

Destination Cape Breton

2024—2025 ANNUAL REPORT



Cape Breton
Island
your heart will never leave.

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Message from the Chair



As Chair of the Board of Directors, I am pleased to reflect on an important year for Destination Cape Breton that saw solid growth, strengthened partnerships and meaningful progress toward our vision of sustainable, inclusive tourism development across Cape Breton Island-Unama'ki.

The 2024-25 fiscal year presented both opportunities and challenges as we navigated an evolving tourism landscape. Under the Board's strategic guidance, the organization achieved strong results, while strengthening operational foundations through the enhanced administration of the Marketing Levy. With Board support, significant organizational improvements were implemented, including the addition of specialized expertise through new staff positions and the transition to Rhyme + Reason as our marketing agency.

One of our proudest achievements was advancing reconciliation and inclusive tourism development. The successful Building Mi'kmaw Tourism in Unama'ki Conference, which attracted 180 participants, exemplified our commitment to honouring Indigenous culture while creating valuable educational opportunities for your tourism industry. The partnership between Destination Cape Breton, the Nova Scotia Indigenous Tourism Enterprise Network (NSITEN) and the World Tourism Institute at Cape Breton University supported this conference as well as cross-cultural training for the Advisory Committee of the 100th Anniversary of the Cabot Trail.

The Board approved meaningful transparency improvements, including the publication of annual reports with audited financials, the initiation of a call for nominations to join the Board and regular industry updates. These measures reflect our commitment to accountability and strengthening relationships with partners across the Island.

Our financial stewardship remained strong, with a surplus of \$68,127 in the most recent financial statements. Marketing Levy revenues exceeded budget expectations, thus allowing the organization to build its reserve funds to \$255,813. This solid foundation enables us to pursue strategic initiatives while maintaining fiscal responsibility.

Looking ahead, the Board remains committed to fostering sustainable tourism growth that benefits both visitors and residents. A comprehensive sustainable tourism plan, soon to be launched, aligns with the Mi'kmaw principle of Netukulimk and positions us for responsible development that preserves our natural and cultural assets for future generations.

On behalf of the current Board of Directors, I want to thank and acknowledge valuable contributions of past Board members who stepped down over the past year, including Brenda Chisholm Beaton, Marie Walsh, Cathy Lamey, Cindy Walker, Larry Dauphinee, Blair Parly and Cathy MacKenzie. Destination Cape Breton is stronger as a result of their commitment and guidance.

I also want to acknowledge the diverse expertise and dedication of our current Board members, representing communities, cultures, businesses and organizations across Cape Breton Island-Unama'ki. Together with CEO Terry Smith and the entire Destination Cape Breton team, we continue working collaboratively to elevate our destination's profile while staying true to our values of authenticity, inclusivity and community care.

Robert Bernard
Chair, Board of Directors
Destination Cape Breton

Message from the CEO



The 2024-25 fiscal year represented a strong year for Destination Cape Breton, marked by record-breaking performance, strategic organizational strengthening and significant steps toward building a more sustainable and inclusive tourism future for Cape Breton Island-Unama'ki.

Our digital marketing achievements speak to the growing appeal of our destination. Website sessions reached an unprecedented 1.52 million—a 28% increase over the previous year—while clicks from visitcapebreton.com to operator websites grew by 10%, demonstrating that we're not just attracting visitors but connecting them with our industry partners. This performance reflects our strategic shift toward marketing tactics that drive qualified leads and meaningful engagement.

Our work in destination development advanced on multiple fronts. A comprehensive sustainable tourism plan aligned with our Rise Again 2030 strategy and the Mi'kmaw concept of Netukulimk, will soon be launched to position our destination for responsible growth. The successful Building Mi'kmaw Tourism in Unama'ki Conference, hosted in partnership with the Nova Scotia Indigenous Tourism Enterprise Network and the World Tourism Institute at Cape Breton University, demonstrated our commitment to reconciliation.

With the Canada Soccer U17 Nationals, Telus Cup, Music Tourism Convention, Archery Canada 3D Indoor Championships, National Campus and Community Radio Station Conference and others, Destination Cape Breton worked collaboratively with the Cape Breton Regional Municipality, Membertou First Nation, Cape Breton University, Events Nova Scotia and other event partners to solidify Cape Breton Island-Unama'ki's position as a premier event destination.

We took a significant operational step with an enhanced role in the administration of the Marketing Levy in partnership with the Island's five municipalities to streamline compliance and education efforts. The addition of a Levy Education Manager contact will further support our accommodations.

We could not have accomplished these results without the passion and dedication of our talented team at Destination Cape Breton and the guidance and unwavering support of our Board of Directors. We are also thankful for our extended team of key suppliers, Rhyme + Reason, NovaStream, @DaveyandSky and Vibe Creative Group.

Together, we continue positioning and developing Cape Breton Island-Unama'ki as a world-class, year-round destination that preserves our authentic character while embracing innovation and inclusion.

Terry Smith
Chief Executive Officer
Destination Cape Breton



Our Mandate

To grow Cape Breton Island-Unama'ki's tourism industry through effective destination marketing and strategic destination development.

Our Vision

To become a robust year-round tourist destination offering unparalleled visitor experiences that leave an indelible positive impression on those who visit.

Our Values

Care for Community

Growth of the tourism industry must be carefully managed to ensure it enhances the quality of life for residents.

Authenticity

Cultures and traditions must be protected to retain their authenticity.

