

2022-2023
Annual Report

**Tourism, Culture,
Arts and Recreation**





MESSAGE FROM THE MINISTER

As Minister of Tourism, Culture, Arts and Recreation, I am pleased to submit the Department's annual report for the 2022-23 fiscal year. In accordance with the obligations of a category one entity under the **Transparency and Accountability Act**, this report was prepared under my direction and I am accountable for the reported results.

This annual report provides details on the indicators and objectives for the fiscal year of April 1, 2022, to March 31, 2023, which is the final year of the current three-year planning period (2020-2023) and includes information on the department's lines of business during that period.

This Department is responsible for various programs and services that support the economic growth and sustainability of Newfoundland and Labrador's tourism, arts and culture, heritage, and sport and recreation sectors. It has been a busy year and the creativity, resourcefulness, ingenuity, and flexibility of these sectors has helped us rebound, boding well for future growth and momentum.

By signing below, I undertake the necessary accountability for the outcomes reported in support of our stated goals. I acknowledge the continued efforts and work of the Department's staff as critical to the successes achieved. I would also recognize that the support of community partners is key to the development and implementation of the various initiatives outlined.

Sincerely,

A handwritten signature in black ink that reads "S Crocker". The signature is fluid and cursive.

Hon. Steve Crocker
Minister of Tourism, Culture, Arts and Recreation

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Departmental Overview

Organizational Structure

The Department of Tourism, Culture, Arts and Recreation (TCAR) is the lead department for tourism, arts and culture, sport and recreation, and Provincial Parks. The Department is responsible for supporting economic growth and employment in the tourism industry, cultivating contemporary arts, preserving the province's cultural heritage, oversight of Provincial Parks, and for promoting and supporting physical activity for individuals, groups, and communities, by the development of policy and programs in support of recreation and sport.

The Department also establishes and operates Provincial Historic Sites, Visitor Information Centres, Arts and Culture Centres, Provincial Pools, and Provincial Parks. Additionally, the Department provides regulatory protection of archaeological sites, artifacts and historic documents; supports the arts and heritage sectors, and recreation and sport, through programs and services; supports strategic product development in the tourism industry and marketing Newfoundland and Labrador as a destination to visitor markets; and, supports the tourism industry through research, opportunity identification and strategy development.

The Department has three Executive Branches:

- (1) Tourism;
- (2) Arts and Culture; and
- (3) Film, Television and Recreation.

Additional information about the Department, including its mandate, vision, and lines of business details can be found in the Department's 2020-23 Strategic Plan, found here:

<https://www.gov.nl.ca/tcar/files/TCAR-2020-23-Strategic-Plan.pdf>.

Staff and Budget

Branch	Permanent staff	Temporary staff	Seasonal staff	Contractual staff
Minister's Office	3	0	0	0
Executive Support	8	0	0	2
Corporate Services	10	4	0	1
Arts and Culture	55	34	32	0
Film, Television and Recreation	12	0	0	0
Tourism	41	16	114	1
Total	129	54	146	4

The total budget of TCAR for fiscal 2023-24 is \$69,246,800. \$25 million of the budget is dedicated to the operations of 32 provincial parks, as well as tourism market research, tourism product development and implementation of a fully integrated marketing program targeted to potential non-resident and resident visitors and is designed to market the province as a unique tourism destination for the purpose of economic growth. Appropriations also provide funding for support, coordination, and operations of Visitor Information Centres and services throughout the province. Funding is also provided for expenditures pertaining to the Atlantic Canada Agreement on Tourism.

The Arts, Heritage and Historic Development budget of \$6.2 million provides for the preservation, management, development, and promotion of our arts and heritage through legislative oversight; the operation and maintenance of the Provincial Historic Sites network; archaeology supports and programs; funding and advisory support to the arts and heritage sectors; and cultural events, anniversaries and other celebrations.

A grant budget of \$9,151,500 for sport and recreation provides for the support of physical activity, recreation and sport in the province, and for the promotion of wellness and support for wellness initiatives implemented throughout the province.

Highlights and Partnerships

Partnerships and collaboration are key to achieving the mandate of the Department and ensuring the economic growth of the tourism industry and the well-being of a vibrant, creative and active province. TCAR partners with various levels of government locally, nationally, and internationally and works collaboratively with industry associations and other regional and community groups. During the 2022-23 reporting period, some of TCAR's highlights and partnerships include:

2022-2026 Tourism Vision and Strategy

In December 2022, representatives from the Provincial Government and private industry partners announced the launch of '**Transition. Transform. Thrive. A Tourism Vision and Strategy for Newfoundland and Labrador.**' Also known as 'Vision 2026', this five-year strategy will ultimately transform the province's tourism landscape. The strategy will be executed in three phases:

- Transition 2022-2023 is a short-term phase aiming to stabilize tourism and build capacity to regain pre-2020 visitation levels.
- Transformation 2024-2026 is a comprehensive medium-to-long-term strategy focused on sustainable growth, aiming for consistent and responsible annual increases in visitation, spending, and employment.
- Thrive 2026 and Beyond is a long-term phase emphasizing regenerative tourism, focusing on economic growth and the well-being of people and places. The strategy involves continuous monitoring and adaptation to the dynamic tourism environment.

Budget 2022 included \$20 million to support tourism recovery initiatives related to Vision 2026 and the Transition Phase has already begun, with initiatives including investing in air access capacity, enhancing tourism research and visitor surveying, reviewing and investing in the province's marketing strategy, creating tourism experiences through the Tourism Experience Enhancement Fund, investing in season-extension initiatives, and investing in signage and themed routes throughout the province.

Supporting Continued Growth of the Local Film and Television Industry

Budget 2022, "Change is in the Air," supports film and television industry initiatives in Newfoundland and Labrador. These initiatives aim to create career opportunities, economic offshoots, and growth of the industry - often in rural areas of the province.

Investments included approximately \$10 million for a new CNA Film and Media Production Centre, \$10 million to support the Film and Television Equity Investment Program, and the introduction of a Film and Video Production Tax Credit. Four television productions filmed in the province received a total of 13 Canadian Screen Award Nominations – the most nominations ever associated with Newfoundland and Labrador. The province had the strongest year for production activity since the creation of the Newfoundland and Labrador Film Development Corporation. In 2022-2023, the film and television industry generated \$97.5 million in economic activity, which resulted in over 1,650 full-time employment opportunities

Provincial Arts and Culture Centres Successes

In 2022, Arts and Culture Centres in Newfoundland and Labrador achieved a significant 53 per cent increase in audience attendance compared to 2021. Approximately 113,000 patrons attended performances across the province this year, supported by Come Home 2022 initiatives. Arts and Culture Centres hosted a total of 442 events, with notable performances including Come From Away: The Concert and Tell Tale Harbour, featuring local artist Alan Doyle. Furthermore, Arts and Culture Centres collaborated with local artists to organize a benefit concert for those affected by the war in Ukraine, held in April, highlighting their role as community hubs.

