

**Destination BC**

**2020/21  
Annual Service Plan Report**



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Published by Destination BC

## Board Chair's Accountability Statement



The *Destination BC 2020/21 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2020/21 – 2022/23 Service Plan* created in February 2020. I am accountable for those results as reported.

*Dawn Black*

Dawn Black  
Board Chair  
July 21, 2021

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## Letter from the Board Chair & CEO

As B.C. faced the global impacts of the COVID-19 pandemic, fiscal 2020/21 was like no other. Despite the many challenges that the B.C. tourism industry and province navigated, Destination BC continued to support government's three strategic priorities, and other specific priorities as outlined in the [2020/21 Mandate Letter](#).

The COVID-19 pandemic devastated B.C.'s booming tourism industry, from which it will take years to recover. Throughout 2020/21, Destination BC supported industry with the latest resources, information and messaging guidance, funding and development programs, and marketing campaigns, as public health circumstances and restrictions allowed. Destination BC worked in lockstep with Government and industry partners to ensure that collective COVID-19 recovery efforts and plans were aligned.

Destination BC engaged in regular communication with the Ministry of Tourism, Arts, Culture and Sport to ensure ongoing alignment with ministerial direction, Public Health Orders, and the 2020/21 Mandate Letter. This included quarterly meetings between the Minister and Chair, regular meetings between the Deputy Minister and CEO, and weekly meetings between the Assistant Deputy Minister and Vice Presidents to discuss strategic priorities, performance measures and emerging opportunities.

In addition, ongoing discussions between Government Communications and Public Engagement and Destination BC's Corporate Communications Team were held to ensure alignment on emerging industry and public engagement needs. Destination BC also participated in cross-government calls via the Joint Information Centre. Destination BC held frequent meetings involving the CEO, Executive, Directors, and all staff to ensure cross-enterprise alignment of day-to-day activities with our corporate strategy and business plan and hosted regular industry updates to keep BC's tourism industry apprised of the latest orders and activities.

Accountability to the public is a priority for Destination BC's Board of Directors, Executives, and staff. Efforts for fiscal 2020/21 included:

- A continued commitment to include Code of Conduct materials in orientation packages for new Board members, and [Standards of Conduct](#) training for new staff, as well as an annual review of standards of conduct materials by existing staff;
- Participation by all new staff in the workshop, "Working Effectively with Indigenous People"; and,
- Reflecting on, and elevating our role and responsibility to advance diversity, equity, and inclusion as both an employer and tourism industry leader. The organization has engaged consultants to conduct a comprehensive audit and assist in the development of a Diversity, Equity, and Inclusion (DEI) strategy.

In addition, Destination BC remains committed to transparency to industry partners and the public. We make every effort to communicate our strategy and activities through our staff and through the [corporate website](#), our corporate social media channels [Twitter](#) and [LinkedIn](#), public presentations, and a [bi-weekly newsletter](#).

Destination BC executed its corporate strategy and business plan to maximize the return on taxpayer resources entrusted to us, and contribute to a strong, sustainable tourism industry. We are committed to increasing the social, cultural, environmental, and economic benefits of tourism for all British Columbians by sharing the transformative power of B.C. experiences with the world.

Dawn Black



Board Chair, Destination BC  
July 21, 2021

Richard Porges



Interim President & CEO, Destination BC  
July 21, 2021

## Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

## Purpose of the Organization

The tourism industry generates economic, social, and cultural benefits for all British Columbians by supporting the viability of community economies, jobs, and amenities and by increasing international exposure to our heritage, education system, trade opportunities and immigration prospects.

Destination BC, operating under the [Destination BC Corp. Act](#), plays a critical role in:

- Maximizing long-term tourism industry growth by providing a unifying and consistent brand and marketing strategy that motivates travellers from around the world to visit, and encourages B.C.'s residents to travel within their province.
- Providing leadership and direction for the expansion and strengthening of B.C.'s tourism destinations, products and experiences, including Indigenous cultural tourism. Destination BC delivers branding, marketing and destination development planning activities directly and through contracted third parties.