Diversity, Inclusion, and Respect

People of all backgrounds will be welcomed and respected within the industry and the visitor experience.

Creativity

Voice will be given to innovation, expression and imagination.

Growth, Capacity and Leadership

Meaningful personal development and growth will be encouraged for those working in Cape Breton Island-Unama'ki's tourism industry.

Sustainability

Practices will be developed to ensure environmental, cultural, social and economic sustainability.



Destination Cape Breton Team

Board of Directors

Lisette Aucoin-Bourgeois

Executive Director, La Société Saint-Pierre

Shauna Austin

Owner/Operator, The Clairestone Inn

Robbin Cotton

Owner/Operator, Seal Cove Restaurant & Lounge

Paula Davis

Former Director of Port Hawkesbury Civic Centre,
Town of Port Hawkesbury

Basil Doucet

Owner/Operator, L'abri, Archie & Isadore Hotel, Chéticamp
Outback Inn, Marguerite Boutique et Provisions

Margie Beaton

Director of School and Marketing, Colaisde na Gàidhlig |
The Gaelic College

Robert Bernard, Chair

Executive Director, Nova Scotia Indigenous Tourism Enterprise
Network (NSITEN)

Nicole MacAulay

Manager of Cruise, Port of Sydney

Bonny MacIsaac, Vice Chair

Warden, Municipality of the County of Inverness

Richard MacKinnon, Secretary

Former Vice President Academic, Cape Breton University

Maria O'Hearn

External Relations Manager, Parks Canada Cape Breton
Field Unit

Vacant

Cape Breton Regional Municipality

Vacant

Municipality of Victoria County

Destination Cape Breton Team

Staff

Genevieve Andrea

Marketing Manager

Amev Beaton

Destination Development Manager

Robert Bourque

Director of Operations

Adam Hill

Content Manager

Jody MacArthur

Director of Marketing and Sales

Jo-Lanna Murray

Director of Destination Development

Terry Smith

CEO

Stacey St. John

Administration and Industry Liaison

Operational Highlights

The 2024-25 fiscal year for Destination Cape Breton was marked by significant organizational strengthening, enhanced community engagement and strategic positioning for sustainable growth across Cape Breton Island-Unama'ki.

Marketing Levy Enhancement

Destination Cape Breton continued to work closely with the Island's five municipalities to strengthen the management of the Marketing Levy. This included Destination Cape Breton assuming much of the administration and compliance efforts for four of the five municipalities. A contracted position for a dedicated Marketing Levy Education position was developed and a hiring process initiated. Marketing levy revenues exceeded budget expectations, demonstrating strong industry growth and improved compliance.

Government Funding

A three-year funding agreement totalling \$975,000 over three years from the Government of Canada through the Atlantic Canada Opportunities Agency entered its second year. The organization also entered the second year of a Contribution Agreement of \$100,000 over two years with Parks Canada. Through Tourism Nova Scotia's Digital Content and Marketing Program, the Province of Nova Scotia provided a matching contribution of \$162,000 for digital marketing. The Cape Breton Regional Municipality, the Municipality of the County of Inverness and the Municipality of Victoria County continued to provide annual grants. Destination Cape Breton would like to thank these partners for providing vital operational support for the organization.

Enhanced Research

Destination Cape Breton deepened its research collaboration with the World Tourism Institute at Cape Breton University, which included a thorough exploration of research platforms that could provide credible data that is specific to Cape Breton Island-Unama'ki. Based on the exploration, Destination Cape Breton subscribed to a number of platforms, including the new Canadian Tourism Data Collective. The World Tourism Institute launched a dashboard that contained some of the data sources as well as primary research that it conducted.

Organizational Capacity

The organization expanded its capacity through an investment in human resources. Genevieve Andrea was added to the team as Marketing Manager and Lydia Girges was added as Events Sales Manager, both bringing specialized expertise to enhance Destination Cape Breton's capabilities.

Social Inclusion

With a focus on maximizing both economic and social benefits from tourism, Destination Cape Breton continued to take solid steps toward making the Island more inclusive. This year had a particular emphasis on inclusion for the 2SLGBTQIA+ community with the organization attending social inclusion workshops, facilitating Rainbow Registered training sessions for industry and attending Pride activities. There are currently over ten operators in the process of becoming Rainbow Registered. Destination Cape Breton also brought Ren Navarro, an expert in equity, diversity and inclusion and a queer travel influencer, to Cape Breton Island-Unama'ki on a familiarization tour.

Professional Development

Destination Cape Breton's Director of Marketing and Sales, Jody MacArthur, became the second Nova Scotian and third Atlantic Canadian to complete Destination International's Certified Destination Management Executive program, the premier designation in destination management. Destination Cape Breton would like to acknowledge the support of the Tourism Industry Association of Nova Scotia and the Destination International Foundation for providing financial support for this valuable educational opportunity.

Destination Cape Breton
deepened its research
collaboration with the
World Tourism Institute at
Cape Breton University



Destination Marketing

The 2024-25 fiscal year saw Destination Cape Breton continue its strategic marketing approach using the established "Path to Purchase" framework, guiding potential visitors through the dreaming, planning, booking and experiencing stages of their travel journey. The year was marked by record-breaking digital performance, strategic partnerships and innovative campaign development that positioned Cape Breton Island-Unama'ki as a year-round destination.

