



Tourism PEI

ANNUAL REPORT

2023-2024

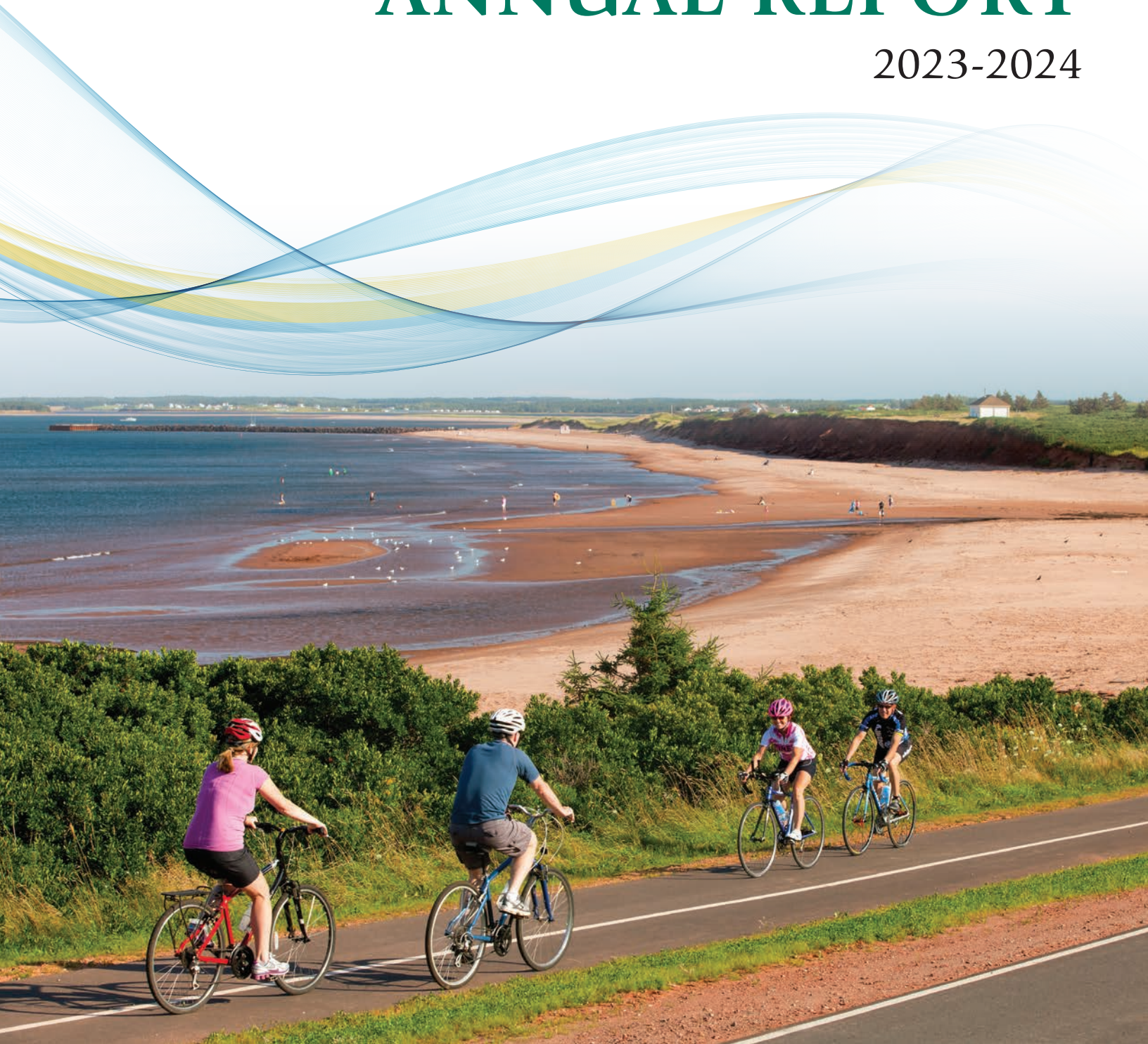


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Message from the Minister

The Honorable Dr. Wassim Salamoun
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, 2024.

During the reporting period, the Honourable Cory Deagle served as Minister of Fisheries, Tourism, Sport and Culture.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Zack Bell'. The signature is stylized with a large, sweeping 'Z' and a long horizontal stroke extending to the right.

