



*Tourism PEI*

# ANNUAL REPORT

2022-2023



# Tourism PEI 2022-2023 Annual Report

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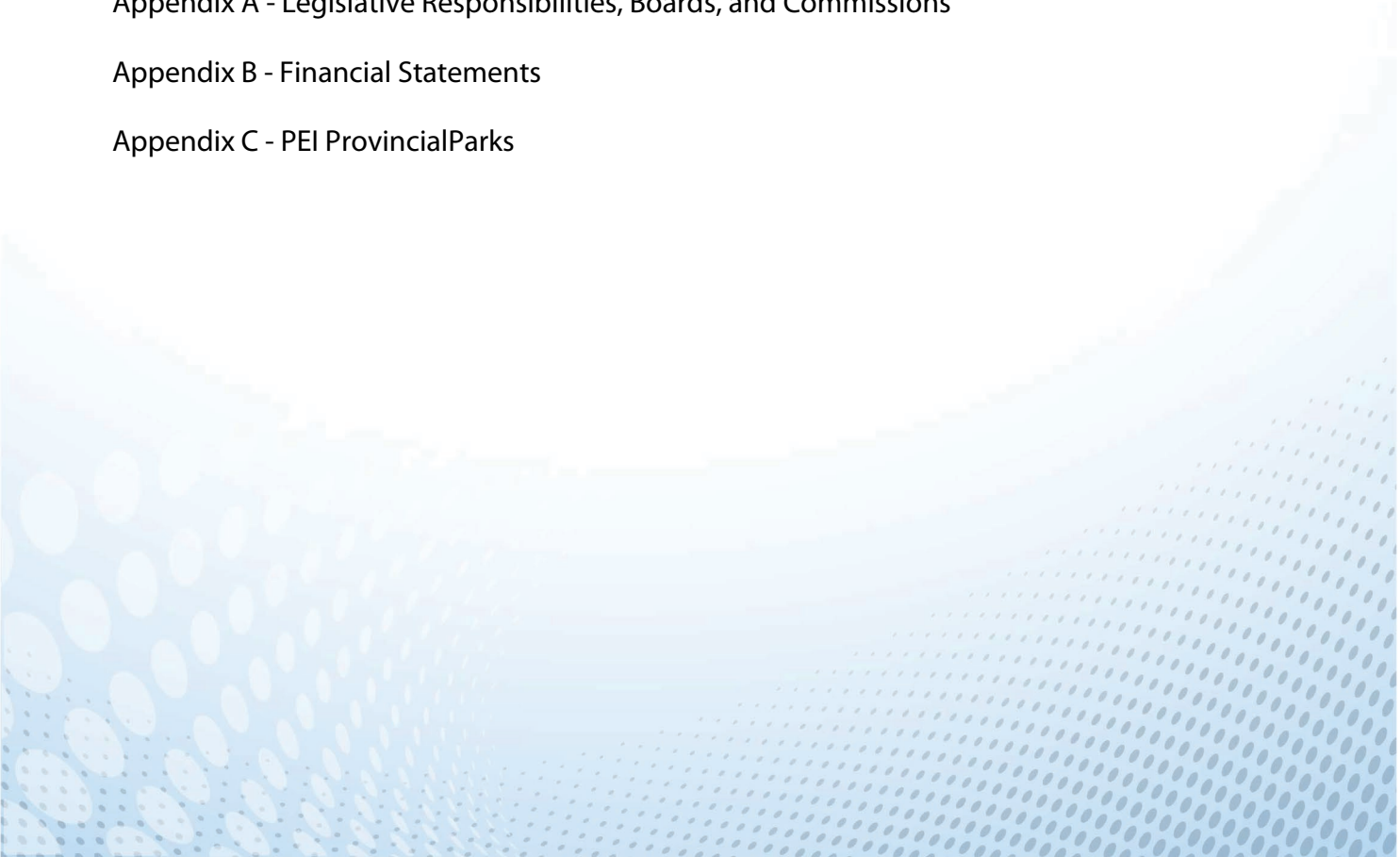






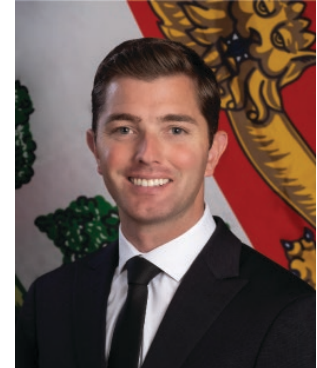
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# Minister's Message

The Honorable Antoinette Perry  
Lieutenant Governor of Prince Edward Island  
PO BOX 2000  
Charlottetown, PE C1A 7N8



May It Please Your Honour:

I have the honour to submit herewith the Annual Report of Tourism PEI for the fiscal year ending March 31, 2023.

During the reporting period, the Honourable Bloyce Thompson served as Minister of Economic Growth, Tourism and Culture.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Cory Deagle'. The signature is fluid and cursive.

Cory Deagle  
Minister  
Fisheries, Tourism, Sport and Culture

# CEO's Message

Honourable Cory Deagle  
Minister of Fisheries, Tourism, Sport and Culture  
PO Box 2000  
Charlottetown, PE C1A 7N8



Dear Minister Deagle:

On February 24, 2022, the Tourism PEI Board of Directors adopted ***Charting the Course of Tourism In PEI***, a multi-year, all-of-industry tourism strategy focused on optimizing Prince Edward Island's tourism recovery and supporting higher tourism revenues in all seasons. Following a year of implementation, a united tourism industry has made significant strides in fundamentally shifting how tourism is developed and delivered on Prince Edward Island.