Target Audience and Market Strategy

The marketing strategy continued to focus on core domestic markets of Ontario, Quebec and the Maritimes, while expanding the focus the Calgary market to support a new, seasonal WestJet direct flight from Calgary to Sydney. The campaigns adopted a new segmenting tool developed by Destination Canada and now targets the Outdoor Explorers, Culture Seekers and Simplicity Lovers segments. Demographically, the primary focus is on empty-nest couples aged 45+ with a secondary emphasis on young adults who are post-education and pre-family (should they choose one). Women remained the primary trip planners, comprising 60-65% of website visitors and social media followers.

Digital Advertising

Digital advertising achieved exceptional results with website sessions reaching a record-breaking 1.52 million, representing a 28% year-over-year increase. Most significantly, clicks to operator websites increased by 10% year-over-year, demonstrating improved visitor intent and campaign effectiveness in driving qualified leads to tourism businesses. The partnership with Tourism Nova Scotia through their Digital Content Marketing Program continued to amplify reach and impact.

Social media performance showed remarkable growth with follower increases of 6% across all platforms, reach increasing by 21%, and link clicks surging by 62%. Instagram engagement delivered particularly strong results with continued year-over-year growth in user interactions.

Seasonal Campaigns

The Waterfall Season campaign continued to evolve as an anchor for spring travel by drawing attention to these known and lesser-known natural wonders across the Island. The campaign achieved over 1,200 mobile app downloads and nearly 1,900 digital check-ins, demonstrating strong visitor engagement and local business integration.

The fall campaign delivered a 31% increase in sessions through integrated digital and television advertising, complemented by high-impact influencer partnerships and live leaf-watch content that extended the destination's appeal into shoulder season.

The winter campaign highlighted snow-based adventures and cozy getaways, generating a 32% increase in sessions. Destination Cape Breton and Ski Cape Smokey co-hosted a familiarization tour with ski tour operators and travel media from the United Kingdom. Through partnerships with Ski Cape Smokey and the Snowmobile Association of Nova Scotia (SANS), the destination was represented at the Toronto Ski & Snowboard Show and the International Snowmobile Congress.

Marketing Agency

Following a request for qualifications process, Rhyme + Reason was selected as Destination Cape Breton's marketing agency, along with Mira Media as its media partner. This step marked a strategic evolution in campaign development and media buying capabilities, bringing fresh creative perspective and enhanced research capabilities.

Innovation and Technology Advancement

Significant technology investments included the development of a new website with NovaStream, featuring an improved content database delivery platform and an enhanced user experience. Early-stage AI tool integration began supporting content generation and itinerary suggestions, positioning the organization for data-driven marketing scalability.

Strategic Partnerships

Artist ambassador partnerships with Natalie MacMaster & Donnell Leahy, Jimmy Rankin and The Barra MacNeils integrated destination messaging into national tours, serving as cultural emissaries. Content collaborations with influential creators including A for Adventure, Davey and Sky (@daveyandsky), Ashley George (@ashleydgeorge) and others generated authentic storytelling that resonated with target audiences.

Destination Development

Throughout 2024-25, Destination Cape Breton advanced numerous strategic destination development initiatives to enhance tourism experiences and promote sustainable growth across Cape Breton Island-Unama'ki, while strengthening partnerships and expanding product offerings.

Sustainable Tourism Planning

Sustainable tourism specialist, Destination Think, was contracted for the development of a comprehensive Sustainable Tourism Plan for the Island. Following townhall sessions, online sessions and key partner engagement, much of the plan was drafted to strategically align with the Rise Again 2030 Destination Development Strategy and the Mi'kmaw concept of Netukulimk—to foster community health and economic well-being without jeopardizing the integrity, diversity or productivity of the environment. The final report is scheduled to be released in September 2025.

Destination Cape Breton also participated in The Collective, a partnership of 30 destinations around the globe who meet monthly to share knowledge in sustainable tourism best practices.

Cabot Trail 100th Anniversary

Advance planning for the Cabot Trail 100th Anniversary continued with the signing of a memorandum of understanding that designated Destination Cape Breton to serve as project managers for the initiative, in collaboration with key partners. Mi'kmaw cross-cultural training was delivered to Advisory Committee members in March 2025 at the Wagmatcook Culture & Heritage Centre as a first step toward an inclusive planning process. An engagement initiative that will include communities around the Cabot Trail as well as the five Mi'kmaw communities in Unama'ki is being planned for the summer and fall of 2025.

Product Development and Innovation

Winter tourism development continued building on previous best practice missions with a focus group of snowmobilers who have visited the Island, followed by a planning session with snowmobile partners. A steering committee has been formed to set priorities and develop plans for the development of this product offering.

Destination Cape Breton partnered with other destinations across the province in the development of a marine tourism strategy for Nova Scotia. A partner meeting during the Halifax Boat Show attracted 23 participants from across the province and led to the formation of a steering committee for a Boating Nova Scotia initiative.

The development of a Concierge Network that utilizes visitor information centre staff across the Island initiated with a session with staff members in the fall of 2024. Next steps include a familiarization tour in June 2025 and enhanced training programs to improve visitor servicing across the Island.

Mi'kmaw L'Nu Tourism

Indigenous tourism development was advanced through the co-hosting of the Building Mi'kmaw Tourism in Unama'ki Conference in collaboration with the Nova Scotia Indigenous Tourism Enterprise Network (NSITEN) and Cape Breton University's Cape Breton Island Tourism Training Network, attracting over 180 participants to Membertou Trade and Convention Centre. Destination Cape Breton also supported NSITEN in delivering a Mi'kmaw Culinary Youth Camp, strengthening relationships and supporting cultural tourism initiatives.

