.6 million in 2009. Many of these projects are being built to target the same size business that Toronto is pursuing. As is the case in most expansion projects, prior to the opening they tend to offer highly competitive pricing and incentives in order to place future business on the books or secure multi-year contracts across a particular brand.

A trend we are continuing to experience is that meeting planners are progressively more conservative in their negotiated city-wide blocks to ensure their organizations will not have to pay attrition penalties should their number of contracted room nights not materialize. As a result, planners tend to minimize contracted room blocks, often contracting for fewer rooms than in the past even if they expect higher attendance. Industry research indicates that an additional 20 to 30% of the number of blocked rooms is booked outside or around the block.

The results indicate that the Western Hemisphere Travel Initiative has had only a moderate impact so far on the meetings market which points to the fact that organizations are adapting to the emerging global marketplace. However, customs/shipping and visa concerns continue to challenge our ability to secure first-time business to Canada.

Tourism Toronto, facility partners and its members are well positioned as a meeting destination that has embraced eco-awareness. Environmentally friendly meetings are top of mind with association and corporate planners, who increasingly are incorporating a sustainability mind-set and practice into their planning process.

We anticipate an increase in outsourcing and procurement over the next two years and will focus our efforts to elevate awareness for Toronto in these areas. Since 1986, the association management company industry has grown by 150% and AMC's now manage nearly 4,700 non-profits and run in excess of 23,000 meetings.

Toronto's ability to thrive by acknowledging hard times and meet them head on will stimulate our community to **Reinvent, Rethink** and **Recast** some of what we do within the meetings and convention marketplace looking ahead to 2009.

# MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES

Convention business remains a foundation for Toronto's tourism industry and Tourism Toronto's promotional efforts are most effective as part of a united approach that complements the marketing plans and goals of our collective membership.

**Our team's highest priorities are:**

**Priority #1 – Identifiable Need Periods = Opportunity:** Develop short-term strategies to impact 2009-2012 and longer-term strategies for 2013 and beyond, combining the sales and marketing resources of Tourism Toronto, partner facilities and key hotel partners to enable an aggressive community prospecting campaign.

The relatively healthy national economy and strong direct sales activities geared toward the Canadian Corporate & Association segment, have garnered robust results in 2008. This trend is projected to remain constant through 2009, and given the short-term nature of these bookings, we will augment sales deployment within the Canadian Corporate Meetings segment to further develop leads across the Greater Toronto Region.

**Priority #2 – Build Tentative Funnel:** Grow tentative sales funnel by 1,785,000 room nights for future years by the end of 2009. Lead generators, focusing on Europe, South America and Mexico will be contracted to develop business opportunities across the Greater Toronto Region.

**Priority #3 – Strategically Deploy Sales Team:** To elevate business results across all sectors within the GTA, Tourism Toronto, while still pursuing future city-wide convention business, will aggressively solicit self-contained business and pursue new accounts to expand volume and create compression beyond 2009. The team will engage Toronto experts and sales specialists to grow and capitalize on Toronto's worldwide leadership position in the health, humanities, science and technology market segments. We have identified the multi-cultural market as a potentially valuable market segment for Toronto and will leverage Toronto's unique characteristics and diversity to solicit these groups in considering the city as a potential meetings location. As more luxury brand rooms come into Toronto's available room inventory, we will deploy a seller and marketing resource against this emerging segment with the goal of confirming 20,000 definite room nights in 2009.

# MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES

**Priority #4 – We’ve Been Expecting You:** In 2009, Toronto will host 4 major industry events; International Gay & Lesbian Travel Association (IGLTA), ASAE & The Center’s Annual Meeting & Exposition, Financial and Insurance Conference Planners (FICP), and Trail Blazers, and is well positioned to deliver first-hand client experience to key industry decision makers and influencers.