Funding for Come Home 2022 and Community Projects

In June 2022, the province announced \$8.7 million in funding for 2022 Job Creation Partnerships. \$2.1 million of this funding was approved to support Come Home Year 2022 projects. Several approved projects built upon distinctive tourist and heritage elements to support Come Home 2022 efforts. These include the Corner Brook Stream Development's investments in maintenance, enhancements and upgrades along the trail network, and Benoit First Nation Inc.'s project to preserve Mi'kmaq history in the region

by creating a history book. Additionally, \$1.8M in funding was approved to support 264 active healthy living infrastructure projects designed to increase healthy living and participation in physical activity.

Record-Breaking 2022 Come Home Year for Provincial Historic Sites

2022 was a record-breaking year for Provincial Historic Sites in Newfoundland and Labrador. Sites opened on May 21, offering free admission as part of Come Home 2022. They experienced an outstanding visitation of over 117,000 individuals. This signifies an increase of 236 per cent compared to the same period in 2021 (34,393 visitors), a 653 per cent rise compared to 2020 (15,596 visitors), and a 13 per cent increase compared to pre-pandemic levels in 2019 (103,882 visitors).

Tourism Experience Enhancement Fund for Tourism and Hospitality Operators

A fund of \$3 million was announced for tourism and hospitality operators to enhance their products and experiences, and further support the recovery of the province's tourism industry following the COVID-19 pandemic. Ultimately \$4.8 million was invested to fund non-repayable contributions of up to 50 per cent of eligible costs for approved projects, up to a maximum of \$25,000. The objectives of the program were to support commercial tourism and hospitality operators who aspire to enhance products, experiences, and efficiency; increase accessibility; extend experiences into shoulder seasons, and improve the quality and market-readiness of existing tourism products and experiences.

2025 Canada Summer Games

The province continued to invest in constructing and upgrading sports facilities for the 2025 Canada Summer Games. A total of \$34 million in funding from provincial, federal and municipal sources was announced for the construction of a new outdoor track and field facility, turf soccer field, and an indoor multi-purpose facility, which will serve as venues for the 2025 Canada Summer Games. The Governments of Canada and Newfoundland and Labrador, along with the City of St. John's, partnered to invest equally in this project. An additional \$1.4 million in funding has been allocated for the enhancement of local tennis facilities as well as a significant investment in upgrades to

the Aquarena in preparation for the 2025 Canada Summer Games. These investments will provide modern facilities for athletes and coaches to train and compete prior to and during the Games, as well as create legacy sport and recreation infrastructure for use by residents of all ages to support active living and wellness. In addition, \$4M in funding was provided to 2025 Canada Games Host Society to support operating and capital expenditures of the 2025 Canada Games.

ParksNL Celebrates Record Visitation and Campsite Stays in 2022

Come Home 2022 was an exceptional year for ParksNL, as it achieved a record-breaking number of visits to Newfoundland and Labrador's 32 provincial parks. The provincial parks hosted a total of 233,168 visits, surpassing the previous record set in 2021 by approximately 10,000 visits. This figure also represents a substantial increase of over 76,000 visits compared to the pre-pandemic year of 2019. ParksNL established a new record for campsite stays, with occupancy reaching an all-time high of 66,527 camper nights. This surpasses the previous record of 65,981 camper nights set in 2013. These accomplishments underscore the growing popularity and appeal of Newfoundland and Labrador's provincial parks among visitors.

Supporting Music and Culture during Come Home 2022

The Provincial Government provided MusicNL with an investment of \$200,000, enabling the launch of their new program, 'MusicNL's Presenters' Series.' The Community Presenters Program provided investment for non-profit organizations or societies to provide musical experiences for their communities during Come Home Year 2022. Non-profit organizations could avail of up to \$2,500 to help cover the costs associated with hiring musical talent in their community. Through the support provided by the government, MusicNL was able to provide grants to 103 groups in 76 communities to support musical entertainment for Come Home 2022 festivities.

Report on Performance

Issue #1: Tourism Sector Recovery

The tourism sector in Newfoundland and Labrador was severely impacted by the COVID-19 pandemic and as such, a renewed plan for marketing and product development, supported by market research, is needed to rebuild the tourism sector.

In partnership with industry, TCAR has developed and released Vision 2026 – A Tourism Vision and Strategy for Newfoundland and Labrador. TCAR continues to work collaboratively with leading tourism stakeholders, including Hospitality NL, to navigate the recovery from the pandemic and to focus on rebounding, rebuilding and recovering the provincial tourism industry. This collaboration is essential to ensure priorities are aligned and collective efforts are made to focus on recovery in the tourism sector in all regions. Additionally, TCAR is working to ensure that federal and provincial tourism investments are strategic and harmonized. Newfoundland and Labrador’s unique geography and population density will be a strength during this recovery as travellers seek uncrowded spaces, hiking, walking, coastal sightseeing, culinary experiences, and other similar attractions.

Goal Statement

By March 31, 2023, the Department of Tourism, Culture, Arts and Recreation, will have supported the tourism industry with recovery from the impacts of the global pandemic.

Indicators	Results
Increased engagement in tourism activities with key stakeholders and organizations across the province.	On December 7, 2022, the Department of Tourism, Culture, Arts and Recreation launched Vision 2026, a five-year strategy to transform the province’s tourism landscape which was developed in partnership with tourism