Industry Capacity Building

Destination Cape Breton partnered with the Tourism Industry Association of Nova Scotia (TIANS) in a Tourism HR Advisor Pilot Project, which provides specialized training and workforce development initiatives to the tourism industry.

Indigenous tourism development was advanced through the co-hosting of the Building Mi'kmaw Tourism in Unama'ki Conference

Events

Cape Breton Island-Unama'ki continued to work with event partners – including Cape Breton Regional Municipality, Membertou First Nation, Cape Breton University, Events Nova Scotia, Atlantic Canada Opportunities Agency, accommodation partners and local organizations – to strengthen its position as a premier event destination throughout 2024-25, successfully hosting major international events, developing strategic partnerships and building a pipeline of future attractions that position Cape Breton Island-Unama'ki for sustained growth in the events sector.

Major Events Hosted

The 2024 Canada Soccer U17 Nationals brought 22 teams, boys and girls, to Sydney and New Waterford from October 9-14, delivering a successful national championship that generated positive economic impact. The event received excellent feedback from participants and demonstrated the Island's exceptional hosting capabilities.

Membertou hosted the Telus Cup from April 22-28, bringing five teams to join the host team, Sydney Rush. This national hockey championship for the top U18 clubs in the country was also lauded by participants.

The 2024 Music Tourism Convention attracted 230 participants from 18 countries across six continents to Membertou and Sydney from May 29-31. This international gathering showcased Cape Breton Island-Unama'ki's capacity to host specialized industry events that blend business with authentic cultural experiences.

Additionally, the Island played host to the Archery Canada 3D Indoor Championships, further diversifying the sports tourism portfolio and establishing Cape Breton as a destination capable of hosting championships across multiple sporting disciplines.

Event Attraction

In collaboration with various event partners, Destination Cape Breton led or supported a number of event bids. This included the successful securing of the ACT (Accelerating Clinical Trials) Fall Meeting of approximately 350 attendees for September 2025 and the Recreation Nova Scotia Conference of approximately 200 attendees for October 2025. Bids were submitted for a number of other national and regional sport and cultural events.

Destination Cape Breton representatives attended the Canadian Meetings & Events Expo, Ottawa Meet Week, Sport Event Congress and Sport Hosting Expo, resulting in valuable relationship building and lead generation activities.

Community Festivals and Events Program

The Community Festivals and Events Program continued its vital role in supporting grassroots tourism experiences, with 102 applications received for funding support. This program, made possible by investments by the Atlantic Canada Opportunities Agency and the Island's five municipalities, recognizes the critical importance of community-based events in strengthening the destination's overall appeal and visitor experience diversity.

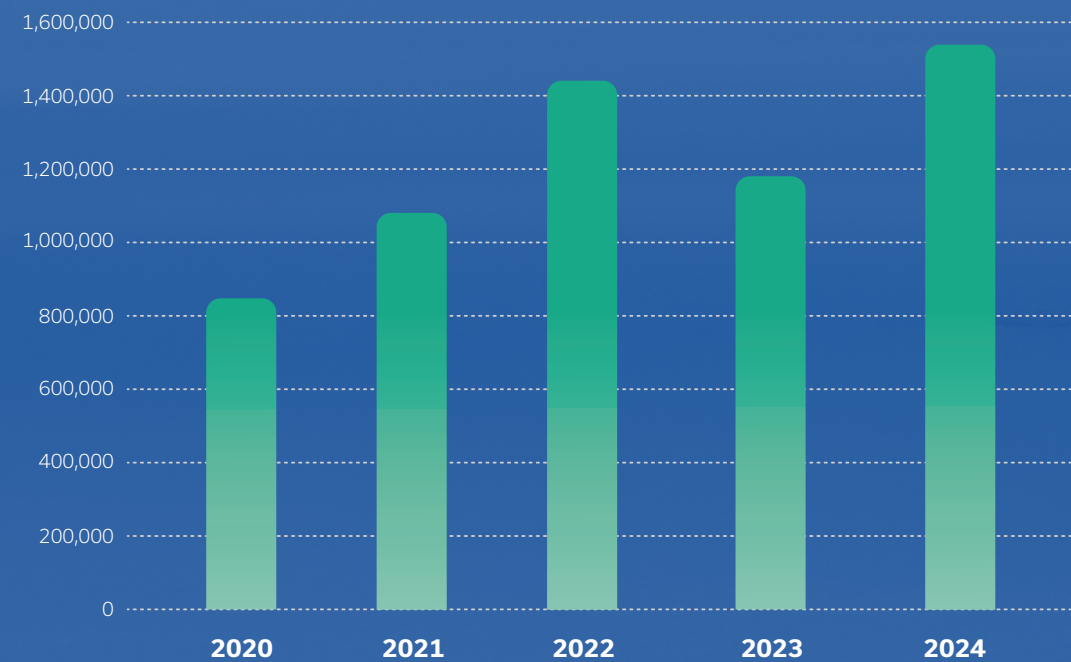
One of the funded events, the Cabot Trail Food Truck Rally, continued to be produced by Destination Cape Breton as an initiative for fall shoulder season extension. The event's mobile app recorded a +27% increase in food truck visits, demonstrating the event's growing popularity.

