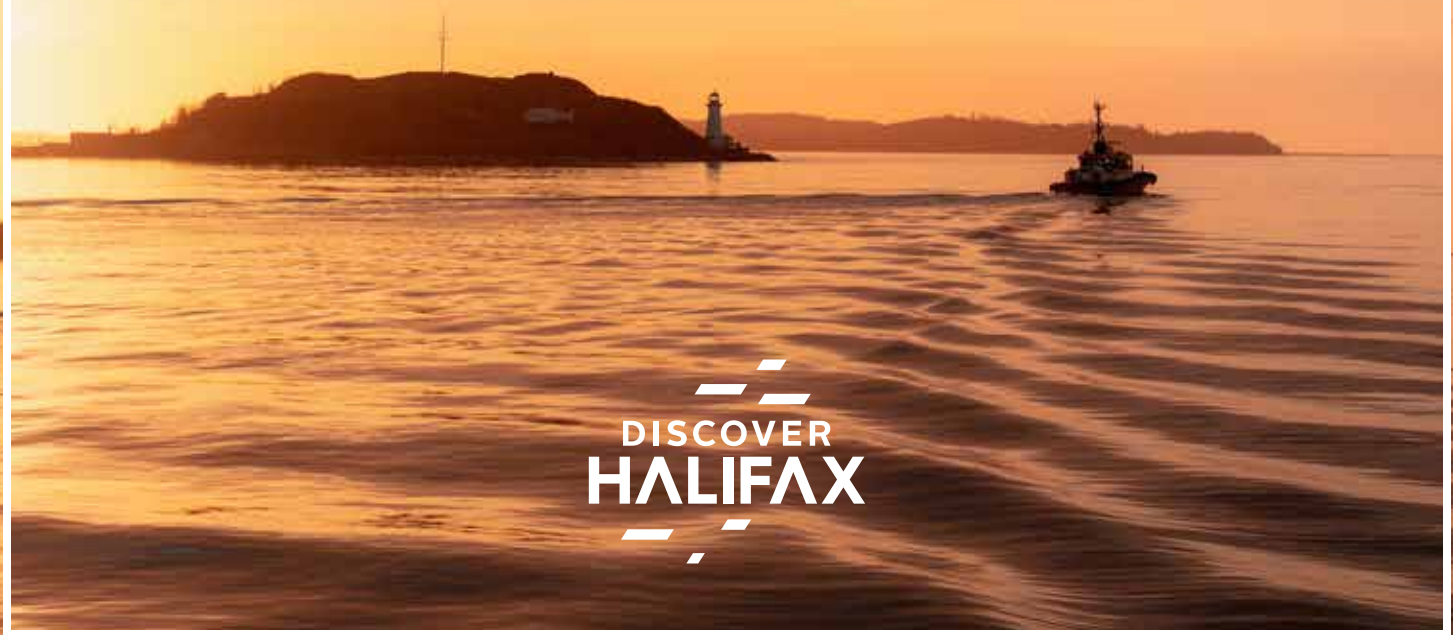




**DISCOVER HALIFAX**  
**2022**  
**ANNUAL**  
**REPORT**







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## Message from the Chair

**I love Halifax in the fog. Some of my favourite days on the Halifax boardwalk are the ones where the fog is so thick, you can't see George's Island, let alone Dartmouth.**

When you arrive at Halifax Stanfield, the fog often greets you. It's fresh in the way the sea is fresh – it's salty, it rejuvenates, and it's home. And it's part of why I decided to join the Board of Directors at Discover Halifax eight years ago.

I wanted to be part of an organization with the important responsibility of attracting people to Halifax. At a time when many were leaving, I wanted to be part of Halifax's growth, and support Halifax to thrive. Not by being like everyone else, but by being uniquely ourselves.

Places shape us. They shape how we live, how we move, and how we feel. When a city is a place you can belong, when you can feel at home while experiencing something new - it's a compelling value proposition. Among Canada's fastest growing cities by population, and with tourism rebounding back to exceed pre-pandemic records, Halifax has become a magnet for people. We champion that growth, and we also believe that with growth comes responsibility.

Because equally, we shape places. It is easy to celebrate and share this place, and we must also respect it and nurture it – both the people and the environment. We are lucky to live in this extraordinary landscape, among diverse, extraordinary people, and we have a responsibility to take care of it and each other. And we have a responsibility to engage people to contribute to

making it even better, whether they are staying for a short time, for a lifetime, or for generations into the future.

The possibility of Halifax can only be realized together, with many perspectives and many hands. Such places can belong to all of us, just as we belong to them.

And I think it's also true of a great team. Team Halifax is a great team, and it extends beyond the walls of Discover Halifax. When people are connected with a place, they care for it. They leave it a little better than they found it, and they leave a little changed, and a little better than when they arrived.

*That's how I feel about my time at Discover Halifax.*

This is a team and community brimming with leadership and a commitment to serve the Halifax region and each other. Together, with excellent partners working alongside us to attract people and investment to Nova Scotia, I like to think that we have made this place a little better. And I am leaving changed, and a little better than when I arrived. It has been a privilege to serve this very special city alongside this very special team. However foggy, the future for Halifax has never been brighter, and I know the best is yet to come.

**Jennifer Angel**  
CEO | Evergreen



## Message from the President and CEO

**The tourism industry demonstrated remarkable resilience and determination in rebuilding and recovering in 2022 from the challenges brought about by the pandemic. I am pleased to report that the Halifax Regional Municipality (HRM) had a record-breaking year with a 4.5 per cent increase in rooms sold when compared to pre-pandemic levels.**

I believe this achievement can be attributed to the combined efforts of industry stakeholders, including tourism operators, businesses, and organizations. We worked collaboratively to ensure that Halifax remained a top destination for visitors.

We also witnessed significant progress in 2022 on many initiatives in the Integrated Tourism Master Plan. With the cooperation of the Hotel Association of Nova Scotia and HRM Council, we received a commitment for increased investment in three critical areas: expand support for festivals and events; develop a program to promote Halifax in key national markets; and invest in destination development services. These new initiatives will launch in 2023 and will help further strengthen HRM's tourism industry and promote sustainable growth.

We recognize the importance of balancing economic growth with environmental and social responsibility, and we are proud of our industry's sustainable tourism development efforts. We will continue to consider the importance of minimizing the impact of tourism on our environment, to maximize the benefits for visitors, residents, and investors in this industry.

I want to especially thank the amazing team of people that I have the privilege to work with every day at Discover Halifax. It's a high performing team of professionals that are passionately working to better our region for visitors and residents alike. And none of our achievements at Discover Halifax would have been possible without the dedication and hard work of a great network of partners, our Board of Directors, and you, our members. We extend our appreciation to all of you for your support and commitment to the tourism industry in our region.

Looking ahead, we are optimistic about the future of the tourism industry in HRM. While challenges remain, we are confident in our ability to continue our smart, sustainable growth. We are excited to continue working with our partners and stakeholders to ensure that Halifax remains a top destination for both residents and visitors from around the world.

*Thank you all for your continued support.*

**Ross Jefferson**  
President and CEO | Discover Halifax

# Our Vision

Globally recognized as the favourite city in Canada.

# Our Mission

We seek to maximize economic and social benefits derived from the tourism industry for the benefit of the people who live, visit, and invest in our region.

We do this by showcasing the best of our region to the world, and through collective impact, we seek to shape the future of our industry through good planning, investment, and design.