Honorable Zack Bell
Minister
Fisheries, Tourism, Sport and Culture

CEO's Message

The Honorable Zach Bell
Minister of Fisheries, Tourism, Sport and Culture
PO BOX 2000
Charlottetown, PE C1A 7N8



Dear Minister Bell:

During the reporting period, a united and aligned tourism industry aggressively pursued the implementation of the province's tourism strategy – *Charting the Course of Tourism in PEI*. Significant strides have been made in the growth and positioning of Prince Edward Island (“PEI”) as a premier four-season destination.

In 2023, PEI generated an estimated \$499.5 million in visitor-related spending, a 5.8% increase over 2022 and a 2.7% increase over 2019. This marked a full recovery of visitor spending in PEI, approximately a year ahead of the national forecasted recovery. This growth was fueled by record-setting visitor traffic at the Confederation Bridge and Charlottetown Airport, and a surging cruise sector that achieved 96% of record-setting volumes, up 83% over 2022.

In early 2024, we proudly showcased PEI's spirited culture while hosting a successful Canada Winter Games. We also established a strategic and innovative partnership with the National Hockey League, becoming the first-ever “official travel destination of the NHL®”.

As we move forward together, I believe PEI's tourism industry is better positioned to facilitate sustainable growth that supports the standard of living of Islanders, the prosperity of our tourism operators, and the vibrancy of Island communities from tip to tip.

Respectfully submitted,

A handwritten signature in black ink, which appears to read "K.A. MacDonald". The signature is fluid and cursive.

Kent MacDonald
Chief Executive Officer
Tourism PEI

Prince Edward Island Tourism Strategy

PEI is guided by an all-of-industry tourism strategy – ***Charting the Course of Tourism in PEI*** – adopted in March 2022 by both Tourism PEI and the Tourism Industry Association of PEI’s (“TIAPEI”) Board of Directors. The strategy is centred on a four-season approach to generating higher annual tourism revenues. It is focused on three overarching objectives – (1) optimize recovery potential for 2022, (2) set in motion conditions to support higher revenues from tourism, and (3) begin to fundamentally shift how tourism is developed and delivered in PEI beyond 2023.

Vision Statement

PEI’s tourism vision is outlined within the tourism strategy as:

An aligned and collaborative PEI tourism industry has optimized recovery from the immense challenges of COVID-19 and has fundamentally shifted how tourism is developed and delivered in PEI, rendering PEI a more competitive four-season destination that commands higher revenues.

Implementation Progress

An Implementation Committee was established to champion the implementation of PEI’s tourism strategy. The Committee works to: foster collaboration amongst stakeholders best suited to achieve objectives, guide implementation efforts, track progress against goals, and support communication and dissemination of the strategy.

The Committee is co-chaired by Kent MacDonald, CEO of Tourism PEI and Corryn Clemence, CEO of TIAPEI, and includes David Groom, President of Quality Inn & Suites and Brothers 2 Restaurant, John Cudmore, President of Dyne Holdings Limited, and Matthew Jelley, President of Maritime Fun Group. Tourism PEI’s Research & Engagement Division provides secretariat services for the Committee, which meets quarterly to deliver on its mandate.

The tourism strategy outlines 24 initiatives to be actioned during the two-year strategic period (2022 and 2023). All 24 initiatives have been actioned, 16 are complete, and the remaining are long-term initiatives that extend beyond the strategic period.

New Tourism Strategy Development

In August 2023, Tourism PEI and TIAPEI jointly initiated a strategic planning process to develop the next evolution of PEI’s tourism strategy. A Steering Committee was established to lead the development of a five-year all-of-industry tourism strategy. The Steering

Committee is co-chaired by Kent MacDonald, CEO of Tourism PEI and Corryn Clemence, CEO of TIAPEI and includes Julie-Ann Gauthier, Owner of Joey's Deep-Sea Fishing, Julie Chaisson, Owner of Fiddling Fisherman Boat Tours and The Lookout, David Groom, President of Quality Inn & Suites and Brothers 2 Restaurant, John Cudmore, President of Dyne Holdings Limited, and Kent Scales, CEO of Scales Group.

The Steering Committee is leading an eight-month research, consultation, and strategy development process intending to launch PEI's new tourism strategy during the spring of 2024.

Tourism Industry Snapshot

In 2023, PEI's tourism industry built on the momentum achieved during 2022, continuing to outpace the national tourism recovery while generating increased visitor economic activity in all seasons.

In 2023, PEI generated an estimated \$499.5 million in visitor-related spending, a 5.8% increase over 2022 and 2.7% increase over 2019. This represents a full recovery of annual visitor spending on PEI, a full year ahead of the forecasted recovery for Canada at the national level.