The 2024 Music Tourism Convention attracted 230 participants from 18 countries across six continents to Membertou and Sydney



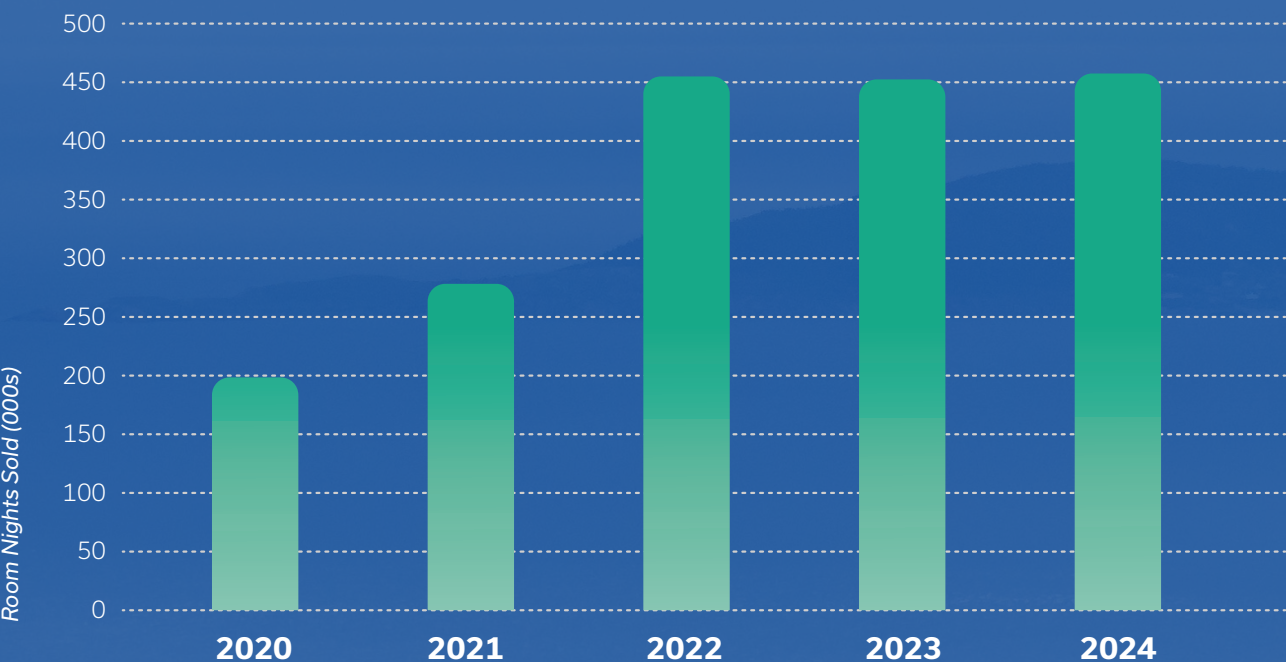
Key Performance Indicators

Website Sessions (Five-year Trend: 2020-2024)



Source: Google Analytics

Room Nights Sold (Five-year Trend: 2020-2024)



Source: Tourism Nova Scotia

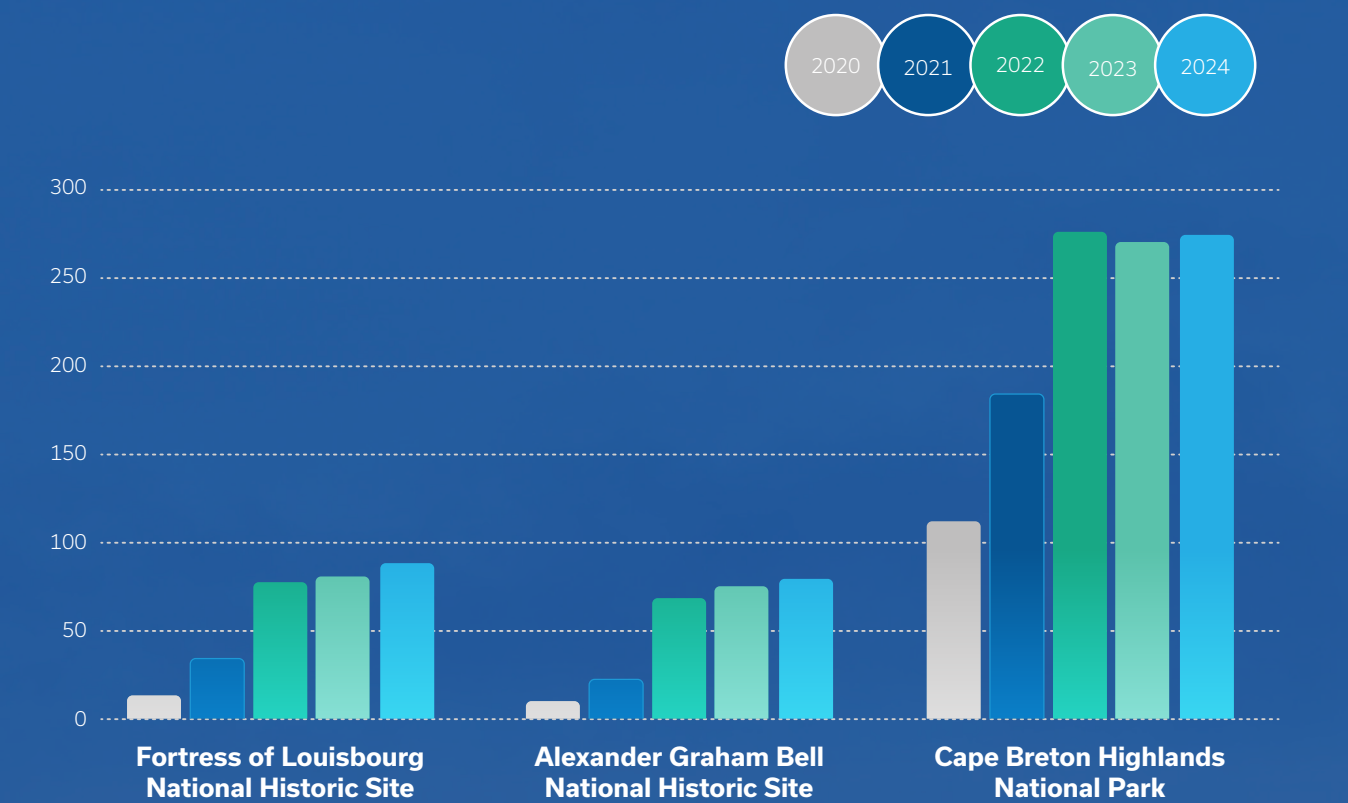
The vast majority of Destination Cape Breton's marketing efforts are designed to drive traffic to visitcapebreton.com. Sessions in 2024 hit a new record for traffic to the site, eclipsing 1.52 million, a 28% increase over 2023. This was driven primarily by domestic traffic with the Maritimes up 33% at 503,627 sessions, Ontario up 15% at 399,254 sessions and Quebec up 17% at 240,190. Clicks from visitcapebreton.com to operator websites, an indicator of intent to visit, were also at a record level at 306,544, a 10% increase.