These services promote thousands of businesses, hosting millions of guests, making a significant economic and social contribution to the province. Economic performance measures released by BC Stats for 2019, show that the tourism industry generated \$22.3 billion in revenue, an increase of 5.6 per cent over 2018. In addition, tourism contributed \$8.7 billion to the provincial GDP and employed 149,900 people. Tourism revenue draws from parts of several industries: accommodation, food and beverage, retail, transportation, and other services. British Columbia's provincial statistical agency (BC Stats) methodology for estimating tourism industry revenues for B.C is different than measuring the overall economy. As a result, the 2020 data will not be available until early 2022.

As Destination BC continues to navigate the ongoing challenges and impacts of COVID-19 in B.C. and around the world, it will continue to play a vital role in the recovery of the industry, and once again market B.C. domestically and internationally as a remarkable destination while promoting the development, enhancement, and growth of the tourism industry throughout the province.

## Strategic Direction

The strategic direction set by Government in 2017, and expanded upon in the Board Chair's [2020/21 Mandate Letter](#) from the Minister Responsible, shaped the goals, objectives, performance measures and financial plan outlined in Destination BC's [2020/21 Service Plan](#) and actual results reported on in this annual report.

The global COVID-19 pandemic resulted in many shifts in priorities, structures, and operations across the public sector. Any changes to Destination BC's goals, objectives, performance measures or financial plan to align with the strategic direction established by Government in late 2020 are presented in the 2021/22 Service Plan.

## **Operating Environment**

Over the long run, sustainable tourism industry growth is the key indicator of success. However, year-to-year there are many factors, both positive and negative, that may affect the industry's performance.

In 2020, British Columbia's tourism industry experienced severe hardship as a result of the COVID-19 pandemic, leading to an 86.7 per cent decrease in international visitor arrivals, and decreases in accommodation occupancy and revenue across the province.

During the 2020/21 reporting period, Destination BC engaged daily with industry partners and key stakeholders regionally, nationally, and internationally to support the industry, stay engaged with key international partners, and actively participate in the ongoing dialogue and planning for the successful recovery of the tourism sector. Destination BC focused its efforts on supporting industry via initiatives such as regular webinars, messaging guidance, an online COVID-19 response hub, weekly research roundups, revised program guidelines, and – whenever possible within the Provincial Health Orders and guidelines – social media and marketing initiatives.

Destination BC continually tracks factors that affect the tourism industry and adjusts its strategy to capitalize on opportunities and manage risks as they arise.

In 2020/21, Destination BC continued to increase its capacity and resources in digital marketing, industry training, destination development and support for Regional Destination Marketing Organizations (RDMOs), Indigenous Tourism BC (ITBC), and co-op marketing partners.

British Columbia's economy declined in 2020, as the negative impacts from the COVID-19 pandemic pushed economies all over the world into deep recessions. B.C.'s real GDP contraction of 3.8 per cent was the fourth smallest among provinces (behind Prince Edward Island, Nova Scotia, and New Brunswick). The decline in B.C.'s real GDP was almost entirely driven by service-producing industries, while goods-producing industries had modest declines. Output in the arts, entertainment and recreation, accommodation and food services and transportation were some of the main drivers of the decrease in the service sector. In B.C.'s goods producing sector declines in manufacturing and natural resources were partially offset by increases in the construction sector. Employment in B.C. decreased by 6.6 per cent in 2020. However, wages and salaries remained relatively stable compared to 2019, as low-wage workers accounted for the majority of job losses. Retail trade increased by 1.3 per cent in 2020, while consumer prices increased by 0.8 per cent. Residential construction activity slowed but remained relatively strong, with housing starts declining in 2020 after experiencing all-time highs in 2019. In contrast, after declining for three consecutive years home sales reached record levels in late 2020. On the external front, global international trade experienced significant disruptions as the pandemic unfolded. B.C.'s international merchandise exports contracted in 2020 reflecting a combination of weaker global demand and lower commodity prices.

## Report on Performance: Goals, Objectives, Measures and Targets

Destination BC continues to focus on achieving the following results: growing the tourism sector through high impact, innovative and creative marketing; enhancing visitor experiences through destination planning and industry development; developing and maintaining strong collaborative relationships with the tourism industry, communities, Indigenous and cross-government partners; and managing Destination BC with accountability, efficiency, and effectiveness.

