

# ANNUAL REPORT



# Tourism PEI 2020-2021 Annual Report





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# Minister's Message

The Honorable Antoinette Perry Lieutenant Governor of Prince Edward Island



May It Please Your Honour:

I have the honour to submit herein the annual report for the activities of Tourism PEI for the period of April 1, 2020 to March 31, 2021.

In 2020, our world changed, and it deeply impacted the tourism industry. Since then, the greatest challenge of the COVID-19 pandemic has been the unknown.

Islanders have always been creative thinkers and innovators. Throughout 2020-2021, we saw tourism operators from across the province challenge themselves to find ways to adapt their business to our new normal.

Re-opening our tourism industry and managing recovery in a way that is safe and welcoming requires all of us to work together. The partnership between Government and the tourism sector has never been more important or valued.

Together, we have an opportunity to reimagine the future of tourism in Prince Edward Island. As we move forward, Government will continue to work with the entire tourism industry to build our future, together.

Respectfully submitted,

Matthew MacKay

Minister

Economic Growth, Tourism and Culture

# CEO's Message

Honourable Matthew MacKay Minister of Economic Growth, Tourism and Culture PO Box 2000 Charlottetown, PE CIA 7N8



#### Dear Minister MacKay:

On March 16, 2020, Prince Edward Island declared a state of emergency in response to COVID-19. Since that time, Tourism PEI has led the Province's efforts to support the tourism industry and has championed an all-of-industry response to the pandemic.

The tourism industry is a significant contributor to Prince Edward Island's economy. In 2019, the tourism industry generated approximately 6% of provincial GDP, supported 8,900 full-time equivalent jobs, and generated \$82 million in provincial tax revenue to support provincial programming. In 2020, tourism revenue dropped -51% from record highs to an estimated \$237 million, representing approximately \$250 million in lost tourism-related spending on our Island.

The effects of the COVID-19 pandemic have been profound and have disproportionately affected the tourism industry. Despite this, I'm optimistic that Prince Edward Island's unique culture, authentic experiences, fresh and local food, striking beauty, endless beaches, and appreciation for the environment provide the competitive advantages needed to position Prince Edward Island's tourism industry for recovery and beyond.

Respectfully submitted,

Kent MacDonald Chief Executive Officer

Tourism PEI

# Response to the COVID-19 Pandemic

Throughout 2020, the tourism industry was deeply and adversely impacted by the COVID-19 pandemic. Border restrictions and public health orders drastically affected the availability of source markets, business capacity, and consumer behaviour.

Tourism PEI led a robust and strategic response to combat the effects of the pandemic. The rapidly changing environment and the vast number of unknowns associated with the pandemic resulted in a short-term tactical approach being deployed. Throughout 2020, Tourism PEI led the development and implementation of an Immediate Action Plan (April – May 2020), a Tourism Recovery Plan (June – December 2020), and a Winter and Spring Tactical Action Plan (January – June 2021). All these plans were focused on supporting and protecting Prince Edward Island's ("PEI") tourism supply and generating visitor demand from the source markets available to us.

In 2020, Tourism PEI, on behalf of the Department of Economic Growth, Tourism, and Culture, led the development of an unprecedented level of programming to combat the effects of the pandemic on PEI's tourism sector. This programming was deployed over and above the programs traditionally provided by Tourism PEI and included:

#### Tourism Assistance Loan Program (\$50 million)

The Tourism Assistance Loan Program ("TALP") was established through a joint partnership between Tourism PEI and Finance PEI. TALP provides funding in the form of a repayable loan. TALP loans provide interest relief and principal deferrals for up to 18-months.

#### Tourism Interest Relief Program (\$10 million)

The Tourism Interest Relief Program ("TIRP") was established through a joint partnership between Tourism PEI and Finance PEI. The TIRP provides interest relief on term debt for tourism operators unduly affected by the COVID-19 pandemic. This program was expanded to include reimbursements on interest payable for property tax bills.

#### Tourism Activation Grant (\$3 million)

The Tourism Activation Grant ("TAG") provided tourism businesses with a non-repayable financial contribution toward eligible expenses to assist with opening for the 2021 season.

#### Employee Gift Card Program (\$878 thousand)

The Employee Gift Card Program provided a \$100 Sobeys gift card to any employee, living and working on PEI, who has received an ROE as lay-off notice as a direct result of the impacts associated with COVID-19.