Conversions to visits are measured mainly through registered room nights sold. The chart indicates the pandemic impact in 2020 (down 55% from 2019) and 2021 (down 36% from 2019). Room nights sold in 2022 were up 5% over 2019, indicating a strong recovery year. In 2024, room nights sold reached 459,000, which was the second-best year on record after the Canada 150 year in 2017.

In 2024, room nights sold reached 459,000, which was the second-best year on record after the Canada 150 year in 2017

Key Performance Indicators

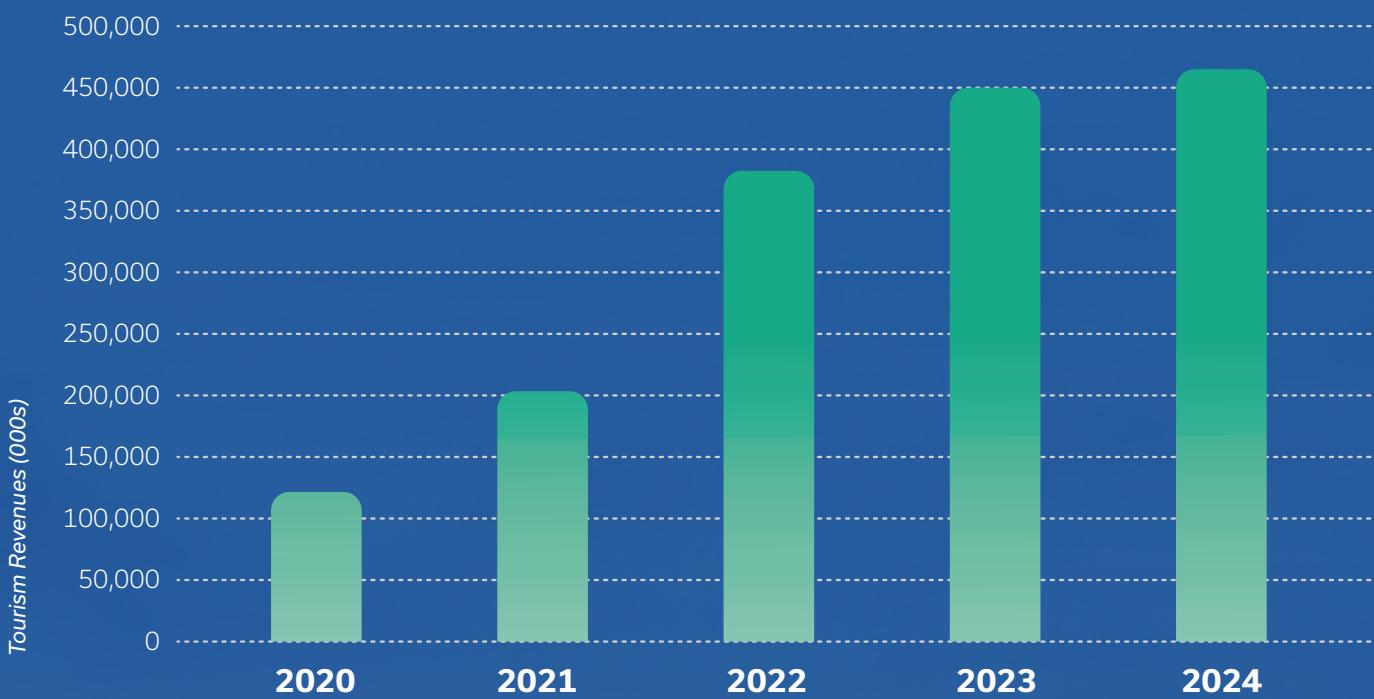
Parks Canada Visitation (Five-year Trend: 2020-2024)



Source: Parks Canada Cape Breton Field Unit

Visits to Parks Canada sites on Cape Breton Island-Unama'ki are another indicator of conversion to visits, as the sites are pivotal to the success of the Island's tourism industry. The Fortress of Louisbourg National Historic Site saw a 10% increase in visitation to 89,403 and the Alexander Graham Bell National Historic Site saw 6% increase to 80,104. Both sites benefited from a record cruise season in 2024. Cape Breton Highlands National Park was up 5% in visitations to 275,478, with a particularly strong October.

