

2022 ANNUAL REPORT

Destination St. John's. Colourful Encounters.



Digital Version Available

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MESSAGE FROM

THE CHAIR



Heather McKinnon, Chairperson

It is with great optimism that we reflect on our tourism results for 2022 and look forward to increased growth in 2023.

While we had a slow start in 2022 due to the emergence of omicron in late December 2021, this disruption was short lived, and travelers began to research and book their vacation travel for the 2022 season. A review of our accommodation sales for the seventeen member hotels of Destination St. John's for 2022, indicates that we were back to 2019 levels with a three percent increase in rooms sold and an eleven percent increase in revenue from hotel room sales.

Prospects for the future look positive with a great deal of interest being expressed in the destination by meeting planners, tour operators and travel media. Group business from business events and leisure travel is already looking strong for this year. As we move into 2023 "high season", we are encouraged by DSJ's success in attracting several events that will bring attention to our destination in 2023 and 2024. A great deal of planning, lobbying and work was done in 2022 to secure these high value events.

2023 will see the hosting of the Canadian Society of Professional Event Planners (CANSPEP) bringing more than 100 delegates made up of independent meeting planners and suppliers to experience our destination. St. John's will also play host to Destination Canada's Incentive Canada event which will bring 40-50 international buyers in the incentive market travel to St. John's. We were also successful in attracting two other industry events from the leisure market in 2022 and 2024. The Travel Media Association of Canada (TMAC) will host its annual conference and media marketplace of

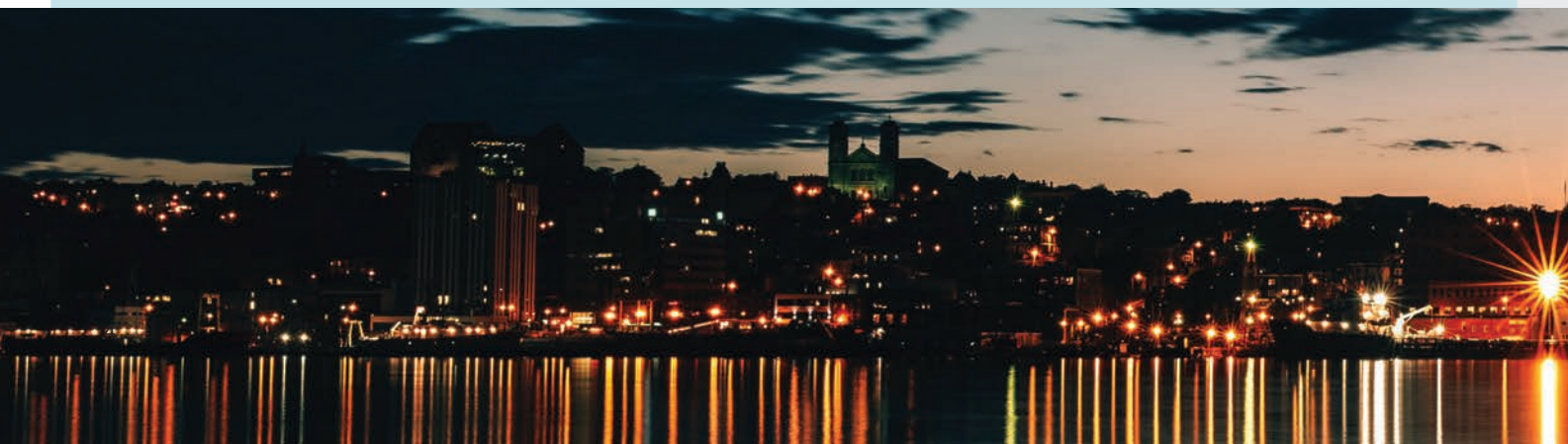
travel writers in St. John's in 2024 and the National Tour Association (NTA) will host NTA's "Contact 2024" for the first time ever in Canada. Contact is NTA's exclusive buyer event for tour operators and travel advisors.

The future does indeed look bright and we look forward to working with you, our partners, as we continue to grow business in our destination. Thanks to you, our industry partners, for being so instrumental in making this happen.

It has been my honour to serve as your chair for the past two years and extend my heartfelt thank you to Cathy and the team in the office for leading us through and out of such a tumultuous time. Onward!

A handwritten signature in blue ink, appearing to read 'Heather McKinnon'.

Heather McKinnon
Chairperson



MESSAGE FROM

THE CEO



Cathy Duke, CEO

A major focus for DSJ in 2022, was to position the destination for future success in an ever increasingly competitive marketplace.

The DSJ sales team has been strategic in its decisions around attendance at industry events. We have been very active attending national and North American tradeshows and carrying out sales missions in the business events, leisure, and sport tourism markets. DSJ has hosted very successful fam tours and site visits, and as been strategically using sponsorship funds to win conferences for the destination. DSJ's efforts have been very intentional in pursuing future

events. For example, in 2022 DSJ hosted Destination Canada's Innovate Canada which saw 30 C-Suite executives in the technology sector meet in St. John's and engage with technology institutes and leaders in the destination. In the leisure market, DSJ hosted, in partnership with the Province, a post fam tour of tour operators from Rendezvous Canada. In the sport tourism sector, DSJ has been supporting the efforts of the Canada Summer Games Host Committee and STEP St. John's.

DSJ continued with its sales and marketing activities into 2022 working to attract the post Covid traveller to Newfoundland and Labrador by highlighting its wide-open spaces, fresh air, closeness with nature and freedom from crowds. DSJ launched its second annual campaign in April 2022 running for 8 weeks in Ontario, Alberta, and the Maritimes. This campaign had very positive results with 5.2 million full video views. M5 Marketing and Communications was contracted in 2022 to carry out additional filming and photography for a future campaign in 2023. Having

an equity, diversity and inclusion lens applied to this work as well as any other marketing materials produced was ensured at all levels.