PEI continued to experience strong visitor traffic growth through its main exit points in 2023. Visitor traffic at the Confederation Bridge reached all-time highs, setting nine new monthly records and finishing the year up 5% over 2019. Airport traffic at YYG also reached all-time highs, setting seven new monthly records and finishing the year up 5% over 2019. Ferry traffic was stifled in 2023 due to mechanical issues aboard the MV Confederation. As a result, 315 sailings were cancelled, and overall ferry traffic was down 27% over 2019. Cruise traffic at the Charlottetown Port surged in 2023 reaching 96% of the record-setting volume achieved in 2019.

In 2023, PEI generated over one million paid overnight stays, virtually mirroring 2019 levels for both fixed-roof accommodations and campgrounds. Key domestic markets of New Brunswick, Nova Scotia, Ontario, Quebec and Alberta drove performance gains while international markets continued to lag a full recovery. PEI is experiencing seasonal expansion amongst all types of accommodation operations. In 2023, the number of accommodations operating surpassed 2019 levels in all months outside of June through August.

Despite record-setting rainfall amounts, golf, as represented through Golf PEI, continued its growth in 2023 following a record-setting 2022 season. Total paid rounds were up 8% over 2022, setting a new record with over 190,000 paid rounds. Golf PEI's reservation centre achieved record revenues of \$1.71 million, up approximately 20% over \$1.4 M in 2019. The meetings and conventions sector attracted 129 business events/conferences, which drew 20,583 delegates and generated 41,171 room nights sold.

Tourism PEI

Tourism PEI is a crown corporation residing within the Department of Fisheries, Tourism, Sport and Culture and was established through the *Tourism PEI Act* in June 1999.

Mandate

Tourism PEI’s mandate is outlined in the *Tourism PEI Act* as follows:

- 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 motivate travellers to visit PEI;
- Manage provincial infrastructure resources, such as golf courses and parks.
- Conduct tourism-related research; and
- Administer and enforce the provisions of the *Tourism Industry Act and Regulations*, particularly 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.

Table 1: Tourism PEI Assets

Parks	Campgrounds	Golf Courses
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>	Visitor Information Centres	
<i>Nordic Centre (Nordic Venue)</i>	Borden	
Pinette	Charlottetown	
Sally’s Beach	Souris	
Strathgartney	West Prince	
Union Corner	Wood Islands	
Wood Islands		

Values

Tourism PEI is guided by the values of the Provincial Civil Service:

Respect

Tourism PEI and its representatives promote an attitude of acceptance, civility and inclusion. Tourism PEI demonstrates respect by being considerate, civil, and inclusive in its dealings.

Integrity

Tourism PEI is committed to being non-partisan, honest, open and fair while conducting its work.

Accountability

Tourism PEI is committed to being responsible, transparent, and willing to accept responsibility for its actions.

Excellence

Tourism PEI is committed to providing high levels of accuracy, proficiency and knowledge in performing our work.

Board of Directors

Tourism PEI has a private-sector advisory board of directors that sets strategic direction and provides advice to the Crown. In 2023-2024, board members included:

David Groom | Chairperson

President | Quality Inn & Suites and Brothers 2 Restaurant

Matthew Jelley | Vice-Chairperson

President | Maritime Fun Group

Derrick Hoare

Owner | The Table Culinary Studio

Jacqueline DesRoches

Co-Owner | The Gables of PEI Resort

John Cudmore

President | Dyne Holdings Limited

Kirk Nicholson

Owner/Operator | Avis Budget Group

Louise Arsenault

General Manager | Mill River Resort

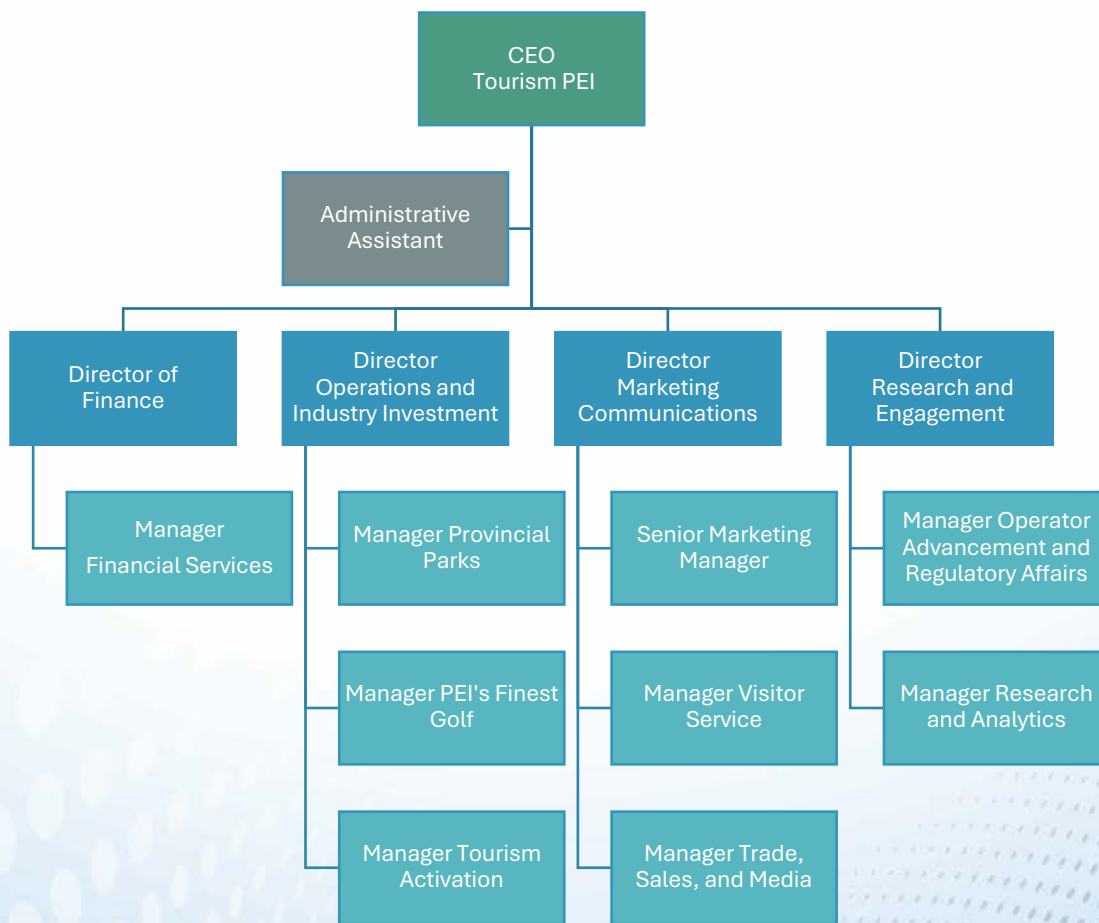
Perry Gotell

Owner | Tranquility Cove Adventures

Tourism PEI’s 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 operational during 2023-2024, one to guide a review of the *Tourism Industry Act* and a second 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!

Organizational Structure

Figure 1: Tourism PEI Organizational Chart



Finance

Jennifer B. De Coursey, Director of Finance

The Finance Division of Tourism PEI is responsible for general administration, financial services, human resources, records management, and insurance matters.

Financial Services and Office Administration

Financial Services is responsible for annual capital and operational 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.

Operations and Industry Investment

Brodie O’Keefe, Director of Operations and Industry Investment

The Operations and Industry Investment Division manages the operations of provincial parks and provincial golf courses. Staff are also responsible for product development and the development and implementation of industry support programs.

Provincial Parks

In 2023, Tourism PEI’s Provincial Parks operations operated at full capacity. Total site-nights sold at provincial campgrounds reached 45,205. Provincial campgrounds in Western PEI achieved an overall occupancy rate of 48% while campgrounds in Eastern PEI achieved 56%.

In 2023, Provincial Parks provided lifeguard service at nine sites including eight beaches and the pool at the Rodd Brudenell Resort. This provided residents and visitors with an opportunity to enjoy our beautiful provincial park beaches safely.

In 2024, the Mark Arendz Provincial Ski Park in Brookvale hosted various Nordic and Alpine events. The Nordic venue played host to Snowtopia, the outdoor venue for the annual Jack Frost Winter Festival, which had strong attendance from visitors and increased the exposure for Mark Arendz Provincial Ski Park. The Nordic venue also hosted the Nordic Sports Prince Edward Island-sponsored North American Series and a loppet in memory of Oscar Waugh. In 2024, the PEI Alpine ski team hosted the PEI Kinder Kombi & Ski Cross race at the Alpine venue.

Provincial Golf Courses

The golf industry is a significant component of the province's overall tourism strategy.