In 2022, visitor-related spending increased 51% over 2021 levels to an estimated \$467 million, reaching 96% of pre-pandemic levels. The industry also achieved a record number of paid overnight stays, up 4% over 2019 levels. Despite this success, significant challenges, such as the availability of tourism labour and destination access, remain and have the potential to stifle demand.

Together, we will meet these challenges head-on and will continue to foster a prosperous year-round tourism industry that respects and celebrates our residents, culture, and environment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K.A. MacDonald'.

Kent MacDonald  
Chief Executive Officer  
Tourism PEI



# Prince Edward Island Tourism Strategy

PEI's tourism strategy, ***Charting the Course of Tourism in PEI***, is an all-of-industry tourism strategy that was adopted by both Tourism PEI and the Tourism Industry Association of PEI's Board of Directors. The strategy was launched in March of 2022 and marked a pivotal moment for PEI tourism as we moved from crisis mitigation, where a short-term, season-by-season approach was required to combat the effects of the COVID-19 pandemic, to a mid-term, strategic approach to tourism's recovery on PEI.

The strategy is centered on a move to a four-season approach aimed at generating high-yield visitation. It is focused on three overarching objectives – optimize recovery potential for 2022, set in motion conditions to support higher revenues from tourism, and begin to fundamentally shift how tourism is developed and delivered in PEI beyond 2023.

The PEI Tourism Strategy can be viewed online at: [www.tourismpei.com/industry](http://www.tourismpei.com/industry).

## IMPLEMENTATION PROGRESS

The implementation of PEI's tourism strategy is being overseen and guided by an Implementation Committee. The Committee is co-chaired by Kent MacDonald, CEO of Tourism PEI, and Corryn Clemence, CEO of TIAPEI, and includes John Cudmore, President of Dyne Holdings Limited, David Groom, President of Quality Inn & Suites and Brothers 2 Restaurant, and Matthew Jelley, President of Maritime Fun Group. Tourism PEI's Strategic Initiatives Division serves as the secretariat for the Committee, which meets monthly to deliver on its mandate.

The strategy outlines 14 initiatives to be actioned during 2022. All 14 initiatives have been actioned with nine (9) of them now complete. The strategy also outlines 10 initiatives to be actioned in 2023.





# Tourism Industry Snapshot

In 2022, Prince Edward Island generated approximately \$467 million in visitor-related spending, a 51% increase over 2021 and 96% of the \$486 million generated in 2019.

Total paid overnight stays reached 1,070,387 in 2022, marking a record year for both fixed-roof and campground operators. Total fixed-roof room nights sold were up 70% over 2021 and 3% over 2019. While campground site nights sold were up 33% over 2021 and 5% over 2019.

There was a strong resurgence of traffic at Prince Edward Island's main exit points in 2022. Traffic at the Confederation Bridge was up 90% over 2021 and down 7% from 2019 levels. All-time monthly records were set in July, September, November, and December. Airport traffic at the Charlottetown Airport was up 207% over 2021 and down 11% from 2019 levels. All-time monthly records were set in June, July, August, September, and October. Ferry traffic at the Wood Islands ferry terminal was up 36% over 2021 and down 23% from 2019 levels. Cruise traffic returned during 2022 following no traffic during 2020 and 2021. The Charlottetown Port welcomed 96,213 passengers and crew, down 48% from 2019 levels.

In 2022, golf, as represented through Golf PEI, experienced an increase of 5% in paid non-member rounds compared to 2021 and a 25% increase over pre-pandemic levels in 2019. The meetings and conventions sector attracted 91 business events/conferences, which drew 13,186 delegates and generated 20,040 room nights sold.

# Tourism PEI Overview

Tourism PEI is a crown corporation that resides within the Department of Fisheries, Tourism, Sport and Culture and was established through the *Tourism PEI Act* in June 1999. Tourism PEI has a mandate to:

- Promote continued growth in the tourism sector and ultimately “drive” tourism demand.
- Work with other partners, including Destination Canada, the Atlantic Canada Opportunities Agency (“ACOA”), and other Atlantic Provinces to market PEI as a premier tourism destination.
- Actively facilitate the development of festivals, events, and activities that serve to motivate travelers to visit PEI.
- Manage provincial infrastructure resources, such as golf courses and parks.
- Conduct tourism-related research.
- Administer and enforce the provisions of the *Tourism Industry Act and Regulations*, in particular the licensing of tourism establishments.

Tourism PEI manages strategic tourism infrastructure in all regions of PEI. This includes thirteen (13) day-use parks, eight (8) campgrounds, five (5) visitor information centres (“VIC”), three (3) golf courses, and the Brookvale Provincial Ski Park.

See Table I for more details.

**Table 1: Tourism PEI Assets**

<b>Parks</b>	<b>Campgrounds</b>	<b>Golf Courses</b>
Argyle Shore	Brudenell	Brudenell River
Basin Head	Cabot Beach	Links at Crowbush Cove
Belmont	Cedar Dunes	Dundarave
Bloomfield	Jacques Cartier	
Bonshaw Hills	Linkletter	
Chelton Beach	Northumberland	
Green Park	Panmure Island	
Kings Castle	Red Point	
Brookvale Provincial Ski Park:		
<i>Mark Arendz (Alpine Venue)</i>	<b>Visitor Information Centres</b>	
<i>Nordic Centre (Nordic Venue)</i>	Borden	
Pinette	Charlottetown	
Sally's Beach	Souris	
Strathgartney	West Prince	
Union Corner	Wood Islands	
Wood Islands		



## BOARD OF DIRECTORS

Tourism PEI has a private-sector advisory board of directors that is responsible for setting strategic direction and providing advice to the Crown. Members of Tourism PEI's Board of Directors in 2022-2023 includes:

**David Groom** | Chairperson  
President | Quality Inn & Suites, Brothers 2 Restaurant

**Matthew Jelley** | Vice-Chairperson  
President | Maritime Fun Group

**Perry Gotell**  
Owner | Tranquility Cove Adventures

**Louise Arsenault**  
General Manager | Mill River Resort

**John Cudmore**  
President | Dyne Holdings Limited

**Jacqueline DesRoches**  
Co-owner | The Gables of PEI Resort

**Kirk Nicholson**  
Owner/Operator | Avis Budget Group

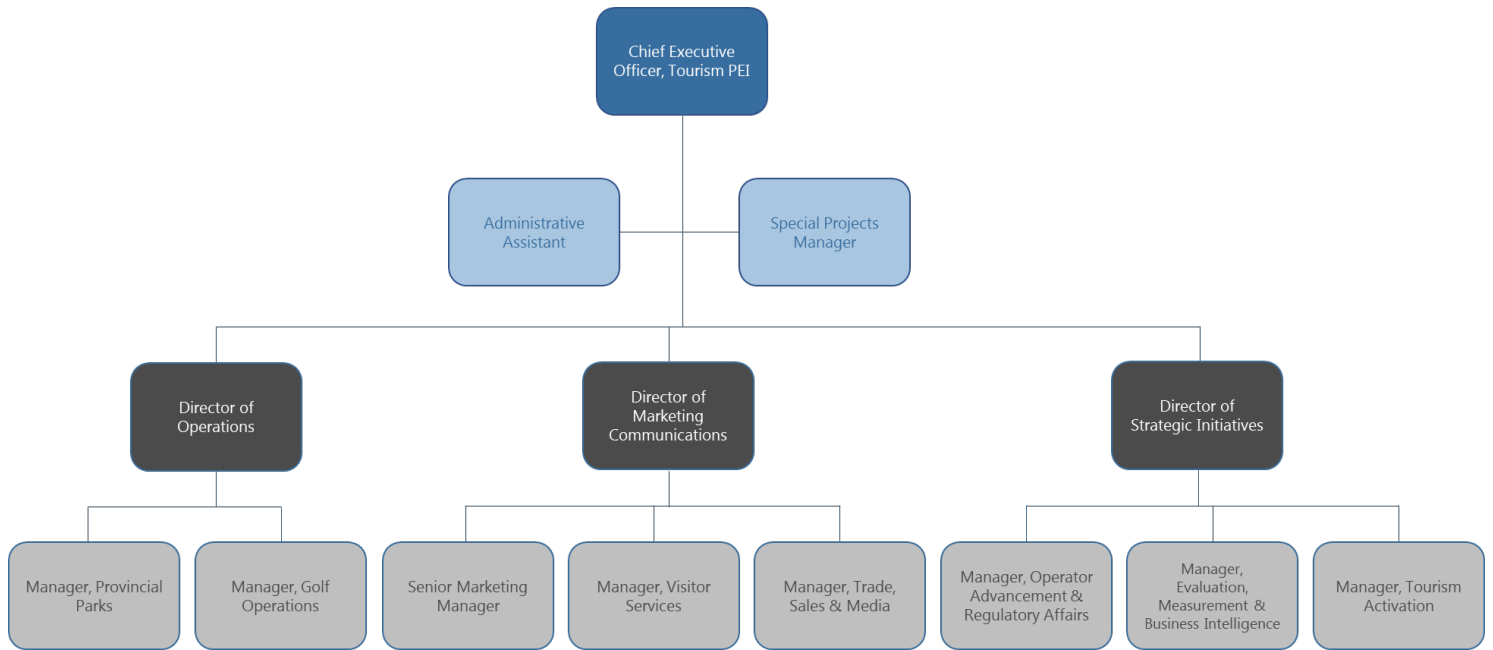
**Derrick Hoare**  
Owner | The Table Culinary Studio

**Sandi Lowther**  
Managing Director | Fairway Cottages

The Board of Directors meets quarterly to review work plans, advise on the direction and implementation of our tourism strategy, and to conduct the business of the organization. Two Special Committees of the Board were established during 2022-2023 to guide a review of the *Tourism Industry Act* and to develop a model to modernize the delivery of PEI's tourism services - two important initiatives outlined in PEI's tourism strategy. Thank you to all Board members for your continued support and dedication to Tourism PEI and our industry!

# STRUCTURE

**Figure 1: Tourism PEI Organizational Chart**





## STRATEGIC INITIATIVES DIVISION

*Chris K. Jones, Director of Strategic Initiatives*

The Strategic Initiatives Division supports the development of provincial tourism strategies and is the lead liaison on intergovernmental affairs including an advocacy role to represent the interests of the tourism industry in key policy areas such as improved destination access (i.e., air, road, and sea access), tourism-related legislation, labour, and land use matters.

The Strategic Initiatives Division is responsible for tourism research and statistical reporting, product development and investment, industry support programs, regulatory affairs pursuant to the *Tourism Industry Act*, and liaison with sector-specific organizations (e.g., regional tourism associations, destination management organizations, Indigenous Tourism Association, etc.).