	<p>stakeholders. With Vision 2026, private and public stakeholders will strive to not only grow tourism's contribution to the economy, but also to enhance the sociocultural vibrancy and environmental well-being of the province. The development of Vision 2026 was led by a private-public leadership board, in partnership and collaboration with countless tourism industry operations, stakeholders and partners throughout the province.</p> <p>During the reporting period, TCAR conducted various webinars with industry stakeholders to share resident and non-resident related travel research, in-province resident travel intentions, preferences and activities; Come-Home 2022 specific resident and non-resident travel research, non-resident travel intentions, characteristics and activities; various COVID pandemic related travel research to analyze pandemic impacts, new travel trends and recovery prospects.</p> <p>In 2022-23, TCAR worked closely with key industry stakeholders, including Destination Management Organizations (DMOs) and operators to coordinate familiarization tours, participate in consumer shows and trade/travel markets in targeted markets.</p>
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<p>Conducted marketing activities to generate demand in the tourism sector.</p>	<p>TCAR conducted robust marketing campaigns in 2022-23 which generated significant responses from target audiences. A two-pronged approach supported multi-channel advertising efforts targeting non-resident vacation travellers and expatriates. Friends and family living 'away' were invited to Come Home in 2022. The combined efforts of the campaigns welcomed the world back to Newfoundland and Labrador, helping to support tourism operators around the province.</p> <p>Campaign results in 2022 generated more than 4.6 million sessions to Newfoundland and Labrador Tourism websites, the most ever for TCAR, representing an increase of more than a million sessions over 2019. Tourism operator business-listing page views on NewfoundlandLabrador.com reached an all-time-record-high of 1.7 million in 2022, and referrals to tourism operators reached 627,482 another all-time high, representing a 9.9% increase over pre-pandemic 2019.</p> <p>TCAR participated in consumer travel and adventure shows, along with operators and DMOs, as well as travel media and travel trade marketplaces, interacting with tour/travel planners, journalists and writers to increase interest and demand in the sector.</p>
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<p>Pursued opportunities in the tourism sector.</p>	<p>In 2020-21 a culinary tourism strategy development process was launched by the Tourism Industry Association of Canada (TIAC) through their Elevating Canadian Experiences program. The Three UNESCOs Journey Route was selected as one of four Canadian regions to pilot their process with the Culinary Tourism Alliance. TCAR's Tourism Product Development Division, in partnership with Hospitality Newfoundland and Labrador and the United Nations Educational, Scientific and Cultural Organization (UNESCO) Working Group facilitated this process to ensure alignment with the Provincial Tourism Product Development Plan and the Western Destination Development Plan. The strategy was finalized in 2021 and lays out the direction to increase the understanding of culinary tourism and engage with stakeholders to enhance food and drink experiences along the journey route.</p> <p>In July 2020, Discovery Geopark became Newfoundland and Labrador's first UNESCO recognized Global Geopark. With this distinction, Discovery Geopark becomes the fifth UNESCO Global Geopark in Canada, joining 161 other geosites to receive this recognition throughout the world.</p>
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	<p>TCAR has worked with communities and stakeholders in the development of Destination Trails that reflect the province's most distinguishing and memorable views, natural features, culture and heritage. Completed Destination Trail projects include Damnable Trails on the Eastport Peninsula and Rockcut Trails in Twillingate. The Department continues to work with stakeholders on the development of Destination Trail projects on the Labrador Straits, Burin Peninsula and Northern Peninsula.</p> <p>The Tourism Product Development Division is working with communities and stakeholders on the development and delivery of Come From Away - You are Here throughout 2022 and 2023. The Arts and Culture Centre in Gander will host the production in summer 2023, with surrounding communities offering unique visitor experiences.</p>
<p>Supported the tourism sector through various programs</p>	<p>In May 2020, the Province announced a \$25 million support program for the tourism and hospitality industry, which was greatly impacted by the COVID-19 pandemic. Under the program, eligible small and medium-sized tourism operators were able to apply for a one-time, non-repayable working capital contribution of either \$5,000 or \$10,000, dependent on gross sales. This support provided immediate financial relief to operators who were dealing with substantial losses and continued fixed operating costs.</p>

	<p>In July 2021, the Province announced a \$30 million investment for the Tourism and Hospitality Support Program which provided financial relief to eligible tourism and hospitality operators who faced substantial sales losses due to the pandemic. This support provided immediate financial relief to operators who were dealing with substantial losses and continued fixed operating costs. In February 2022, the Province announced over \$7 million for the Tourism and Hospitality Support Program for eligible tourism and hospitality operators who were impacted by the sharp decline in business between October 1, 2021 and February 28, 2022.</p> <p>The Tourism Product Development Division has worked with communities and stakeholders in the development of Destination Trails that reflect the province's most distinguishing and memorable views, natural features, culture and heritage. Completed Destination Trail projects include Damnable Trails on the Eastport Peninsula and Rockcut Trails in Twillingate. The Department continues to work with stakeholders on the development of Destination Trail projects on the Labrador Straits, Burin Peninsula and Northern Peninsula.</p>
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	<p>The Tourism Season Extension Program invests in the development and promotion of multi-season tourism products to grow the traditional tourism season throughout Newfoundland and Labrador. These events contribute significantly to travel in the shoulder and winter seasons. The focus is on anchor events developed in partnership with operators, community groups, municipalities and other sector stakeholders. Spin off from these events spread economic benefit to a broad area in all regions of the Province. During 2020-21 and 2021-22, applicants invested in initiatives that adhered to all public health guidelines. The annual budget for this program is \$144,500.</p> <p>The Tourism Market Readiness Subsidy Program is designed to assist tourism stakeholders in enhancing the quality and market readiness of their tourism services, businesses and products. During the pandemic the program was not utilized, but in 2022-23 a renewed partnership with Tourism Atlantic and the Gros Morne Institute for Sustainable Tourism will ensure a strong foundation for the program in 2023. In 2022-23 the program subsidized the cost of sending Indigenous tourism operators to the Indigenous Tourism Association of Canada.</p>
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<p>Improved non-resident visitation and spending over 2020 levels.</p>	<p>Newfoundland and Labrador's marketing efforts yielded strong results. Despite COVID-19 health restrictions and airline access still recovering, fully-integrated marketing investments helped increase non-resident visitation to more than 431,000 people and spending topped \$492 million dollars, representing a rebound to nearly 90% of pre-pandemic levels in 2022.</p>
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2022-23 Objective

By March 31, 2023, the Department of Tourism, Culture, Arts and Recreation will have implemented actions to rebuild the tourism sector affected by the global pandemic.

Indicators	Results
<p>Conducted research to track tourism sector growth and trends.</p>	<p>In 2022-23 TCAR conducted quarterly resident travel sentiment study; peak season resident travel study, including Come Home Year specific component; peak season non-resident travel study, including Come Home Year specific component; and completed an RFP process to hire a consultant to plan and implement the 2023 Visitor Exit Survey.</p>
<p>Engaged key tourism stakeholders and enablers in the tourism sector in the implementation of priority actions.</p>	<p>In July 2022, a knowledge exchange session took place in Sheshatshiu between Tourism Product Development Division and the Innu Nation. The Innu Nation provided an introduction to Akamiu-Uapishku Innu Protected Area and Innu Stewardship Planning. This exchange session led</p>

	<p>to further discussions around building capacity in tourism product development.</p> <p>In October 2022, the Nunatsiavut Tourism Division, in partnership with TCAR, delivered a Tourism Opportunities session in Nain that included representatives from all communities in Nunatsiavut. This session led to follow up meetings with stakeholders to encourage experience development and market readiness.</p> <p>In 2022-23, The Tourism Product Development Division engaged in tourism planning processes with stakeholders in the Town of Petty Harbour/Maddox Cove and Exploits Valley Region. Fully integrated and aligned tourism development plans were created to leverage tourism attractions and provide experiences in all seasons. The Division will work with these stakeholders to implement the actions in their plans.</p> <p>In 2022-23 Tourism Opportunities sessions were held in Mount Pearl, Torbay and the Irish Loop Region. These sessions are open to everyone and provide information on the tourism industry along with highlighting tourism assets in the region.</p> <p>Regional Tourism Product Development Division staff are engaged in ACOA's STAR and STEP tourism processes in the areas of Green Bay, Corner Brook, Twillingate and Clarenville.</p>
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<p>Provided funding and supports to rebuild and grow the tourism sector.</p>	<p>The Tourism Experience Enhancement Fund was launched in November 2022 to provide financial assistance to further support commercial Tourism and hospitality operators to recover from the challenges of the pandemic and to support their efforts in enhancing experiences. Over 300 applications were received, with 274 applications approved with a total program expenditure of almost \$4.8 million.</p>
<p>Continued activities in support of tourism in the province.</p>	<p>TCAR continued to guide several collaborative initiatives around “sense of arrival”. Specifically, the Department collaborated with tourism operators, municipalities, other government departments, ACOA and transportation organizations at major entry points, gateways, hubs and attractions to establish common sense of arrival goals and priorities and initiate partnership activities. Several sense of arrival projects were completed, including at Deer Lake Regional Airport and St. John’s International Airport.</p> <p>TCAR continued to assist regions with the implementation of their Tourism Development Plans. This included working with stakeholders on the Baccalieu Trail to rebrand their region as the Baccalieu Coastal Drive. The Department continues to assist the Town of Conception Bay South to further implement the actions outlined in their tourism plan for their community.</p>