Key achievements in 2020/21 are categorized below using the strategic imperatives from Destination BC's corporate strategy cited in the [2020/21 Service Plan](#).

### Build a Powerful Marketing Network

Destination BC demonstrated a commitment to expanding its tourism marketing network with many achievements in fiscal 2020/21, with the support of our partners. Highlights for the year include:

#### Marketing:

- Immediately pivoted marketing efforts when the COVID-19 pandemic hit in B.C. to launch #exploreBClater, to encourage residents to stay home and stay safe. This eventually evolved into #exploreBClocal and #exploreBCnow, in support of ongoing and changing health and travel restrictions.
- Redirected \$7.2 million in international marketing to #exploreBC domestic marketing campaigns, reflecting the COVID-19 travel context: spring, summer, fall, winter, and ski campaigns.
- Supported local businesses, artisans, and communities via the 'Stay Local, Support Local' campaign collaborating with Community Destination Marketing Organizations (CDMOs) around B.C.
- Expanded 'Explore BC' partnerships with BC Ferries, BC Parks, Insurance Corporation of British Columbia, British Columbia Automobile Association / Evo Car Share, BC Lions, Save-On-Foods, and, in partnership with the BC Ale Trail, Regional Destination Marketing Organizations (RDMOs) and six breweries, produced and launched the limited edition 'Explore BC IPA'.
- Onboarded four new tourism partners to the [BC Content Hub](#).
- Onboarded 18 new partners to the [BC Story Network](#).
- Redirected \$1.5 million from international marketing to co-op marketing to support marketing efforts and recovery in alignment with Destination Canada's national domestic campaign.
- Developed a stronger and deeper collaboration with Air Canada, Westjet, Vancouver International Airport (YVR) and CDMOs to prepare for market re-entry in 2021/22 when travel restrictions are lifted.
- Launched new accessibility features on [HelloBC.com](#), providing accessible travel content for consumers.

#### Research & Analytics:

- Strengthened Destination BC's data analytics infrastructure and launched the COVID-19 'Signals and Sentiments Dashboard' to effectively monitor recovery marketing efforts

and to help inform decision-making. Transitioned from monthly 'Tourism Indicators' publications to an interactive 'Tourism Indicators Dashboard'.

- Launched a robust COVID-19 related research tracking program including weekly accommodation and mobility data to monitor industry performance, and a bi-weekly B.C. 'Public Perceptions' survey to track views on tourism and travel intentions.
- Produced a weekly 'Research Roundup' publication to provide readers with current data and perspectives on the travel and tourism industry and COVID-19.
- Completed research studies and data analysis to support the development of 'Destination BC's Corporate Strategy', and informed and evaluated Destination BC's business strategies, tactics, and activities.
- Created a new 'COVID-19 Research & Insights' webpage to permanently house Destination BC's growing COVID-19 research publications.

#### Corporate Communications:

- Created a 'COVID-19 Industry Resource Hub' on the corporate website, updated daily, as the go-to source of information for the tourism industry. Information was then shared through industry webinars, corporate social media channels ([Twitter](#) and [LinkedIn](#)) and a weekly industry-facing newsletter with over 7,500 subscribers.
  - Updates included health orders, advisories and recommendations, messaging and marketing guides, government policy changes, support and training information for the tourism industry, financial support from federal and provincial government, as well as FAQ updates.
  - In fiscal 2020/21, [www.DestinationBC.ca](http://www.DestinationBC.ca) received 536,733 pageviews from 225,158 users, generating an average time on page of over 2 minutes.
  - In 2020, Destination BC's corporate Twitter and LinkedIn generated 1.8 million impressions, and [YouTube](#) generated 103,300 impressions.
- Created and shared timely messaging guidance for regional, city and community DMOs, sector associations, and businesses for use in communications material, including social media.
- Created a new [COVID19Response@destinationbc.ca](mailto:COVID19Response@destinationbc.ca) inbox to address questions and concerns from industry from across B.C. and provide government with updates on issues impacting industry.
- Destination BC held regular calls (24) with partners from across the province from the start of the pandemic. All B.C. tourism partners and stakeholders were encouraged to join, to hear about the latest impact of COVID-19 on tourism, Destination BC's research, programs, and campaigns, as well as federal, provincial, and sector plans to support B.C. tourism through this difficult time. The calls were recorded and posted on the COVID-19 website hub, and shared through corporate social media channels (Twitter, LinkedIn, and YouTube). Recordings of the industry calls have been viewed over 8,500 times.
- Responded to media requests from provincial, national, and international media outlets.
- Leveraged consumer social channels, listening and reporting, to identify opportunities for industry to educate consumers on their COVID-19 safety plans to support safe travel within B.C. (policies, staff training, health measures. etc.).
- Added a new 'Safety Plan' field to our [HelloBC.com](http://HelloBC.com) listings, which businesses could link to their online 'COVID-19 Safety Plan'.