Tourism Spending (Five-year Trend: 2020-2024)



Source: Canadian Tourism Data Collective

Through the launch of the Canadian Tourism Data Collective, a new data platform developed by Destination Canada, annual tourism revenues for Cape Breton Island-Unama'ki are now available. In 2024, tourism revenues grew by 1% after adjusting for inflation. However, tourism revenues in 2024 were up 30% over 2019 after adjusting for inflation. This indicates that despite the volume of visitors having a gradual increase, spending per visitor is up significantly.

Tourism revenues in 2024 were up 30% over 2019 after adjusting for inflation



Independent Auditor's Report

To the Board of Directors of Destination Cape Breton Association:

Opinion

We have audited the financial statements of Destination Cape Breton Association (the "Association"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets, cash flows and the related schedules 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 Association as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association'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 Association 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.

Sydney, Nova Scotia
June 18, 2025

MNP LLP

Chartered Professional Accountants

Destination Cape Breton Association		
Statement of Financial Position		
As at March 31, 2025		
	2025	2024
Assets		
Current		
Cash	100,477	91,538
Accounts receivable (Note 3)	147,072	279,865
Investments (Note 4)	259,659	162,022
Prepaid expenses	123,547	251,909
	630,755	785,334
Capital assets (Note 5)	37,913	47,048
Intangible assets (Note 6)	19,250	-
	687,918	832,382
Liabilities		
Current		
Accounts payable and accruals	162,149	278,365
Deferred revenue	25,850	119,648
	187,999	398,013
Deferred contributions (Note 7)	6,539	9,116
	194,538	407,129
Commitments (Note 11)		
Net Assets		
Net assets invested in capital assets (Note 8)	50,624	37,932
Contingencies reserve (Note 9)	152,816	152,816
Opportunities reserve (Note 9)	102,997	102,997
Unrestricted	186,943	131,508
	493,380	425,253
	687,918	832,382
Approved on behalf of the Board		
((esi-Signer1.Signature.size(200,40)))		
((esi-Signer2.Signature.size(200,40)))		
Director		Director

Destination Cape Breton Association		
Statement of Operations		
For the year ended March 31, 2025		
	2025	2024
Revenue		
Funding (Schedule A)	831,605	525,030
Municipal marketing levy	2,199,572	1,151,753
Province of Nova Scotia employment subsidy	19,650	10,500
Federal marketing assistance	325,000	345,600
	3,375,827	2,032,883
Expenses		
Marketing (Schedule B)	1,089,357	614,230
Salaries and benefits (Schedule B)	802,040	640,276
Festivals and events	631,995	284,286
Destination development	195,599	-
Non-refundable portion of HST	118,944	82,062
Office supplies and administration	95,651	121,006
Other projects	91,183	192,195
Meetings and travel	90,263	50,042
Visitor information centres	63,949	49,848
Professional fees	44,767	25,954
Training and education	34,147	40,268
Telephone	17,298	17,114
Amortization	13,242	14,488
Repairs and maintenance	12,134	12,593
Insurance	5,072	4,748
Bank charges and interest	2,059	2,269
	3,307,700	2,151,379
Excess (deficiency) of revenue over expenses	68,127	(118,496)

Destination Cape Breton Association
Statement of Changes in Net Assets
For the year ended March 31, 2025

	Invested in capital assets	Contingencies reserve	Opportunities reserve	Unrestricted	2025	2024
Balance, beginning of year	37,932	152,816	102,997	131,508	425,253	543,749
Excess (deficiency) of revenue over expenses	(10,665)	-	-	78,792	68,127	(118,496)
Acquisition and financing of capital and intangible assets (Note 8)	23,357	-	-	(23,357)	-	-
Net assets, end of year	50,624	152,816	102,997	186,943	493,380	425,253

The accompanying notes are an integral part of these financial statements

Destination Cape Breton Association
Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	68,127	(118,496)
Amortization of capital assets	13,242	14,488
Amortization of deferred contributions	(2,577)	(3,016)
	78,792	(107,024)
Changes in working capital accounts		
Accounts receivable	132,793	18,383
Prepaid expenses	128,362	(49,573)
Accounts payable and accruals	(116,216)	(18,553)
Deferred revenue	(93,798)	18,278
	129,933	(138,489)
Financing		
Repayment of loan payable	-	(40,000)
Investing		
Purchases of capital and intangible assets	(23,357)	(2,700)
Increase in investments	(97,637)	(6,865)
	(120,994)	(9,565)
Increase (decrease) in cash resources	8,939	(188,054)
Cash resources, beginning of year	91,538	279,592
Cash resources, end of year	100,477	91,538

Destination Cape Breton Association
Notes to the Financial Statements
For the year ended March 31, 2025

1. Incorporation and nature of the organization

Destination Cape Breton Association (the “Association”) is a not-for-profit organization, incorporated under the Societies Act of Nova Scotia, and is primarily involved in enhancing the tourism industry on Cape Breton Island. The Association is exempt from tax under Section 149(1) of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance and straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	10 years
Computer equipment	declining balance	30 %
Computer software	declining balance	100 %
Office equipment	declining balance	20 %

Intangible asset

Intangible assets relate to website development and are recorded at cost.

Amortization is provided using the straight-line method at a rate intended to amortize the cost of intangible asset over its estimated useful life.