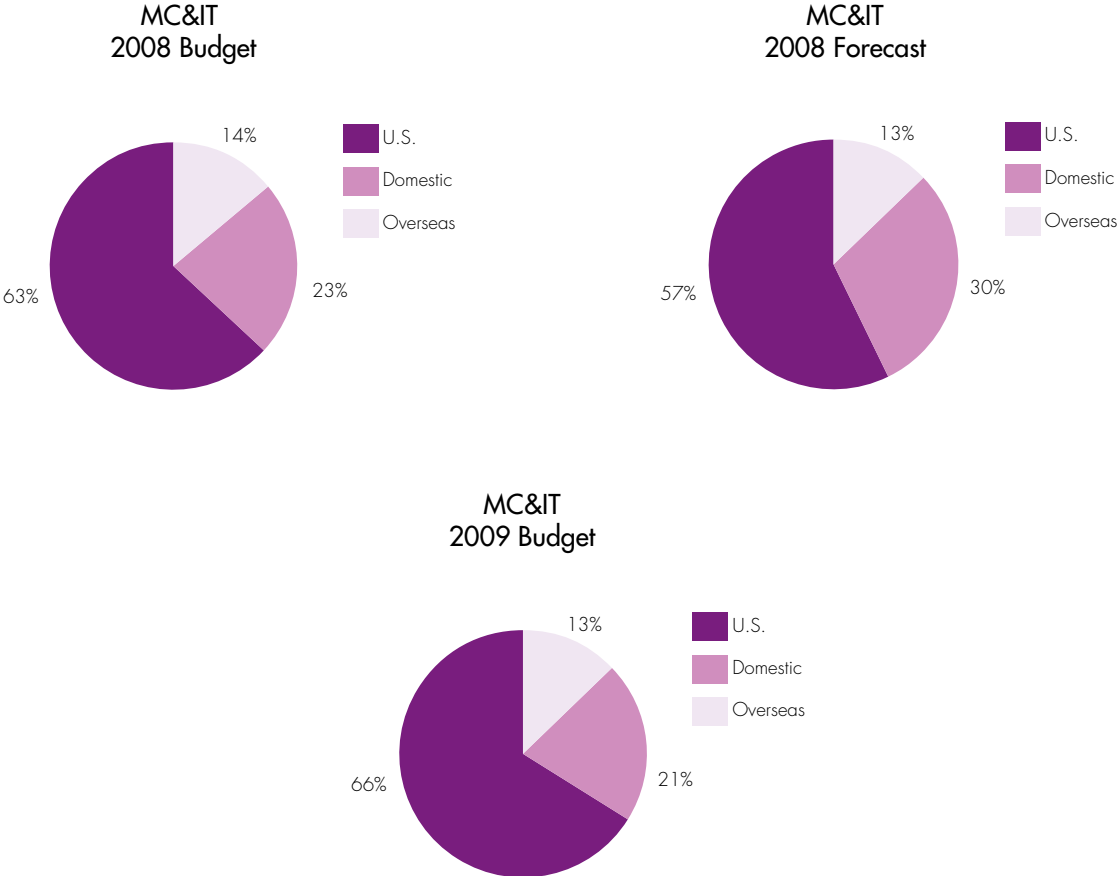
**Priority #5 – Customer Centric:** MC&IT’s Client Services Department, Ranked #1 in Canada by Watkins Research (March 2008), proves vital to the sales cycle, through opening the door to a potential for increased sales opportunities. A successful Client Services Department challenges itself, and our members, to remain attuned to client needs at present and in the future. Client Services will capture 20,000 total room night leads for our sellers in 2009, which in turn will pave the way to re-booking Toronto.

**Priority #6 – Get in the Game:** After a year of research, quantifiable results and planning, the Regional Team has identified the Sports market as a viable market segment that extends across the Greater Toronto Region. Our client list covers myriad events from the professional level to the amateur level and includes all age groups. Marketing efforts capitalize on Toronto’s image as a participatory sports market. Torontonians aren’t just spectators; they’re participants, and national governing bodies and event rights holders find that very attractive. The Sports market will deliver 40,000 definite room nights in 2009.

## **Priority #7 – Stronger Together**

Toronto will pursue collaborative relationships, which tangibly advance the strategic goals of each partner, while elevating awareness for our destination, deliver clients throughout our community, and ultimately build incremental business for our membership.

# MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES GEOGRAPHIC INVESTMENT



## MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES

### BUDGET & INVESTMENT SUMMARY (\$)

	2006 Actual	2007 Actual	2008 Budget	2008 Forecast	2009 Budget
Client Services	1,087,259	1,059,649	1,029,000	1,059,000	991,000
U.S. Association	2,501,605	2,309,786	2,217,300	2,068,000	2,375,000
U.S. Corporate	802,405	802,182	616,000	615,000	601,000
CDN Corporate	113,800	150,197	228,000	228,000	281,000
CDN Association	277,794	275,545	250,000	250,000	230,000
Regional Sector Sales	736,779	457,243	451,000	1,175,000	544,000
International Congress Sales	413,095	345,967	755,000	755,000	696,000
CDF Investment	–	500,000	500,000	500,000	250,000
BIF Investment-Regional	103,303	84,522	100,000	100,000	250,000
Targeted Meeting Incentive Fund	–	–	–	–	500,000
	6,036,040	5,985,091	6,146,300	6,750,000	6,718,000

# MEETINGS, CONVENTIONS & INCENTIVE TRAVEL (MC&IT) SALES

## PERFORMANCE METRICS

	2006 Actual	2007 Actual	2008 Plan	2008 Forecast	2009 Plan
Total Definite Room Nights	411,623	430,000	495,070	495,070	530,000
Total Tentative Room Nights	1,803,047	1,721,473	2,040,000	1,785,000	1,785,000
Future Definite City-wides	13	13 - 14	15	13	13
City-wide Definite Room Nights	142,086	200,000	190,000	175,000	162,000
City-wide Tentative Room Nights	1,109,813	778,000	1,020,000	905,000	920,000
Self-Contained Definite Room Nights	254,963	192,400	261,070	276,070	317,000
Self-Contained Tentative Room Nights	650,083	860,000	940,000	800,000	761,000
Regional Definite Room Nights	14,574	37,600	44,000	44,000	51,000
Regional Tentative Room Nights	43,151	62,000	80,000	80,000	104,000

## LEISURE TRADE SALES

There continues to be an encouraging trend of increases in international overnight visitors to Toronto in 2008. The decline of U.S. visitors is being partially offset by continued growth from other international markets. Overnight arrivals from overseas (including Mexico) to Ontario are up 5.3% for the first 5 months of this year. Tourism Toronto estimates an overall increase of overseas visitors to the region of 2.7% by end of 2008.