#### PEI Gift Card Program (\$1 million)

Tourism PEI in partnership with the Food Island Partnership launched the PEI Gift Card Program in September 2020. The program uses gift cards to stimulate tourism demand and strategically direct visitor spending at locally-owned tourism operators.

#### Dine In & Save Program (\$875 thousand)

The Dine In & Save Program was designed to stimulate dine-in spending on PEI to support Island restaurants and their workforce. The program provided consumers with a 50% discount on their meal, up to \$15, on certain days of the week, from March 21 to March 31, 2021.

The above list of programs represents only those that were administered by or on behalf of Tourism PEI during the 2020-2021 fiscal year. It is not representative of all programming deployed by the Department of Economic Growth, Tourism, and Culture to combat the effects of the COVID-19 pandemic.

# Tourism Industry Snapshot

Prince Edward Island welcomed an estimated 532,600 non-resident visitors during 2020, a -62.9% decrease over 2019. Estimated tourism spending by both residents and non-residents was approximately \$237 million, a 51% decrease over 2019.

Total paid overnight stays decreased -55% to 461,373 from a record high of 1,031,513 in 2019. Campground site-nights sold were down -38%, while fixed-roof room-nights sold were down 64%.

In 2020, airport traffic at the Charlottetown Airport was down -81% compared to 2019. Ferry traffic at the Wood Islands ferry terminal decreased -62% compared to 2019. Two-axle and motorcycle traffic at the Confederation Bridge was down -64% compared to 2019. Cruise passengers and crew traffic were eliminated, compared to 183,592 in 2019.

In 2020, golf as represented through Golf PEI experienced a decline of -13% in paid non-member rounds. The meetings and conventions sector attracted 22 meetings/conventions, that drew 1,980 delegates and generated 2,574 room-nights sold.

# Tourism PEI Overview

Tourism PEI was established as a provincial crown corporation by the Tourism PEI Act in June 1999 and resides within the Department of Economic Growth, Tourism, and Culture. Tourism PEI has three divisions: Corporate Services, Marketing Communications, and Strategic Initiatives. Tourism PEI champions Prince Edward Island's tourism industry and markets the province as a premiere tourist destination by: promoting continued growth in the tourism sector and ultimately "driving" tourism demand; working with partners, including, but not limited to, Destination Canada, Atlantic Canada Opportunities Agency, and other Atlantic Provinces; actively facilitating the development of festivals, events, and activities that serve to motivate travellers to visit Prince Edward Island; conducting tourism-related research; and administering and enforcing the provisions of the Tourism Industry Act and regulations, in particular, the licensing of tourism establishments.

Tourism PEI owns and manages strategic tourism infrastructure in all regions of Prince Edward Island. This includes thirteen (13) day-use parks, eight (8) campgrounds, five (5) visitor information centres, 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:		
Mark Arendz (Alpine Venue)	Visitor Information Centres	
Nordic Centre (Nordic Venue)	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 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

#### Claus Schmidt

Chief Financial Officer | MaiYa Pearls International

#### Angie Cormier

Executive Director | La Coopérative d'intégration francophone de l'Île-du-Prince-Édouard

#### Sandi Lowther

Managing Director | Fairways Cottages

#### Derrick Hoare

Owner | The Table Culinary Studio

#### Donna Sentner

General Manager | Cornwall/Charlottetown Holiday KOA

# ORGANIZATIONAL STRUCTURE

Manager, Provincial Parks Director of Operations Manager, Golf Operations Senior Marketing Manager Administrative Assistant Chief Executive Officer, Tourism PEI Manager, Visitor Services Director of Marketing Communications Special Projects Manager Manager, Trade, Sales & Media Product Development, Investment, and Regulatory Affairs Unit Director of Strategic Initiatives Manager, Evaluation, Measurement & Business Intelligence

Figure 1: Tourism PEI Organizational Chart

#### STRATEGIC INITIATIVES DIVISION

*The Strategic Initiatives Division ("SID"), is responsible for:* 

- Tourism research and statistical reporting;
- *Product development and investment;*
- The development and implementation of industry support programs;
- Federal, provincial, and territorial relations;
- Industry liaison (including RTAs, DMOs, and sector-specific organizations); and
- Managing regulatory affairs pursuant to the *Tourism Industry Act* (license, occupancy reporting, and water testing) and the *Highway Signage Act* (tourism directional signage, special event signage, and on-premises signage).

SID is also 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 air access, tourism-related legislation, labour and immigration issues, and land use matters.