This division has three distinct units, including:

### **Evaluation, Measurement, and Business Intelligence Unit**

This unit is responsible for the collection, analysis, and communication of information that supports the Department's decision-making process. Specifically, this unit supports the objectives of the Department by:

- Supporting strategic and operational planning initiatives.
- Managing Tourism PEI's customer relationship management ("CRM") and tourism information system.
- Working with industry stakeholders including the Tourism Industry Association of PEI (TIAPEI), and regional associations to identify labour challenges and identify programs and opportunities to address these challenges.
- Collecting, analyzing, and communicating tourism-based data (e.g., air, bridge, and ferry traffic, occupancy data, etc.).
- Engaging in primary and secondary tourism research that informs program and policy development (e.g., the evolving needs and expectations of visitors to PEI).
- Supporting business intelligence-gathering efforts of Tourism PEI's marketing division.
- Working with the Department's senior management team to integrate performance management measures and principles into program activity.
- Establishing and managing performance measurement tools.
- Representing the Department on tourism research-based intergovernmental affairs (e.g., sitting on the Marketing and Research Advisory Committee for the Atlantic Canada Agreement on Tourism).
- Managing the procurement and execution of third-party professional services.
- Developing evaluation frameworks and identifying evaluation metrics.



This unit is also responsible for working with industry stakeholders in conducting research projects related to consumer demand, quality assurance initiatives, and new product development opportunities. The unit actively works to increase research capacity and assist with the transfer of knowledge to industry partners.

### **Tourism Activation Unit**

This unit is responsible to activate the growth and development of tourism-related events, activities, and products including but not limited to sport, culture (including music, dance, etc.), culinary, and indigenous tourism. Specifically, this unit supports the objectives of the Department by:

- Providing management oversight in carrying out the government's responsibility to create an environment to enable the private sector to initiate and operate tourism-related events, activities, and products;
- Establishing and cultivating strategic relationships at senior levels of government and local, national, and international related organizations;
- Developing, implementing, and overseeing investment programs to assist product development initiatives;
- Facilitating contracts, funding levels, and partner benefits provided by stakeholders to the province;
- Developing and implementing marketing and communication strategies to raise the province's profile as an international leader in hosting events; and
- Developing programs and project plans to direct the implementation of the tourism product development strategy.

This unit is also responsible for supporting stakeholders in identifying tourism product development and investment opportunities. The unit assists with navigating the process of development, including accessing appropriate programs, preparation of applications, and bid submissions.

## **Operator Advancement and Regulatory Affairs Unit**

This unit is responsible for working with stakeholders to advance industry standards. Specifically, this unit supports the objectives of the Department by:

- Providing direction and guidance for operator training/education programs.
- Administering the Department's statutory and regulatory obligations under the *Tourism Industry Act* and Regulations.
- Ensuring that all tourism operators comply with industry standards as prescribed by legislation and regulations.
- Overseeing the investigation of quality standard issues and maintaining a close relationship with industry organizations involved with standards.
- Working with industry stakeholders including the tourism sector council, the tourism industry association, and regional associations to identify labour challenges and identify programs and opportunities to address these challenges.

The unit also oversees the contract with Quality Tourism Services (QTS). On behalf of the Department, QTS is contracted to perform the inspections required for the licensing of tourist accommodations.

## MARKETING COMMUNICATIONS

*Brenda Gallant, Director of Marketing Communications*

The Marketing Communications Division markets and promotes PEI as a premier vacation destination to its target audience. The division is responsible for consumer advertising & PR, media relations, sales and trade initiatives, visitor services, publications, and distribution, and manages provincially run visitor information and contact centres.

In addition to developing and executing its own marketing activities, Tourism PEI is a partner in the Atlantic Canada Agreement on Tourism (“ACAT”), which merges Federal and Provincial governments and the region’s private industry. The partnership allows the province to reach strategic international markets through joint initiatives or bilateral agreements and also partners on domestic marketing activities.

Tourism PEI actively pursues partnership opportunities with Destination Canada (“DC”), and others, to maximize and leverage investments in international and domestic markets.

### **Advertising and Publicity**

The key geographic target markets for consumer advertising in our primary season (spring/summer/fall) have traditionally been New Brunswick, Nova Scotia, Ontario and Quebec. These markets remain a priority. However, in the last couple of years, Alberta was added in order to help support direct flights from Edmonton and Calgary. In addition, smaller investments for campaigns in Newfoundland were added. Tourism PEI continues to build on these new higher yield markets and are starting to see results.

After two years of advertising being released, then pulled back at various times due to pandemic-related travel restrictions, 2022 represents the year Tourism PEI was able to launch a full campaign for its peak seasons in its usual timeframe of March for all its markets. Campaign theme leaned into what everyone needed after the last couple of years: the need to relax, rejuvenate, revitalize and to ‘*Feel Lighter*’. When planning began regarding tactics, flexibility was still very much top of mind in case of any unexpected travel restriction being placed in any of our markets. Marketing tactics included digital, social, television, radio, and out-of-home (i.e.: billboards, transit shelter ads, etc.). The 2022 *Feel Lighter* campaign ran successfully and uninterrupted from March until mid-October.

Part of the tourism strategy is to become a four-season destination. Therefore, a winter campaign targeting New Brunswick and Nova Scotia was developed and ran from December to mid-March. Components of it also ran in Prince Edward Island. The marketing tactics for 2022-2023 winter campaign included digital, social, television, radio, direct mail and out-of-home (i.e.: billboards, transit shelter ads, etc.).

## **Fulfillment**

Tourism PEI saw some recovery in website activity and PEI Visitor's Guide orders during the current fiscal.

From April 1, 2022, to March 31, 2023:

- A total of 20,277 Visitor's Guides mail-outs were requested.
- There were 2,472,593 sessions on the website and 6,840,255 page views with an average of 2.8 pages viewed per session.
- Visitors spent an average of two minutes and 10 seconds of engaged time on the site.
- Sessions on the Tourism PEI website were mostly from Canada with 2,022,031 sessions (82% of all sessions). Other notable markets for website sessions include the U.S.A. (311,246 sessions), France (15,674 sessions), the U.K. (12,462 sessions), Germany (7,992 sessions) and Australia (6,536 sessions).
- Total web visits vs print guides ordered was 99:1.