# Our Values

We are passionate • We care about the future  
We are collaborators & connectors • We aspire to be curious and innovative  
We are entrepreneurial and pioneering • We care about people

# 2022 Board of Directors

**Jennifer Angel, Chair**

Chief Executive Officer, Evergreen

**Doug Townsend, Vice-Chair**

Co-Owner, The Canteen on Portland

**Paul Brigley, Treasurer**

VP, Finance and CFO, Halifax International Airport Authority

**Ross Jefferson, Ex Officio**

President and CEO, Discover Halifax

**Ken Bagnell**

President, Canadian Sport Centre Atlantic

**Patty Cuttell**

Councillor, Halifax Regional Municipality

**Megan Delaney**

General Manager, Cambridge Suites

**Tareq Hadhad**

Chief Executive Officer, Peace by Chocolate

**Emily Haynes**

Executive Director, Taste of Nova Scotia

**Talha Khan**

General Manager, Delta Hotels by Marriott Dartmouth

**Ryan Murphy**

President/Owner, Murphy's Camping on the Ocean

**Chirag Patel**

Director of Operations, Comfort Inn Halifax

**Mayor Mike Savage**

Halifax Regional Municipality

**Denise Schofield**

Deputy Chief Administrative Officer - Citizen Services,  
Halifax Regional Municipality

# Discover Halifax Team

**Christian Allain**

Manager, Marketing and Business Development

**Paul Bailey**

Sales and Marketing Director, Group Sales

**Lyndsay Belair**

Senior Graphic Designer

**Michele Bourgeois**

Travel Trade and Meeting Services Specialist

**Annie Cameron**

Senior Manager, Marketing Content

**Holly Chessman**

Director, Marketing and Member Services

**Katie Conklin**

Senior Marketing Project Manager

**Maggie Duffy**

Coordinator, Marketing Content

**Ashley Fraser**

Reception and Administrative Clerk

**Lisa Goguen**

Business Development Manager

**Chris Gosse**

Events Manager, Sports and Culture

**Mallori Inzinga**

Account Executive, Rural Tourism

**Ross Jefferson**

President and CEO

**Tami LeBlanc**

Sales Director, Canadian Association and Corporate Markets

**Morgan MacKinnon**

Events and Marketing Manager

**Stacey Mungur**

Coordinator, Marketing and Visitor Experience

**Amy Myatt**

Sales Support Manager

**Jeff Nearing**

Vice President, Sales

**Angela Petry**

Executive Administrator

**Sarah Reeves**

Director, Communications

**Clare Tidby**

Vice President, Marketing and Visitor Experience

**Cindy Wade**

Sales Support Services







# Balanced Scorecard

# Balanced Scorecard

## Focus Areas



### Customer

- Grow leisure visitation
- Grow conventions and events
- Grow visitor spend with members



### Financial

- Leverage funding
- Improve return on investment
- Grow investment



### Innovation


- Align strategy with partners
- Invest in technology and best practices
- Improve processes



### People

- Right people in right roles
- Support training and skills
- Manage and reward


# Grow Leisure Visitation

	Previous Year End (2021)	2022 Actual	% Change from Previous Year
Total impressions from campaigns	464,804,551	117,296,827	-75%*
Number of major campaigns	8	15	88%
Total website visits	1,161,089	1,276,207	10%
Organic website traffic	427,967	576,057	35%
Social media followers	211,603	223,037	5%
Travel media ad Value	\$1,299,547	\$675,726	-48%

## Notes:

\* In 2021, Discover Halifax had significant budget from the government of Canada for a campaign in Ontario and Alberta. That impressions-based campaign included high-impact placements like billboards at Young and Dundas. For that reason, the 2021 impressions were unusually high. It's also worth noting that not all campaigns we produce are impressions-centric.


# Grow Meetings & Conventions

	Previous Year End (2021)	2022 Actual*	% Change from Previous Year
Number of bid proposals submitted	104	200	92%
Bid proposals submitted (economic impact)	\$65,192,174	\$128,504,216	97%
Successful bids (number of conferences)	60	76	27%
Successful bids (economic impact)	\$24,875,682	\$43,691,900	78%
Definite ratio (percentage of bids won vs. loss)	51%	51%	0%
Number of client site inspections	17	46	171%

**Notes:**

\*2022 events only include those with a minimum 50-room night demand on the highest room-night-demand day for the event.

# Grow Events


	Previous Year End (2021)	2022 Actual*	% Change from Previous Year
Number of bid proposals submitted	19	37	95%
Bid proposals submitted (economic impact)	\$37,908,365	\$61,903,510	63%
Successful bids (number of events)	12	12	0%
Successful bids (economic impact)	\$32,077,196**	\$23,939,141	-25%
Definite ratio (percentage of bids won vs. lost)	54%	55%	2%
Number of client site inspections	3	8	167%

## Notes:

\* 2022 events only include those with a minimum 50-room-night demand on the highest room-night demand day for the event.

\*\*2021 successful bids for sports and culture included the rebooking of the North American Indigenous Games, which has an estimated economic impact of \$27 million.


# Grow Visitor Spend with Members

	Previous Year End (2021)	2022 Actual	% Change from Previous Year
Membership count	583	596	2%
Member satisfaction (rating out of 10)	-	7.9	-
Service leads issued to partners	82	689	740%
Member page views and referrals	35,677	40,037	12%
Average time spent on leisure website (minutes)	01:22	01:19	-4%
Visitor guide and map distribution	101,858	415,846	308%*
Kiosk and wi-fi channel sessions	163,600	455,125	178%

## Notes:

\*In 2021, printing of guides and maps, along with digital reads, were significantly lower because of COVID travel restrictions. 2022 saw a return of pre-pandemic printing levels, along with the introduction of new maps.

# Improve Financial Health


	Previous Year End (2021)	2022 Actual	% Change from Previous Year
Revenue from members (all sources)	\$64,030	\$202,390	216%
Revenue from marketing partnerships	\$169,254	\$180,590	7%
Revenue from sales partnerships	\$2,000	\$51,570	2,459%
Total leveraged revenue (non-levy or HRM grant)	\$2,274,527*	\$1,356,890	-40%
Investments in tourism sector (per-room benchmark, quartile)	Bottom 10%	Bottom 10%	Bottom 10%

**Notes:**

\*In 2021, Discover Halifax received support from many COVID recovery programs. These programs were phased out, resulting in the reduction in leveraged revenue for 2022.


## Focus Area - Innovation

# Innovation, Process Improvement & Align Strategy with Partnerships

	Previous Year End (2021)	2022 Actual	% Change from Previous Year
Process improvement, innovations, or six-sigma projects completed	3	2	-33%