#### 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:

- Engaging in strategic and operational planning initiatives;
- Working with the Department's senior management team to integrate performance management measures and principles into program activity;
- Establishing and managing performance measurement tools;
- Engaging in primary and secondary tourism research which informs program and policy development (e.g., the evolving needs and expectations of visitors to PEI);
- Collecting, analyzing, and communicating tourism-based data (e.g., air, bridge, and ferry traffic, occupancy data, etc.);
- Supporting the business intelligence-gathering efforts of Tourism PEI's marketing division;
- Representing the Department on tourism research-based intergovernmental affairs (e.g., sitting on the Marketing and Research Advisory Committee for the Atlantic Canadian 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.

#### Product Development, Investment, and Regulatory Affairs Unit

This unit is responsible for:

- Managing opportunities to grow current businesses and attract new tourism development and investment opportunities.
- The professional development of industry partners and operators through the provision and support of training initiatives to ensure the tourism industry on PEI is competitive in the global marketplace. All regulatory functions are administered under the authority of the Tourism Industry Act and Regulations and the Highway Signage 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. The unit 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.
- Managing contracts with Golf PEI, Meetings and Conventions PEI, Food Island Partnership, and all sector partners.

This unit is also responsible for the development and implementation of programs designed to support the expansion of the tourism industry through the development of new and enhanced "product offerings" including, but not limited to key product markets such as coastal, golf, culinary, culture, and soft adventure.

*This unit was responsible for the following funds in 2020-21:* 

- The Regional Product Development Fund This fund has been specifically designed for regional tourism associations to provide support for product development to grow tourism in their area.
- The Tourism Innovation Fund This fund assists non-profit and sector organizations in the development of tourism products that are directly related to the development of products identified in the P.E.I. Tourism Strategy i.e. Anne, golf, culinary, and festivals.
- The Meetings and Conferences Hosting Grant Program This fund provides financial assistance to P.E.I. organizations holding national, international, or regional meetings, conventions, or events in the tourism shoulder season.
- The Tourism Website French Translation Program This fund provides support for website French translation services for tourism operators and tourism non-profit organizations providing products and services to Francophone visitors on P.E.I. The increased French web presence will have a direct and positive impact on the quality and quantity of information provided to possible French visitors about P.E.I. online.
- Signature Events Policy The goal of this Policy is for Prince Edward Island to continue to host major tourism initiatives through well-organized, financially successful events that provide attendees with a first-class, memorable experience. The primary objective is to ensure that the Province and the Island's tourism sector, receive maximum benefit from the

investment of public funds in any major tourism initiatives. A second objective is to ensure consistency and fairness for all proposals brought forward. This fund is open to private and nonprofit sector applications. All risk on these major events are held and guaranteed by the organizers.

During this period, the Department invested in key events that served to drive tourism demand including Cavendish Beach Music Festival, Fall Flavours Culinary Festival, the PEI Lobster Festival (Souris), and the Rock the Boat Music Festival (Tyne Valley) to name a few.

#### **Industry Standards**

The quality of Prince Edward Island's products and services is essential to the long-term health of the tourism industry. The Tourism Industry Act sets out the operating standards for Prince Edward Island tourism accommodation establishments. On an annual basis, every accommodation establishment must pass inspection. They must also have their water tested quarterly, submit monthly occupancy reports, and pay their annual license fee to ensure that the property is in full compliance with the licensing standards set out in the Act.

Tourism PEI contracts Quality Tourism Services ("QTS") to inspect and provide water testing support to all accommodation properties. QTS has a strong working relationship with Tourism PEI, and they employ professionally trained inspectors who are knowledgeable in the requirements of the Act.

Tourism PEI is responsible for the licensing of all tourism establishments (accommodations-fixed roof and campgrounds). Tourism PEI's compliance section supports licensed industry operators by enforcing the Act and works to bring unlicensed operators into compliance. Tourism PEI works closely with industry partners to maintain the quality and standards that are critical to success. This team approach ensures visitors enjoy the best possible vacation, based on quality services and memorable experiences.

Tourism PEI continues to strive toward increasing accessibility for the French-speaking public to comply with the Canada-PEI Agreement on French Language Services. Tourism PEI provides reception services in both official languages.

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.

Under the terms of the Canada PEI Agreement on French Language Services, l'Association touristique Évangéline aux services des Acadiens et Francophones de l'Île-du-Prince-Édouard received funding for its leadership activities on behalf of Francophone and Acadian tourism operators across the province. This Association brings together Acadian and Francophone operators from across the province to better promote the Acadian and Francophone tourism product and the association works to present a united voice to the government.