	<p>Additionally, TCAR undertook a number of research based projects including:</p> <ul style="list-style-type: none">• resident tracking studies to investigate resident travel intentions, perceptions of tourism and visitors;• continued annual resident peak season travel activities and characteristics to provide insights and recommendation for experience development and marketing activities;• started planning for the 2023 visitor exit survey to update non-resident visitor knowledge post-pandemic;• developed a research plan to facilitate tracking of Vision 2026 implementation. <p>Through Marketing, Visitor Services and Travel Trade / Travel Media, TCAR continued to support tourism in the province, and works closely with the industry to ensure activities are strategically aligned with our priority markets.</p> <p>In addition, ParksNL operated 13 camping parks, seven day use areas, Main River Waterway Provincial Park and the T'Railway Provincial Park. Conducted Southwest Coast rain event repairs to the T'Railway Provincial Park totaling \$357,196.00</p>
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Discussion of Results

During the reporting period, TCAR was successful in meeting all of the goal and objective indicators under the strategic issue of Tourism Sector Recovery. TCAR supported a number of notable successes in tourism sector recovery including the launch of the Tourism Experience Enhancement Fund which provided financial assistance to help commercial tourism and hospitality operators to recover from the challenges of the pandemic; the completion of several destination trails projects, the successful execution of Come Home Year in 2022 and the rebounding of tourism spending in the province to 90 per cent of pre-pandemic levels. The department also launched Vision 2026 – A Tourism Vision and Strategy for Newfoundland and Labrador to transition the tourism industry through its recovery from the COVID-19 pandemic and transform into a thriving tourism destination.

Issue #2: Support the Arts and Heritage Sector

Guided by the **Historic Resources Act**, the **Status of the Artist Act** and the Cultural Action Plan (2019), TCAR continues to support Newfoundland and Labrador’s arts and heritage sectors.

The Cultural Action Plan recognizes the significant contribution culture makes to the lives of Newfoundlanders and Labradorians and the importance of supporting our artists, cultural practitioners and sector organizations in developing a prosperous sector. During 2022-23 TCAR collaborated with the cultural Crown entities, cultural sector organizations, community organizations, artists, and cultural practitioners to continue to implement the priorities of the Plan.

Since early 2020, the cultural sector in Newfoundland and Labrador has been heavily impacted by the unprecedented COVID-19 pandemic in 2020. Performance venues were unable to open which impacted the ability of organizations to generate revenue and the ability of artists to make a living. Professional artists in the ‘Gig Economy’ faced the loss of performance opportunities (both within and outside the province) and associated income. Many major festivals/events were cancelled completely and some attempted to

move to a temporary digital format. Museums/historic sites either remained closed or opened with limited capacity/hours, which all directly resulted in a significant loss of revenues. In addition, cultural facilities that did open faced the loss of out of province travellers, who make up a large portion of the visitation to many cultural facilities across the province. In support of the Arts and Heritage Sector, TCAR undertook initiatives and worked with stakeholders to determine the impact on the sector and identify requirements for future recovery and post recovery phases.

Goal Statement

By March 31, 2023, the Department of Tourism, Culture, Arts and Recreation will have enhanced its support to the cultural industries in Newfoundland and Labrador.

Indicators	Results
<p>Provided support to the professional artists and musicians.</p>	<p>During 2020, 2021, and 2022 TCAR delivered the Artist Support Program to provide COVID relief for artists. In total 1,164 artists and musicians received support and \$5,820,000 was disbursed as part of the program.</p>
<p>Provided funding under the Cultural Economic Development Program.</p>	<p>During the reporting period TCAR's Cultural Economic Development Program distributed:</p> <ul style="list-style-type: none"> • \$3.32 million in 2020-21 • \$3.32 million in 2021-22 • \$3.14 million in 2022-23. <p>In addition, special funding through Come Home Cultural Funding Program disbursed:</p> <ul style="list-style-type: none"> • \$4,173,827 in 2021-22 • \$993,000 in 2022-23

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<p>Preserved, protected and operated government’s cultural infrastructure.</p>	<p>During the reporting period, TCAR carried out its activities related to the ongoing preservation, protection and operation of designated Provincial Historic Sites, carried out operations (programming, special events) at the six Arts and Culture Centres and completed infrastructure upgrades to Provincial Historic Sites and Arts and Culture Centres in 2021-22 and 2022-23, including the completion of refurbishments to the Colonial Building in September 2022 and the renaming of the former Mary March Provincial Museum to the Demasduit Regional Museum.</p>
<p>Continued partnerships with Arts and Heritage stakeholders.</p>	<p>TCAR continued its ongoing partnership with cultural stakeholders via cultural development initiatives, cultural funding programs, cultural sector organization liaison, attendance at stakeholder events, Provincial Historic Sites programming, Arts and Culture Centre programming, Provincial Archaeology Office outreach, and First World War Commemorations programs.</p>

2022-23 Objective

By March 31, 2023, the Department of Tourism, Culture, Arts and Recreation will have supported increased activity in the cultural sector for Newfoundland and Labrador.