## **Trade and Sales**

The Trade and Sales section typically works with industry partners to increase the visibility of PEI's vacation products through trade, consumer, and media channels. The section focuses on consumer and trade marketing in the United States, Japan, the United Kingdom, and Germany. The team also works closely with Canadian trade and receptive tour operators.

With the pandemic behind us, Prince Edward Island's reputation as a safe, clean, and friendly destination serves us well. To meet the pent-up demand, tour operators willingly developed marketing campaigns to help promote our product offerings such as: culinary, coastal, outdoor adventure, golf, beaches, and parks.

Internationally, early indications suggest these campaigns are working well. In our key target markets, Germany and the United Kingdom, bookings for 2023 are strong; either at or above per-pandemic levels. However, Japan has been slower to recover.

Although there are signs of improvement, airlines are rebuilding capacity, and we are negotiating marketing partnerships with key accounts.

The cruise market is a growing contributor of visitors to PEI. Even with Hurricane Fiona the cruise industry in Prince Edward Island rebounded beyond expectations in 2022 and 2023 should an even bigger year with a record 91 cruise ships and close to 148,500 passengers. Most major cruise lines from the United States and Europe will be visiting, as well as many smaller expedition lines.



## **Media Relations**

The media relations section's goal is to attract quality travel writers, bloggers, influencers, television, online broadcasters, and freelancers from around the world to PEI.

Media relations is an important piece of our marketing communications. We have focused on developing relationships with major media outlets and welcoming journalists that align with our brand and strategic plan.

The focus for media stories has moved beyond recovery, media outlets are requesting journalists write personal experience stories relating to coastal, culinary, outdoor activities, golf, wellness culture (with strong interest in indigenous culture), and sustainability. These types of stories help build our brand awareness, increase credibility and help visitors go from dreaming of a PEI visit to the phase of planning the itinerary and booking a trip.

## **Visitor Information Centres**

Tourism PEI operates five visitor information centres located in Charlottetown, Borden-Carleton, Wood Islands, Souris, and West Prince. The Province also supports, through the Destination Centre Agreement, three Destination Centres located in Cavendish, St. Peters, and Summerside.

Visitor Information and Destination Centres provide services to the traveling public and have bilingual staff available. The Centres continue to improve the level of service with each passing year. In all other venues of Tourism PEI's service to the public, every effort is made to ensure that there is service provided in French by front-line staff.

## **CORPORATE SERVICES**

*Jennifer Decoursey, Director of Operations*

The Corporate Services Division of Tourism PEI is responsible for general administration, financial services, human resources, records management, insurance matters, provincial parks, and provincial golf operations.

### **Financial Services and Office Administration**

Financial Services is responsible for budgeting, forecasting, regular expenditure monitoring, and the day-to-day fiscal management of the Corporation. Financial Services also manages invoicing, receivables, collections, payables, banking, taxes, procurement, and external audits.

Additional responsibilities include records management, *Freedom of Information and Protection of Privacy Act* compliance, contracts, insurance coordination, telecommunications, fleet management, and office administration.

## **Delivery Sites**

Tourism PEI owns and manages strategic tourism infrastructure in all regions of PEI. This includes thirteen (13) day-use parks, eight (8) campgrounds, five (5) visitor information centres (“VIC”), three (3) golf courses, and the Brookvale Provincial Ski Park.

## **Provincial Parks**

In 2022, our Provincial Park operations were open at full capacity until Hurricane Fiona closed all campgrounds and day use parks effective, September 23. When Fiona made landfall on Prince Edward Island on September 24, 2022, it was one of the strongest storms in Canadian history. Fierce winds knocked down thousands of trees and crashing waves eroded hundreds of kilometers of coastline. Many provincial parks were devastated with hundreds of trees lost, campsites washed away, buildings damaged (e.g., washroom, office, lifeguard facilities) and beach-front parks experienced unprecedented coastal erosion. PEI Parks staff took immediate action to facilitate recovery. A competing priority was to have all parks and campsites operational for the 2023 season. By winter, approximately 80 percent of parks were cleared of trees and sand. In spring, clean-up continued, and campground sites were seeded. By April, most hiking and mountain biking trails opened. On the official opening date of June 5, all but 10 of 800 campsites were operational.

Overall, overnight campground visitation for the 2022 season totaled 43,658. This total is a quick rebound from 2 years of Covid-19 restrictions. We are now trending upward with visitation number exceeding 2019 numbers of 41,177.

The Provincial Park lifeguard service operated as usual allowing park visitors the opportunity to safely enjoy our beautiful provincial park beaches. For 2022 parks was able to successfully guard 9 sites including 8 beaches and the pool at Brudenell.

In 2020, preparations for the 2023 Canada Winter Games began at the Mark Arendz Provincial Ski Park at Brookvale. These preparations continued throughout the 2022 – 2023 year and were completed prior to the hosting of the Games, February 18 - March 05, 2023. Brookvale hosted various Nordic events as well as a number of Alpine freestyle events. The freestyle events will represent the first Canada Winter Games alpine events ever hosted by Prince Edward Island.

Both the Nordic and Alpine venues saw significant capital investment in preparation for the Games. The total investment for the projects was \$11.06M.

Prior to and following the Canada Games both the Nordic and Alpine sites were open for the 2022-23 ski season.

### **Provincial Golf Courses**

Golf is considered one of the pillars of the tourism industry and is, therefore, an important piece of the tourism strategy.

The 2022 season opened with no Covid travel restrictions. The courses were extremely busy from May to the end of September, rounds at each course were greater than pre- pandemic levels.