#### Fall Flavours

The 2020 version of the Fall Flavours Culinary Festival was cancelled due to the COVID-19 Pandemic. To continue to promote the culinary industry on PEI and PEI producers, Fall Flavours organizers and Food Island Partnership initiated the following:

- virtual cooking sessions with Chef Michael Smith;
- *delivery of PEI meal kit boxes in Toronto and Montreal;*
- continued the PEI Local Food Advocate campaign on social media;
- assisted PEI food and beverage operators with their re-opening; and
- established the PEI Gift Card Program to promote buying local.

#### MARKETING COMMUNICATIONS

The Marketing Communications Division aggressively markets and promotes Prince Edward Island 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. Customer service centres include the provincially run visitor information and call centres. The division is also the lead for the implementation of the integrated tourism solution (ITS) technology and the Customer Relations Management (CRM) system.

Tourism PEI is a partner in the Atlantic Canada Agreement on Tourism (ACAT), which merges two levels of government and the region's private industry. The partnership allows the province to reach strategic international markets through joint initiatives or bilateral agreements.

Tourism PEI also actively pursues partnership opportunities with Destination Canada (DC) and others, in joint-venture initiatives to maximize investments in international markets.

#### Advertising and Publicity

As a result of COVID-19, marketing was a challenge. In March of 2020, all marketing ceased, except for social posts. A new campaign featuring a "Pause" message was created to invite visitors to Prince Edward Island "when the time is right". This was meant to keep the Island top of mind as a destination to visit, when restrictions would ease.

Meanwhile, Tourism PEI turned its focus to supporting local tourism businesses with a campaign called 'Activate our Island', which targeted Islanders.

When borders within Atlantic Canada opened in July, a new campaign with a 'Welcome Back' theme was implemented. It ran alongside our originally developed 'Dear Mainlanders' campaign.

COVID-19 restrictions did not permit us to market outside of Atlantic Canada, except for a limited run of the 'Pause' advertising.

For the first time, Tourism PEI developed a winter campaign for both on and off-Island. The portion that was set to run in New Brunswick and Nova Scotia did not proceed, as the borders closed and did not open again through the winter months.

The marketing tactics for 2020 included digital, social, television, radio, and billboards.

There was a reduced amount of print publication advertising purchased as the campaign was constantly changing and a quick turnaround on cancelling and re-instating media buys was a necessity.

#### **Fulfillment**

As expected, Tourism PEI saw a major decrease in activity on the Tourism PEI website and the number of Visitor Guides ordered.

From April 1, 2020 to March 31, 2021:

- A total of 6,214 Visitor's Guides were mailed out, of which 950 were French guides;
- Between April 1, 2020 and March 31, 2021 there were 1,450,556 sessions on the website and 4,247,890-page views with an average of 2.93 pages viewed per session;
- Visitors spent an average of 2 minutes and 19 seconds on the site; and
- Sessions on the Tourism PEI website were mostly from Canada (72.97%), with 179,619 sessions from the United States; 23,438 sessions from France; 12,260 sessions from Japan, and 10,072 sessions from the UK.

#### Trade and Sales

The Trade and Sales section typically works with industry partners to increase the visibility of Prince Edward Island's vacation products through trade, consumer, and media channels.

The section focuses on consumer and trade marketing in the United States, Japan, United Kingdom, Germany, and China. The team also works closely with Canadian trade and receptive tour operators.

Trade and Sales staff build relationships and work closely with numerous trade partners such as tour operators, airlines, motorcoach companies, cruise lines, auto clubs, travel agents, and media contacts to promote Prince Edward Island.

Due to the pandemic, the focus this year was on taking advantage of the time to provide additional training to tour operators and travel agents. The operators had the opportunity to learn more about our destination. Tourism PEI also attends travel trade marketplaces to build on its relationship with the industry. Some of these were canceled, but many took place virtually.

The cruise market has been a major contributor of visitors to Prince Edward Island. Tourism PEI staff worked closely with the Atlantic Canada Cruise Association to plan a safe return of cruise lines to Atlantic Canada.

#### Media Relations

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

The focus for media visits in 2020 was limited to Atlantic Canadian journalists and influencers. In addition to this, work was done with media who had visited prior to the pandemic to encourage them to write or produce additional stories based on their visits.

Virtual media marketplaces were also held, and Tourism PEI provided video footage, photography, and storyline assistance to many media, who were still providing coverage.