While overseas markets continue to demonstrate good ROI, they are not without challenges. By far the greatest impediment currently affecting overseas market growth is escalating fuel prices. Current and potential route cancellations and reduced frequency combined with steep passenger fuel surcharges are seeing overseas leisure and business travellers rethinking non-essential and long-haul travel. An Asian or European traveller facing upwards of \$500 fuel surcharge per ticket to travel to Canada is bound to rethink their discretionary travel and look for alternative holiday options. In some markets, namely Japan, the "Canada brand" is facing challenges. While the CTC has earmarked a long-term strategy to regain market share from one of our core Asian markets, traditional Japanese trade clients have been slow to provide sophisticated travellers with enticing, new Canada product offers. Cancellation of Toronto nonstop flights is also impacting market potential. Stiff global competition for the overseas traveller means consumers' travel choices abound and in many cases are price driven.

Although individual overseas markets present unique and varied obstacles, overall they have demonstrated consistent growth and buoyancy, particularly against traditional U.S. markets. Building upon these opportunities, U.K. and Mexican consumer campaigns continue to evolve, expand and target urban experiences specific to each of these international market segments. With the addition of in-market reps in Brazil and Argentina, new sales initiatives and public relations programs are planned for 2009. Latin American economies are growing, and outbound travel is on an upward trend. Air Canada's increased frequency and service from São Paulo, Buenos Aires and Santiago will be used as a springboard for market development in these cities. Public relations and trade relationships will continue in China as growth from this region remains positive. These strategies will carry over into emerging markets like the UAE with the addition of Emirates Airlines' non-stop service between Dubai and Toronto, in addition to the Abu Dhabi-Toronto non-stop operated by Etihad, bringing 6 weekly flights into Toronto from the UAE and region. Direct service from the cities of Delhi, Mumbai and Chennai, India with Jet Airways adds optimism to the potential of this market. Opportunities from non-core markets will be assessed for business development potential and acted upon accordingly.

## LEISURE TRADE SALES

The United States visitor market continues to be a challenge. Constantly changing distribution channels, savvy consumers, currency issues impacting package pricing/value perception and lingering passport confusion continue to affect the travel trade. Cross-border air pricing, fuel surcharges, route cutbacks and low cost inter-regional air access within the U.S. make domestic travel more appealing to traditional U.S. customers. The travel trade are continually changing and adapting tour & FIT offerings to satisfy travellers' demands by "packaging what sells." Demand for and awareness of Canada remains low, with trade clients promoting what sells — cruising, entertainment, casino offers, etc.

In spite of these challenges, sustaining long-term client relationships is paramount to overcoming marketplace circumstances. Going forward, joint marketing initiatives will be scaled back with traditional tour operators and re-evaluated with a focus on working with trade partners who are interested in promoting Toronto product, festivals and experiences targeted at "high value" consumers rather than the traditional, generic itinerary programs, which have demonstrated little ROI or incremental sales. With the continuing decline of the traditional senior group tour markets from the U.S., tactics against this sector will be reassessed with the aim of re-allocating resources to segments that hold better growth promise.

A shift in the traditional student and youth market will also be undertaken with an increased emphasis placed on research and solicitation of student performance/music festivals which have the ability to draw large groups of youth. While student and youth educational travel groups will remain a focus for Tourism Toronto, these "performance festivals" may hold greater longer-term growth potential, particularly for our regional partners. And to ensure core near market clients' are kept current with the evolving new product opportunities in Toronto, select efforts in partnership with the AAA are planned to mitigate challenges with the drive market.

Tourism Toronto will also continue to partner aggressively with key strategic partners including the Ontario Tourism Marketing Partnership Corporation (OTMPC) and the Canada Tourism Commission (CTC).

# LEISURE TRADE SALES

To implement and achieve its 2009 plan, the Leisure Trade Sales Department will engage in a myriad of programs and activities in support of the following objectives:

**Objective #1:** Evolve tactical consumer/trade partner campaigns with the aim of raising consumer awareness, increasing package sales and room-nights from our core markets.