On September 23<sup>rd</sup> all three courses closed in anticipation of Post-tropical storm Fiona. Members and guests were notified that all tee times would be canceled until further notice. After the storm, damage was assessed at all three courses. It was decided that cleanup efforts would begin on Brudenell River first as it required the least amount of work to safely reopen. Brudenell reopened on Saturday, October 1, Dundarave on Friday, October 7, the decision was made to not reopen Crowbush for safety reasons and course damage.

# Appendix A

## LEGISLATIVE RESPONSIBILITIES, BOARDS, AND COMMISSIONS

### **Acts:**

*National Park Act*

*Recreation Development Act*

*Tourism Industry Act*

*Tourism PEI Act*

*Trails Act*

*Tourism PEI Board*



# Appendix B

## FINANCIAL STATEMENTS

# **Tourism PEI**

Financial Statements  
**March 31, 2023**

## Management's Report

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

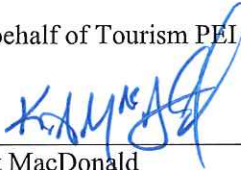
The financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Management is accountable to the Board of Directors of Tourism PEI on matters of financial reporting and internal controls. Management provides the Board with externally audited financial statements annually. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by ArsenaultBestCameronEllis, independent external auditors appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Tourism PEI



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Kent MacDonald  
Chief Executive Officer



August 8, 2023

## **Independent Auditor's Report**

### **To the Minister of Fisheries, Tourism, Sport and Culture**

#### ***Opinion***

We have audited the accompanying financial statements of Tourism PEI, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tourism PEI as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Tourism PEI in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing Tourism PEI's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Tourism PEI or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Tourism PEI's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





Member of The AC Group of Independent Accounting Firms

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Tourism PEI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Tourism PEI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Tourism PEI to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*ArsenaultBestCameronEllis*

**Chartered Professional Accountants**



# Tourism PEI

## Statement of Financial Position As at March 31, 2023

	2023	2022
	\$	\$
<b>Assets</b>		
<b>Financial assets</b>		
Cash	-	2,609,539
Accounts receivable (notes 3 and 5)	2,576,254	4,597,896
Inventory	347,710	197,677
Due from Province of Prince Edward Island	1,095,310	406,516
	<u>4,019,274</u>	<u>7,811,628</u>
<b>Liabilities</b>		
Bank advances	1,213,151	-
Accounts payable and accrued liabilities (note 5)	2,492,949	7,409,958
Deferred revenue (note 4)	315,949	417,092
	<u>4,022,049</u>	<u>7,827,050</u>
<b>Net debt</b>	<u>(2,775)</u>	<u>(15,422)</u>
<b>Non-financial asset</b>		
Prepaid expenses	<u>2,775</u>	<u>15,422</u>
<b>Accumulated surplus</b>	<u>-</u>	<u>-</u>
<b>Commitments (note 6)</b>		

Approved by the Corporation



Minister

# Tourism PEI

## Statement of Operations

For the year ended March 31, 2023

	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenue</b>			
Grants from Province of Prince Edward Island	16,650,000	20,118,865	12,353,181
Marketing	495,000	377,673	283,478
Visitor Services	92,300	-	98,791
Brookvale Ski Park	600,000	474,265	338,701
Park Operations	1,185,000	1,630,878	1,103,550
Golf Operations	4,695,000	6,769,277	4,853,570
Canada Games Funding	-	-	3,915,387
Project funding (note 7)	-	1,154,991	696,254
Book PEI fees	-	-	2,300
Miscellaneous	-	22,860	1,929
	23,717,300	30,548,809	23,647,141
<b>Expenses (Schedule)</b>			
Finance and Administration	444,600	464,195	449,808
Parks Administration	499,600	543,817	482,798
Park Operations	3,676,300	4,612,863	3,786,462
Brookvale	1,092,900	1,908,327	1,189,535
Golf Operations	4,219,400	5,673,759	4,621,394
Strategy and Evaluation	4,685,700	7,987,338	3,970,896
Regulation and Compliance	302,100	215,191	293,763
French Services	138,900	138,900	138,886
Digital Marketing	806,300	550,139	738,971
Visitor Services	993,700	1,146,048	954,661
Advertising and Public Relations	5,567,500	6,018,292	6,016,178
Media Relations/Editorial	297,000	250,184	258,556
Fulfillment	245,900	329,171	224,164
Publications	368,300	277,626	248,078
Travel/Trade Sales	379,100	432,959	272,991
	23,717,300	30,548,809	23,647,141
<b>Operating surplus</b>	-	-	-

## Tourism PEI

### Statement of Changes in Net Debt For the year ended March 31, 2023

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	2023	2022
	\$	\$
<b>Operating surplus</b>	-	-
Acquisition of prepaid expenses	(2,775)	(15,422)
Use of prepaid expenses	15,422	13,470
	12,647	(1,952)
<b>Decrease (increase) in net debt</b>	12,647	(1,952)
<b>Net debt - Beginning of year</b>	(15,422)	(13,470)
<b>Net debt - End of year</b>	(2,775)	(15,422)

# Tourism PEI

## Statement of Cash Flows

For the year ended March 31, 2023

	2023	2022
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Operating surplus	-	-
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	2,021,642	(3,105,184)
Increase in due from the Province of Prince Edward Island	(688,794)	(205,429)
Increase (decrease) in accounts payable and accrued liabilities	(4,917,009)	2,964,028
Increase (decrease) in deferred revenue	(101,143)	152,629
Decrease (increase) in inventory	(150,033)	10,762
Decrease (increase) in prepaid expenses	12,647	(1,952)
<b>Decrease in cash</b>	(3,822,690)	(185,146)
<b>Cash - Beginning of year</b>	2,609,539	2,794,685
<b>Cash (bank advances) - End of year</b>	(1,213,151)	2,609,539

# Tourism PEI

Notes to Financial Statements

March 31, 2023

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## 1 Corporate status

Tourism PEI became a Crown corporation effective March 31, 1999 under the Tourism PEI Act passed by the Government of Prince Edward Island on June 8, 1999. The objectives of Tourism PEI are to carry out tourism related activities of the Province of Prince Edward Island.