DSJ continues to be optimistic about the future of the tourism industry and believes that it will be a key industry growth sector of the Newfoundland and Labrador economy. We look forward to continuing our work with you, our industry partners, to grow our tourism industry into the future.

Cathy Duke
Chief Executive Officer





WHO IS

DESTINATION ST. JOHN'S?

Destination St. John's (DSJ) is a private non-profit corporation operating under the direction of a Board of Directors on behalf of its partners. As a destination marketing organization (DMO), it is first and foremost a sales organization, selling tourism partners' products, services, and experiences to the world. It currently targets major meetings, conventions and incentive travel, sport and cultural events, leisure travel and group tours.

A sales and marketing strategy is developed, and an annual marketing and sales plan is executed, sometimes independently, but often with DSJ partners. All efforts are geared towards driving the path to purchase, increasing occupancy in accommodations in the Greater St. John's Area and increasing visitation to all partners' sites and establishments.

Implementation of the annual sales plan involves attendance at a variety of trade shows and meetings of key convention and event planners and organizers, and attendance at travel trade and consumer shows. Individuals and groups who are good matches for the region are targeted and direct sales calls are undertaken with them. In addition, DSJ hosts a number of familiarization tours and participates in visits by travel media. Activities are coordinated with DSJ partners in an effort to maximize the results of sales efforts and to achieve maximum results.

To support and complement the efforts of the sales team, DSJ produces current and up to date marketing collateral material and maintains an on-line presence through the DSJ website and social media platforms. DSJ partners with the Department of Tourism Culture

Arts and Recreation (TCAR) through its website www.newfoundlandlabrador.com, manages a strategic print and on-line advertising campaign and works with partners to maintain fresh content delivered through blogs, videos and an image gallery.

As one of the five Destination Management Organizations (DMOs) in the province, DSJ has a seat on the Newfoundland and Labrador Tourism Board. By playing an active role in the development and implementation of a long-term growth strategy for the tourism industry in the province, DSJ ensures that the views and aspirations of DSJ's regional partners are reflected in that strategy.

THE FOLLOWING PAGES HIGHLIGHT DSJ ACTIVITIES AND RESULTS ACHIEVED DURING 2022.

BUSINESS DEVELOPMENT

BUSINESS EVENTS

The Destination St. John's team welcomed us as part of an extended family...

Jim Abraham, President
Canadian Meteorological &
Oceanographic Society

The Business Events sector: meetings, conventions, incentive travel, conferences, and events continue to be a focus of DSJ's sales efforts nationally and internationally. Effective sales strategies that create meaningful and memorable face to face interactions with potential clients and partners is critical through in person attendance during industry tradeshows, events, and conferences, and when hosting familiarization (FAM) trips for meeting planners and decision makers.

The 2022 Business Events sales initiatives involved participation in 18 in person national industry tradeshows/conferences or industry events and participation in another 39 industry events. In 2022 two sales missions also took place in Toronto, one in August to coincide with the Canadian Meetings and Events Expo and the second sales mission was in December with our Cities in Sync partners, Destination Victoria and Discover Saskatoon.

In 2022, DSJ continued to identify sponsorship opportunities. Fourteen sponsorships were accomplished that heightened destination awareness and in-market visibility through multiple formats and platforms.

We were successful in hosting 24 guests over two Business Event Fam tours in 2022. In addition, we provided for 16 hosted client site visits for 27 guests. 2022 marked a return to in person attendance at various national and international industry tradeshows/

conferences and events. These in market events provided opportunities to participate, sponsor, and present the destination through various platforms. Those attended included:

- Destination Direct - Ottawa (DMO Show)
- CSAE Tete A Tete – Ottawa (Canadian Society of Association Executives)
- MPI GMID Gala- Ottawa (Meeting Professionals International) (Global Meetings Industry Day)
- MPI The Event – Ottawa (Meeting Professionals International)
- SITE Global World Education Day- Toronto (Society for Incentive Travel Excellence)
- MPI Prix Prestige Awards- Toronto (Meeting Professionals International)
- CanSPEP National Conference- Saskatoon (Canadian Society of Professional Event Planners)
- DC's Incentive Canada 2022 - Summer Edition – Halifax (Destination Canada)
- ASAE – Nashville (American Society of Association Executives)

- CMEE – Toronto (Canadian Meetings and Events Expo)
- DC Canada London Week- London (Destination Canada)
- IMEX- Las Vegas (Worldwide Exhibition for Incentive Travel, Meetings and Events)
- PCMA Awards – Niagara Falls (Professional Convention Management Association)
- CSAE National – Halifax (Canadian Society of Association Executives)
- MPI Prix Prestige Awards- Ottawa (Meeting Professionals International)

Destination St. John's and the City of St. John's also hosted Destination Canada's prestigious signature program: Innovate Canada. Held from July 25th to July 29th, 2022, this event attracted international C-suite executives to St. John's with a goal of attracting business events and global investment to the ocean science sector in Newfoundland and Labrador and Canada.



BUSINESS DEVELOPMENT

LEISURE TRAVEL

The destination can be likened to a resort where once you land, the stress and strain disappears, and you become enveloped in the life of living on a rock.

April Taylor

DSJ continued to focus on the leisure market in 2022 with a return to in-person attendance at most shows, with some others being cancelled early in the year due to the pandemic in Q1.

DSJ works as part of a larger destination sales team for the province when marketing the St. John's region to the leisure market. These partners include the Department of Tourism, Culture, Arts and Recreation (TCAR); Legendary Coast DMO; Adventure Central DMO; Go Western DMO; Destination Labrador DMO; industry operators throughout the province; and members and partners of DSJ. In the marketplace, the Newfoundland and Labrador brand is dominant and regional marketing and sales fall under that brand.