**Objective #2:** Continue market diversification and development efforts resulting in new business growth from non-traditional markets:

- Latin America (Brazil/Argentina)
- China (Leisure/Meetings/Incentive)
- United Arab Emirates, India (niche)
- Continue to support CTC, OTMPC and partners with market-development initiatives

**Objective #3:** Continue to retool Joint Marketing Agreements with preferred trade clients to deliver 2009-10 group & FIT travel around key product/experience segments resulting in increased room-nights of leisure business

- Core Domestic – Ontario/Quebec senior & student educational/festivals
- U.S. – Key border & identified mid-haul, high-yield market segments
- Mexico – Continued expansion of consumer awareness & FIT urban experiences
- U.K. – City break programs
- Japan/Korea/China – Toronto/Niagara regional experience
- Germany – City stay/soft adventure
- South America – pilot projects

**Objective #4:** Execute and engage members in in-market sales initiatives to position Toronto's value proposition with key client groups at tradeshows such as NTA, ABA, USTOA, OMCA, SYTA, RVC, WTM, ITB and AAA resulting in increased Toronto brand awareness and member leads/referrals.

## LEISURE TRADE SALES

**Objective #5:** Solidify relationships with AAA clients in core border markets through event-specific family opportunities, ongoing in-house sales training of member specific packages and new product packaging opportunities resulting in sustained awareness in a key core constituency.

**Objective # 6:** Continue to focus and expand upon the Toronto/Niagara regional experience in key markets resulting in broader destination selling appeal and expanded length of itinerary/stays.

### PERFORMANCE METRICS

	2006 Actual	2007 Actual	2008 Plan	2008 Forecast	2009 Plan
Preferred Partner GTA Room-nights Delivered	168,634	159,372	183,000	TBA	TBD
Member Leads/Referrals	285	264	275	275	295
Tradeshows/Sales Trips	27	34	38	34	38
Fams/Product Testing Tours/Sites	-	-	900	900	*575
Client Interactions – Tradeshows/Sales Trips/ Training	-	-	500	750	**950

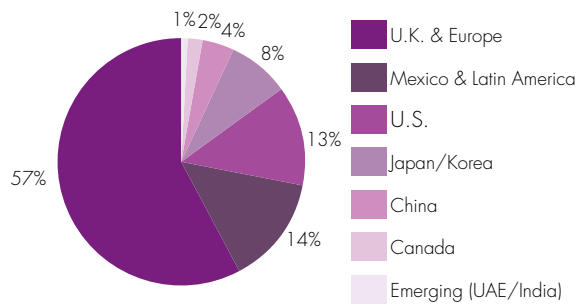
\* decrease related to DER one-time event in 2008  
 \*\* includes training which was not included in 2008

## LEISURE TRADE SALES BUDGET & INVESTMENT SUMMARY (\$)

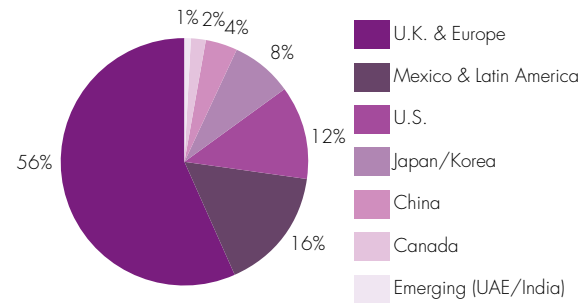
	2006 Actual	2007 Actual	2008 Budget	2008 Forecast	2009 Budget	Comments
Canada	45,987	66,914	66,000	68,000	57,000	One-time expense to produce student video
U.S.	442,203	294,017	413,000	365,000	349,000	Redistribution of JMA budgets
Mexico & Latin America	51,500	435,279	426,000	476,000	635,000	Increased efforts in Brazil & Argentina
U.K. & Europe	1,304,466	1,423,153	1,774,000	1,644,000	1,200,000	One time DER expense. OTMP Buy In reduction
Japan/Korea	232,646	121,697	234,000	234,000	212,000	Redistribution of JMA budgets
China	133,240	138,735	133,000	133,000	145,000	Web enhancements
Emerging (UAE/India)	–	19,129	40,000	40,000	150,000	New activity with airline partners & potential new market opportunities
	2,210,042	2,498,924	3,086,000	2,960,000	2,748,000	

# LEISURE TRADE SALES BUDGET

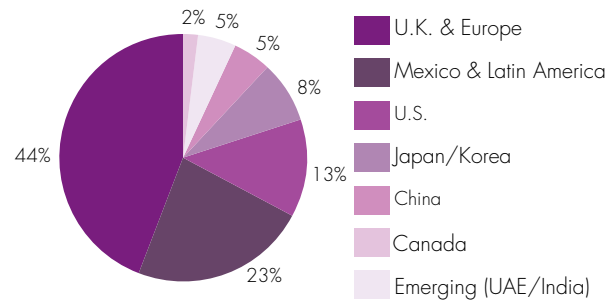
Leisure Trade  
2008 Budget



Leisure Trade  
2008 Forecast



Leisure Trade  
2009 Budget



## COMMUNICATIONS & PUBLIC RELATIONS

In expanding awareness of Toronto and the GTA as a cosmopolitan destination, Toronto must have a continual presence in the media our target consumers read, watch and click on. Media relations activities to generate strategic, brand-building stories about Toronto remain a priority means of telling the Toronto story in key markets. It is also an essential first step to gain a foothold in a new market, to raise awareness that will help foster vital trade and consumer relationships in that market. Increased efforts in the past year have helped raise Toronto's profile in emerging markets such as Mexico, where recent media coverage on Toronto has an estimated value of more than \$3 million. Worldwide, more than 1,000 stories have been generated on Toronto as a compelling travel destination at the halfway point of 2008, valued at more than \$14.2 million. Our media team is on track to host approximately 500 visiting journalists this year with a wide range of interests including general travel, arts, sports, culinary, wine, luxury and gay travel. Of even greater significance, media are gravitating toward the stories about Toronto's cosmopolitan, urban, edgy side, aligning our messaging with what research shows us is most likely to motivate high-value travellers to choose Toronto and a significant platform on which to incrementally grow our business.