## Focus Area - People

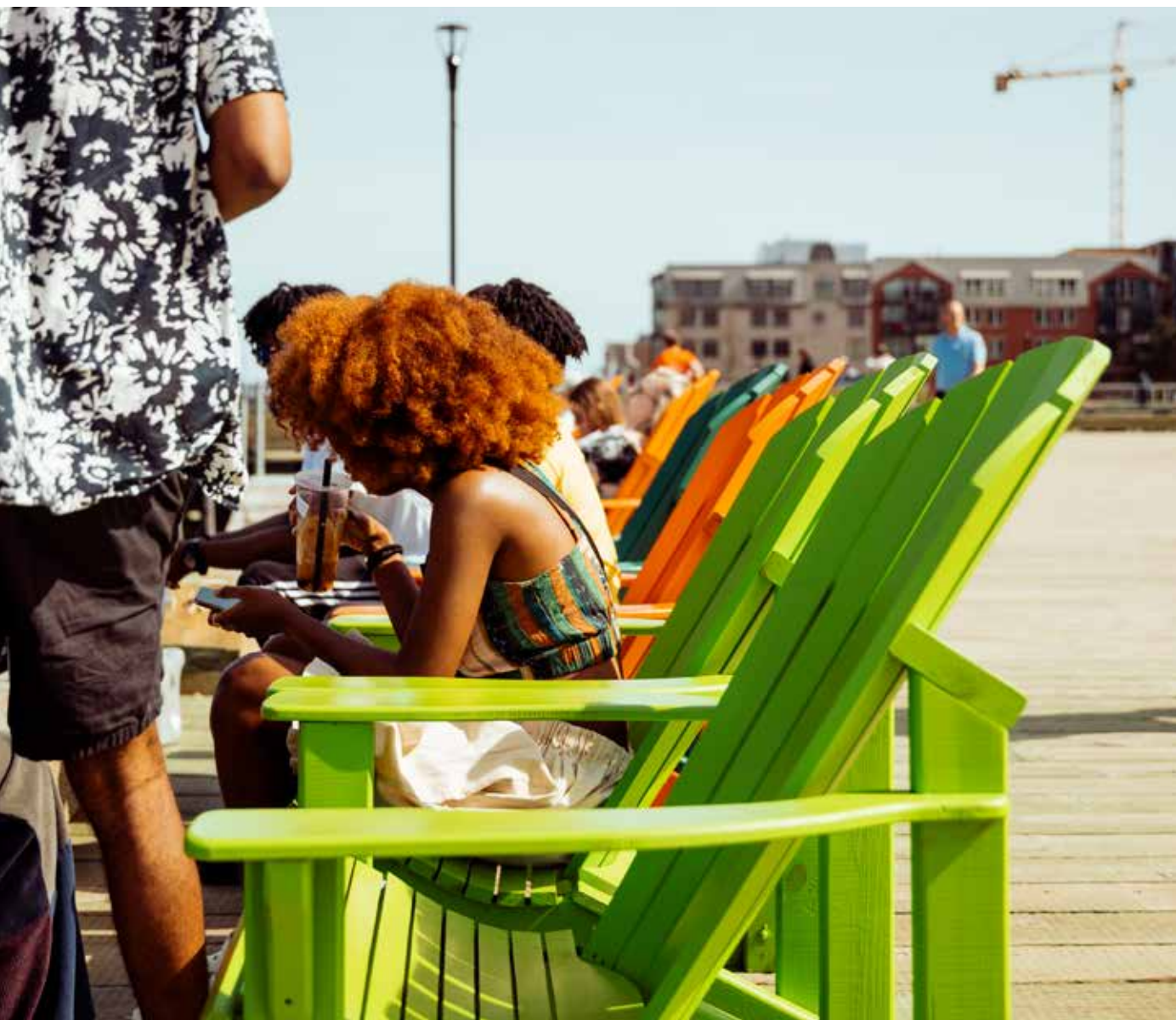
# Right People in the Right Place, Support, Training, Manage and Reward

	Previous Year End (2021)	2022 Actual	% Change from Previous Year
Employee absenteeism	2.1	2.3	10%
Employee training and development (training days/employee)	2.6	1.4	-46%



# Industry Performance Indicators

	Previous Year End (2021)	2022 Actual	% Change from Previous Year
Room nights sold (traditional hotels)	907,182	1,531,686	69%
Room nights sold (short-term rentals)	235,107	393,505	67%
Combined overnight room nights sold	1,142,289	1,925,191	69%
Hotel room supply	6,366	6,299	-1%
Cruise passenger count	-	623,069	-
Airport enplaned/deplaned passengers	1,076,899	3,107,119	189%





# Marketing and Visitor Experience Overview



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## **At the beginning of 2022, we had plans but little assurance.**

**We were prepared for an opening of sorts, but when the Omicron variant hit early, it put many of our plans into question.**

COVID or not, our intent for 2022 was to rebuild and reset, to establish the groundwork needed on which to build. We did that, focusing on establishing the five-year strategic direction for both Marketing and Visitor Experience, refining the brand platform, and building the infrastructure necessary to properly support growth in our programs.

*The team persevered, seeking to be tactically prepared, and we're fortunate that we did.*

While our winter campaigns were adapted to be more brand-centric (to get on decision sets for the future, but not inviting immediate visitation), once the risks diminished, demand soared.

Mainstay campaigns occurred, including **Dine Around, Top Ten in 2022, Evergreen**, and an extension of the Reconnection campaign in Ontario and Alberta.

Several new campaigns were launched as well.

**It's Time We Hung Out Again** launched in June, speaking to Atlantic Canadians like old friends, and welcoming them back to their city.

With new research showing that families with children under 18 living at home were more likely than any other major segment to consider a vacation to Halifax in the next 12 months, we targeted Atlantic Canadians with the inspirational (and adorable) **Kid's Campaign**.

In the interest of driving more visitation in the winter months, a **Shopper Campaign** was created, built on the insight that while Atlantic Canadians know we have fantastic shopping, they chose us as their shopping destination because of all the fun things they can do while they're here. With 362,000 page views, this campaign was, pound for pound, among the best performing ever.

While demand began to surge in the spring, hotels and restaurants were struggling to properly staff their establishments. In partnership with the Hotel Association of Nova Scotia, we supported the first annual **Recruitment Fair** through the development of a campaign and website to drive foot traffic to the event. Hundreds of staff were hired on the spot and were working within days.

The Visitor Experience program is inextricably linked with each Marketing campaign. And each of the campaigns above had a corresponding website landing page, and in some cases, featured through our channels like Visit Stay Enjoy. For all those we invite through the marketing program, we need to service them when they arrive, holding their hand through the full journey.

Beyond the website, on the Visitor Experience side, mainstays remained, but were intentionally adapted to meet the new strategic direction of providing branded, long-form, inspirational content. We know that we cannot (nor do we want to) compete with Google or Trip Advisor (or more recently, Chat GPT). We are seeking to elevate those doing great work and fill the gaps that exist for thoughtful, curated, accurate content.

Gone are the lists. They have been replaced with more editorials and itineraries, highlighted with newly procured images, showing a moodier edge to Halifax. Salty and not always sunny, they feature the true Halifax tone: a young person with an old soul.



New BETA materials were developed in 2022, based on research, demand, and holes in the market. These include:

**The Halifax Kids' Guide** – Acknowledging that families are interested in coming to the Halifax region, we know Discover Halifax can help convert them, help them have a better experience while here, and help connect them to our member businesses. The inaugural Kids' Guide ran out of its 40,000 print run in September and had over 37,000 digital reads. The corresponding website ([www.halifaxkids.ca](http://www.halifaxkids.ca)) had 75,000 page views in 2022, with an average time on site of 1:57 minutes. This was with minimal funding support, and we're certain that we are on to something special with this segment.



**Maps** – We produced three maps: the Urban Walking Map, the Eastern Shore map, and the Peggy's Cove map. Demand significantly outshot our expectations, and second print runs were required.



Atlantic Canada Opportunity Agencies (ACOA) provided funding in the interest of re-energizing downtowns, and we were fortunate to have our proposal approved to install a technology called **Front Runner** on Barrington Street. Three large panes of glass in an otherwise empty retail space had 24/7 content outlining what to do in HRM. This creative drove people to nearby attractions and events from all around the region and inspired them to see more.



An extensive upgrade of our image bank was also done through the collection of drone footage, in partnership with the province through the DCMP program, and photographer-direct content.

As we continued our focus on rebuilding and resetting, we completed the procurement process for a new leisure website to go live in the second quarter of 2023, and a competitive review of our Agency of Record.

We put a rigorous focus on our membership and its make-up. The program has been in flux and in 2022, we conducted a from-scratch renewal for the first time in years. By the end of the year, we had renewed 440 members and signed 156 new members, for a total of 596. Early in 2023, we asked all members how likely they'd be to recommend a Discover Halifax membership to other businesses in the region, and on a scale from zero to 10. We were very pleased that the average answer was 7.9 out of 10, with 41 per cent answering 10 out of 10. These are strong numbers, but ones we intend to continue to build upon.



We rebuilt the team from three in 2021 to eight in 2022, which has allowed for the division of labour, efficiencies, and the addition of skillsets and focuses we'd otherwise not had access to. This includes internal media planning and buying, full-time social content creation, and a rural account executive.