In 2022, DSJ focused on three segments of the leisure market: group tour / motor coach and the Fully Independent Traveller (FIT) market, and the consumer market. In pursuing these markets, DSJ participated in strategically selected tradeshow and marketplaces. In the group tour market, specific wholesalers and tour operators are targeted primarily through marketplace shows where the buyer and seller have one-on-one time together. The buyers and sellers are matched well in advance allowing each an opportunity to request specific appointments and to research and prepare for their meeting. This format allows for both DSJ and the operator to have up-to-date information and to close the sale or build on destination awareness.

In 2022, DSJ attended the following marketplaces:

- RendezVous Canada, Toronto (May 2022)
- BienVenue Quebec, Montreal (October 2022)
- National Tour Association, Reno (November 2022)

During these three shows DSJ met with 122 tour operators. This provided an opportunity for existing tour operators to learn of the new experiences that could be added to their itineraries for tours coming to the province while allowing new operators to become aware of the experiences and offerings for new tour development in 2023 and beyond. All the shows noted focus on the group tour / motor coach and Fully Independent Traveller (FIT) markets.

DSJ committed to attending four consumer shows in 2022, but due to the pandemic early in the year we were unable to participate in two. DSJ attended:

- New York Times Travel Show (January 2022)
- Toronto Outdoor Adventure Show (April 2022)

DSJ partnered with TCAR and the other provincial DMOs hosting 17 tour operators for familiarisation tours and 10 Travel Media Guests throughout 2022.



BUSINESS DEVELOPMENT

SPORTING EVENTS

I thoroughly enjoyed my experience in St. John's. We felt welcomed all along and so appreciative of the experience and opportunity.

Cheryl Tataryn
Red Leaf Sport Events

DSJ, IN ITS SALES AND MARKETING ROLE, CONTINUES TO LEAD THE REGION'S EFFORTS TO BRING MAJOR NATIONAL AND INTERNATIONAL SPORTING EVENTS AND CHAMPIONSHIPS INTO THE PROVINCE.

Sport Tourism Canada

DSJ holds a membership with Sports Tourism Canada and participated in its national conference. The Annual Sports Event Congress returned to an in-person event and was held in Edmonton from November 1 – 4, 2022.

Destination St. John's attended with the City of St. John's and both organizations participated in the appointments together. There were 12 appointments with Events Rights Holders.

This conference is the largest conference of sport tourism professionals with a business-to-business marketplace.

2025 Summer Games

DSJ continues its support and partnership with the 2025 Canada Summer Games Host Committee and their work leading up to the 2025 Games. DSJ has also provided video assets and photo content for use by the committee.

2022 Sporting Events

The Metro St. John's region was successful in playing host to several sporting events in 2022. Highlights included The Canadian National Powerlifting Championship, Canadian 5 Pin Bowling, Football Canada AGM, Baseball Canada Under 21 Women's Invitational, Canadian Men's Softball Championship, IPF World Masters Powerlifting Championships, and the Karate Canada Championships contributing to over 8000 room nights.

Sport Tourism Event Partnership (STEP) St. John's

DSJ sits in an advisory role on the STEP St. John's Board of Directors (Sport Tourism Event Partnership) along with eight other partners who have a vested interest in growing the sport tourism industry. STEP member partners are the City of St. John's, the City of Mount Pearl, the Town of Paradise, the Town of CBS, the Government of Newfoundland and Labrador and Sport NL. STEP's mission is to work with provincial and local sport organizations to grow a strong sport tourism industry that provides exceptional value to sporting events, drives economic benefits for the region, and advances the region's capacity to host sporting events on the provincial, national, and international stage.



MARKETING

CAMPAIGN & ONLINE

DSJ posted
34 articles,
featuring 85
partners
in 2022.

Consumer Campaign

DSJ continued with its sales and marketing activities into 2022 working to attract the post Covid traveller to Newfoundland and Labrador by highlighting its wide-open spaces, fresh air, closeness with nature and freedom from crowds. Analytics from DSJ's 2021 consumer campaign provided good insight into target markets both geographically and demographically. With the benefit of these analytics, DSJ launched its 2022 campaign on April 22nd running for 8 weeks in Ontario, Alberta, and the Maritimes. As the brand awareness of NL is very high with the consumer in Ontario, advertising to that market focused lower in the funnel in the path to purchase and largely by interest group. This campaign valued at \$250,000 had very positive results with 40 million impressions, total click throughs of 630,000 and 5.2 million full video views.

In developing the landing pages for areas of interest to target this audience, DSJ found a dearth of good photography and video for these markets. It was, therefore, decided in 2022 to contract M5 Marketing and Communications to carry out additional filming and photography focusing on the areas of interest most popular in the 2021 campaign and images that were not previously captured in 2020. New filming included a boat tour in St. John's harbour; the downtown pedestrian mall; festivals and events (including George Street Festival and the Pride Parade); nature walks around Signal Hill; music and entertainment at Quidi Vidi Village and food vendors at the

Community Market. M5 is developing a second long run video and shorter videos for digital advertising. A digital and social media consumer advertising campaign will be run again in 2023 at a cost of approximately \$200,000.

Website and Social Media Channels

Keeping the DSJ website up to date, fluid and dynamic was a critical part of a successful consumer campaign and as well as promoting DSJ partners and their packaged experiences. This involved developing campaign landing pages, creating pages for 2022 conference attendees, special events (e.g., NASCAR) and festivals.

DSJ was also very active on social media platforms, particularly, Instagram, Facebook, and LinkedIn. Approximately 34 blogs/articles were created and posted regularly to the website, and 1,800 social media posts were made overall.

Examples include articles on accessibility in attractions and hotels, historic sites, cafés, restaurants and food experiences, craft breweries, places to photograph, local festivals and events, pedestrian mall, birding, and winter activities.