#### Digital Marketing

This section of the Marketing Communications division is responsible for marketing assets such as the tourismpei.com website, newsletter, and social media sites. It manages the online marketing programs and tools that drive web, mobile, and social media usage, email response rates, sales conversion, and enhanced consumer experience while driving increased engagement. The digital marketing section ensures a seamless process in executing effective customer relations management (CRM) as part of the overall Tourism PEI marketing strategy. This section also works with the Integrated Tourism System (ITS) technology, including the central reservation system and BookPEI, which is currently under review.

Toward the end of this fiscal year, work began on the revamping of the tourism website. It is expected to be completed in the summer of 2021.

#### Visitor Information Centres (VICs) and Contact Centre

The province operates five Visitor Information Centres: Charlottetown, Borden-Carleton, Wood Islands, Souris, and West Prince. The Charlottetown and Borden-Carleton VICs provided services to the travelling public throughout the entire year. This includes the activities of the Tourism PEI Contact Center, which operates virtually from various VICs and home office locations.

The Cavendish, St. Peters, and Summerside VICs operated as Destination Centres in partnership with the Province through the Destination Centre Agreement with their respective regional tourism associations.

This year saw a major transformation in the contact centres and VICs. With many visitor restrictions in place, the staff were not receiving as many in-person visits. They were, however, receiving many inquiries as to how and when visitors could return. In addition, there was a great need from the government's health care sector to help field the high volume of calls from Islanders and potential visitors with questions pertaining to the COVID-19 pandemic.

As a result, staff who would typically answer questions on travel were trained to respond to inquiries related to restrictions, self-isolation, business operation guidelines, public health measures, and more. It is a good example of government departments working together in a crisis.

#### CORPORATE SERVICES

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.

#### Provincial Parks and Confederation Trail

Like other tourism-related operations, our Provincial Park operation was significantly affected by COVID-19. Due to recommendations and restrictions outlined by the Chief Public Health Officer, Provincial Parks reduced the number of sites available to approximately 60%. The season began in late June with campgrounds opening for only seasonal campers. Early in July, the remainder of the available sites were made available. Our COVID-19 operational plan for campgrounds included a reduction in occupancy for all indoor services such as washrooms and laundry rooms. In addition, the frequency of cleaning and sanitizing park facilities was also increased. Provincial Park staff did an outstanding job maintaining a welcoming and safe atmosphere for all our guests during the camping season.

Overall, overnight campground visitation for the 2020 season totaled 17,856. This total represents less than ½ the sites sold in 2019 (41,177). With regard to the actual number of sites sold, Red Point (4,113 nights) and Brudenell (3,027 nights) were the most popular campgrounds in the East, while Cedar Dunes (2,534 sites) and Cabot Beach (2,297 nights) were the busiest sites in the West.

Provincial Parks was able to undertake a number of capital projects throughout the year including an addition of 18, 3-way sites at Jacques Cartier Provincial Park. These new sites will be operational in 2022. Other capital projects included a new washroom at Bloomfield Provincial Park, upgrades to Green Park campground washrooms, new beach stairs at Argyle Shore, trail expansion at Bonshaw Hills, and a new Activity Center at Kings Castle.

2020 was a challenging year for Provincial Parks summer programs. Most campground programing was suspended to due COVID-19. The Provincial Park lifeguard service did operate as usual allowing park visitors the opportunity to safely enjoy our beautiful provincial park beaches.

The Brookvale Provincial Ski Park was a true COVID-19 success story! Although significant COVID-19 restrictions caused a huge change in both the Alpine and Nordic venues (i.e. lodge closed and/or capacity reduced, no Alpine canteen service), Brookvale generated over \$740k in gross revenue, the largest revenue season in the history of Brookvale! Ski school numbers continue to climb, and additional lesson slots were added to weeknights for the first time. Finally, season pass sales at both venues were very strong.

In 2020, preparations for the 2023 Canada Winter Games began at the Brookvale Provincial Ski Park. Brookvale will host 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 will see significant capital investment in preparation for the

Games. The estimated budget for the Nordic sites is approximately \$3.15M and includes upgrades to the lodge and timing building, new team wax buildings, trail upgrades and a new biathlon range.

At the alpine site, over \$3.05M will be invested for upgrades including a major snowmaking upgrade, lodge expansion, lighting, new boardercross run, and a new maintenance building.

These upgrades will be a tremendous legacy for all Park users leading up to and following the 2023 Canada Winter Games.