Indicators	Results
<p>Undertook priority initiatives to advance cultural support and development.</p>	<p>In 2022-23, the TCAR undertook, advanced, and successfully completed a number of priority initiatives</p>

	<p>to advance cultural support and development. These include:</p> <ul style="list-style-type: none"> • Delivery of Come Home Year Cultural Funding Program; • Reopening of the fully restored Colonial Building Provincial Historic Site in September 2022; • Delivery of Come Home Year marquee events such as: Come From Away Concerts in Gander and St. John’s and Tell Tale Harbour musical tour of Arts and Culture Centres; • Development of a local production of the Come From Away musical at the Gander Arts and Culture Centre; • Advancement of the transboundary UNESCO World Heritage nomination between the Heart’s Content Cable Station Provincial Historic Site and the Valentia Cable Station in Ireland; • Dedicated the Newfoundland Caribou monument in Gallipoli, Türkiye to complete the First World War Trail of the Caribou; • Advanced of the refurbishment of the National War Memorial and inclusion of a tomb of an unknown soldier to culminate with the Memorial’s centenary in July 2024. • Advancement of the mandate of the interdepartmental Monuments and Observances Working Group of which TCAR is chair.
<p>Collaborated with Federal/Provincial/Territorial partners.</p>	<p>In 2022-23, Newfoundland and Labrador co-chaired the Federal/Provincial/Territorial Table on Culture and Heritage (FPTCH), which includes Director, Deputy</p>

	<p>Minister and Ministerial level committees. This culminated in Newfoundland and Labrador hosting the annual FPTCH Minister Meetings in July 2022.</p> <p>The mandate of the Table is to share information and best practices in culture and heritage, discuss issues of common interest, and identify opportunities for cooperation. Areas of joint interest in collaboration included: cultural export, federal heritage and museum legislation/policies, cultural funding programs, Indigenous cultural heritage, and cultural statistics.</p>
<p>Provided funding to support and sustain cultural development.</p>	<p>The Department’s Cultural Economic Development Program distributed \$3.14 million in 2022-23. This funding supported 170 arts and culture organizational funding requests and special projects, 46 community cultural events, and 5 Indigenous Cultural Heritage projects.</p> <p>In addition, approximately \$993,000 was distributed to support 45 projects as part of the Come Home Year Cultural Funding program.</p>
<p>Operated Government-owned cultural facilities.</p>	<p>Provincial Historic Sites reported a record total of 121,436 visitors in 2022, an increase of 248 per cent over 2021 and exceeding pre-pandemic levels in 2019 by 15 per cent. 2022 continued the streak of record visitation levels at Provincial Historic Sites, with the exception of COVID years (2020 and 2021).</p> <p>2022 also saw the reopening of the Colonial Building Provincial Historic Site after a 13 year extensive</p>

	<p>restoration. In the 80 days between opening and the seasonal closure on November 30, 2022, approximately 2,500 visitors toured the site.</p> <p>Arts and Culture Centres in Newfoundland and Labrador experienced a successful year in 2022, with an increase of audience attendance by 53 per cent over 2021.</p> <p>Approximately 113,000 patrons attended performances across the province this year, as the Arts and Culture Centres returned to traditional operations following the lifting of public health restrictions. This also allowed the Barbara Barrett Theatre in St. John's to reopen for the first time since 2020.</p> <p>With support from Come Home 2022, Arts and Culture Centres across the province presented 442 events, including five performances of Come From Away: The Concert and 11 performances of Tell Tale Harbour, featuring Newfoundland and Labrador's own, Alan Doyle.</p> <p>The Arts and Culture Centres supported cultural events, as well as individual artists, including: the Tombolo Multicultural Festival Committee, First Light Friendship Centre, the Kitchen Party Theatre Festival Committee, The Juniper Tree Collective, Azal Dosanjh and Santiago Guzman.</p>
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	<p>In keeping with their role as a community hub, the Arts and Culture Centres also collaborated with local artists on a benefit concert for those affected by the war in Ukraine, which took place in April.</p> <p>In addition, \$4 million was invested in Arts and Culture Centre and Provincial Historic Site infrastructure in 2022 (\$2 million for each) to address much needed upgrades/repairs.</p>
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Discussion of Results

During the reporting period, TCAR was successful in achieving its goal and objective for the strategic issue “Support the Arts and Heritage Sector.” The distribution of COVID relief for artists was a significant highlight from the reporting period, as well as the delivery of Come Home Year Cultural Funding and marquee events. Work undertaken in the 2020-2023 period will support TCAR and its stakeholders in the coming years as we build on the successes of Come Home Year to inform the Year of the Arts in 2024.

Issue #3: Healthy Living Action Plan

Sport and recreation are important for the physical, mental, emotional and social wellbeing of individuals. The COVID-19 public health emergency has had a significant impact on the recreation and sport sector.

While most recreation and sport activities have resumed there is often uncertainty for organizers and participants as the COVID-19 pandemic continues. Many individuals have ongoing apprehension with the resumption of sport activities, even when public health measures are in place, resulting in reduced registration and enrollment.

TCAR recognizes the importance of an active lifestyle for the physical, social and mental well-being of individuals and has therefore committed to develop and implement an Active

Living Action Plan, in collaboration with the recreation and sport sector. The Action Plan was delayed through the pandemic years, but will guide and stimulate coordinated policies, practices, programs and initiatives that will facilitate the health and well-being of residents of Newfoundland and Labrador and the communities in which residents live, learn, work and play.

Goal Statement

By March 31, 2023, the Department of Tourism, Culture, Arts and Recreation will have led the development and implementation of a Healthy Active Living Action Plan.

Indicators	Results
Developed a Healthy Living Action Plan.	TCAR did not develop a Healthy Living Action Plan during the reporting period. Progress was delayed as a result of COVID-19 but also due to the need to ensure alignment and complementarity with other Provincial Government strategies and priorities that were under development including Health Accord NL and Health-In-All-Policies. Recognizing the importance of active living to both individuals and communities, TCAR remains committed to the development and implementation of an Active Living Action Plan, in collaboration with stakeholders in the recreation, sport and healthy living sectors.
Collaborated with key recreation and sport partners on development initiatives.	While progress was delayed in conducting external engagement and consultation activities as a result of the pandemic, TCAR has been engaged with internal stakeholders and is working to ensure an Active Living Action Plan complements work already underway in other Departments. Following

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	the release of the online questionnaire, targeted virtual consultations will be held for various stakeholders including the recreation and sport sector.
Provided support to recreation and sport stakeholders of the Department.	During the reporting period, TCAR provided support to recreation and sport stakeholders through Active NL Fund, the National Championship Travel Subsidy (NCTS), the Sport Championship Hosting Program, the Active Schools program, and the Athletic Excellence Fund.

2022-23 Objective

By March 31, 2023, the Department of Tourism, Culture, Arts and Recreation will have continued implementation and monitored progress of a Healthy Active Living Action Plan.

Indicators	Results
Engaged and collaborated with key stakeholders in sport, recreation and healthy living sectors.	<p>In 2022-23 TCAR collaborated with key stakeholders in sport, recreation and healthy living sectors in the following ways:</p> <ul style="list-style-type: none"> • TCAR worked with Atlantic counterparts, to host an Atlantic Concussion Awareness Week Webinar’ during National Concussion Awareness Week in September 2022. • TCAR engaged with the four provincial recreation and sport associations in the province (Aboriginal Sport and Recreation Circle NL, Recreation NL, School Sports NL and Sport NL) to develop, coordinate and