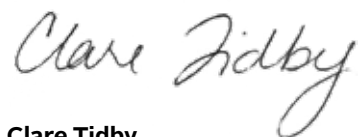
These skills, along with others on the team, have allowed us to integrate more seamlessly with the Sales and Communications teams, collaborating on several projects including the end of year Take the Lead promotion.

Hats off to Annie Cameron who became the first representative from Discover Halifax to be named Top 30 Under 30 by Destinations International. She represented us at their world conference in Toronto in July.

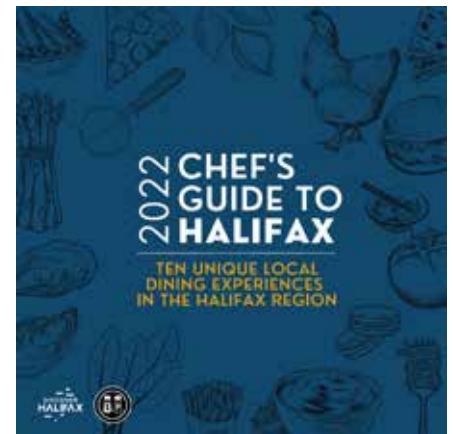
Thank you to our partners who provided significant financial support, including ACOA, the Halifax International Airport Authority, and Tourism Nova Scotia's DCMP program. Partnerships with the Halifax Chamber of Commerce, the Halifax Regional Municipality, Events East, the Halifax Partnership, the BIDS, and the Nova Scotia Indigenous Tourism Enterprise Network have elevated our output significantly. Without that support and belief in our programs, our activities would not have been nearly as successful as they were.

And how can we define success beyond those characterized in the KPIs attached? While we certainly cannot attribute it all to our efforts, we're pleased to see that our website user traffic was up 33 per cent over 2019. Our reputation score, as measured annually by Leger Research, held strong at number one among Atlantic Canadians at 82 out of 100, and jumped six points to 67 out of 100 in our Canadian fly-market respondents.

Beyond the outcomes, we believe we met our defined objectives in 2022 of **Rebuild and Reset**. The groundwork is done, and we are poised to reap the benefits of that effort in 2023 and beyond.



**Clare Tidby**  
**Vice President** | Marketing and Visitor Experience









# Group Sales Overview



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## Events are back!

2022 was a bounce back year for events that took place in Halifax, as well as events booked for future years. Hampered in the first quarter by the Omicron variant, and destination resource challenges that carried throughout the year, 2022 still marked a major recovery year for conferences, and sport and culture events in Halifax.



Credit: Jenn Nauss, Cooked Photography

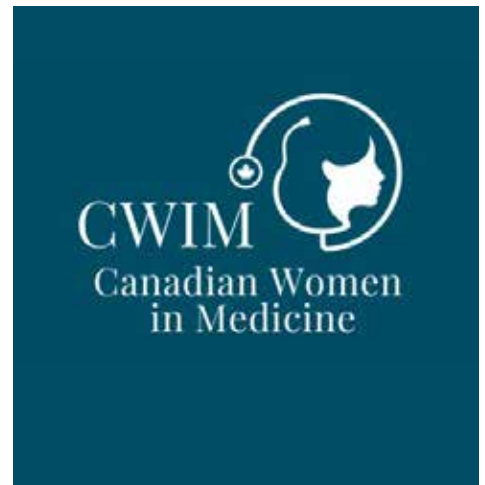
### Events that took place in 2022

Overall, 2022 was a year of renewed energy and excitement for our event industry, and a testament to the region's resilience and continued ability to successfully host world class events. From April to December, the Discover Halifax sales team was involved with 90 events that took place. These events included major association and corporate conferences, and many marquee sports and culture events, such as Canoe Kayak Championships and Canadian Women and Men Senior Rugby.



### Events booked in 2022

It was also a rebound year for the booking of events beyond 2022. The Discover Halifax team, along with many partners, worked with approximately 100 events that have selected Halifax to host in the coming years. These events will generate \$75 million in economic impact for the region, including demand for over 100,000 room nights to house the delegates and visitors who will come to Halifax to participate. Some notable events include the 2023 Outdoor Comedy Festival, the Public Service Alliance of Canada, and Canadian Women in Medicine.



### 2022 sales activities

It was a year of high activity for the sales team who are focused on attracting and supporting events for Halifax. The team attended many trade shows and client events to showcase Halifax's unique offerings and build relationships with key decision-makers in the events industry. One trade show of note was CSAE (Canadian Society of Association Executives), which was hosted by Team Halifax in October 2022. This event brought hundreds of event decision-makers from across Canada to Halifax, creating a unique opportunity to showcase our venues, hotels, and attractions. In addition to attending events, the team brought 50 clients to Halifax for site visits, which provides them with an opportunity to experience our hospitality and venues firsthand. Collectively, these efforts created new event opportunities and position Halifax as a premier destination for events and delegates.



### Take the Lead

The team officially launched the Take the Lead program in 2022. Take The Lead is designed to inspire local citizens from all backgrounds to work with the destination in developing and winning bids to bring new events to Halifax. In addition, it focuses on educating the local market on the importance of events, how Discover Halifax can help, and the celebration of successful individuals in bringing events to the city. In April 2022, the program recognized five Event Champions at the Halifax Chamber of Commerce annual State of the Municipality lunch. Mayor Mike Savage publicly recognized the efforts of these five Event Champions, awarding them the Take the Lead recognition pin.

**TAKE  
THE LEAD  
HALIFAX.CA**



## Strategic plan

The Discover Halifax sales team also launched a new five-year strategic plan, aimed at further improving our position as a top destination for events, meetings, and conferences. This plan focused on determining priority markets and developing approaches to reach them effectively. The team conducted extensive research to identify markets with the greatest potential for growth and created strategies to appeal to those audiences. By prioritizing those, the team can allocate resources effectively and maximize their impact. The launch of this new strategic plan demonstrates Discover Halifax's commitment to continuous improvement and innovation, as it seeks to position Halifax as a world-class destination for events in the years to come.



## Looking forward

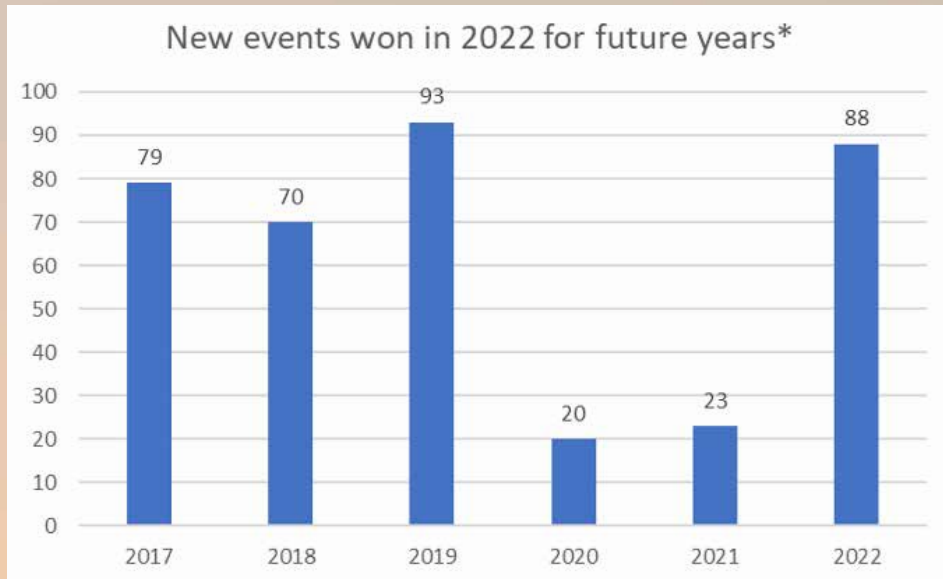
As we look to the future, we see the opportunity for growth in conferences and events. Through a collaborative approach with our conference and event partners, our focus will be on understanding the needs and preferences of customers to provide tailored solutions that align with their specific objectives and goals.