As Managers of the Confederation Trail, PEI Provincial Parks recognizes the importance of this unique product to both the provincial tourism industry and the general wellbeing of Islanders. Provincial Parks was pleased to work with the Department of Transportation and Infrastructure to build four new parking lots along the trail. They are located in Ellerslie, West Devon, Mount Stewart, and Vernon River.

There are plans to build another new parking lot in Bedford and to expand the lot at Garlock. Finally, Provincial Parks would like to once again acknowledge the Department of Transportation, Infrastructure and Energy for their outstanding support and commitment to maintaining the Confederation Trail to the highest of standards.

#### **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 2020 season was a difficult one for our courses, COVID-19 limited the ability for people to travel which drastically affected our guest play. Only 19,576 non-member rounds were played at the three provincial courses which represents a drop of about 45% compared to the year previous.

Memberships were not affected by the pandemic and increased by 26% over the year previous as well as the associated rounds, up 78%, to 25,016 played rounds. The courses offered pro-rated memberships beginning July 1<sup>st</sup> and continuing throughout the year as seasonal residents gradually arrived on PEI.

Golf was one of the few sports or activities that could be played with little change to how it normally would pre-COVID-19 but it did present operational challenges; courses were subjected to new guidelines such as the removal of course furniture, pins had to remain in the hole, and enhanced cleaning and sanitizing. A COVID-19 operational group with representatives from all the golf courses on PEI was created to assist and provide feedback to CPHO regarding golf course guidelines.

All properties opened within a week of our scheduled start dates with limited staff as required by CPHO. We were very fortunate that it was an easy winter and little repair work was needed to prepare the courses for the season.

#### The Links at Crowbush Cove:

- Opened for the season on May 15th and closed on Oct 11th. The course was in terrific condition throughout the season.
- Projects completed at Crowbush in 2020 include paving the cart paths on holes nine and fifteen, building a new tee deck on hole seventeen, and an update to our irrigation system which included new wiring and controls throughout the course.

#### Brudenell/Dundarave:

- Brudenell opened for the season on May 15th and closed on Oct 11th. Dundarave opened on May 22nd and closed on Oct 4th.
- Projects completed at Brudenell include paving cart paths on holes one, four, six, ten, eleven, and sixteen, a new bridge was put in place on hole eleven, and trac mats were placed in high traffic areas to lessen wear.
- Projects completed at Dundarave include placing trac mats in high traffic areas to lessen wear, removal of dead and dying trees on various holes throughout the course, and repair of various bunkers.
- Over the winter the snow on the cart paths at Dundarave was groomed with a tow-behind groomer provided by Provincial Parks to provide locals a place to walk, snowshoe, bike, and run. This proved to be a popular attraction and was quite busy on most days.
- A golf simulator opened in the clubhouse in January. The simulator was available Monday through Sunday to members of Brudenell and Crowbush only. It was used for recreational play as well as instruction and remained busy until the actual golf season opened, roughly 300 hours of use were recorded.

#### 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.

# Appendix A

# LEGISLATIVE RESPONSIBILITIES, BOARDS, AND COMMISSIONS

#### Acts:

Highway Signage Act

National Park Act

Recreation Development Act

Tourism Industry Act

Tourism PEI Act

Trails Act

Tourism PEI Board

# Appendix B

# FINANCIAL STATEMENTS

Financial Statements March 31, 2021

#### 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 PE

Kent MacDonald

Chief Executive Officer



Member of The AC Group of Independent Accounting Firms

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June 30, 2021

#### **Independent Auditor's Report**

#### To the Minister of Economic Growth, Tourism and Culture

#### **Opinion**

We have audited the accompanying financial statements of Tourism PEI, which comprise the statement of financial position as at March 31, 2021, 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, 2021, 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:

- 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.

Arsenault Best Cameron Ellis

**Chartered Professional Accountants** 

#### Statement of Financial Position

#### As at March 31, 2021

	2021 \$	2020 \$
Assets		
Financial assets		
Cash	2,794,685	1,615,377
Accounts receivable (notes 3 and 5)	1,492,712	687,718
Due from Province of Prince Edward Island	201,087	1,137,566
	4,488,484	3,440,661
Liabilities		
Accounts payable and accrued liabilities (note 5)	4,445,930	3,385,376
Deferred revenue (note 4)	264,463	184,920
	4,710,393	3,570,296
Net debt	(221,909)	(129,635)
Non-financial assets		
Inventory	208,439	118,200
Prepaid expenses	13,470	11,435
	221,909	129,635
Accumulated surplus		-

(3)

Commitments (note 6)