	<p>deliver physical activity, sport and recreation programs and services in the province.</p> <ul style="list-style-type: none">• TCAR staff is engaged with the Departments of Health and Community Services and Education to support the implementation of the Healthy Students Healthy Schools (HSHS) governance structure. HSHS is designed to create, support and promote healthy school environments for students to learn and foster positive health and well-being.• Through the 2022-23 ParticipACTION Partnership, TCAR worked with an advisory committee that included representation from the Regional Health Authorities, Nunatsiavut Government's Department of Health and Social Development, Department of Health and Community Services, Recreation NL and ParticipACTION, to develop the first ever Health Care Provider Physical Activity Kit. The kit consisted of tools, resources, and three webinar sessions to support health care providers with information about increased physical activity, reduced sedentary behaviour and good quality sleep.• TCAR provided funding to Sport NL to support a phase 2 of the Healthy Me, Better Me Campaign, which provided awareness and education targeted at youth to live active, healthier lives.
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<p>Provided funding in support of healthy living initiatives.</p>	<p>In 2022-23, through the Active NL Fund, in excess of \$1.7M was provided to over 280 organizations and groups. Funding supported initiatives, infrastructure, and equipment that increases participation in physical activity, sport, active recreation, healthy eating for individuals of all ages.</p> <p>In 2022-23, TCAR provided over \$3M to the four provincial recreation and sport association in the province (Aboriginal Sport and Recreation Circle NL, Recreation NL, School Sports NL and Sport NL) to deliver and develop physical activity, sport and recreation initiatives.</p> <p>Through the National Championship Travel Subsidy (NCTS), TCAR supported 489 athletes with over \$123,000 to help offset the high travel costs for Newfoundland and Labrador athletes participating in national championships.</p> <p>Through the Sport Championship Hosting Program, TCAR provided over \$71,000 to support 8 Provincial Sport Organizations with hosting International, National, Eastern Canadian and Atlantic Championship events, as well as National Sport Organization Annual General Meetings in NL.</p> <p>TCAR provides financial funding to Provincial Sport</p>
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	<p>Organization (PSO) through Annual Operating Grants and Canada Games funding to support the develop of sport in the province and help offset the costs associated with preparing for the Canada Games.</p> <p>In 2022-23, TCAR provided \$150,000 to the Newfoundland and Labrador English School District to support the Active Schools program, designed to support classroom teachers to provide an additional 80-100 minutes of physical activity per cycle for kindergarten to grade twelve students, during regularly scheduled curriculum time (e.g. math, science, social studies).</p> <p>TCAR provided funding through the Athletic Excellence Fund to support athletes to help offset costs incurred through training and travel so they can continue to participate in their sport and live active lifestyles.</p>
<p>Undertook priority initiatives to advance healthy active living.</p>	<p>TCAR developed a Daily Physical Activity Policy for school that was approved by EDU in April 2023. Discussions are continuing on the implementation phase of the policy with the Department.</p> <p>TCAR provided funding to support planning and delivery of the 2025 Canada Games to be hosted in St. John’s in August 2025. Operational funding was provided to the 2025 Canada Games Host Society Inc., with additional funding provided to</p>

	<p>Tennis Newfoundland and Labrador to support tennis facility upgrades.</p> <p>TCAR provided funding to Recreation NL to finalize phase 2 of a Recreation Facility Locator tool, which provides the public with information on various recreation facilities in the province, including location and specific facility information. Recreation NL gathered information on public and private owned recreation and sport facilities, including, arenas, aquatic facilities, community centres, tennis courts, sport fields, etc.</p> <p>TCAR provided \$200,000 to support the 2022-23 ParticipACTION Partnership. This partnership consisted of co-branded public education campaign/assets including the Move for Your Mood Campaign, development of a Health Care Provider Physical Activity Kit, promotion of the ParticipACTION App and funding to recognize a provincial Most Active Community Award as part of the ParticipACTION National 2023 Community Better Challenge.</p>
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Discussion of Results

During the reporting period progress on the development of a Healthy Active Living Action Plan was delayed as a result of COVID-19 but also due to the need to ensure alignment and complementarity with other Provincial Government strategies and priorities that were also under development at the time such as Health Accord NL and Health-In-All-Policies. Recognizing the importance of active living to both individuals and communities, TCAR remains committed to the development and implementation of an Active Living Action

Plan, in collaboration with stakeholders in the recreation, sport and healthy living sectors. The Action Plan, which will guide and stimulate coordinated policies, practices, programs, and initiatives targeted at improving the overall health and well-being of residents throughout Newfoundland and Labrador, is in development. During the reporting period, TCAR continued to carry out its other important work in the recreation and sport sectors such as working with the four provincial recreation and sport associations to develop, coordinate and deliver physical activity, sport and recreation programs and services in the province.

Opportunities and Challenges

There are a number of opportunities on the horizon for TCAR. Vision 2026 which was released in 2022 provides a five-year blueprint to transform the province's tourism landscape. The implementation of Vision 2026 will provide an opportunity to work closely with partners and stakeholders to transform this province into a thriving tourism destination. Vision 2026 will help guide tourism development decisions which leverage Newfoundland and Labrador's tourism brand; deliver on the brand promise throughout the visitor journey and support competitiveness drivers. Vision 2026 will inform most of the work undertaken by the tourism divisions over the next three years.

In 2025, the City of St. John's will host the 2025 Canada Summer Games which is a significant opportunity for TCAR and is anticipated to bring significant long term benefits to the sport and recreation community in the province. As part of the preparation for the Games, TCAR will work with partners to support upgrades to various sport and recreational facilities which will improve access to opportunities for sport participation for years to come. Hosting the Canada Games will also improve the capacity for volunteers and sports organizations to organize and implement sporting events, and will help increase the exposure of individuals in the province to engage in organized sports that may not have been available in the past.

There are also a number of opportunities on the horizon for the Arts and Heritage sector, including proclaiming the Year of the Arts 2024, which will include additional financial support for the arts, artists, and arts infrastructure in the province. The Department will also work toward UNESCO World Heritage Site designation for the Heart's Content Cable Station, and the refurbishment of the Provincial War Memorial and establishment of the Tomb of the Unknown Soldier in St. John's.

TCAR will also be challenged in a number of ways in the coming years. The tourism sector continues to feel impacts of the COVID-19 pandemic, including workforce shortages, particularly in rural areas. The tourism sector is also impacted by air access challenges,

with fewer flights available into the province and no direct flights currently available to Europe. TCAR is working with partners and stakeholders to address these challenges and aims to increase air access to and from the province.

The Recreation and Sport division was challenged over the last three years with clarifying the requirements of a provincial active living action plan given that various departments with complementary mandates working toward similar projects, including the Health Accord, and Health in All Policies. TCAR was challenged to find congruity with ongoing work and to define the requirements of an active living action plan, with that work now resolved, the TCAR looks forward to engaging the public and stakeholders on the development of a comprehensive plan in the coming months.

There is much exciting work to be done in the tourism, cultural, sport, recreation and film sectors in the coming months and years. TCAR is committed to work diligently with its partners and stakeholders to maximize the opportunities and face the challenges head-on.