## **Foster Remarkable Experiences**

Destination BC supports visitor experiences throughout the province; some achievements in 2020/21 are presented below:

### Destination Management:

- Negotiated and provided \$6.0 million in Destination Canada funding and \$1.5 million in increased Destination BC funding to the tourism industry through the Co-op Marketing Partnerships Program to assist with Destination Canada's domestic restart program.
- Directed \$5 million in Provincial Government funding to partners through the Co-operative Marketing Partnerships Program to support recovery marketing as a part of the Provincial Government's Economic Recovery Plan, StrongerBC.
- Advised the Provincial Government on Municipal and Regional District Tax (MRDT) communities funding needs and destination development as a recovery opportunity. Subsequently, the Provincial Government provided \$10 million in relief funding directly to the MRDT communities. Destination BC provided advice and support for the tourism infrastructure funding programs as part of the Provincial Government's Economic Recovery Plan, StrongerBC.
- Worked with the tourism industry in the Vancouver, Coast & Mountains (VCM) tourism region to develop and launch an updated VCM Regional Destination Development Strategy and correlated action plans to focus on pandemic recovery.
- Developed the VCM Stakeholder Working Group and process to deploy \$2.1 million in Targeted Regional Tourism Development Initiative (TRTD) funding.
- Launched the VCM Tourism Resiliency Program, as part of the BC Tourism Resiliency Network, to provide COVID-19 support to businesses in the VCM region.
- Provided ongoing leadership and support to the Visitor Services Network, dispersing one-time grants to 104 Visitor Centres to implement COVID-19 health and safety measures, and developed 'Guidelines for the Safe Reopening and Operating of Community Visitor Centres during COVID-19' to assist Visitor Centres in the development of their Safety Plans.
- Secured and leveraged \$6.7 million in Western Economic Diversification Canada funding to support community and tourism business relief and recovery.
- Provided emergency administrative grants of \$400,000 in total to 15 sector organizations.
- Developed and deployed a 'Road to Recovery' webinar series and a 'Tourism Digital Academy' to support and guide industry's response and recovery needs, with overwhelmingly positive results. Over 80 per cent of businesses reported that they will apply what they learned to their business.

## **Engage our Collective People Power**

### People & Development:

- Focused on the health and wellness of our corporation by providing employees with resources to manage their wellbeing. Throughout the year, facilitated webinars were provided to all employees on the topics of coping with change, mental health in the workplace, managing employee health and wellbeing, and cognitive behavioural therapy, including the creation of resources and tools for employee registration and participation.
- Reflected on and elevated Destination BC's role and responsibility to advance diversity, equity, and inclusion as an employer, as an organization that shares British Columbia

with the world, and as a tourism industry leader. Destination BC is taking a thoughtful approach in defining and setting actions to improve diversity, equity, and inclusion within the organization. This work will inform a long-term ‘Diversity, Equity and Inclusion Strategy’ that will be launched in 2021-22 and will be shared with B.C.’s tourism industry.