We will also continue to look for ways to be innovative and adaptive to an ever-changing marketplace. One specific area of focus going forward will be around sustainability. Sustainability is important to conference planners. Not only is it socially responsible, but it enhances our reputation, leads to cost savings, meets attendee expectations, and as we go forward, it may be required to meet new regulations. We have started working with Destination Canada Business Events on a national sustainability program that will help benchmark DMO's like ours across the country on how they are doing when it comes to sustainability for business events. This program really marks the start of a continued focus for our program. We will take these learnings and use them to create new strategies for our destination that will make it more responsible and attractive.

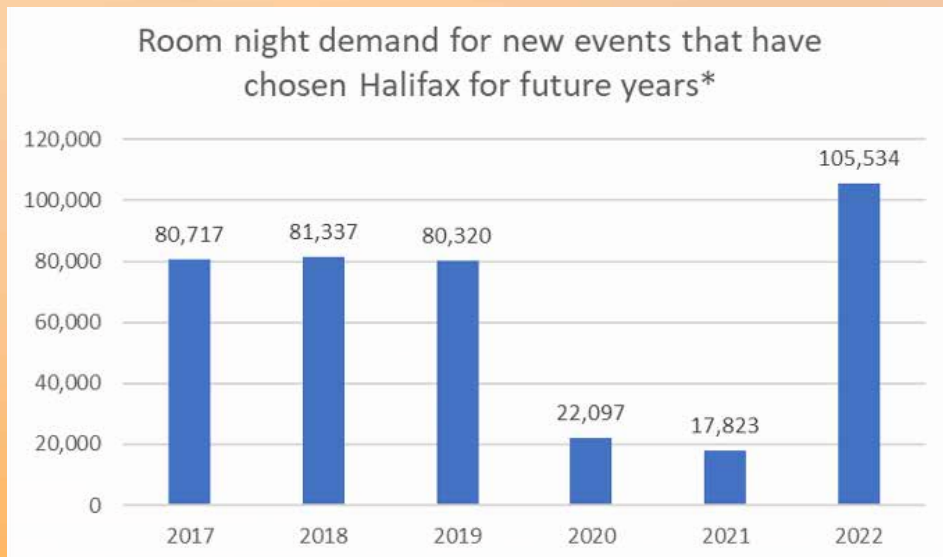
**As always, we look forward to working with our many valuable partners on all initiatives and efforts going forward.**

A handwritten signature in black ink, appearing to read 'J. Nearing'.

**Jeff Nearing**  
Vice President | Sales



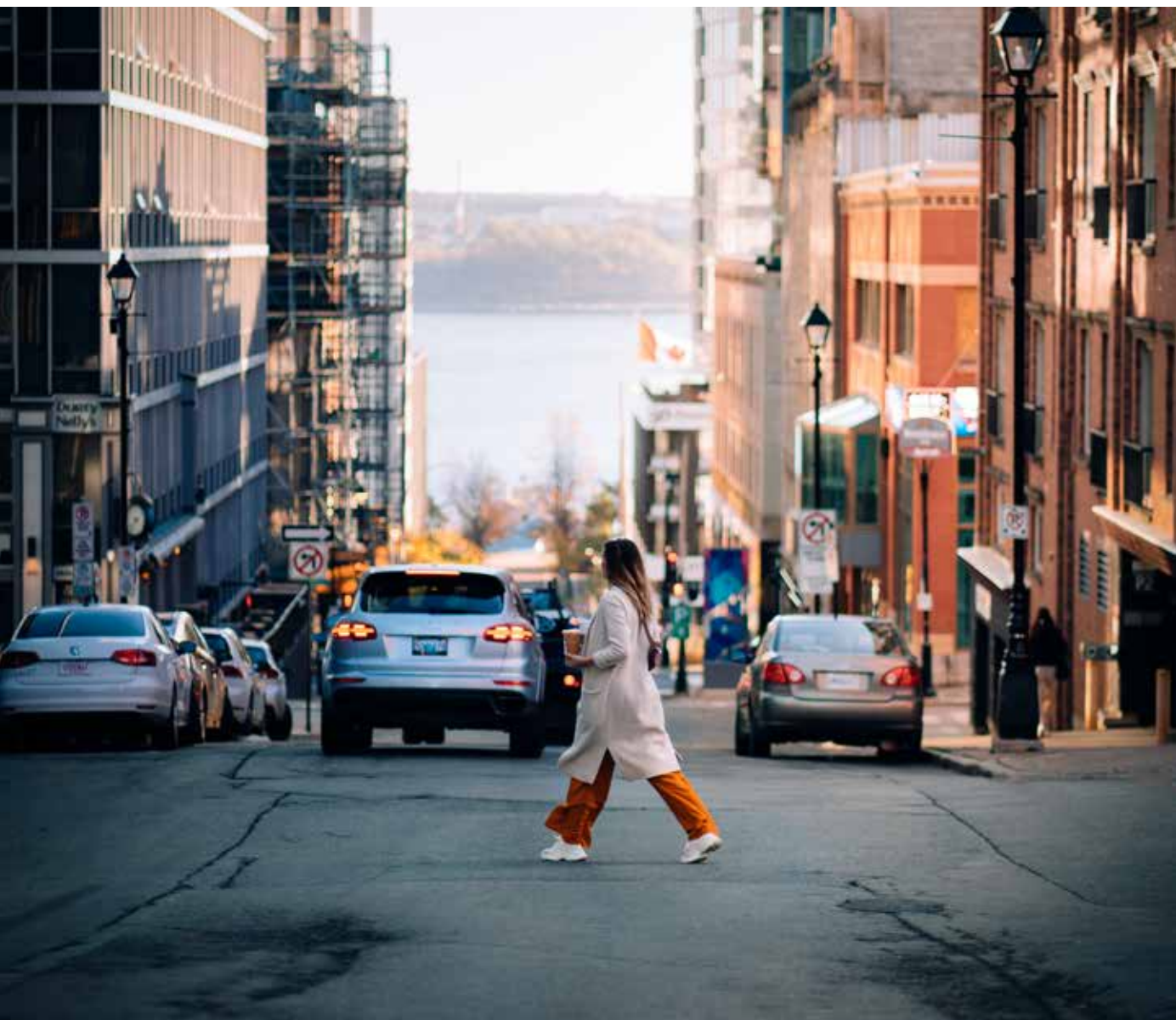
\*Represents the number of events that have chosen Halifax to host their events in future years, not the number of events that took place during that year. New events do not include any rebooked due to COVID-19



\*Represents the number of estimated room nights demanded for new events that have chosen Halifax for future years. Numbers do not include events that have been rebooked due to COVID-19











# Destination Development

# Integrated Tourism Master Plan

Tourism is one of the fastest-growing industries globally, and it is bringing prosperity and opportunity to communities that are prepared. To that end, in February 2021, the first Integrated Tourism Master Plan (ITMP) was launched, providing a vision for tourism in Halifax.

It was developed to drive and prioritize efforts and investments that would lead to tourism recovery following the impact of the pandemic, and also guide future sustainable economic growth in our region's tourism economy.

The ITMP is guided by a community-first approach that helps shape tourism growth in a way that supports industry and also maximizes benefits for all citizens. The 28 initiatives support six strategic themes that focus on four goals that align with Halifax's Economic Growth Plan: grow tourism revenues, employment, enrich the lives of residents, and align with related strategies.

We're at the halfway mark of the ITMP, and each project is at a different stage of development and has unique factors that contribute to their progress. However, many initiatives and projects have made significant movement forward or reached completion, creating positive impacts in the Halifax region. As the ITMP sponsor, Discover Halifax will continue to collaborate with project leads and regional partners to measure and report on progress of the initiatives.