Financial Information

Expenditure and revenue figures included in this document are based on public information provided in the “**Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2023 (unaudited)**”

<u>Appendix A: TCAR Expenditures by Main Allocation</u>		2022-23	2022-23	2022-23
		Original	Amended	Actual (\$)
Line Item	Source of Expenditure	Estimate (\$)	Estimate (\$)	(Unaudited)
1.1.01	Minister's Office	291,100	288,200	297,100
1.2.01	Executive Support	1,026,300	1,230,100	1,239,300
1.2.02	Corporate Services	987,100	844,200	796,600
2.1.01	Tourism	19,452,000	19,047,100	17,950,400
	(Less: Revenue)	(1,025,000)	(71,000)	(195,900)
2.1.02	Sector Research	940,700	884,300	886,500
2.1.03	Strategic Product Development	5,824,800	5,784,300	5,555,700
2.1.04	Marble Mountain Development Corporation	306,400	306,400	306,400

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2.1.05	Marble Mountain Development Corporation (Capital)	1,350,000	1,350,000	1,350,000
2.2.01	C.A. Pippy Park	263,500	263,500	263,500
2.2.02	Park Operations	5,790,100	6,284,100	6,264,900
	(Less: Revenue)	(742,100)	(337,000)	(281,800)
3.1.01	Arts & Culture Centres	13,480,700	10,447,700	10,576,602
	(Less: Revenue)	(5,178,000)	(6,000,000)	(6,948,400)
3.1.02	Arts, Heritage, & Historic Development	9,458,500	9,541,100	9,305,400
	(Less: Revenue)	(150,000)	(3,800)	(4,200)
3.1.03	Newfoundland and Labrador Arts Council	5,018,000	5,018,000	5,018,000
3.1.04	The Rooms Corporation of Newfoundland & Labrador	6,376,500	6,376,500	6,376,500
3.1.05	Heritage Foundation of Newfoundland & Labrador	412,500	412,500	412,500
3.1.06	Celebrate NL Inc.	1,000,000	1,000,000	1,500,000
3.1.07	Arts & Culture Centres Infrastructure	-	69,900	

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4.1.01	Newfoundland & Labrador Film Development Corporation	625,600	1,025,600	3,481,500
4.1.02	Newfoundland & Labrador Film Development Corporation - Capital	10,000,000	10,000,000	10,000,000
4.2.01	Sport & Recreation	12,241,500	11,387,500	12,666,724
	(Less: Revenue)	(715,500)	(557,200)	(183,800)
4.2.02	Newfoundland and Labrador Sports Centre Inc.	411,600	411,600	411,600
	Gross Budget	95,257,000	93,706,200	96,814,400
	Related Revenue	(7,810,600)	(6,969,000)	(7,614,100)
	Net Budget	87,446,400	86,737,200	89,200,300

Annex A: Celebrate NL Audited Financial statements

In the absence of an annual performance report for Celebrate NL Inc, audited financial statements have been appended to this report. The financial statements can be found below.

**CELEBRATE NL INC.
FINANCIAL STATEMENTS
MARCH 31, 2023**

Office of the Auditor General

Management's Report

Management's Responsibility for the Celebrate NL Inc. Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of Celebrate NL Inc., in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of Celebrate NL Inc.

On behalf of Celebrate NL Inc.



Ms. Caroline Orsborn
Executive Director



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Celebrate NL Inc.
St. John's, Newfoundland and Labrador

Opinion

I have audited the financial statements of Celebrate NL Inc., which comprise the statement of financial position as at March 31, 2022 and 2023, and the statement of operations, statement of change in net financial assets, and statement of cash flows for the period and 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 Celebrate NL Inc. as at March 31, 2022 and 2023 and the results of its operations and its cash flows for the period and the year then ended in accordance with Canadian public sector accounting standards.

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 Celebrate NL Inc. in accordance with the 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

Independent Auditor's Report (cont.)

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Other Matter

The comparative financial statements of Celebrate NL Inc. for the period ended March 31, 2022 are unaudited.

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 Celebrate NL Inc.'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 cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Celebrate NL Inc.'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:

Independent Auditor's Report (cont.)

- 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 Celebrate NL Inc.'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 Celebrate NL Inc.'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 Celebrate NL Inc. 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.



DENISE HANRAHAN, CPA, CMA, MBA, ICD.D
Auditor General

July 28, 2023
St. John's, Newfoundland and Labrador

ANNUAL REPORT 2022-2023

CELEBRATE NL INC.
STATEMENT OF FINANCIAL POSITION
As at March 31

	2023	2022
		(Note 9)
FINANCIAL ASSETS		
Cash	\$ 6,407,560	\$ -
Due from Province (Note 6)	500,000	5,800,000
Accounts receivable (Note 3)	52,816	-
	<u>6,960,376</u>	<u>5,800,000</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	<u>128,509</u>	-
	<u>128,509</u>	-
Net financial assets	<u>6,831,867</u>	<u>5,800,000</u>
Accumulated surplus	<u>\$ 6,831,867</u>	<u>\$ 5,800,000</u>

Contractual obligations (Note 7)

The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Corporation:


 Chairperson


 Member

Office of the Auditor General

ANNUAL REPORT 2022-2023

CELEBRATE NL INC.
STATEMENT OF OPERATIONS
 For the Period Ended 31 March

	2023 Budget	2023 Actual	2022 Actual
	Unaudited (Note 10)		(Note 9)
REVENUES			
Province of Newfoundland and Labrador (Note 6)	\$ 1,000,000	\$ 1,500,000	\$ 5,800,000
Interest Revenue	-	221,200	-
	<u>1,000,000</u>	<u>1,721,200</u>	<u>5,800,000</u>
EXPENSES (Note 11)			
Events	1,000,000	110,237	-
Operating	1,000,000	579,096	-
	<u>2,000,000</u>	<u>689,333</u>	<u>-</u>
Annual (deficit) surplus	(1,000,000)	1,031,867	5,800,000
Accumulated surplus, beginning of year	5,800,000	5,800,000	-
Accumulated surplus, end of year	\$ 4,800,000	\$ 6,831,867	\$ 5,800,000

The accompanying notes are an integral part of these financial statements.

Office of the Auditor General

ANNUAL REPORT 2022-2023

CELEBRATE NL INC.
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Period Ended March 31

	2023 Budget	2023 Actual	2022 Actual
	Unaudited (Note 10)		(Note 9)
Annual (deficit) surplus	\$ (1,000,000)	\$ 1,031,867	\$ 5,800,000
(Decrease) increase in net financial assets	(1,000,000)	1,031,867	5,800,000
Net financial assets, beginning of year	5,800,000	5,800,000	-
Net financial assets, end of year	\$ 4,800,000	\$ 6,831,867	\$ 5,800,000

The accompanying notes are an integral part of these financial statements.

Office of the Auditor General

ANNUAL REPORT 2022-2023

**CELEBRATE NL INC.
STATEMENT OF CASH FLOWS
For the Year Ended March 31**

	2023	2022
		(Note 9)
Operating transactions		
Annual surplus	\$ 1,031,867	\$ 5,800,000
	1,031,867	5,800,000
Change in non-cash operating items		
Due from Province	5,300,000	(5,800,000)
Accounts receivable	(52,816)	-
Accounts payable and accrued liabilities	128,509	-
Cash operating transactions	6,407,560	-
Increase in cash	6,407,560	-
Cash, beginning of year	-	-
Cash, end of year	\$ 6,407,560	\$ -

The accompanying notes are an integral part of these financial statements.