In the birding market, DSJ developed advertising campaigns for two American birding media groups' online podcast and email channels over the winter and spring seasons: they were the American Birding Association and Birdwatching Magazine.

DSJ recently launched a 4-week social media campaign through Instagram targeting the 18-34 age demographic residing in cities with direct flights to NL. This was a pilot project to test the younger market who anecdotally are expressing interest in our destination. The results were very positive.

WELCOME Century 21 Canada



Visitor Information Centre: 348 Water Street, St. John's | 709.576.8106 | www.stjohns.ca

ST. JOHN'S

DESTINATI N
ST. JOHN'S
colourful encounters
destinationstjohns.com

MARKETING

MATERIALS & ASSETS

St. John's is perfect for travellers who love to indulge in history, culture, food, nature and gorgeous scenery...

Steve Gillick
CDN World Traveller Magazine

Design of Marketing Materials

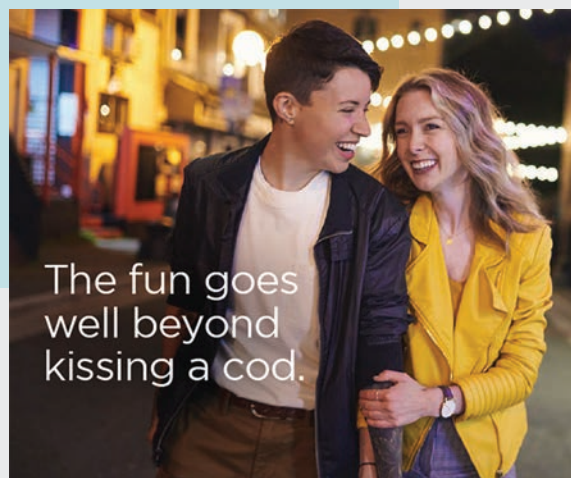
In-house design work is an important element of DSJ's marketing tool kit. In 2022, DSJ's in-house designer created collateral for signage, posters, tradeshow booths and many other marketing needs as well as a number of special projects. These included the design of 80 Welcome Posters for business events and cruise ships coming to St. John's in 2022. This was in partnership with the City of St. John's who printed the posters and distributed them to approximately 100 businesses in the downtown area.

A second was the Delegate Discount Program which involved building a landing page featuring DSJ partners who offered discounts to travelers to the city. A decal with a QR code was provided to businesses offering a discount to be posted in their windows. DSJ was also pleased to design a welcome sign for Come Home Year. This electronic sign was displayed in the arrivals area of the airport. A one-off project for 2022 involved the design of a one-page ad for Canada Travel Magazine which was inserted into 60,000 Globe and Mail newspapers. The promotion also included a digital ad featured on a billboard on a Toronto freeway. Supporting our new airline partners, Lynx and Swoop, static and video digital signage was developed, in partnership with the St. John's International Airport Authority, for use at airports in Edmonton and Hamilton with messaging: "Catch the Island Breeze... Direct Flights to St. John's, Newfoundland and Labrador."

The design team was also frequently asked for video assets for partner promotions. Media assets were sourced, edited, and transferred to many partners. Annual production of the Visitor's Guide and walking and driving maps were completed.

Tourism Awareness Week

Three activities were undertaken for Tourism Awareness Week. DSJ participated in the HNL "We Are Tourism" campaign by highlighting DSJ staff members. We hosted a story/photo contest to win a weekend in St. John's. Over 30 submissions were received with interesting photos and compelling stories behind them. The contest was considered a great success. Also, a series of three "Media Sprint" webinars were hosted on using social media effectively.

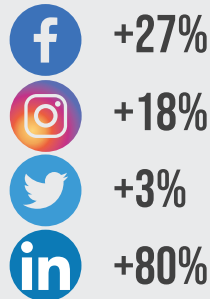


The fun goes well beyond kissing a cod.

MARKETING

RESULTS

SOME OF THE KEY METRICS AND RESULTS OF DSJ'S 2022 SOCIAL MEDIA AND DIGITAL ADVERTISING ARE PROVIDED BELOW.



	JANUARY 1, 2022	DECEMBER 31, 2022
Facebook	24,711	31,485
Instagram	15,375	18,088
Twitter	15,449	15,874
LinkedIn	1,050	1,887

DOMESTIC (NON-RESIDENT) SOCIAL MEDIA AND DIGITAL CAMPAIGNS. JANUARY TO DECEMBER 2022.

CAMPAIGN	IMPRESSIONS	WEBSITE CLICKS	VIDEO VIEWS
Summer Domestic: M5 Agency	40,300,000	632,000	5,000,000
Winter Domestic: In-House	339,022	7,949	4,388,897

2022 Domestic Campaigns

Our domestic campaigns in 2022 targeted Ontario, Alberta, Quebec, and Nova Scotia. An 8 week campaign was launched in April to keep our destination top of mind for travelers aged 55+. It was very successful.

A four-week campaign was launched in December to grow brand recognition of Destination St. John's amongst targeted Canadian adults aged 18-34. The results were also very positive.

2022 Content

DSJ posted 34 articles, featuring 85 partners in 2022.

Across all four social media platforms, DSJ made 1,752 social media posts combined.





PARTNERSHIP ENGAGEMENT

As business began to return to normal, after two years of the pandemic, DSJ continued to engage with its partners in sales and marketing, destination development and industry relations.

- LGBTQ2+ training session
- DSJ sales and marketing plan
- Presentation from NL Tourism
- Presentation from Hospitality Newfoundland & Labrador

DSJ hosted a full day partnership meeting in November which was attended by approximately sixty partners. Topics included:

DSJ co-hosted, with HNL, a Christmas Party which was well attended.