Efforts to recover from Hurricane Fiona were prioritized during the winter and spring to ensure readiness for the golf season at all three courses. Notable improvements at The Links at Crowbush Cove include raising the shoreline protection on hole 16, completing the fescue areas on holes 1-5, and resodding the fairway on hole 16 and the greens on holes 7 and 15. At Brudenell and Dundarave, a crew worked throughout the winter to clear deadfall and ensure the safety of the course perimeters. The work carried out at all three courses was well received by both guests and members.

The total number of golf rounds played during the 2023 season increased compared to the previous year, continuing to exceed pre-COVID-19 figures.

Tourism Activation Unit

The Tourism Activation Unit is responsible for activating 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 support the development of tourism products that align with PEI's tourism strategy.

This unit is 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.

Marketing Communications

Brenda Gallant, Director of Marketing Communications

The Marketing Communications Division is dedicated to promoting PEI as a premier vacation destination. This division handles consumer advertising and public relations, media relations, trade and sales initiatives, visitor services, publications, and distribution. The Division also oversees provincially managed visitor information and contact centres.

Tourism PEI is a member of the Atlantic Canada Agreement on Tourism (ACAT). This partnership unites federal and provincial governments with the region's private sector to access strategic international markets through joint initiatives or bilateral agreements and to collaborate on domestic marketing activities.

Additionally, Tourism PEI actively seeks partnership opportunities with Destination Canada (DC) and other organizations to enhance and leverage investments in both international and domestic markets.

Advertising and Publicity

Tourism PEI's consumer advertising has traditionally been focused on the geographic markets of New Brunswick, Nova Scotia, Ontario and Quebec. While these markets remain a priority focus, Ottawa, Calgary and Edmonton have been added to support direct flight service from these markets. Tourism PEI continues to focus on these higher-yield markets and is seeing results.

In April 2023, Tourism PEI launched a full campaign in our target markets to drive destination awareness and traffic to our website for vacation planning and booking. We continue to evolve the "Feel Lighter" theme, emphasizing the need to relax, rejuvenate, and revitalize. Our marketing tactics include digital, social media, television, radio, and out-of-home advertising such as billboards and transit shelter ads. The 2023 "Feel Lighter" campaign ran successfully from April until mid-October.

PEI's tourism strategy is focused on supporting a transition to a four-season destination. To support this goal, a winter campaign was developed and deployed in New Brunswick, Nova Scotia, and Ottawa (to support the direct flight) from December through March.

Components of the campaign were also deployed in PEI. The marketing tactics for the 2023-2024 winter campaign included digital, social media, television, radio, direct mail, and out-of-home advertising such as billboards and transit shelter ads.

Fulfillment

Tourism PEI's website activity and PEI visitor's guide orders from April 1, 2023, to March 31, 2024 were:

- 20,227 visitor's guide mail-outs were requested.
- 2.3 million sessions on the website with an average of 2.3 pages viewed per session, totalling 6.2 million page views.
- Visitors spent an average of two minutes of engaged time on the site.
- Sessions on the Tourism PEI website were mostly from Canada (2.3 million sessions) accounting for 69% of all engaged sessions. Other notable markets for website sessions include the U.S.A (449,747 sessions), France (17,720 sessions), Poland (15,247 sessions), the UK (15,053 sessions), Germany (8,772 sessions) and Australia (7,492 sessions).
- Total web visits vs print guides ordered was 114:1.

Trade and Sales

The Trade and Sales Unit works with industry partners to increase the visibility of PEI's vacation products through trade and consumer 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.

While our traditional offerings have been successful, we are evolving to attract new prospective visitors with innovative products and experiences, especially during the winter and shoulder seasons. This strategic approach aims to increase annual tourism revenues.

Long-haul international markets have presented substantial opportunities. The increase in flights from the US, UK, and Germany to the region has enhanced our exposure and demand potential. Consequently, we have established strong partnerships with international tour operators. Although Japan has been slower to recover due to economic conditions, this remains an important market for PEI and Tourism PEI's efforts with key accounts continue.

Cruise ships have traditionally visited Prince Edward Island primarily in the autumn. However, with an expanded range of product offerings, the popularity of Charlottetown as a port of call has grown, creating the potential for increased cruise visitation during the spring and summer seasons. A variety of unique shore excursions have been developed to disperse passengers across the Island, enhancing the overall visitor experience.

Media Relations

Tourism PEI's media relations efforts support our tourism strategy by attracting quality travel writers, bloggers, influencers, television and online broadcasters, and freelancers from around the world to PEI. We aim to inspire them to produce captivating content for potential visitors.