	Method	Rate
Website	straight-line	2 years

When an intangible asset no longer contributes to the Association's ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, its carrying amount is written down to fair value.

Contributed services

Volunteer contributions are an integral component to the Association in carrying out its' activities. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for capital assets are recorded as deferred contributions and are amortized to revenue at a rate corresponding with the amortization of the related capital asset.

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.

Investment income is recognized as revenue when earned.

Marketing levies are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured from various Cape Breton municipal units. Other sources of revenue are recognized as revenue when invoiced.

Destination Cape Breton Association
Notes to the Financial Statements
For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivables are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Measurement of financial instruments

Financial instruments are initially recorded at their fair value. The Association subsequently measures all of its financial assets and liabilities are subsequently measured at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

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

Impairment

Financial assets measured at cost and amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not be recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, the Association is not exposed to significant credit, market or liquidity risks arising from these instruments.

Government assistance

The Association recognizes government subsidies when there is reasonable assurance that it will comply with the conditions required for the subsidy and that it will be received. Government subsidies are recognized as income in the Statement of operations.

3. Accounts receivable

	2025	2024
Trade receivables	131,097	257,707
HST receivable	15,975	22,158
	147,072	279,865

Destination Cape Breton Association
Notes to the Financial Statements
For the year ended March 31, 2025

4. Investments

Investments are comprised of term deposits that the Association has internally restricted for its Contingencies reserve and Opportunities reserve.

5. Capital assets

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	48,280	39,003	9,277	14,336
Computer equipment	111,623	100,962	10,661	10,244
Computer software	10,069	10,069	-	-
Office equipment	73,603	55,628	17,975	22,468
	243,575	205,662	37,913	47,048

6. Intangible asset

	2025	2024
Website	19,250	-

7. Deferred contributions

	2025	2024
Balance, beginning of year	9,116	12,132
Amortization of deferred contributions	(2,577)	(3,016)
Balance, end of year	6,539	9,116

Destination Cape Breton Association
Notes to the Financial Statements
For the year ended March 31, 2025

8. Investment in capital assets

	2025	2024
Carrying value of capital assets	37,913	47,048
Carrying value of intangible assets	19,250	-
Deferred contributions	(6,539)	(9,116)
	50,624	37,932

b) Change in net assets invested in capital assets is as follows:

	2025	2024
Deficiency of revenue over expenses		
Amortization of deferred contributions	2,577	3,016
Amortization of capital assets	(13,242)	(14,488)
	(10,665)	(11,472)
Acquisition and financing of capital assets		
Acquisition of capital assets	(4,107)	(11,472)
Acquisition of intangible assets	(19,250)	-
	(23,357)	(11,472)
	(34,022)	(22,944)

9. Reserves

The Association has two internally restricted reserves, the Contingencies reserve established to fund unforeseen events or circumstances that may adversely affect the Association and the Opportunities reserve to fund opportunities that may benefit the Association in the future. Contributions to and from these funds are at the discretion of the Board of Directors.

10. Financial instruments

The Association is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2025.

- 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 Association's main credit risks relate to accounts receivable. Credit risk associated with accounts receivable for the Association is minimal due to the fact that the majority of the receivables are due from different levels of government or their agencies. The Association's other revenue is dependent on a wide customer base and bad debts are not significant. As such, concentrations of credit risk are considered to be minimal.
- Liquidity risk**
- Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flow.

Destination Cape Breton Association
Notes to the Financial Statements
For the year ended March 31, 2025

11. Commitments

The Association entered into a ten-year land lease agreement with the Province of Nova Scotia, Department of Transportation and Infrastructure Renewal, for the land located on 20 Keltic Drive, Sydney, Nova Scotia. The lease amount is \$150 for the ten-year term of the lease and the agreement expires in January 2027.

The Association entered into an agreement for website development. The project is expected to be complete in fiscal 2025 and has a commitment of \$77,000. As of March 31, 2025, the Association has paid \$19,250 of the commitment.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Destination Cape Breton Association
Schedule A – Funding
For the year ended March 31, 2025

	2025	2024
FUNDING		
Atlantic Canada Opportunities Agency		
Events and product development	\$ 142,500	\$ 165,000
Sustainability	50,000	–
Music Tourism Conference	14,452	–
Municipal		
Other	102,504	100,738
Events and product development	55,000	67,500
Federal		
Partnerships	50,000	54,000
Province of Nova Scotia		
Other departments	2,500	6,400
Convention center feasibility	20,000	20,000
Sustainability	25,000	–
Other		
Industry marketing revenue	16,100	32,593
Housing Initiative	20,506	18,949
Canada Soccer	186,022	–
Music Tourism Conference	119,648	–
Canada Games bid opportunity	–	30,000
Administration fees		
Events and product development	20,000	20,000
Amortization of deferred contributions (Note 7)	2,577	3,016
Interest income	4,796	6,834
	\$ 831,605	\$ 525,030

Destination Cape Breton Association
Schedule B – Marketing and Salary Expenses
For the year ended March 31, 2025

	2025	2024
MARKETING		
Media placement	\$ 681,594	\$ 370,622
Promotion and planning	247,028	142,432
Other	140,975	79,954
Promotional material	19,760	21,222
	\$ 1,089,357	\$ 614,230
SALARIES AND WAGES		
Operations	\$ 316,357	\$ 283,376
Marketing	318,245	356,900
Destination development	167,438	–
	\$ 802,040	\$ 640,276





Cape Breton
Island
your heart will never leave.