Northeast Avalon Destination Development Plan participation

Destination Development (DD)
DSJ has participated in the following destination development activities:

- Sessions with three municipalities in the Northeast Avalon region as they built destination development plans for their regions: City of Mount Pearl, Town of Torbay and Petty Harbour-Maddox Cove
- Cultural Attractions Committee networking, meetings, and information exchange
- Northeast Avalon Destination Development Committee meetings
- St. John's International Airport Authority (SJIAA) air access initiatives. Attended launch of Swoop and Lynx airlines in NL
- STEP St. John's planning and bid preparation
- Collaboration with Celebrate NL in attracting events into Newfoundland and Labrador

Some of the key initiatives are highlighted below.

National/Regional Partnerships
DSJ continues to hold membership and is actively engaged in collaborating with Destination Canada (DC), Tourism Industry Association of Canada (TIAC), Hardest Hit Coalition, Canadian Destination Leadership Council (CDLC), and Event Atlantic.

- DSJ is represented on:
- Destination Canada Northstar Partnership
 - Destination Canada Business Events National Advisory Committee.
 - Destination Canada Sustainability Task Force
 - Executive of Destination Canadian Leadership Council (CDLC)

Provincial Industry Relations
DSJ is represented on the following boards/committees:

- Board of Directors of St. John's Sports and Entertainment
- NL Tourism Board
- NL Workforce Action Plan Steering Committee

DSJ has partnered with HNL on training opportunities and partner networking sessions, and sponsored the Fun Night at the annual conference which was held in St. John's in 2022.

EQUITY, DIVERSITY & INCLUSION

If you are neutral
in a situation of
injustice, you have
chosen the side of
the oppressor.

Desmond Tutu

DSJ has developed and implemented an EDI strategy for the organization which informs its tourism industry partner and community engagement. As well as focusing on its sales and marketing initiatives, DSJ is incorporating an equity, diversity and inclusion focus in all of its internal and external policies, programs and communications.

DSJ has the goal to include diverse representation from racialized, Indigenous, LGBTQ2+, or under-represented communities in DSJ's marketing and tourism industry initiatives, by working closely with industry partners to create opportunities and foster economic growth and inclusion within the diverse communities it serves; and to be a leader in addressing this issue in the tourism industry in Newfoundland and Labrador.

Review of Marketing Materials

DSJ continues to ensure that all videos and photography used by DSJ in its advertising have diverse representation from the community. The DSJ website has been audited and publications such as the Visitor's Guide are regularly reviewed for inclusion.

EDI Advisory Committee

One of the commitments DSJ made in its public apology was to identify a paid working group to collaborate with DSJ to review DSJ's creative process for campaigns and ensure DSJ is being representative of racialized and under-represented communities on an ongoing basis. DSJ reached out to various advocate groups to review the EDI strategy and workplan and to receive feedback.

Through this, DSJ developed a draft Terms of Reference for a paid working group to provide input into DSJ's creative process. The ten-member advisory committee which was established has representation from the LGBTQ2+, Indigenous, BIPOC, multi-cultural and persons with disabilities communities. DSJ is very appreciative of the work of this committee.

For the first meeting of the EDI Advisory Committee was held on in June 2022 and was facilitated by a communications consultant from National Public Relations. Later in the summer of 2022, a creative brief was developed for a new video and photography shoot by M5 Marketing and Communications. The creative brief was circulated to the group for input.

A second meeting of the Advisory Committee was held in December 2022 when the committee reviewed the progress to date, including a selection of new photographs taken for the new marketing campaign in spring of 2023. The committee was very pleased and supportive of the work completed to date.

Diversity Training

DSJ staff have participated in additional diversity training in 2022. In addition to the indigenous cultural training completed with First Light and cultural diversity training from the Association of New Canadians, DSJ staff in partnership with Hospitality Newfoundland and Labrador, participated in LGBTQ2+ training from the LGBT Canadian Chamber of Commerce. This provided the first step toward DSJ receiving a national Rainbow Designation. DSJ staff have participated in diversity training through various webinars and training sessions as they have become available and will continue to do so.

DSJ Internal Policies and Procedures

National Public Relations has completed a review of DSJ internal policies and has recommended changes to ensure EDI is a consideration in all policies and procedures. The HR Policies have been revised, the Creative Brief template has been revised to include a diversity requirement, and revised by-laws will be presented for approval at the AGM in 2023.



DIVERSITY IN MARKETING

Birding Community of Interest Project

In 2019 DSJ undertook a birding Community of Interest (COI) project funded by ACOA. The purpose of the project is to grow social media awareness and engagement for birding tourism with help from passionate local advocates. This project got off to a great start but encountered some delays in 2020 and 2021 due to the pandemic. Momentum increased again in 2022.

Birding Influencers

An integral part of promoting birding in a destination is to engage with social media and market influencers in the broader birding/travel community outside Newfoundland & Labrador. Digital engagement includes tagging relevant influencers, using specific hashtags to garner attention and/or direct conversations.

In the summer of 2022 DSJ, in concert with Bird the Rock Bird & Nature Tours, hosted three “influencers” from the North American birding world – providing some excellent birding and other cultural and historical experiences during their visits. They each spent 2-3 days birding with Jared Clarke/BirdTheRock Bird & Nature Tours, enjoyed a day tour with DSJ & McCarthy’s Party, and pursued other personal interests such as hiking and the local music scene. One of our local birding advocates was also able to join the group to talk more about birding & photography in the area.

The Influencers were:

- Brian Kluepfel, Birdwatching Magazine (USA)
- Katinka Domen, ABA Travel & Events Coordinator (USA)
- Julia Zarankin, freelance birding & travel writer (Canada)

All three influencers shared some of their trip highlights on social media, using the #BirdsNL hashtag and tagging Destination St. John’s. Julia has since written and published an article in the Toronto Star and Brian has submitted an article for Birdwatching Magazine. A potential American Birding Association (ABA) travel program to St. John’s is being explored as well as potential for a local birding festival.