Media relations play a crucial role in our marketing communications. We have concentrated on developing strong relationships with major media outlets and welcoming journalists who align with our brand, strategic plan and vision for year-round tourism. Media outlets are increasingly requesting journalists to write personal experience stories related to coastal activities, culinary experiences, outdoor adventures, golf, wellness, culture (with a strong emphasis on indigenous culture), and sustainability. These stories help build brand awareness, enhance credibility, and encourage potential visitors to transition from dreaming of a PEI visit to booking a vacation.

Visitor Information Centres

Tourism PEI operates five visitor information centres located in Charlottetown, Borden-Carleton, Wood Islands, Souris, and West Prince. Tourism PEI 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 travelling public and have bilingual staff available. In 2023, visitation to these centres increased 13% over 2022, representing over 90,000 parties counselled. The Charlottetown Visitor Information Centre at Founders Hall experienced the largest increase at 43% over 2022.

Research and Engagement

Keith A. Hansen, Director of Research and Engagement

The Research and Engagement Division of Tourism PEI supports the development and implementation of provincial tourism strategies and provides secretariat services for Tourism PEI's Board of Directors and PEI's Tourism Strategy Implementation Committee.

The Research and Engagement Division is the lead liaison for 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 Division is responsible for regulatory affairs pursuant to the *Tourism Industry Act*, namely the licensing of tourism establishments and delivery of inspection services.

Finally, the Research and Engagement Division is responsible for tourism research, statistical reporting, and analytics to inform tourism investment and program-related decisions (e.g., marketing activities).

Operator Advancement and Regulatory Affairs Unit

The Operator Advancement and Regulatory Affairs 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; and
- Working with industry stakeholders including the 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 annual inspections required to obtain a tourism establishment license.

Research and Analytics Unit

The Research and Analytics 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 TIAPEI and regional tourism 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; and
- 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.

Program Activity and Information

Tourism PEI offers a range of programs and funding opportunities to support PEI's tourism operators, industry stakeholders, and strategic initiatives. The following programs were offered during the 2023-2024 fiscal:

Tourism Seasonal Expansion Program

The *Tourism Seasonal Expansion Program* provided for-profit tourism businesses with a non-repayable contribution (grant) toward eligible capital expenses to assist with seasonal extension and/or product development that supports PEI's tourism strategy.

Fall and Winter Tourism Product Development Fund

The *Fall and Winter Tourism Product Development Fund* provided for-profit tourism businesses and Regional Tourism Associations/Destination Management Organizations with a non-repayable contribution (grant) toward new and innovative product offerings that will assist with seasonal extension that supports PEI's tourism strategy.

Multi-Season Tourism Micro-Grant Program

The *Multi-Season Tourism Micro Grant Program* members of RTAs and DMOs with the opportunity to try new initiatives outside of peak season. The purpose of the program is to support seasonal expansion and drive new business from Sunday to Thursday.

Beach Infrastructure Program

The *Beach Infrastructure Program* provides grants for upgrading public beach infrastructure. The grant is intended to enhance the user experience and safety on beaches along our beautiful coastline.

Festivals and Events Fund

The *Festivals and Events Fund* provides eligible non-profit associations with funding to assist with the cost of organizing and promoting a festival or event. Applications are accepted online until March 1st each year, or until funding is depleted.

Tourism Innovation Fund

The *Tourism Innovation Fund* assists in the research, development and market launch of new cultural tourism products. Projects supported by this fund develop or enhance products identified in PEI's tourism strategy and intend to strengthen PEI's appeal as a cultural tourism destination.

Hosting Grant

The *Hosting Grant* provides eligible non-profit organizations with a grant to offset the cost of hosting a national, international, or regional sporting event, meeting, or convention. Approved funding may only be used for the purpose of assisting in the cost of a meal at an opening reception, brunch, or closing banquet.