Last year's budget provided increased investment in media relations to support more in-market activity in the critical markets of the U.S. and Mexico. In the 2009 budget, a further increase in media relations will enable continued expansion of our media program into the strategic markets of Argentina, Brazil, Spain, France and the U.A.E., aligned with Leisure Trade Sales activities in those emerging high-potential markets. The core media program in 2009 is aimed at deepening our exposure in key markets such as major urban U.S. centres, the U.K. and Germany in Europe, and Mexico. Targeted efforts will tell our regional story with dedicated press trips showcasing the diversity of our destination's assets in the Mississauga/Toronto West/Airport area as well as York Region/North and East. Complementary initiatives target gay and lesbian media, luxury media and meetings media.

Improving our formal dialogue with members is an organization-wide priority for 2009. Corporate communications will focus on our diverse membership as well as the strategic local media and stakeholders that influence our business environment. Continued focus on tourism research will form a foundation for that communication, as well as sustaining the momentum of our new Corporate Social Responsibility initiatives. The initiatives, including scholarships, environmental activities and our signature *Relax, Recharge & Renew* program for local parents of special-needs children, make meaningful contributions to our community and elevate our industry's profile.

# COMMUNICATIONS & PUBLIC RELATIONS

The 2009 objectives in support of the budget and business plan are as follows:

**Objective #1:** Sustain and grow Toronto's profile as a cosmopolitan destination through placement of stories in media that influence high-value travellers. This means having a presence in key markets to build relationships with targeted media and generate media visits to Toronto to experience the destination firsthand.

**Objective #2:** Establish a voice for Toronto in new markets, such as Brazil, Argentina, Spain, France and the UAE, as a foundation for new travel trade relationships and ultimately to drive visitor growth.

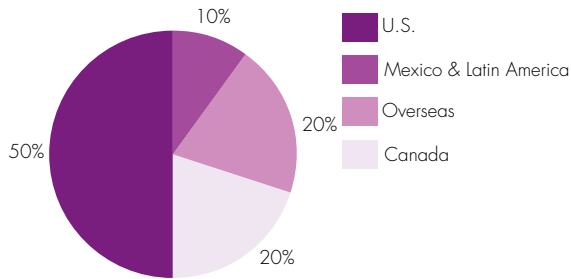
**Objective #3:** Continue to strengthen and leverage partnerships that showcase Toronto, including Tourism Toronto's Media Alliance, OTMP, CTC, airlines, and non-traditional partners such as TV productions that feature both Toronto and the GTA.

**Objective #4:** Improve our dialogue with and service to members through new communications vehicles that meet the information needs of our members.

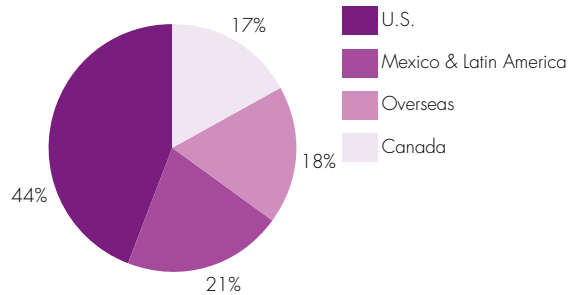
**Objective #5:** Continue to entrench Tourism Toronto as a reliable partner in the tourism industry, demonstrating sound strategic direction and management and responsible stewardship of resources in partnership with our members, sponsors and inter-governmental stakeholders. High-quality tourism research and a meaningful Corporate Social Responsibility program will continue to form core platforms in positioning Tourism Toronto effectively.

# COMMUNICATIONS & PUBLIC RELATIONS

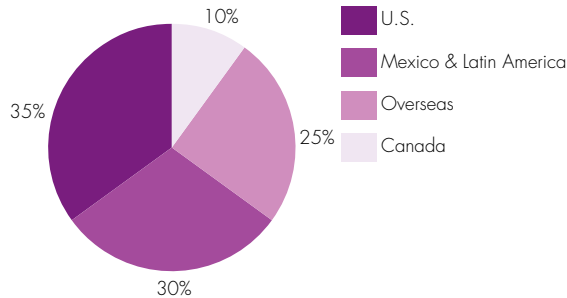
Communications  
2008 Budget



Communications  
2008 Forecast



Communications  
2009 Budget



## COMMUNICATIONS & PUBLIC RELATIONS BUDGET & INVESTMENT SUMMARY (\$)

	2006 Actual	2007 Actual	2008 Budget	2008 Forecast	2009 Budget	
Destination Media Relations	253,381	382,549	655,000	677,000	768,000	Includes new efforts in South America, Europe & UAE
Corporate Communications	112,752	95,530	212,000	157,000	170,000	Increased focus on member communications
	366,133	478,079	867,000	834,000	938,000	