## Collective Impact

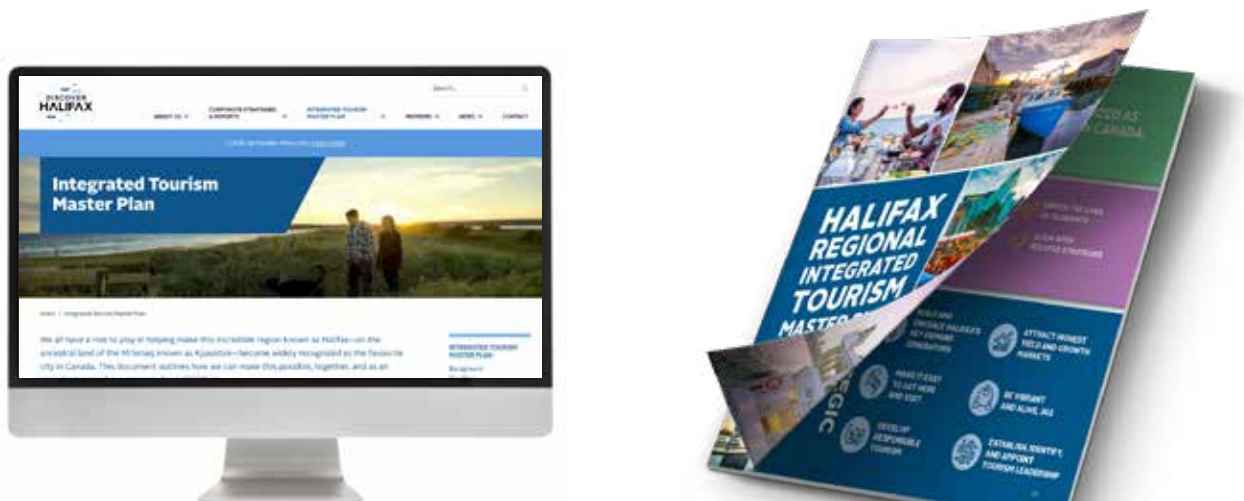
No single organization can achieve success on its own. Collective impact requires the combined efforts and resources of multiple stakeholders and organizations.

In Halifax, we are fortunate and proud to have so many incredible partners leading and contributing to ITMP projects and committed to making Halifax a better place to live, work, and visit. Taking a collective approach will help to guide tourism recovery and growth in our region.

Discover Halifax acknowledges the ITMP funding partners Halifax Regional Municipality, Province of Nova Scotia, and Atlantic Canada Opportunity Agencies (ACOA), whose support helped to bring this vision to life.

Learn more about the Integrated Tourism Master Plan:

<https://discoverhalifaxdmo.com/integrated-tourism-master-plan/>



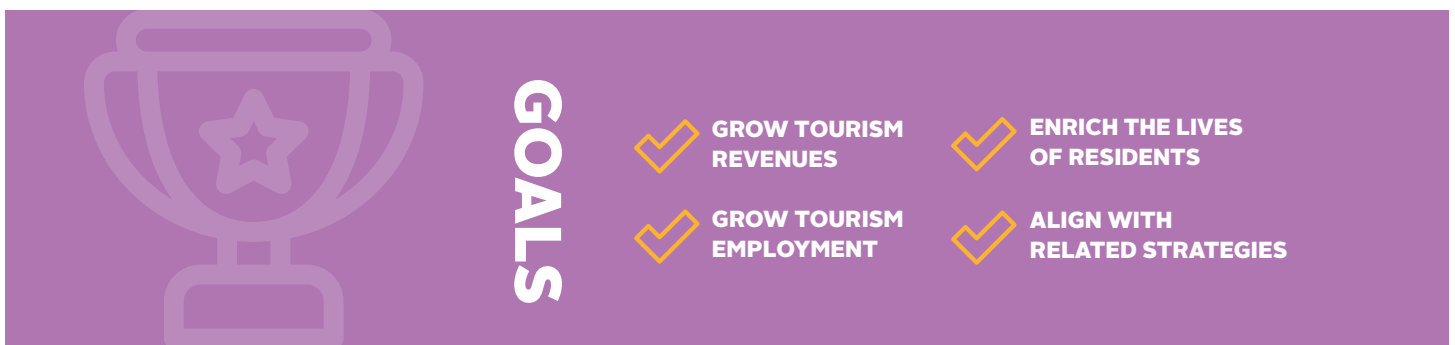
## ITMP Framework

Working together, the Halifax region will harness our local culture to build and promote a model, sustainable tourism destination. By remaining authentic to our heritage and Halifax's distinct vibe, diversity, creativity, and talent, we will share our unique communities and a quality of life that is deeply connected to our ocean advantage.