Advertising & Organic Social Media

Jared Clarke of Bird the Rock continues to provide support to the Birding project and facilitating media advertising. A detailed advertising plan was developed for 2022 to use targeted advertising to promote birding content and entice more birders to visit Newfoundland & Labrador.

DSJ created @NLBirding Instagram account and posted photos to this account, highlighting our birding advocates. This is a resource that people can access to learn about birding in Newfoundland and Labrador.

DSJ Instagram and Facebook accounts, highlighted one birding advocate a week. Postings on Fridays were of their amazing photos and were driving traffic to the @BirdingNL page. This weekly event is called #FeatherFriday.

Promotion of the Northeast Avalon to the north American birding market will continue into 2023 when we will see increased leisure travel in post pandemic years.



2022 REPORT CARD

HOW DID WE DO?

Destination St. John's monitors results based on total room nights sold overall within the destination and on delegates within its key target markets – the meetings and conventions market; the leisure market; and the sport and cultural events market. These results provide an indicator of the overall impact each market has on its partners and the region as a whole.

2022 was a year of recovery as organizations began to meet in person again. Total room nights sold by member properties in the destination increased 3% over 2019 levels and revenues increased by 11%. The average room rate in 2022 increased 8% over 2019 and RevPar increased 14%. Gross hotel room sales for the 17 larger properties in the city are estimated to be \$74 million in 2022 compared to \$66 million in 2019.

We successfully hosted 19,703 delegates in 2022 contributing to 66,653 room nights sold. The group tour and leisure travel markets generated 10,481 room nights.

Historically, DSJ has responded to approximately 170 requests for proposals (RFP) a year. As groups were just beginning to plan in-person meetings and events for future years, 94 RFPs were received from meeting planners and national sports organizations in 2022.

It is hoped that 2023 will see a continued resurgence of travel and tourism. Growth will initially be in the leisure market within Canada, followed by domestic business events and later by international business events.

**There is so
much magic in
St. John's, NL**

**Sue Mercer
Step In Marketing &
Event Solutions**



DESTINATION ST. JOHN'S
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Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Destination St. John's

Opinion

I have audited the financial statements of Destination St. John's (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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 the Organization'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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

(continues)

Independent Auditor's Report to the Members of Destination St. John's (*continued*)

- 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 my 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 the Organization'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 the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.

St. John's, NL
March 21, 2023



Brian T. Scammell Professional Corporation
Chartered Professional Accountant

DESTINATION ST. JOHN'S
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 130,517	\$ 1,176,807
Guaranteed investment certificates <i>(Note 3)</i>	1,905,753	500,000
Accounts receivable <i>(Note 4)</i>	125,820	481,654
Prepaid expenses	72,566	42,346
	2,234,656	2,200,807
CAPITAL ASSETS <i>(Note 5)</i>	15,321	25,152
	\$ 2,249,977	\$ 2,225,959
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 176,160	\$ 121,017
Deferred income <i>(Note 7)</i>	157,811	357,141
	333,971	478,158
NET ASSETS		
Unrestricted net assets	1,600,185	1,422,149
Investment in capital assets - unrestricted	15,321	25,152
Internally restricted net assets - bid support fund and marketing reserve fund <i>(Note 8)</i>	300,500	300,500
	1,916,006	1,747,801
	\$ 2,249,977	\$ 2,225,959

COMMITMENTS *(Note 11)*

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

DESTINATION ST. JOHN'S
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
REVENUES		
Tourism marketing levy (<i>Note 9</i>)	\$ 1,347,095	\$ 765,120
Government of Canada	150,000	615,424
Atlantic Canada Opportunities Agency	144,324	420,890
Member fees	69,710	72,897
City of St. John's	55,000	30,000
Partner fees	46,629	23,621
Government of Newfoundland & Labrador	47,039	10,000
Guide	40,490	19,270
Interest income	33,050	5,418
St. John's Sports and Entertainment	20,000	20,000
Sport Tourism Event Partnership	10,000	-
Atlantic Canada Agreement on Tourism	7,502	-
Federal subsidies	-	77,108
Atlantic Chamber of Commerce	-	18,000
	1,970,839	2,077,748
EXPENSES - OPERATIONS		
Salaries and wages	681,460	654,615
Occupancy	68,755	66,637
Information technology	34,167	29,159
Professional fees	22,014	33,387
Communications	16,497	16,801
Amortization	11,834	17,861
Equipment leasing	8,940	8,642
Office	7,819	9,137
Interest and bank charges	6,327	4,830
Insurance	5,311	4,509
Bad debts	1,373	6,553
	864,497	852,131
EXPENSES - SALES AND MARKETING		
Marketing	321,063	109,564
Meetings and conventions	236,261	76,247
Advertising and promotion	225,110	371,105
Collateral materials	70,233	201,879
Leisure and consumer	36,912	24,176
Executive	20,700	12,023
Event	13,213	11,209
Public relations and member services	14,645	6,574
	938,137	812,777
EXCESS OF REVENUES OVER EXPENSES	\$ 168,205	\$ 412,840

See notes to financial statements

DESTINATION ST. JOHN'S
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Unrestricted Net Assets	Investment in Capital Assets - Unrestricted	Internally Restricted Net Assets - Bid Support Fund and Marketing Reserve Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 1,422,149	\$ 25,152	\$ 300,500	\$ 1,747,801	\$ 1,334,961
Excess of revenues over expenses	168,205	-	-	168,205	412,840
Transfer	9,831	(9,831)	-	-	-
NET ASSETS - END OF YEAR	\$ 1,600,185	\$ 15,321	\$ 300,500	\$ 1,916,006	\$ 1,747,801