## PERFORMANCE METRICS

	2006 Actual	2007 Actual	2008 Plan	2008 Forecast	2009 Plan
Earned Media Value	\$24M	\$28.4M	\$30M	\$31M	\$33.5M
Media Hosted	320	398	400	430	455

# CONSUMER MARKETING

## SITUATIONAL ANALYSIS

Toronto continues to develop as a unique cosmopolitan urban product — more culturally rich, ethnically diverse and multi-faceted than any other Canadian city. As North America's fifth largest city, Toronto is also one of its most sophisticated metropolitan areas. As a centre for film, fashion, theatre and the arts, Toronto generates considerable buzz for its leading role in the entertainment industries. As a sports town, our fans enthusiastically support our professional teams whether they be Maple Leafs, Raptors, Argonauts, Blue Jays, the Rock or Toronto FC and are a great audience for special events. Business and convention travellers are motivated to experience area restaurants, nightlife and cultural scene for personal and social opportunities after their meetings in the Greater Toronto Area. The diversity of our product offerings both in the central core as well as throughout our region — presents consumers with an equally appealing variety of choices as well.

As the entertainment centre for a large traditional feeder market encompassing southern Ontario, upstate New York and Michigan, Toronto continues to attract visitors who enjoy the sophisticated urban entertainment that the city offers. Within the United States, our largest international market, Tourism Toronto is investing to attract potential visitors on the basis of lifestyle, not geography. High-value travellers — individuals motivated by destinations offering indulgence, enrichment and fun — continue to travel despite uncertainty in economic conditions. Two demographic segments — young up and comers, and mature adults — have been targeted because they have the desire and financial capacity to travel. The strength and scale of Toronto's gay community also provides the basis for a promising upscale market in gay travel. Increasingly, upscale travellers are seeking sophisticated urban travel and are keen to fulfill their interests in wine & culinary; style, fashion & design; diverse cultures and nightlife. Efforts to reach these high-value American consumers were the focus of the 2008 campaign, efforts that are proposed to continue for the next several years.

# CONSUMER MARKETING OBJECTIVES

The following objectives are proposed as the foundation of our strategic approach to attracting increased leisure visitors to Toronto in 2009:

**Objective #1:** Promote the Toronto experience based on lifestyles and experiences. Key travel experiences are centred on special events, food & wine, fashion & shopping, culture, nightlife and sports, designed to attract high-value customers with the ability to spend more and to influence and inspire other consumer markets.

**Objective #2:** Design and expand co-operative marketing opportunities to leverage Tourism Toronto funding with our partners on mutually agreed-upon target markets.

**Objective #3:** Integrate online and traditional marketing activities with media communications and sales efforts to efficiently drive overnight business. Infuse Tourism Toronto's marketing communications with a consistent voice and striking images to demonstrate the excitement and energy of Toronto as a destination. Let the world see that Toronto is a star.

**Objective #4:** Evolve the Tourism Toronto website and online marketing activities to attract new visitors and to engage our visitors in meaningful ways, enhancing perceptions of Toronto as a destination.

**Objective #5:** Promote signature Toronto events and experiences capable of attracting significant media attention and driving overnight visitation.

**Objective #6:** Design and develop creative marketing initiatives that will drive an increased number of meeting planners and decision makers to our Tourism Toronto sales teams.

# CONSUMER MARKETING

## KEY TACTICS 2009

The strategic objectives for 2009 will be supported with an array of tactics that create excitement and strong imagery for the unique attributes of the Greater Toronto Area as a destination. These will include:

1. Develop break-through marketing campaigns with focus on Toronto lifestyles and experiences
2. Expand reach using on-line marketing channels to inform and excite visitors about Toronto
3. Pull visitors to Toronto with a strong line-up of major festivals, sports and cultural events
4. Provide partner opportunities to align out of market spending with Tourism Toronto initiatives
5. Increase online bookings and sales with a focus on major events, member hotel packages and referrals
6. Focus on major need periods including March Break, Summer and the December holiday period for the traditional markets
7. Align MC&IT sales and marketing collateral with the Toronto consumer brand as part of an overall marketing objective of brand consistency across all business lines
8. Raise Toronto's profile in LGBT market with successful IGLTA in 2009

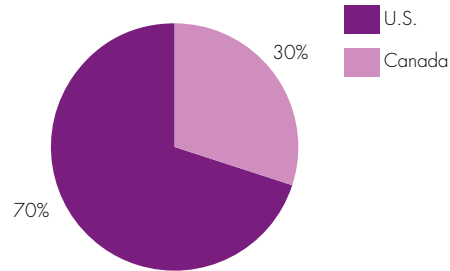
## CONSUMER MARKETING BUDGET & INVESTMENT SUMMARY (\$)