**VISION**

**TO BE WIDELY RECOGNIZED AS THE FAVOURITE CITY IN CANADA.**



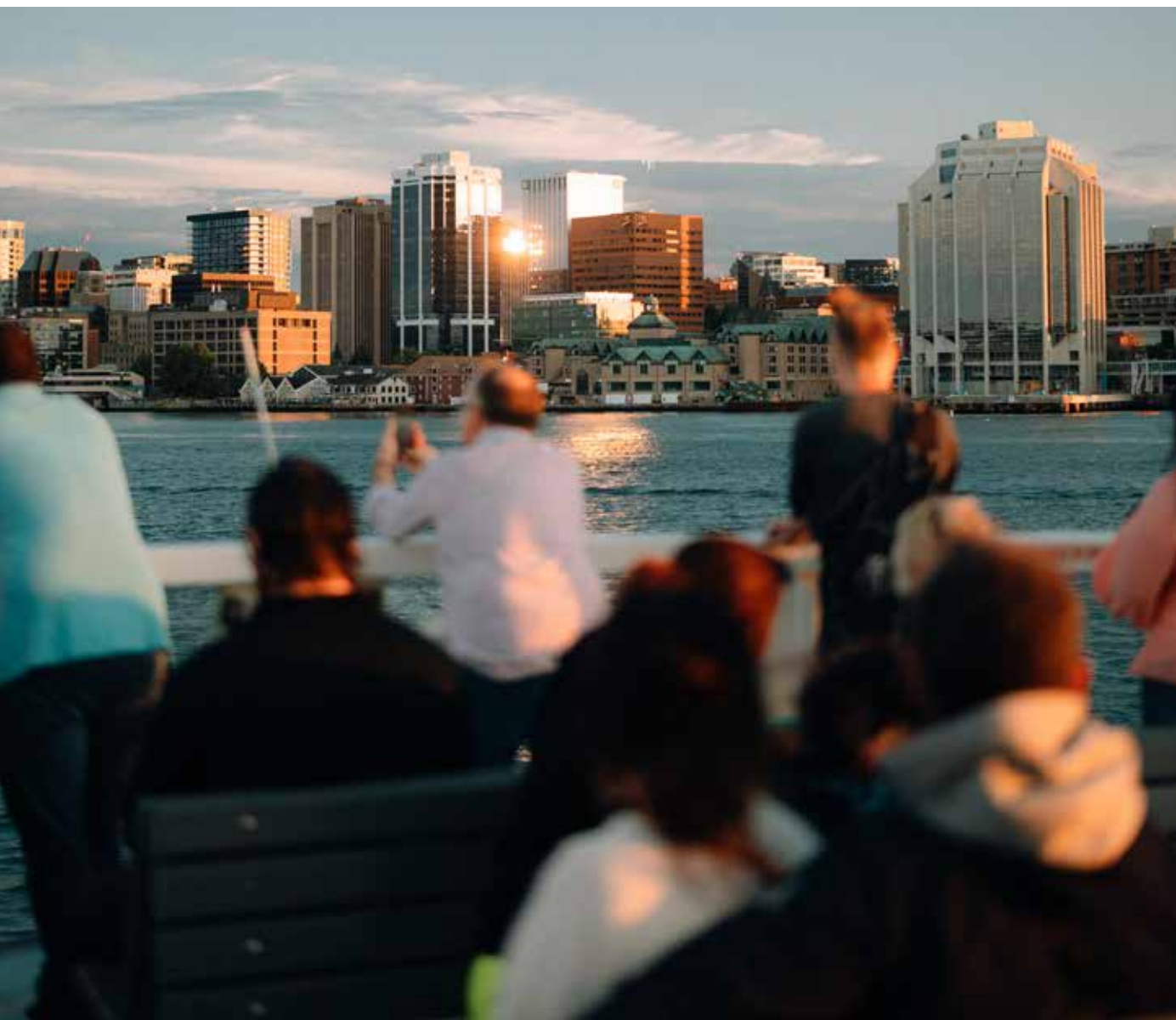
**GOALS**

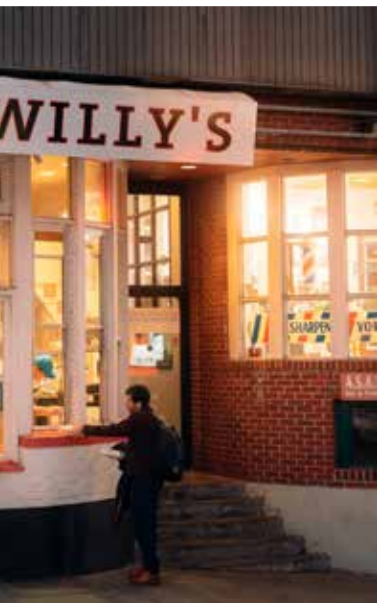
- ✓ GROW TOURISM REVENUES
- ✓ ENRICH THE LIVES OF RESIDENTS
- ✓ GROW TOURISM EMPLOYMENT
- ✓ ALIGN WITH RELATED STRATEGIES



**STRATEGIC THEMES**

-  **BUILD AND ENHANCE HALIFAX'S KEY DEMAND GENERATORS**
-  **ATTRACT HIGHEST YIELD AND GROWTH MARKETS**
-  **MAKE IT EASY TO GET HERE AND VISIT**
-  **BE VIBRANT AND ALIVE, 365**
-  **DEVELOP RESPONSIBLE TOURISM**
-  **ESTABLISH, IDENTIFY, AND APPOINT TOURISM LEADERSHIP**





# Financials

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Financial Statements**  
**Year Ended December 31, 2022**

LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
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LYLE TILLEY DAVIDSON

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INDEPENDENT AUDITOR'S REPORT

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To the Members of Destination Halifax Society (operating as Discover Halifax)

*Opinion*

We have audited the financial statements of Destination Halifax Society, operating as Discover Halifax, (the "Society"), 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society 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*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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

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

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Independent Auditor's Report to the Members of Destination Halifax Society (operating as Discover Halifax) (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Halifax, Nova Scotia  
May 31, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Statement of Financial Position**  
**December 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 938,591	\$ 1,728,034
Accounts receivable	373,753	390,917
Other receivables (Note 4)	1,464,869	256,358
Harmonized sales tax recoverable	39,453	29,631
Prepaid expenses	124,931	106,577
	<u>2,941,597</u>	<u>2,511,517</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>31,946</u>	<u>37,183</u>
	<b>\$ 2,973,543</b>	<b>\$ 2,548,700</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 366,234	\$ 325,194
Deferred revenue (Note 9)	374,137	173,841
	<u>740,371</u>	<u>499,035</u>
<b>LOANS PAYABLE</b>	-	30,000
<b>DEFERRED CAPITAL CONTRIBUTIONS</b>	<u>12,728</u>	<u>-</u>
	<b>753,099</b>	<b>529,035</b>
<b>NET ASSETS</b>		
Unrestricted fund	2,201,226	1,982,482
Invested in capital assets	19,218	37,183
	<u>2,220,444</u>	<u>2,019,665</u>
	<b>\$ 2,973,543</b>	<b>\$ 2,548,700</b>

**CONTRACTUAL OBLIGATIONS (Note 9)**

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2022**

	2022	2021
<b>REVENUES</b>		
Hotel marketing levy	\$ 2,717,909	\$ 1,131,790
Halifax Regional Municipality (Note 10)	824,100	684,100
Communities, Culture, Tourism and Heritage (Note 10)	407,000	-
Evergreen Festival Project (Note 10)	233,988	380,406
Marketing partnerships	180,590	65,000
Advertising revenue memberships (Note 10)	141,905	61,751
Other income (Note 10)	119,180	24,381
Group sales partnerships	111,655	3,479
Federal government assistance (Note 10)	82,572	423,952
Patio Lanterns Festival (Note 10)	-	121,407
ACOA - administrative support (Note 10)	-	264,100
Tourism Master Plan/COVID recovery assistance (Note 10)	-	326,798
Tourism Nova Scotia (Note 10)	-	499,000
	<u>4,818,899</u>	<u>3,986,164</u>
<b>MARKETING PROGRAMS AND EXPENDITURES</b>		
Wages and benefits - operations	1,570,656	1,260,766
Advertising	1,023,115	1,049,704
Owned and earned media	361,066	108,704
Creative development	323,373	341,404
Travel and industry development	289,999	394,478
Trade shows	226,558	31,642
Research	57,393	44,997
Professional fees	54,716	51,968
Familiarity trips and site inspections	56,522	11,853
Client development	44,441	14,300
Lead development and membership fees	42,427	38,596
Web development	35,767	85,646
Continuous improvement	17,415	26,409
Client events and sales trips	16,323	12,561
Amortization of media assets	13,740	15,413
Sponsorships	10,500	5,300
	<u>4,150,011</u>	<u>3,493,741</u>
<b>ADMINISTRATIVE EXPENDITURES (Schedule 1)</b>	<u>468,109</u>	<u>444,943</u>
	<b>4,618,120</b>	<b>3,938,684</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 200,779</b>	<b>\$ 47,480</b>

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LYLE TILLEY DAVIDSON



**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2022**

	Unrestricted Fund	Invested in Capital Assets	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,982,482	\$ 37,183	<b>\$ 2,019,665</b>	\$ 1,972,185
Excess (deficiency) of revenues over expenditures	218,744	(17,965)	<b>200,779</b>	47,480
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,201,226</b>	<b>\$ 19,218</b>	<b>\$ 2,220,444</b>	<b>\$ 2,019,665</b>

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 200,779	\$ 47,480
Items not affecting cash:		
Amortization of tangible assets	8,997	14,569
Amortization of media assets	13,740	15,413
	<b>223,516</b>	<b>77,462</b>
Changes in non-cash working capital:		
Accounts receivable	17,164	(208,228)
Other receivables	(1,208,511)	458,569
Accounts payable and accrued liabilities	41,040	71,906
Deferred revenue	200,296	(108,337)
Prepaid expenses	(18,354)	(51,420)
Harmonized sales tax recoverable	(9,822)	(33,522)
	<b>(978,187)</b>	<b>128,968</b>
Cash flow from (used by) operating activities	<b>(754,671)</b>	<b>206,430</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(17,500)	-
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(30,000)	-
Deferred capital contributions	12,728	-
Cash flow used by financing activities	(17,272)	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(789,443)</b>	<b>206,430</b>
Cash - beginning of year	1,728,034	1,521,604
<b>CASH - END OF YEAR</b>	<b>\$ 938,591</b>	<b>\$ 1,728,034</b>

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
**(Operating as Discover Halifax)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**1. PURPOSE OF THE SOCIETY**

Since 2002, Destination Halifax Society's (operating as Discover Halifax) (the "Society") goal has been to promote the Halifax Regional Municipality (HRM) as a destination of choice for leisure and business travellers.

They aim to maximize economic and social benefits resulting from the tourism industry for the benefit of the people who live, visit, and invest in their region. They showcase the best of the region to the world and, alongside our industry partners, seek to shape the future of tourism through good planning, investment, and design. For Canadian income tax purposes the Society qualifies as a non-profit organization which is exempt from income tax under the Income Tax Act.