See notes to financial statements

DESTINATION ST. JOHN'S
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 168,205	\$ 412,840
Item not affecting cash:		
Amortization of capital assets	11,834	17,861
	180,039	430,701
Changes in non-cash working capital:		
Accounts receivable	355,834	164,929
Accounts payable and accrued liabilities	55,142	8,566
Deferred income	(199,330)	(123,020)
Prepaid expenses	(30,220)	(18,527)
Guaranteed investment certificates	(1,405,753)	-
	(1,224,327)	31,948
Cash flow from (used by) operating activities	(1,044,288)	462,649
INVESTING ACTIVITY		
Purchase of capital assets	(2,000)	(19,265)
INCREASE (DECREASE) IN CASH FLOW	(1,046,288)	443,384
Cash - beginning of year	1,176,807	733,423
CASH - END OF YEAR	\$ 130,519	\$ 1,176,807
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ (33,050)	\$ (5,418)
Interest paid	\$ 6,327	\$ 4,830

See notes to financial statements

DESTINATION ST. JOHN'S
Notes to Financial Statements
Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

Destination St. John's Inc.'s ("DSJ" or the "Organization") purpose is to be an economic instigator of tourism development and to develop and promote a destination image for the St. John's Census Metropolitan Area ("CMA"). DSJ does this by co-ordinating, focusing, and integrating public and private efforts in destination marketing, building community pride by promoting the tourism industry as a visible economic generator, and by co-ordinating public and private marketing budgets. The Organization has a mandate to market the St. John's CMA as a four season tourism destination for meetings, conventions, and incentive travel, sightseeing and tourism, and major events and exhibitions involving sport, cultural or industrial objectives. The Organization is a not-for-profit organization and therefore not subject to income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash equivalents

Cash and cash equivalents includes cash on hand and balances with the bank.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial assets measured at amortized cost include cash and cash equivalents, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Capital assets

Computer equipment, furniture and fixtures and computer software are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for computers and software is three years and furniture and fixtures is five years.

Leasehold improvements were amortized over the life of the lease.

(continues)

DESTINATION ST. JOHN'S
Notes to Financial Statements
Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Destination St. John's follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from partner fees are recognized as revenue in the fiscal year to which they relate. The tourism marketing levy is recognized as revenue during the year on the accrual basis and when collection is reasonably assured. Advertising revenue is recognized at the time the service is provided and when collection is reasonably assured.

Government grants

Government grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributed services

The operations of the Organization depend on both the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. GUARANTEED INVESTMENT CERTIFICATES

	2022	2021
Guaranteed investment certificates with interest rates ranging from 3.8% to 4.90% per annum with maturity dates ranging from March 2023 to December 2023 (2021: five redeemable guaranteed investment certificates of \$100,000, at 0.52% per annum, maturing July 7, 2022)	\$ 1,905,753	\$ 500,000

DESTINATION ST. JOHN'S
Notes to Financial Statements
Year Ended December 31, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
ACOA	\$ 56,827	\$ 223,851
Accrued interest	23,526	1,261
City of St. John's	11,500	-
Memberships	6,465	18,376
Other	-	2,878
Partners and services	10,133	-
Tourism Marketing Levy	-	212,425
Harmonized sales tax	17,369	22,671
Province of Newfoundland and Labrador	-	-
	\$ 125,820	\$ 481,462

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 54,351	\$ 44,030	\$ 10,321	\$ 17,700
Computer software	31,096	30,993	103	362
Furniture and fixtures	39,946	37,047	2,899	2,852
Leasehold improvements	62,685	62,685	-	2,240
Art work	1,998	-	1,998	1,998
	\$ 190,076	\$ 174,755	\$ 15,321	\$ 25,152

6. GOVERNMENT REMITTANCES RECEIVABLE (PAYABLE) OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were receivable/payable at year end. HST recoverable is included in accounts receivable (Note 4) and employee source deductions are included in accounts payable and accrued liabilities:

	2022	2021
Harmonized sales tax receivable	\$ 17,369	\$ 27,513
Government source deductions receivable (payable)	(25,125)	(3,289)
	\$ (7,756)	\$ 24,224

DESTINATION ST. JOHN'S
Notes to Financial Statements
Year Ended December 31, 2022

7. DEFERRED REVENUE

	2022	2021
Destination Canada	\$ -	\$ 150,000
St. John's International Airport Authority	100,000	100,000
STEP St. John's	57,811	42,500
City of St. John's	-	20,000
Partner fees	-	15,201
Province of Newfoundland and Labrador	-	11,664
Other	-	12,776
EDI Project	-	5,000
Guide	-	0
	\$ 157,811	\$ 357,141

8. RESERVE FUNDS

The Board of Directors has internally restricted net assets for the purpose of bid support for sports events, and meetings, convention and incentive travel. As well, there is a reserve fund remaining for unspent marketing reserve funds of prior years.

9. TOURISM MARKETING LEVY

An amendment of the City of St. John's Municipal Taxation Act was approved by the Government of Newfoundland and Labrador in December 2013 providing for a maximum 4% accommodation tax. In 2013 DSJ signed a new Memorandum of Understanding ("MOU") with the City of St. John's which sets the accommodation tax at 4% and which guides the distribution of funds. The MOU has set the annual share of the accommodation tax payable to DSJ at \$1,250,000, such amount to be increased annually by the change in CPI (St. John's), subject to accommodation revenue also increasing by that amount. Should accommodation tax revenue decrease, or increase by a factor less than CPI, the annual payment to DSJ will be adjusted accordingly. The DSJ funding agreement will be reviewed every 5 years to address any identified needs for an increase. DSJ entered into an agreement with the City of St. John's for 2020 and 2021, whereby total accommodation tax collected in those years would be shared on a 50/50 basis. In 2022, payments returned to the initial terms of the MOU with DSJ receiving \$1,250,000 plus the cumulative increase determined by the growth in CPI year over year

10. FEDERAL SUBSIDY

The Organization received two types of federal subsidies as follows:

The Canadian Emergency Wage Subsidy ("CEWS") in the amount of \$0 (2021 - \$76,613.) The program was offered by the Canadian Government until June 2021 to qualifying employers who have seen a drop in revenue due to the ongoing COVID-19 pandemic. It provided a 75% wage subsidy on qualifying expenditures in order to help businesses make payroll and cover other costs during the pandemic.