Contact Information



Tourism PEI

105 Rochford St., Charlottetown,

PE C1A 7N8

Tel: 902-368-5540

www.tourismpei.com

Appendix A

Legislative Responsibility, Boards and Commissions

Acts:

National Park Act

Recreation Development Act

Tourism Industry Act

Tourism PEI Act

Trails Act

Boards:

Tourism PEI Board

Appendix B

Financial Statements

Tourism PEI

Financial Statements
March 31, 2024

Management's Report

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

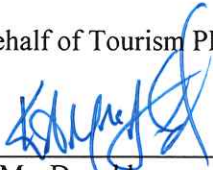
The financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in note 2 to the financial 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



Kent MacDonald
Chief Executive Officer



Member of The AC Group of Independent Accounting Firms

June 27, 2024

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, 2024, 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, 2024, 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:



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- 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, 2024

	2024	2023
	\$	\$
Assets		
Financial assets		
Cash	377,961	-
Accounts receivable (notes 3 and 5)	499,586	2,576,254
Inventory	443,661	347,710
Due from Province of Prince Edward Island	704,418	1,095,310
	<u>2,025,626</u>	<u>4,019,274</u>
Liabilities		
Bank advances	-	1,213,151
Accounts payable and accrued liabilities (note 5)	1,682,928	2,492,949
Deferred revenue (note 4)	361,512	315,949
	<u>2,044,440</u>	<u>4,022,049</u>
Net debt	(18,814)	(2,775)
Non-financial asset		
Prepaid expenses	18,814	2,775
	<u>-</u>	<u>-</u>
Accumulated surplus		
Commitments (note 6)		

Approved by the Corporation



Minister

Tourism PEI

Statement of Operations

For the year ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Grants from Province of Prince Edward Island	17,885,100	17,804,399	20,118,865
Marketing	495,000	238,039	377,673
Ski Park Operations	600,000	691,318	474,265
Park Operations	1,400,000	1,688,397	1,630,878
Golf Operations	6,204,100	7,120,833	6,769,277
Project funding (note 7)	2,300	226,855	1,154,991
Miscellaneous	-	-	22,860
	26,586,500	27,769,841	30,548,809
Expenses (Schedule)			
Finance and Administration	450,500	502,023	464,195
Parks Administration	519,900	487,992	543,817
Park Operations	4,165,200	4,515,286	4,612,863
Ski Park	1,319,500	1,930,325	1,908,327
Golf Operations	5,184,000	5,497,927	5,673,759
Strategy and Evaluation	1,074,000	873,582	7,987,338
Operations and Industry Investment	4,407,500	4,187,525	-
Regulation and Compliance	277,400	336,840	215,191
French Services	138,900	138,845	138,900
Digital Marketing	-	-	550,139
Visitor Services	1,115,100	1,135,019	1,146,048
Advertising and Public Relations	6,463,000	6,717,777	6,018,292
Media Relations/Editorial	327,700	277,900	250,184
Fulfillment	338,500	297,850	329,171
Publications	393,400	276,805	277,626
Travel/Trade Sales	411,900	594,145	432,959
	26,586,500	27,769,841	30,548,809
Operating surplus	-	-	-

Tourism PEI

Statement of Changes in Net Debt For the year ended March 31, 2024

	2024	2023
	\$	\$
Operating surplus	-	-
Acquisition of prepaid expenses	(18,814)	(2,775)
Use of prepaid expenses	2,775	15,422
	(16,039)	12,647
Decrease (increase) in net debt	(16,039)	12,647
Net debt - Beginning of year	(2,775)	(15,422)
Net debt - End of year	(18,814)	(2,775)

Tourism PEI

Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
	\$	\$
Cash provided by (used in)		
Operating activities		
Operating surplus	-	-
Net change in non-cash working capital items		
Decrease in accounts receivable	2,076,668	2,021,642
Decrease (increase) in due from the Province of Prince Edward Island	390,892	(688,794)
Decrease in accounts payable and accrued liabilities	(810,021)	(4,917,009)
Increase (decrease) in deferred revenue	45,563	(101,143)
Increase in inventory	(95,951)	(150,033)
Decrease (increase) in prepaid expenses	(16,039)	12,647
Net change in cash	1,591,112	(3,822,690)
Cash (bank advances) - Beginning of year	(1,213,151)	2,609,539
Cash (bank advances) - End of year	377,961	(1,213,151)

Tourism PEI

Notes to Financial Statements

March 31, 2024

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 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 ski park operations, park operations and golf operations 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, 2024

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 Operations and Industry Investment 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, 2024.

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

	2024	2023
	\$	\$
Accounts receivable	283,032	605,782
Government contributions receivable (note 5)	4,153	818,148
HST receivable	227,148	1,263,975
Less: allowance for doubtful accounts	(14,747)	(111,652)
	<u>499,586</u>	<u>2,576,254</u>

4 Deferred revenue

	2024	2023
	\$	\$
Gift certificates	129,797	117,691
Prepaid parks and camping	21,120	53,511
Prepaid golf passes and other fees	210,595	144,747
	<u>361,512</u>	<u>315,949</u>

Tourism PEI

Notes to Financial Statements

March 31, 2024

5 Related party transactions

During the year, the corporation utilized office premises from a Department of the Province of Prince Edward Island for nil (2023 - nil) consideration.

