

Town of Whitby

Staff Report

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Report Title: Whitby Tourism Development Corporation 2025 Annual Report

Report to: Committee of the Whole

Date of meeting: April 13, 2026

Report Number: CAO 10-26

Department(s) Responsible:

Office of the Chief Administrative Officer
Financial Services Department

Submitted by:

Sarah Klein, Deputy CAO
Fuwing Wong, Commissioner, Financial Services & Treasurer

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

For additional information, contact:

Jeremy Giles, Manager, Events & Tourism

1. Recommendation:

1. That Report CAO 10-26 be received for information;
2. That the Whitby Tourism Development Corporation's Audited Financial Statements for the fiscal years 2024 and 2025, be approved;
3. That MNP be engaged to perform the audit of the Whitby Tourism Development Corporation's financial statements for the 2026 fiscal year as outlined in Staff Report CAO 10-26; and,
4. That the Whitby Tourism Development Corporation's 2026 Budget, as shown in Attachment 3 to Staff Report CAO 10-26, be approved.

2. Highlights

- This report presents Council with the essential information required to meet the obligations for Whitby Tourism Development Corporation's Annual General Meeting, in accordance with the Corporation's Organizational By-law. The Organizational By-law identifies that an Annual General Meeting must be held once per year; as 2025 marks the first full year of operations, this meeting constitutes the inaugural AGM of the Whitby Tourism Development Corporation.

- As Council is the sole voting member of WTDC, it is responsible for approving financial statements, receipt of the auditor's report, and appointment of an auditor for the following year.
- On May 27, 2024, Council approved the Municipal Accommodation Tax (MAT) By-law 8082-24 and authorized the creation of a Municipal Services Corporation (MSC) named Whitby Tourism Development Corporation (WTDC) to be the tourism entity in Whitby. The Whitby Tourism Development Corporation was officially incorporated on November 6, 2024.
- Over the two years, the WTDC's revenues from the Municipal Accommodation Tax have amounted to approximately \$469,339 (\$151,011 from July 15, 2024 to December 31, 2024 + \$318,328 from January 1 to December 31, 2025). After reasonable costs are deducted from total MAT revenues collected, 50% of the net MAT revenues are retained by the Town to support tourism projects and the remaining 50% are transferred to the Whitby Tourism Development Corporation for the purposes of Whitby-focused tourism marketing, promotion and program delivery.

3. Background:

The Whitby Tourism Development Corporation (WTDC) is a non-profit, non-share capital municipal services corporation established to promote and enhance the Town of Whitby as a desirable tourism destination, support the growth of the local tourism industry, and implement the objectives of the Destination Whitby Tourism Strategy and related plans.

On May 27, 2024, Council approved the Municipal Accommodation Tax (MAT) By-law 8082-24 and authorized the creation of a Municipal Services Corporation (MSC) named Whitby Tourism Development Corporation to be the tourism entity in Whitby. Under the provisions of the Municipal Accommodation Tax regulation (section 400.1 of the Municipal Act, 2001, and Ontario Regulation 435/17), after the deduction of reasonable collection and costs to administer the MAT program, the Town is required to transfer 50 per cent of balance or net MAT revenues collected/received to an eligible tourism entity for the purposes of Ontario Regulation 435/17 (Transient Accommodation Tax). For the Town's MAT program, WTDC is the eligible tourism entity.

Staff proceeded with the legal work to establish the Corporation as required by the Corporations Act (Ontario), the *Municipal Act, 2001* (Ontario) and the Municipal Services Corporation Regulation under the *Municipal Act, 2001* (Ontario Regulation 599/06).

The Whitby Tourism Development Corporation was officially incorporated on November 6, 2024. The WTDC Organizational By-law requires an Annual General Meeting be convened each year; with 2025 being the WTDC's first complete year of operations, this event represents the inaugural AGM for the organization. As the sole voting member of WTDC, Council is entrusted with several key governance roles at the AGM: approving the Corporation's financial statements, receiving and reviewing the auditor's report, and appointing an auditor to conduct the financial audit for the following fiscal year. These actions ensure compliance with both internal policy and legislative requirements,

support transparency and accountability in financial reporting, and reinforce Council's oversight of WTDC's operations as it works to advance tourism development in Whitby.

4. Discussion:

Since its inception, the Whitby Tourism Development Corporation (WTDC) has successfully recruited and established its Board of Directors, with regular Board meetings taking place to oversee the organization's progress. The Board consists of a Member of Council as selected by the Mayor, staff representatives appointed by the CAO, and industry stakeholders appointed by Council in March 2025.