	2006 Actual	2007 Actual	2008 Budget	2008 Forecast	2009 Budget	
Marketing Campaigns	7,641,813	7,149,836	6,748,000	6,354,000	6,716,000	Focus on high-value customers in core and emerging markets
LGBT	244,872	499,386	300,000	*550,000	500,000	IGLTA in 2009 to showcase destination
Marketing Alliances	1,025,000	1,281,685	1,983,000	1,458,000	2,150,000	Emphasizes regions, city and strong partner opportunities
Research & Development	238,073	179,412	160,000	160,000	152,000	Monitors on-going performance
Cultural Enhancement Partnerships	391,566	1,096,501	600,000	550,000	315,000	Focus on existing commitments and regional product enhancements
Luxury Program	1,409,547	1,235,004	1,100,000	*1,450,000	1,391,000	Program has expanded to eight properties
Creative Services (incl. Visitor Guides)	987,861	970,491	1,048,000	1,048,000	1,046,000	Supports and extends brand focus
Destination Animation	1,500,000	700,000	400,000	400,000	200,000	2009 LuminaTO support
Distribution Fulfillment	132,682	104,754	140,000	140,000	100,000	Call Centre materials
	<b>13,571,414</b>	<b>13,217,069</b>	<b>12,479,000</b>	<b>12,110,000</b>	<b>12,570,000</b>	

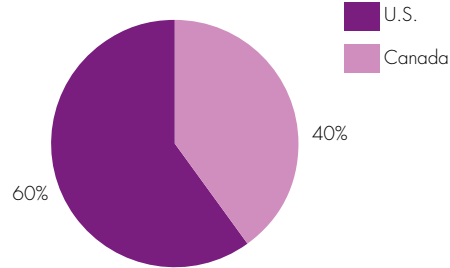
# CONSUMER MARKETING

## GEOGRAPHIC ALLOCATION OF MARKETING FUNDS

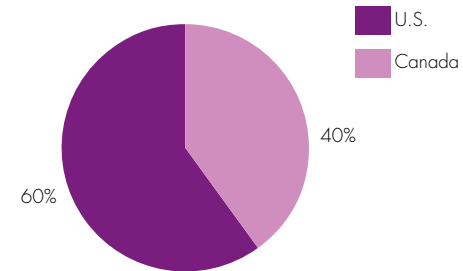
Consumer Marketing  
2008 Budget



Consumer Marketing  
2008 Forecast



Consumer Marketing  
2009 Budget



## PERFORMANCE METRICS

	2006 Actual	2007 Actual	2008 Plan	2008 Forecast	2009 Plan
Web Visits	2,688,070	2,809,733	2,978,317	2,980,000	3,188,000
Web Visitors	1,720,194	1,979,104	1,885,504	2,198,000	2,410,000

## MEMBER CARE

Throughout 2008, Member Care continues to be a major forum to engage, serve and promote member-partners and integrate this partnership into our business plan and all business units.

Tourism Toronto is proud of its relatively stable and steady membership base of 1,200 members representing all varieties of visitor and meetings industry products and services. A vibrant and representative membership base is always a key barometric indicator of Tourism Toronto's success and relevance. In addition to our above average retention rate of 91%, through the annual survey we learned that 91% of the members reported being satisfied with their membership and 51% stated they were extremely likely to renew (an increase of 6 points over last year).

Two learning points have emerged for 2008: The first, member events (with a revitalized strategy of fewer total events and more attendees) have been very well received and our Annual Meeting had over 600 attendees – the highest ever. The second, deceleration in new member acquisition has continued and growth has been very random and almost equal in terms of sectors of growth making it difficult to forecast accurately.

In 2009 Member Care will continue to successfully engage its members through highly personalized servicing. As well, member engagement/involvement will continue to be a core strategy to support and measure loyalty. Our end goal continues to be perceived as a most valued resource for our members. Member involvement will be monitored by non-dues revenue opportunities and members' participation in them.

Our core members are our strongest asset and their satisfaction remains top priority for the allocation of the bulk of resources in 2009. There will also be a new focus on leveraging member engagement to insure our most valued members are highly engaged and involved in the various opportunities.

### OBJECTIVE

To increase overall satisfaction within the membership by delivering quality programming and business opportunities. To increase their loyalty through heightened awareness and realization of the ultimate member benefit: Tourism Toronto's member access to the visitor/business/convention markets.

## MEMBER CARE

### BUDGET & INVESTMENT SUMMARY (\$)

	2006 Actual	2007 Actual	2008 Budget	2008 Forecast	2009 Budget
Member Care	208,029	228,482	183,000	242,000	189,000

## PERFORMANCE METRICS

	2006 Actual	2007 Actual	2008 Plan	2008 Forecast	2009 Plan
Total Membership	1,084	1,181	1,275	1,275	1,375
Retention Rate	92%	91.2%	94%	94%	94%
New Member Acquisition	159	194	175	175	175
Member Web Site Page Visits	–	16,217	36,000	36,000	36,000
Member Satisfaction (from annual survey)	55%	–	62%	74%	75%
Revenue	1,445,210	1,407,746	1,615,000	1,617,000	1,690,000

# FINANCE & ADMINISTRATION

## OVERVIEW

Tourism Toronto's Finance & Administration Department, working with the Association's Senior Management, Audit Committee and Board of Directors, has the vital role of managing the Association's financial assets by providing the planning and reporting guidance and oversight to ensure that the Association's financial resources are invested and used effectively, efficiently and ethically. Finance & Administration also provides Human Resources (HR) and Information Technology (IT) management and planning services for the Association.