Tourism PEI utilizes the provincial parks, including the 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 (2023 - nil) to utilize these facilities.

Included in accounts receivable is nil (2023 - \$348,000) due from departments of the Province of Prince Edward Island and \$4,153 (2023 - nil) due from a provincial Crown corporation. Included in accounts payable and accrued liabilities is an amount of \$65,088 (2023 - \$20,199) due to departments of the Province of Prince Edward Island and \$43,394 (2023 - \$3,357) due to provincial Crown corporations.

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

	2024	2023
	\$	\$
Tourism Interest Relief	-	825,999
The Cruise Restart and Recovery	-	198,000
Park Season Extension	-	150,000
	<hr/>	<hr/>
	-	1,173,999
	<hr/>	<hr/>

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.

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, 2025	3,084,065
2026	583,141
2027	312,278
2028	187,550
2029	23,200
2030	6,700

Tourism PEI

Notes to Financial Statements

March 31, 2024

- (b) The minimum annual lease payments required over the next four years under two operating leases expiring in October 2024 and October 2028 is as follows:

Year ending March 31, 2025	90,724
2026	57,930
2027	57,930
2028	57,930

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 \$78,093 (2023 - \$68,636).

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:

	2024	2023
	\$	\$
Project funding	226,855	1,154,991

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.

(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 \$499,586, its carrying value of accounts receivable as noted on the statement of financial position.

Tourism PEI

Notes to Financial Statements

March 31, 2024

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	2024 Total
	\$	\$	\$	\$	\$
Accounts receivable					
Trade receivables	60,921	700	114,965	(14,747)	161,839
HST receivable	227,148	-	-	-	227,148
Other receivables	110,599	-	-	-	110,599
	<u>398,668</u>	<u>700</u>	<u>114,965</u>	<u>(14,747)</u>	<u>499,586</u>

	Current	Up to 90 days overdue	Over 90 days overdue	Allowance for doubtful accounts	2023 Total
	\$	\$	\$	\$	\$
Accounts receivable					
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>

(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 \$1,682,928, and are expected to be repaid within one year.

(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.

Tourism PEI

Notes to Financial Statements

March 31, 2024

(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 2023 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, 2024

Schedule

	2024		
	Salaries and benefits \$	Operating Goods and Services \$	Total \$
Finance and Administration	317,215	184,808	502,023
Parks Administration	422,219	65,773	487,992
Park Operations	3,037,990	1,477,296	4,515,286
Ski Park	1,202,229	728,096	1,930,325
Golf Operations	2,905,269	2,592,658	5,497,927
Strategy and Evaluation	461,685	413,397	875,082
Operations and Industry Investment	263,651	3,923,874	4,187,525
Regulation and Compliance	237,311	99,529	336,840
French Services	-	138,845	138,845
Visitor Services	995,256	139,763	1,135,019
Advertising and Public Relations	438,246	6,278,031	6,716,277
Media Relations/Editorial	123,384	154,516	277,900
Fulfillment	146,049	151,801	297,850
Publications	149,790	127,015	276,805
Travel/Trade Sales	194,620	399,525	594,145
	10,894,914	16,874,927	27,769,841

	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
Ski Park	1,210,883	697,444	1,908,327
Golf Operations	2,672,928	3,000,831	5,673,759
Strategy and Evaluation	809,131	7,178,207	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
	10,334,347	20,214,462	30,548,809

Appendix C

PEI Provincial Parks Accessibility Chart 2023-2024

Accessibility at PEI Provincial Parks						
Property	Supervised Swimming	Designated Parking	Beach Access Ramp	Mobility Mats	Buoyant Beach Wheelchair	Partially Accessible Washrooms
Brudenell	X Pool					X
Red Point	X					X
Northumberland	X					X
Panmure Island	X					X
Kings Castle				X		X
Basin Head	X	X		X	X	X
Pinette						X
Wood Islands						X
Sally's Beach				X		X
Linkletter						X
Cedar Dunes	X			X	X	X
Jacques Cartier	X		X		X	X
Cabot Beach	X		X	X	X	X
Union Corner						X
Chelton Beach	X					X
Argyle Shore						X
Bloomfield						X
Strathgartney						X
Bonshaw						X
Mark Arendz Ski Park						X

feel lighter