The financial results of the corporation are included in the public accounts of the Province of Prince Edward Island.

## 2 Summary of significant accounting policies

The financial statements of the corporation have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada. The following is a summary of significant accounting policies used in the preparation of these statements.

### Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, due from the Province of Prince Edward Island, bank advances and accounts payable and accrued liabilities.

All financial assets and financial liabilities are initially recognized at fair value and subsequently measured at cost or amortized cost

### Cash

Cash consists of cash on hand and bank balances.

### Due from Province of Prince Edward Island

Current operations:

Operating deficit for the year for Tourism PEI is recorded as an increase in Grants from Province of Prince Edward Island and as an amount due from Province of Prince Edward Island.

### Inventory

Inventory is valued at the lower of cost, determined using the average cost method, and market. Market is defined as net realizable value.

### Revenue recognition and government assistance

Grants from the Province of Prince Edward Island are recorded as revenue when authorized. Revenue from marketing activities is recorded when billed and revenue from Brookvale ski park, park operations, golf operations, visitor services and Book PEI fees is recorded when earned as services are provided.

Deferred revenue is recorded when fees have been collected but the service has not been delivered.



# Tourism PEI

Notes to Financial Statements

March 31, 2023

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## Expenses

Expenses are recorded in the period in which the related goods and services are consumed except for certain marketing related expenditures recorded in marketing expenses, that are recorded in the period the goods and services are acquired and a liability incurred. In addition, grant expenditures recorded in Strategy and Evaluation expenses are recorded in the period in which the funds are approved for disbursement and a corresponding liability incurred.

## Vacation pay and pension liabilities

The staff of Tourism PEI are employees of the Province of Prince Edward Island. Direct costs for employees of the Province of Prince Edward Island allocated to Tourism PEI are charged to the company on a per-payroll basis. Since the staff are employees of the Province, accrued vacation pay and pension obligations are liabilities of the Province and not the corporation and no liability for these costs has been accrued by the corporation as at March 31, 2023.

## Management estimates

The presentation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. Actual amounts could differ.

### 3 Accounts receivable

	2023	2022
	\$	\$
Accounts receivable (note 5)	605,783	2,776,155
Government contributions receivable (note 5)	818,148	726,376
HST receivable	1,263,975	1,207,017
Less: allowance for doubtful accounts	(111,652)	(111,653)
	<u>2,576,254</u>	<u>4,597,896</u>

### 4 Deferred revenue

	2023	2022
	\$	\$
Gift certificates	117,691	108,442
Prepaid parks and camping	53,511	78,257
Prepaid golf passes and other fees	144,747	230,393
	<u>315,949</u>	<u>417,092</u>

# Tourism PEI

Notes to Financial Statements

March 31, 2023

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## 5 Related party transactions

During the year, the corporation utilized office premises from a Department of the Province of Prince Edward Island for nil (2022 - nil) consideration.

Tourism PEI utilizes the provincial parks, including Brookvale Ski Park, the provincial golf courses, the provincial day parks and the full service campgrounds, as well as the Visitor Information Centres, owned by the Province of Prince Edward Island, in carrying out its mandate. Tourism PEI paid rent of nil (2022 - nil) to utilize these facilities.

Included in accounts receivable is \$348,000 (2022 - \$726,376) due from departments of the Province of Prince Edward Island and nil (2022 - \$4,300) due from a provincial Crown corporation. Included in accounts payable and accrued liabilities is an amount of \$20,199 (2022 - \$621,843) due to departments of the Province of Prince Edward Island and \$3,357 (2022 - \$46,823) due to provincial Crown corporations.

During the year, Tourism PEI administered the following programs on behalf of the Province of Prince Edward Island:

	2023	2022
	\$	\$
Tourism Interest Relief	825,999	3,157,973
The Cruise Restart and Recovery	198,000	-
Park Season Extension	150,000	-
Canada's Food Island Consumer Gift Card	-	2,000,000
Tourism Activation Grant	-	1,500,000
Tourism Accelerator	-	1,000,000
New Tourism Accommodation	-	1,000,000
Festival and Events Stability Fund	-	672,284
Ignition Fund	-	500,000
	<hr/>	<hr/>
	1,173,999	9,830,257

As the corporation was acting as an agent of the Province of Prince Edward Island, these expenditures are not included as expenses of the corporation.

# Tourism PEI

Notes to Financial Statements

March 31, 2023

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## 6 Commitments

- (a) Tourism PEI has entered in various contracts resulting in the following commitments for the next five years as follows:

	\$
Year ending March 31, 2024	774,647
2025	19,050
2026	19,050
2027	19,050
2028	4,350

- (b) The minimum annual lease payments required over the next two years under one operating lease for software expiring in October 2024 is as follows:

	<b>Equipment</b>
	\$
Year ending March 31, 2024	5,466
2025	5,466

There is a requirement to pay the corporation's pro rata share, based on rental space, of the operating costs, including property taxes, of the clubhouse premises in Brudenell, which amounted to \$68,636 (2022 - \$68,926).