In 2008, as a result of the Toronto office move and other operational efficiencies, Finance & Administration achieved annual operating savings of over \$300,000 per year.

**Objective #1:** Continue to effectively manage the Association's assets and liabilities in an environment of increasing pressures and uncertainty.

**Objective #2:** Continue to press, with our partners and professional advisors, for resolution of the impact of the Goods & Services Tax (GST) on DMF funds.

**Objective #3:** Continue to upgrade, refine and benchmark to best practices, financial and other internal controls and risk management to the most appropriate and prudent business practices, to ensure the most effective value-for-money stewardship of all limited funds entrusted to Tourism Toronto, while honouring the spirit and intent of the Association's core partnerships in addition to all contractual and other commitments of the Association.

# FINANCE & ADMINISTRATION OBJECTIVES

So far in 2008, Finance & Administration has achieved the following HR initiatives in support of the Association's core destination marketing and sales missions:

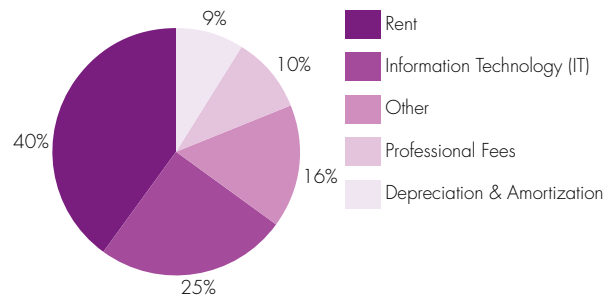
- New performance appraisal process
- New incentive compensation plans

In addition to these changes, the following projects are underway or planned to build on and enhance recent accomplishments:

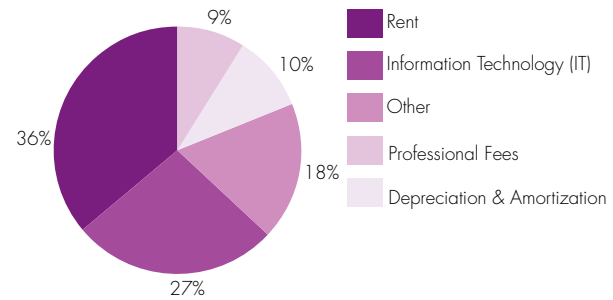
- Comprehensive re-write of all HR policies
- Critical re-evaluation of all insurable risks
- Benchmark employee benefits
- Continue to critically re-evaluate internal controls and accounting processes
- Continue to streamline operational expenses and cost effectiveness

# FINANCE & ADMINISTRATION

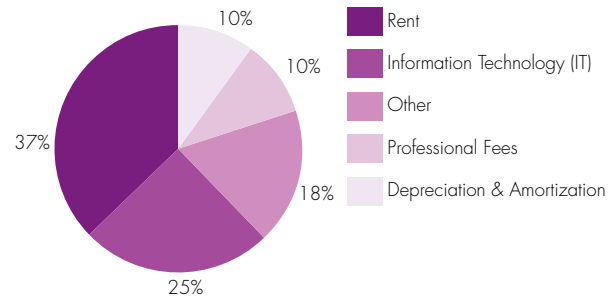
Finance & Administration  
2008 Budget



Finance & Administration  
2008 Forecast



Finance & Administration  
2009 Budget



## FINANCE & ADMINISTRATION

### BUDGET & INVESTMENT SUMMARY (\$)

	2006 Actual	2007 Actual	2008 Budget	2008 Forecast	2009 Budget	
Rent	918,000	888,424	864,000	742,800	677,000	New Toronto office lease July 1, 2008
Professional Fees	380,200	470,809	210,000	197,100	187,000	Audit, tax, legal & HR advisory fees, etc.
Information Technology (IT)	809,894	460,678	540,000	560,000	468,000	Computers, printers, servers, etc. — Annual software licenses, service fees, access costs, hardware replacements, etc.
Depreciation & Amortization	303,726	199,702	200,000	212,000	176,000	Amortize new leasehold improvements, furniture & fixtures over 10 years.
Other	*137,094	380,764	356,000	376,100	342,000	Insurance, office maintenance, telephone, postage, courier, stationery & supplies, staff training & functions, transaction processing fees, accounting software upgrades & support, kitchen services, etc.
	<b>2,548,914</b>	<b>2,400,377</b>	<b>2,170,000</b>	<b>2,088,000</b>	<b>1,850,000</b>	

\*Offset by prior years adjustments