Approved by the Corporation

Minister



Statement of Operations
For the year ended March 31, 2021

	2021	2021	2020
	Budget		
	(unaudited)	Actual	Actual
	\$	\$	\$
Revenue			
Grants from Province of Prince Edward Island	18,137,300	21,647,159	15,843,906
Marketing (note 7)	495,000	678,857	141,690
Visitor Services	90,000	90,292	14,296
Brookvale Ski Park	500,000	741,928	583,175
Park Operations	130,000	814,806	1,381,127
Golf Operations	2,000,000	2,580,845	4,100,001
Canada Games Funding	=	34,613	_
Project funding (note 7)	-	750,000	187,700
Book PEI fees	35,000	20,650	1,450
	21,387,300	27,359,150	22,253,345
Expenses (Schedule)			
Finance and Administration	396,200	452,494	513,052
Parks Administration	485,200	466,333	390,082
Park Operations	3,349,000	3,508,116	3,324,696
Brookvale	1,019,400	1,183,019	1,105,930
Golf Operations	4,071,500	4,068,867	4,374,734
Strategy and Evaluation	3,778,800	9,889,087	4,609,572
Regulation and Compliance	237,600	225,974	219,546
French Services	138,900	138,150	140,410
Digital Marketing	797,900	733,819	684,316
Visitor Services	915,300	834,221	908,602
Advertising and Public Relations	4,576,800	4,823,809	4,428,418
Media Relations/Editorial	378,300	206,585	379,703
Fulfillment	322,600	200,628	285,584
Publications	397,600	264,272	362,716
Travel/Trade Sales	522,200	363,776	525,984
	21,387,300	27,359,150	22,253,345
Operating surplus	<u>-</u>	-	-

Statement of Changes in Net Debt For the year ended March 31, 2021

	2021 \$	2020 \$
Operating surplus		
Acquisition of inventory Acquisition of prepaid expenses Consumption of inventory Use of prepaid expenses	(208,439) (13,470) 118,200 11,435	(118,200) (11,435) 98,042 12,780
	(92,274)	(18,813)
Increase in net debt	(92,274)	(18,813)
Net debt - Beginning of year	(129,635)	(110,822)
Net debt - End of year	(221,909)	(129,635)

Statement of Cash Flows

For the year ended March 31, 2021

1 of the year chaed March 21, 2021		
	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities Operating surplus	-	-
Net change in non-cash working capital items  Decrease (increase) in accounts receivable  Decrease (increase) in due from the Province of Prince Edward Island Increase in inventory  Decrease (increase) in prepaid expenses Increase in accounts payable and accrued liabilities Increase (decrease) in deferred revenue	(804,994) 936,479 (90,239) (2,035) 1,060,554 79,543	98,425 (1,119,387) (20,158) 1,345 171,547 (25,536)
Net change in cash	1,179,308	(893,764)
Cash - Beginning of year	1,615,377	2,509,141
Cash - End of year	2,794,685	1,615,377

Notes to Financial Statements March 31, 2021

#### 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, accounts payable and accrued liabilities and due from the Province of Prince Edward Island.

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 the Province of Prince Edward Island

#### Current operations:

Excess revenue (expense) for the year for Tourism PEI is recorded as a reduction (increase) in Grants from Province of Prince Edward Island and as an amount due from the 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, visitor services and Book PEI fees is recorded when earned as services are provided.



Notes to Financial Statements March 31, 2021

Revenue from golf operation is recognized when goods or services are delivered to the customer and ultimate collection is reasonably assured.

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

#### 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, 2021.

#### 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.

Since January 31, 2020, the outbreak of COVID-19 (coronavirus) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown, and global equity markets have experienced significant volatility. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the outcome of government and central bank interventions.

In management's estimation, these events have not had a material impact on the carrying value of assets and liabilities reported in these financial statements as at March 31, 2021. The duration and impact of the COVID-19 pandemic remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the corporation for future periods.



Notes to Financial Statements March 31, 2021

3	Accounts receivable		
5	Accounts receivable	2021 \$	2020 \$
	Accounts receivable (note 5)	770,091	380,259
	HST receivable	839,638	454,364
	Less: allowance for doubtful accounts	(117,017)	(146,905)
		1,492,712	687,718
4	Deferred revenue		
		2021	2020
		\$	\$
	Gift certificates	94,430	88,157
	Prepaid golf passes and other fees	170,033	96,763
		264,463	184,920

#### 5 Related party transactions

During the year, the corporation utilized office premises from a Department of the Province of Prince Edward Island for nil (2020 - 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 in carrying out its mandate. Tourism PEI paid rent of nil (2020 - nil) to utilize these facilities.