Office of the Auditor General

CELEBRATE NL INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

1. Nature of operations

Celebrate NL Inc. (the Corporation) is a Crown entity of the Province of Newfoundland and Labrador that was established on March 7, 2022. The Board of Directors are appointed by the Lieutenant-Governor in Council and consists of five positions internal to Government. The Board reports to the Minister of Tourism, Culture, Arts and Recreation.

The Minister of Tourism, Culture, Arts and Recreation holds 100 per cent of the issued common shares of the Corporation on behalf of the Province of Newfoundland and Labrador. Currently, there are 500 authorized common shares of no par value with 500 shares issued.

Pursuant to its by-laws, the Corporation has responsibility of leading the development of the Province's event strategy and attracting, supporting and delivering major celebrations and special events.

The Corporation is a Crown entity and as such, is not subject to Provincial or Federal Income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Corporation is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). The Corporation's management prepared these financial statements in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board. The Corporation does not prepare a statement of remeasurement gains and losses as they have not entered into relevant transactions or circumstances that are being addressed by the statement. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Corporation's financial instruments recognized on the statement of financial position consist of cash, due from Province, accounts receivable, and accounts payable and accrued liabilities. The Corporation generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition. The Corporation subsequently measures all of its financial assets and financial liabilities at cost.

CELEBRATE NL INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

The carrying values of cash, due from Province, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their nature and/or short-term maturity associated with these instruments.

Interest income attributable to financial instruments is reported on the statement of operations.

(c) Cash

Cash includes cash in the bank.

(d) Employee future benefits

The employees of the Corporation are subject to the Public Service Pensions Act, 2019. Employee contributions are matched by the Corporation and remitted to Provident¹⁰ from which pensions will be paid to employees when they retire. This plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015. For service before January 1, 2015, the higher of the average of the frozen best five years of earnings up to January 1, 2015, or the average of the best six years of earnings for all service.

The matched contributions paid by the Corporation are recorded as an expense for the year.

(e) Revenues

Revenues are recorded on an accrual basis in the period in which the transactions or events, which gave rise to the revenues occurred. When the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded when received.

The Corporation recognizes government transfers as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation related to the liabilities are settled. Government transfers consist of funding from the Province of Newfoundland and Labrador.

Interest revenue is recorded on an accrual basis as earned.

Office of the Auditor General

CELEBRATE NL INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

2. Summary of significant accounting policies (cont.)

(f) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense. Government transfers are recognized as expenses in the period in which the transfer is authorized and all eligibility criteria have been met. Government transfers include grants and subsidies under the Corporations programs including those directed by the Province.

(g) Measurement uncertainty

The preparation of financial instruments in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available.

3. Accounts receivable

	<u>2023</u>	<u>2022</u> (Note 9)
Bank Interest	\$ 28,731	\$ -
Harmonized sales tax	24,085	-
	<u>\$ 52,816</u>	<u>\$ -</u>

There is no allowance for doubtful accounts since all amounts are considered collectible.

4. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u> (Note 9)
Trade accounts payable	\$ 1,575	\$ -
Due to Province (Note 6)	12,190	-
Accrued salaries and benefits	114,744	-
	<u>\$ 128,509</u>	<u>\$ -</u>

Office of the Auditor General

CELEBRATE NL INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. Employee future benefits

The Corporation and its employees are subject to the Public Service Pension Plan (the Plan) in accordance with the Public Service Pensions Act, 2019 (the Act). The Plan is administered by Provident¹⁰, including payment of pension benefits to employees to whom the Act applies.

The Plan provides a pension based on the age of its members at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2022 - 11.85%). The Corporation contributes an amount equal to the employee contributions to the Plan. Total pension expense for the Corporation for the year ended March 31, 2023 was \$32,395 (2022 - \$0).

6. Related party transactions

- (a) The Corporation receives grant funding from the Province of Newfoundland and Labrador, which supports operations and programs. During the year, the Corporation received or was owed grants totaling \$1,500,000 (2022 - \$5,800,000). These transactions are in the normal course of business measured at the exchange amount.
- (b) The Corporation leases office space from the Province of Newfoundland and Labrador at an annual rate of \$1. Within this arrangement, the Corporation also avails of office equipment, information technology services and legal services.
- (c) Accounts payable and accrued liabilities includes \$12,190 (2022 - \$0) due to the Province of Newfoundland and Labrador through the normal course of business measured at the exchange amount.
- (d) Event grant expense was paid to a related party – Newfoundland and Labrador Film Development Corporation totaling \$20,343 in the normal course of business.

7. Contractual obligations

The Corporation has committed to support an organization with funding of \$9,044 annually through to March 31, 2025 to support the delivery of its events-related strategic plan in Atlantic Canada.

CELEBRATE NL INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

8. Financial risk management

The Corporation recognizes the importance of managing risks and this includes policies and procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Corporation is exposed to through its financial risks are credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risk relates to cash, due from Province and accounts receivable. The Corporation's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Corporation is not exposed to significant credit risk with cash because this instrument is held with a chartered bank. The Corporation is not exposed to significant credit risk related to its due from Province and accounts receivable as these amounts are due primarily from the Province of Newfoundland and Labrador and the Federal Government. Accordingly, there is no allowance for doubtful accounts as all amounts are considered collectible.

Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its financial liabilities and contractual obligations. The Corporation's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities. The Corporation manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities and contractual obligations.

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 (foreign exchange) risk, interest rate and other price risk. The Corporation is not exposed to significant foreign exchange risk or other price risk. The Corporation is not exposed to significant interest rate risk, as it has no investments.

9. Comparative figures

The Corporation was incorporated on March 7, 2022 and formal financial statements were not prepared for the period ending March 31, 2022. However, relevant transactions for the period beginning March 7, 2022 and ending March 31, 2022 are included herein for comparative purposes.

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10. Budgeted figures

The Corporation's budget is prepared on a cash basis and approved by the Corporation's management. The 2023 budget expenses exceeded the Corporation's budgeted revenues and the expected difference would be funded from the prior year's revenue. Budgeted figures included in the financial statements are not audited.

11. Expenses by object

The following is a summary of expenses by object:

	2023 <u>Budget</u> Unaudited (Note 10)	2023 <u>Actual</u>	2022 <u>Actual</u> (Note 9)
Grants and subsidies	\$ 1,000,000	\$ 110,237	\$ -
Professional services	70,445	21,693	-
Purchased services	76,625	23,576	-
Salaries and benefits	750,000	500,612	-
Travel	102,930	33,215	-
	<u>\$ 2,000,000</u>	<u>\$ 689,333</u>	<u>\$ -</u>