## 7 Government assistance

During the year, Tourism PEI received assistance from the Government of Canada. This funding has been included in the following revenue accounts:

	2023	2022
	\$	\$
Project funding	1,154,991	696,254

## 8 Financial risk management objectives and policies

Tourism PEI's principal business activities result in a statement of financial position that consists primarily of financial instruments. The principal financial risks that arise from transacting financial instruments include credit, liquidity, market and operational risk. Authority for all risk-taking activities rests with the Board of Directors (Board), which approves risk management policies, delegates limits and regularly reviews management's risk assessments and compliance with approved policies. Qualified professionals throughout Tourism PEI manage these risks through comprehensive and integrated control processes and models, including regular review and assessment of risk measurement and reporting processes.

# Tourism PEI

## Notes to Financial Statements

March 31, 2023

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(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty of a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from the company's accounts receivable.

Accounts receivable includes trade receivables, HST receivable and other accrued receivables.

Tourism PEI's maximum exposure to credit risk is \$2,576,254, its carrying value of accounts receivable as noted on the statement of financial position.

Details of the carrying value of accounts receivable that are past due at the financial statement date are as follows:

	Current	Up to 90 days overdue	Over 90 days overdue	Allowance for doubtful accounts	2023 Total
	\$	\$	\$	\$	\$
<b>Accounts receivable</b>					
Trade receivables	882,278	240,878	247,159	(111,652)	1,258,663
HST receivable	1,263,975	-	-	-	1,263,975
Other receivables	41,358	-	12,258	-	53,616
	<u>2,187,611</u>	<u>240,878</u>	<u>259,417</u>	<u>(111,652)</u>	<u>2,576,254</u>

	Current	Up to 90 days overdue	Over 90 days overdue	Allowance for doubtful accounts	2022 Total
	\$	\$	\$	\$	\$
<b>Accounts receivable</b>					
Trade receivables	3,347,519	34,488	112,586	(111,652)	3,382,941
HST receivable	1,207,017	-	-	-	1,207,017
Other receivables	7,938	-	-	-	7,938
	<u>4,562,474</u>	<u>34,488</u>	<u>112,586</u>	<u>(111,652)</u>	<u>4,597,896</u>

(b) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its financial obligations as they come due. Specifically, the company needs to ensure it has adequate resources to repay all accounts payable and accrued liabilities as they come due. The company's approach to manage liquidity risk is to closely monitor its cash flows and forecast the expected receipts and obligations.

The company's financial liabilities total \$2,492,949 and are expected to be repaid within one year.

# Tourism PEI

Notes to Financial Statements

March 31, 2023

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(c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(d) Capital management

The primary objective of Tourism PEI's capital management is to ensure that it maintains a healthy financial position in order to support its business. Tourism PEI manages its capital structure and makes changes to it in light of changes in economic conditions.

## 9 Comparative figures

Certain comparative figures presented for the 2022 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.



# Tourism PEI

Consolidated Schedule of Expenses by Type  
For the year ended March 31, 2023

Schedule

	2023		
	Salaries and benefits \$	Operating Goods and Services \$	Total \$
Finance and Administration	299,697	164,498	464,195
Parks Administration	507,243	36,574	543,817
Park Operations	2,615,578	1,997,285	4,612,863
Brookvale	1,210,883	697,444	1,908,327
Golf Operations	2,672,928	3,000,831	5,673,759
Strategy and Evaluation	810,631	7,176,707	7,987,338
Regulation and Compliance	196,841	18,350	215,191
French Services	-	138,900	138,900
Digital Marketing	110,957	439,182	550,139
Visitor Services	1,000,257	145,791	1,146,048
Advertising and Public Relations	375,716	5,642,576	6,018,292
Media Relations/Editorial	122,796	127,388	250,184
Fulfillment	143,969	185,202	329,171
Publications	87,953	189,673	277,626
Travel/Trade Sales	180,398	252,561	432,959
	10,335,847	20,212,962	30,548,809
	2022		
	Salaries and benefits \$	Operating Goods and Services \$	Total \$
Finance and Administration	306,162	143,646	449,808
Parks Administration	450,435	32,363	482,798
Park Operations	2,372,663	1,413,799	3,786,462
Brookvale	760,271	429,264	1,189,535
Golf Operations	2,646,112	1,975,282	4,621,394
Strategy and Evaluation	703,590	3,267,306	3,970,896
Regulation and Compliance	280,999	12,764	293,763
French Services	-	138,886	138,886
Digital Marketing	590,911	148,060	738,971
Visitor Services	839,454	115,207	954,661
Advertising and Public Relations	362,381	5,653,797	6,016,178
Media Relations/Editorial	171,393	87,163	258,556
Fulfillment	133,234	90,930	224,164
Publications	124,848	123,230	248,078
Travel/Trade Sales	173,850	99,141	272,991
	9,916,303	13,730,838	23,647,141

# Appendix C

**PEI PROVINCIAL PARKS**

## PEI PROVINCIAL PARKS ACCESSIBILITY CHART

ACCESSIBILITY AT PEI PROVINCIAL PARKS						
2022-23						
Property	Supervised Swimming	Designated Parking	Beach Access Ramp	Mobility Mats	Buoyant Beach Wheelchair	Partially Accessible Washrooms
Brudenell	✘ Pool					✘
Red Point	✘					✘
Northumberland	✘					✘
Panmure Island	✘					✘
Kings Castle				✘		✘
Basin Head	✘	✘		✘	✘	✘
Pinette						✘
Wood Islands						✘
Sally's Beach				✘		✘
Linkletter						✘
Cedar Dunes	✘			✘	✘	✘
Jacques Cartier	✘				✘	✘
Cabot Beach	✘		✘	✘	✘	✘
Union Corner						✘
Chelton Beach	✘					✘
Argyle Shore						✘
Bloomfield						✘
Strathgartney						✘
Bonshaw						✘
Mark Arendz Ski Park						✘

# feel lighter