Over the past year, the Town has worked diligently to establish robust financial and operational governance for the Whitby Tourism Development Corporation. Key actions included entering a Financial Accountability Agreement between the Town and WTDC in accordance with Section 6 of Ontario Regulation 435/17. The Financial Accountability Agreement requires Council approval of the WTDC budget annually. Additionally, an Asset Transfer Policy was approved by Council in January 2025 to facilitate transfers from the Town to municipal services corporations, including WTDC, covering both cash and net MAT revenues. These steps have collectively laid the foundation for transparent financial management and effective support of tourism initiatives in Whitby.

Over the past year, the WTDC has focused on issuing a Request for Proposals (RFP) for Marketing Services and launching the Host in Whitby Grant Program to advance tourism development initiatives in the community.

To deliver on the Corporation's objectives, the WTDC issued an RFP for Marketing Services on August 10, 2025. The RFP was to help craft, build and execute the Corporation's first marketing plan that will highlight Whitby's Tourism assets, aid in motivating travel, and encourage visitor spending. On January 21, 2026 WTDC awarded the RFP to the Interkom agency with a final draft report being presented to the Board in June.

The Whitby Tourism Development Corporation has also recently launched the Host in Whitby Grant program which aims to enhance tourism across Whitby by encouraging visitation and participation at local events. The Grant Program provides financial assistance of up to \$5,000 to owner/operators, private events and not-for-profit organizations, hosting events in the Town of Whitby that attract and retain visitors not only to their location/event, but to the community of Whitby. The subcommittee which is made up of Directors of the Corporation, review and award grants on a quarterly basis. In 2025, the following five grants were awarded totalling \$20,000 and projected to attract over 50,000 visitors to Whitby:

1. Downtown Whitby BIA - Christmas Market \$5,000
2. Durham Region International Film Festival \$5,000
3. Vivid Vendors \$4,000
4. Whitby Curling Club - Curling Ontario Masters Provincial Championship \$1,000
5. Whitby Girls Hocket Association – Tournament of Heroes \$5,000

A full listing of the recipients of the Host in Whitby Grant Program to date can be found [here](#).

5. Financial Considerations:

5.1 Audited Financial Statements for 2024 and 2025

The audited financial statements for fiscal 2024 and 2025 are attached to this report as **Attachment 1**. The WTDC’s external auditor, MNP, will provide a short presentation on their audit of the financial statements at the April 13, 2026 Committee meeting/Annual General Meeting of the WTDC. Below are highlights of the WTDC’s 2024 and 2025 financials:

- The WTDC’s primary source of revenue is net municipal accommodation tax revenues collected by the Town. As shown in the table below, the WTDC’s MAT revenues for 2024 was \$151,010.81 and for 2025 was \$318,328.46:

	2025	2024
MAT Revenues Collected by the Town	\$648,535.98	\$325,958.19
Costs related to MAT	(\$11,879.05)	(\$23,936.56)
Net MAT Revenues	<u>\$636,656.93</u>	<u>\$302,021.63</u>
Net MAT Revenues retained by Town	\$318,328.47	\$151,010.82
Net MAT Revenues allocated to WTDC	\$318,328.46	\$151,010.81
Net MAT Revenues	<u>\$636,656.93</u>	<u>\$302,021.63</u>

- As noted earlier in this report, Council approved the Municipal Accommodation Tax in mid-2024 and the Town started collecting MAT in July 2024. The WTDC was incorporated as a Municipal Service Corporation, wholly owned by the Town, on November 6, 2024 so the 2024 financial statements show results for two-months ending December 31, 2024. Despite timing of incorporation, the Town allocated Net MAT revenues collected from July to December, 2024 to the WTDC, as shown in the table above, in accordance with provincial legislation.
- The accounts receivable shown in the WTDC financial statements represent WTDC’s allocation of Net MAT Revenues that have not been disbursed by the Town as of the end of each year, December 31st. The Town’s own collection of final year-end MAT revenues lag about three months as:
 - December reporting by hotels/motels occur in January;

- Hotel/motel MAT payments are due by February; and,
- The Ontario Restaurant Hotel & Motel Association (ORHMA) collects on behalf of the Town (and other municipalities) and remits to municipalities in March.
- Expenses:
 - There were no WTDC expenses in 2024 aside from an accrual for the 2024 audit;
 - Approximately 81% of 2025 WTDC expenses was spent on promoting tourism in Whitby:

\$20,000	Host in Whitby grants (<u>five</u> organizations supported in 2025)
\$6,130	Sponsorships (Central Counties Tourism and Therma Spa's Aufgusshow competition)
\$2,113	Marketing (video production)
 - 2025 Professional Expenses include legal fees related to the establishment of WTDC by-laws (\$2,915.40) and an accrual for audit fees (\$3,000)

5.2 WTDC 2025 Budget vs Actual

The WTDC's 2025 budget and actuals are included in this report as **Attachment 2**. Details of 2025 actual expenditures are summarized in the section above. Below is a summary of variances that resulted in a 2025 WTDC year-end surplus of \$283,648:

- The \$283,648 variance is comprised of a favourable revenue variance of \$98,328 and a favourable expense variance of \$185,320;
- The favourable revenue variance \$98,328 is due mainly to higher Municipal Accommodation Tax revenues received from the Town of Whitby (outlined in section 5.1, above) offset by a budgeted \$70,000 from reserves (e.g. 2024 MAT revenues) that was not required by year-end, 2025;
- The favourable expense variance of \$185,320 is mainly comprised of favourable Marketing and Promotion expenses. The WTDC Board's first full year of operations was 2025 and the ambitious plan of issuing a request for proposal for a consultant to assist in the development of a marketing strategy and to start implementing the strategy in 2025 did not materialize.
- During the year (2025), the WTDC Board decided to spend double the \$10,000 budget for the Host In Whitby grant program based on the projected favourable variance in Marketing and Promotion budget. As a result, five local organization received a Host in Whitby grant in 2025.

5.3 WTDC 2026 Budget

The WTDC Board approved the 2026 Budget included as **Attachment 3** to this report. As shown in Attachment 3:

- The MAT revenue budget has been increased mainly to reflect 2025 actuals;

- The Host In Whitby grant program has increased to \$80,000 (from a 2025 budget of \$10,000) to reflect four (4) in-take periods per year and a planned grant award of \$20,000 per in-take period;
- A Special Project budget of \$25,000 has been set aside to promote the opening of the Fieldgate Sports Centre as a sports tourism destination;
- Part-time administrative support of \$15,000 has been budgeted to assist with administrative tasks such as grant processing and post-event reporting follow-up, supplier invoice payments, and website updates/management; and,
- Marketing and Promotion budgets have increased significantly as the WTDC begins to implement the marketing plan developed by Interkom.

5.4 Approval of Auditor for fiscal 2026

The WTDC's audited 2024 and 2025 financial statements were approved by the WTDC Board on March 10, 2026 after a presentation by the external auditor, MNP. It is recommended that MNP be engaged to complete WTDC's 2026 year-end financial audit at a cost of \$4,500 (+ HST and admin fees).

6. Communication and Public Engagement:

Prior to creation of WTDC, Town staff developed a business case study and conducted stakeholder consultation in accordance with O. Reg. 599/06.

Once WTDC was established, a webpage for the Whitby Tourism Development Corporation was created at whitby.ca/wtdc. This public site provides an overview of the WTDC, the board of directors, the Host in Whitby Grant Program information and application forms and posts minutes of the Board of Director's meetings.

7. Input from Departments/Sources:

This Report has been developed in partnership with staff from Strategic Initiatives and Financial Services and has been reviewed by the WTDC Board of Directors.

8. Strategic Priorities:

In Whitby's Community Strategic Plan 2023 – 2026, tourism is identified in the vision statement with the word explore. Whitby Tourism Development Corporation will support the implementation of Whitby's Tourism Strategy and enhance promotion and marketing of tourism across the community, supporting the following Objectives and Actions of the Community Strategic Plan:

- Objective 1.2 Increase opportunities to acknowledge and celebrate diversity of the community
 - Action 1.2.1: Enhance Town-led and community-based events and festivals that celebrate diversity
 - Action 1.2.3: Invest, promote, and strengthen the local arts, culture, heritage, and creative sector
- Objective 3.1: Accelerate progress, create jobs, and drive local economic growth

- Action 3.1.3: Implement actions to enhance Whitby's tourism sector, including a focus on the waterfront

9. Attachments:

Attachment 1: Whitby Tourism Development Corporation's Audited Financial Statements for 2024 and 2025

Attachment 2: WTDC 2025 Budget vs Actuals

Attachment 3: WTDC 2026 Budget