The Canadian Emergency Rent Subsidy ("CERS") in the amount of \$0 (2021 - \$494.) The program provided funding from September 27, 2020 to June 2021 to cover a certain percentage of rental expense for qualifying organizations who have seen a drop in revenue during the COVID-19 pandemic.

DESTINATION ST. JOHN'S
Notes to Financial Statements
Year Ended December 31, 2022

11. COMMITMENTS

The Organization is committed under a lease agreement for office space in St. John's, NL. The lease commenced February 1, 2022 for a term of five years. The Organization is also leasing a photocopier for a 60 month term that expires June 30, 2024. Lease payments required over the term of these leases are summarized in the repayment schedule below.

In addition to the amounts below, the Organization has entered into an agreement for technology support in relation to a customer relationship management software program. This agreement includes annual fees of \$11,681 for a period of three years. The Organization is in the second year of this agreement which expires June 30, 2024. The agreement also includes a three year optional renewal period with rates to be determined at the time of renewal.

2023	\$ 52,394
2024	48,313
2025	44,232
2026	44,232
2027	<u>3,686</u>
	<u>\$ 192,857</u>

12. COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. Governments have imposed measures to contain the outbreak, including business closures, travel restrictions, quarantines and social distancing measures. The spread of the COVID-19 virus has resulted in a sharp decline in global economic growth as well as causing increased volatility in financial markets.

Destination St. John's, as part of Covid-19 relief funding, received \$1,000,000 from Destination Canada in marketing funds to be used to assist the local tourism industry in market recovery. \$850,000 was recorded as revenue in 2020 and 2021, and \$150,000 was recorded as deferred revenue at December 31, 2021. The balance of \$150,000 was recorded as revenue in 2022.

13. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2022.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk mainly through its accounts receivable. In order to reduce its credit risk, the Organization reviews its accounts receivable regularly. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of members which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. The Organization manages its liquidity risk by monitoring forecasted and actual cash flows and by holding assets that can be readily converted into cash.

(continues)

DESTINATION ST. JOHN'S
Notes to Financial Statements
Year Ended December 31, 2022

13. FINANCIAL INSTRUMENTS *(continued)*

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk, the details of which are noted below if applicable.

(d) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on its marketing expenditures incurred outside of Canada. The company does not use derivative instruments to reduce its exposure to foreign currency risk. Any risks are managed through the budget process and operating cash flow monitoring.

(e) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

2022 BOARD OF DIRECTORS

MEMBER	COMPANY
Heather McKinnon, Chair	Delta Hotel & Conference Centre & Sheraton Hotel Newfoundland
Ann Marie Reddy, Vice-Chair	Fairfield Inn & Suites
Greg Ivany, Treasurer	Holiday Inn Express St. John's Airport
Elizabeth Taylor, Past-Chair	Courtyard by Marriott
Peter Avery	St. John's International Airport Authority
Derrick Aylward	Ramada St. John's
Kevin Breen	City of St. John's
Jill Brewer	St. John's Sports and Entertainment
Shannon Denine	DoubleTree by Hilton St. John's by Harbourview
Justin Garland	The Fish Exchange
Michael Johnstone	Holiday Inn St. John's
Larry Laite	JAG Boutique Hotel
Barry Rodgers	Iceberg Quest Ocean Tours
Kim Shipp	MUN Botanical Gardens/Johnson GEO Centre
Steve Sparkes	Comfort Hotel St. John's (Clayton Hospitality)

CURRENT STAFF



Cathy Duke
CEO



Darlene Ryan
Manager, Finance & Administration



Paul Buggé
Director of Business Development & Industry Relations



Jeannette Yetman
Sales Manager Leisure Travel, Sport & Partnerships



Nancy Bradshaw
Manager, Business Development



Kate Goodwin
Manager, Business Development



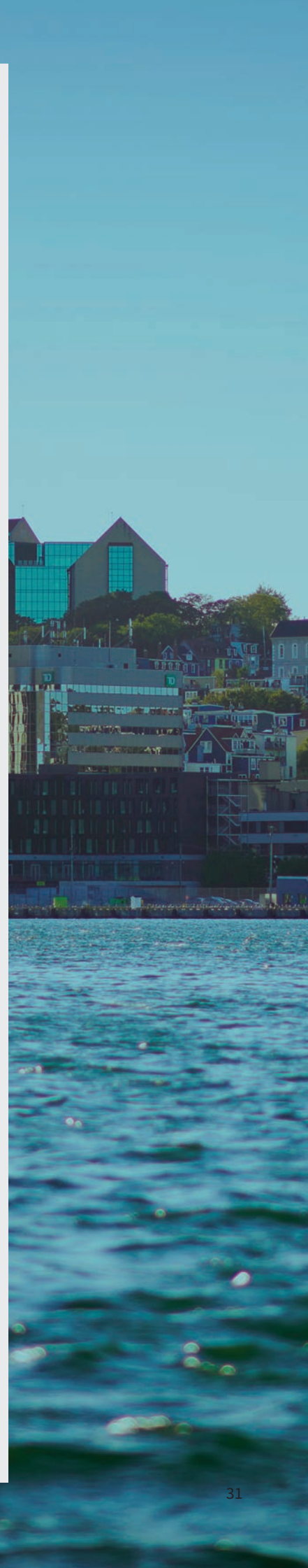
Bethany Dawe
Sales and Operations Coordinator



Cyrena Eddy
Partnership & Industry Support Coordinator



Alison Cass
Creative Manager



Your Urban Basecamp for Newfoundland & Labrador

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