Their vision is to be globally recognized as the favourite city in Canada.

The sustainability of the Society was realized on April 1, 2002, with the introduction of a municipality administered marketing levy, currently at 2.0% on occupied rooms for accommodations of 20 rooms or greater within the Halifax Regional Municipality. Destination Halifax receives 60% (formerly 2/3 of 1.5% from inception to March 31, 2006 and 60% of 2% from April 1, 2006 to present) of the levy to carry out the objectives of the Society.

The Society registered the operating name Discover Halifax, effective May 25, 2017.

The Society's mission is as follows:

We seek to maximize economic and social benefits derived from the tourism industry for the benefit of the people who live, visit, and invest in our region.

We do this by showcasing the best of our region to the world, and through collective impact, we seek to shape the future of our industry through good planning, investment, and design.

**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 (ASNPO).

Cash

Cash consists of deposits within Canadian financial institutions, net of any outstanding transactions.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(continues)

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
**(Operating as Discover Halifax)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Furniture and fixtures	5 years
Server	3 years
Content development	3 years
Tradeshaw booth	3 years
Website	3 years
Digital kiosk	5 years

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

The Society regularly reviews its capital assets to eliminate obsolete items. Government assistance received related to assets is deferred and amortized on the same basis as the related asset.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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 expenditures 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. The most significant estimates in these financial statements is the allowance for doubtful accounts, the useful lives of capital assets, deferred revenue and accrued liabilities.

(continues)

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

Destination Halifax Society 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.

Kiosk rental revenue is recognized in revenue over the term of the lease.

Advertising and marketing revenue is recognized in revenue over the term of the contract.

Group sales partnership revenue is recognized in revenue over the life of the partnership.

Government assistance

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

Government assistance related to expenses is recorded as deferred government assistance and is amortized into income as eligible expenditures are incurred. Government assistance for current expenses is recorded as income. Government assistance received related to assets is deferred and amortized on the same basis as the related asset.

**3. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Society's financial instruments consist of cash, accounts receivable, other receivables, and accounts payable and accrued liabilities. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from funders and members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Credit risk is minimized due to the nature of revenue.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

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 risk, interest rate risk and other price risk. The Society is not exposed to significant market risk.

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**4. OTHER RECEIVABLES**

	2022	2021
Hotel marketing levy	\$ 1,388,026	\$ 213,121
Evergreen Festival Project	50,225	43,237
Atlantic Canada Opportunities Agency - Rediscover		
Mainstreets	18,461	-
Graduate to Opportunity	8,167	-
	<b>\$ 1,464,869</b>	<b>\$ 256,358</b>

**5. CAPITAL ASSETS**

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 47,079	\$ 47,079	\$ -	\$ 2,769
Furniture and fixtures	99,857	96,741	3,116	9,347
Server	4,325	4,325	-	-
Content development	10,721	10,721	-	-
Tradeshow booth	35,185	35,185	-	1,677
Website	103,750	86,250	17,500	-
Digital kiosk	60,299	48,969	11,330	23,390
	<b>\$ 361,216</b>	<b>\$ 329,270</b>	<b>\$ 31,946</b>	<b>\$ 37,183</b>

**6. BANK INDEBTEDNESS**

The Society has access to a \$100,000 line of credit with interest of prime plus 2.5%, none of which was outstanding at year end (2021 - \$nil).

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2022	2021
Trade accounts payable	\$ 260,775	\$ 235,519
Accrued liabilities	105,459	89,675
	<b>\$ 366,234</b>	<b>\$ 325,194</b>

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**8. DEFERRED REVENUE**

	Opening	Received	Recognized	Ending
HRM - Destination Management	\$ 62,500	\$ 761,600	\$ 824,100	\$ -
CCTH Culture Innovation Fund	-	50,000	-	50,000
CCTH Tourism Marketing Assistance Program	-	604,738	407,000	197,738
Parks Canada	-	24,000	20,550	3,450
Halifax Partnership	-	80,000	28,421	51,579
Other deferred revenue	111,341	162,419	202,390	71,370
	<u>\$ 173,841</u>	<u>\$ 1,682,757</u>	<u>\$ 1,482,461</u>	<u>\$ 374,137</u>

Other deferred revenue represents advertising revenue and partner contributions for the following fiscal year that have been invoiced in the current year.

**9. CONTRACTUAL OBLIGATIONS**

The Society has leases under various agreements for office equipment and premises (includes base rent and additional rent for property taxes and common area costs), expiring in August 2028.

Contractual obligation repayment schedule:

2023	\$ 130,914
2024	135,262
2025	135,610
2026	137,235
2027	139,092
Thereafter	96,565
	<u>\$ 774,678</u>

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**10. GOVERNMENT ASSISTANCE**

	2022	2021
<b>Municipal</b>		
Halifax Regional Municipality	\$ 824,100	\$ 684,100
Tourism Master Plan/COVID recovery assistance	-	37,378
	<u>824,100</u>	<u>721,478</u>
<b>Provincial</b>		
Communities, Culture, Tourism and Heritage (CCTH)	407,000	-
Evergreen Festival	233,988	380,406
Graduate to Opportunity	8,167	-
Patio Lanterns Festival	-	60,704
Tourism Nova Scotia	-	499,000
	<u>649,155</u>	<u>940,110</u>
<b>Federal</b>		
COVID-19 subsidies	73,482	375,277
Canada Emergency Wage Subsidy	-	-
Canada Emergency Rent Subsidy	9,090	48,675
	<u>82,572</u>	<u>423,952</u>
<b>ACOA</b>		
Rediscover Mainstreets	49,090	-
Tourism Master Plan/COVID recovery assistance	-	289,420
Administrative support	-	264,100
Patio Lanterns Festival	-	60,703
	<u>49,090</u>	<u>614,223</u>
<b>Other</b>		
Parks Canada	20,550	-
	<u>152,212</u>	<u>1,038,175</u>
	<u>\$ 1,625,467</u>	<u>\$ 2,699,763</u>

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**11. INTERNAL RESTRICTED FUND**

The Board has approved the establishment of an Internal Restricted Fund for the purpose of providing incentives to select organizations who are considering Halifax as their event destination. Payments from this Fund will result from negotiated agreements only payable upon completion of the event. Transfer from the Unrestricted Fund will commence with the 2023 fiscal year based on the estimated future payments.

The estimate of future payments based on existing event contracts are as follows:

2023	\$	39,500
2024		8,000
2025		17,000
2027		5,000
		69,500
	\$	69,500

**12. COMPARATIVE FIGURES**

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

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LYLE TILLEY DAVIDSON

**DESTINATION HALIFAX SOCIETY**  
*(Operating as Discover Halifax)*  
**Administrative Expenditures**  
**Year Ended December 31, 2022** *(Schedule 1)*

	2022	2021
<b>ADMINISTRATIVE EXPENDITURES</b>		
Wages and benefits - administration	\$ 157,924	\$ 145,965
Rent	114,774	113,063
Information and communication technology	87,189	83,825
Professional fees	25,075	25,115
Office	24,904	18,485
Staff development	15,585	14,660
Corporate communication	14,431	3,519
Amortization of tangible assets	8,997	14,569
Insurance	7,469	6,835
Board expense	6,018	17,592
Interest and bank charges	4,565	2,935
Miscellaneous	1,178	2,130
Bad debts recovered	-	(4,750)
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>\$ 468,109</b>	<b>\$ 444,943</b>

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LYLE TILLEY DAVIDSON

The logo features the text "DISCOVER HALIFAX" in a white, sans-serif font. The word "DISCOVER" is positioned above "HALIFAX". The text is centered and surrounded by several white, horizontal, slanted lines of varying lengths, creating a sense of motion or a stylized graphic element.

DISCOVER  
HALIFAX