Included in accounts receivable is \$558,652 (2020 - \$156,827) due from departments of the Province of Prince Edward Island. Included in accounts payable and accrued liabilities is an amount of \$76,535 (2020 - \$28,211) due to departments of the Province of Prince Edward Island and \$19,836 (2020 - \$2,879) due to provincial Crown corporations.

During the year, Tourism PEI administered three programs on behalf of the Province of Prince Edward Island. The corporation administered \$3,698,808 in funds for the Tourism Interest Relief Program, \$645,000 in funds for the Employee Gift Card Program and \$252,000 in funds for the Community Champions Program. 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, 2022	2,399,180
2023	1,836,662
2024	66,500
2025	14,700
2026	14,700

(b) The minimum annual lease payments required over the next four years under two operating leases for software expiring in October 2021 and in October 2024 is as follows:

Equipment \$
11,066
5,466
5,466
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 \$71,250 (2020 - \$104,636).

#### 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:

	2021 \$	2020 \$
Marketing Project funding	500,000 750,000	157,700

#### 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.

\$

#### Notes to Financial Statements

#### March 31, 2021

#### (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 \$1,492,712, 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 \$	2021 Total \$
Accounts receivable					
Trade receivables	619,077	14,463	116,875	(117,017)	633,398
HST receivable	839,638	_	_	-	839,638
Other receivables	19,676	-			19,676
	1,478,391	14,463	116,875	(117,017)	1,492,712

	Current \$	Up to 90 days overdue	Over 90 days overdue \$	Allowance for doubtful accounts \$	2020 Total \$
Accounts receivable					
Trade receivables	59,953	21,820	136,309	(146,905)	71,177
HST receivable	454,364	_	-	-	454,364
Other receivables	162,177	-	-	-	162,177
<del>-</del>	676,494	21,820	136,309	(146,905)	687,718

#### (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 \$4,710,393 and are expected to be repaid within one year.

Notes to Financial Statements March 31, 2021

#### (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.

# Consolidated Schedule of Expenses by Type For the year ended March 31, 2021

Schedule

	Salaries	Operating Goods and	2021
	and benefits \$	Services \$	Total \$
	*	•	•
Finance and Administration	320,015	132,479	452,494
Parks Administration	427,021	39,312	466,333
Park Operations	2,169,531	1,338,585	3,508,116
Brookvale	769,474	413,545	1,183,019
Golf Operations	2,425,629	1,643,238	4,068,867
Strategy and Evaluation	575,666	9,313,421	9,889,087
Regulation and Compliance	211,438	14,536	225,974
French Services	-	138,150	138,150
Digital Marketing	210,447	523,372	733,819
Visitor Services	728,320	105,901	834,221
Advertising and Public Relations	353,239	4,470,570	4,823,809
Media Relations/Editorial	162,958	43,627	206,585
Fulfillment	130,359	70,269	200,628
Publications	158,652	105,620	264,272
Travel/Trade Sales	169,979	193,797	363,776
	8,812,728	18,546,422	27,359,150
			2020
		Operating	
	Salaries	Goods and	
	and benefits	Services	Total
	\$	\$	\$
Finance and Administration	336,211	176,841	513,052
Parks Administration	315,880	74,202	390,082
Park Operations	2,119,215	1,205,481	3,324,696
Brookvale	736,069	369,861	1,105,930
Golf Operations	2,441,069	1,933,665	4,374,734
Strategy and Evaluation	554,663	4,054,909	4,609,572
Regulation and Compliance	202,562	16,984	219,546
French Services	-	140,410	140,410
Digital Marketing	183,603	500,713	684,316
Visitor Services	779,029	129,573	908,602
Advertising and Public Relations	383,933	4,044,485	4,428,418
Media Relations/Editorial	244,944	134,759	379,703
Fulfillment	136,058	149,526	285,584
Publications	156,483	206,233	362,716
Travel/Trade Sales	167,727	358,257	525,984
	8,757,446	13,495,899	22,253,345

# Appendix C

# PEI PROVINCIAL PARKS ACCESSIBILITY CHART 2020-2021

		ACCESSIBILITY A	AT PEI PROVINCIA	L PARKS		
			2020-21			
Property	Supervised Swimming	Designated Parking	Beach Access Ramp	Mobility Mats	Buoyant Beach Wheelchair	Partially Accessible Washrooms
Brudenell	<b>≭</b> 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						*