- Continued to require that all employees take SuperHost’s ‘Service for All’ training course. ‘Service for All’ provides practical knowledge to serve and accommodate customers from various backgrounds, abilities, and identities.
- Continued to build capacity for Indigenous awareness by delivering the following employee training:
  - How to work effectively with Indigenous Peoples – ongoing training for all new hires and new Destination BC Board members;
  - How to work with the ‘United Nations Declaration of Rights of Indigenous Peoples’ – provided to Destination BC’s Executive members, Directors, Corporate Communications team, and People and Development team; and
  - How to effectively consult and engage with Indigenous Peoples – offered to all staff.

### **Goal 1: Growth of Overnight Visitor Expenditures**

To increase industry revenue, British Columbia needs to attract a growing number of high yield visitors<sup>1</sup>. Destination BC’s marketing strategy is designed to attract more of these visitors, generating revenue for British Columbian businesses and employment for British Columbia’s residents.

#### **Objective 1.1: Our B.C. travel content captivates travellers and creates emotional urgency to visit British Columbia**

##### **Key Highlights**

- Provided captivating travel content through online and offline channels to inspire potential visitors to British Columbia, in line with the BC Restart Plan and once restrictions were lifted.
- Promoted travel within British Columbia to residents with a particular focus on the shoulder season and encouraged travel to all areas of the province in alignment with the Provincial Health orders and guidelines.
- Responded quickly to changing market conditions, locally and globally, caused by the COVID-19 pandemic.
- Enabled greater seasonal and geographic dispersion of visitors and responsible travel by promoting travel routes with strong dispersion potential throughout rural BC.

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<sup>1</sup> High yield visitors are those international visitors who contribute the most to the British Columbia economy through higher-than-average expenditures on B.C. produced goods and services.

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.1a Consumption of B.C. travel content promoted by Destination BC (in million [M]) <sup>1</sup>	37.6 M	32 M	17.7 M	Maintain	Maintain
1.1b B.C. tourism industry revenue <sup>2</sup>	\$22.3 B	+6.0% <sup>3</sup>	Available January 2022	+6.0% <sup>3</sup>	+6.0% <sup>3</sup>

<sup>1</sup>Data source: Numbers aggregated by Destination BC based on reporting from Destination BC, its digital marketing agencies, and marketing partners.

<sup>2</sup>Data source: BC Stats measured on a calendar year basis.

<sup>3</sup>Due to the COVID-19 pandemic, the performance measure’s target was changed in the [2021/22 - 2023/24 Service Plan](#).

## Discussion of Results

**1.1a:** The consumption of, and engagement with, content promoted by Destination BC measures success in captivating potential visitors, which increases their sense of urgency to visit British Columbia, and hence visitor volume and expenditure. Content consumption includes video ads watched to completion, engagements on social media, and web pages read on Destination BC’s consumer website. In 2020/21, content consumption was lower as paid media activities were suspended to align with provincial travel restrictions due to the COVID-19 pandemic.

**1.1b:** Tourism revenue measures the money received by businesses, individuals, and governments due to tourism activities. Changes in tourism revenue reflect increases or decreases in visitor expenditures which is an indicator of performance relative to Goal 1 and an indicator of all related objectives and reflects the growth of tourism which is a key economic driver of the British Columbia economy. Due to the COVID-19 pandemic, on-going travel restrictions on domestic and international visitors have significantly decreased tourism industry revenue.

## Objective 1.2: Our work amplifies traveler advocacy for British Columbia

### Key Highlights

- Cultivated a community of B.C. brand advocates to recommend travel to B.C through their networks.
- Forged new relationships with both tourism and non-tourism partners to increase awareness and distribution of the ‘Explore BC’ message promoting travel within the province by B.C. residents.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.2 Size of Destination BC’s global social media community of brand advocates (in million [M]) <sup>1</sup>	1.7 M	1.9 M	1.9 M	2.1 M <sup>2</sup>	2.3 M <sup>2</sup>

<sup>1</sup>Data source: Numbers aggregated by Destination BC based on reporting from Destination BC, its digital marketing agencies, and marketing partners.

<sup>2</sup>Due to the COVID-19 pandemic, the performance measure’s target was changed in the [2021/22 - 2023/24 Service Plan](#).

## Discussion of Results

**1.2:** The size of Destination BC’s global social media community of brand advocates is a key measure of the success of programs designed to encourage people to advocate for British Columbia as a travel destination to their family, friends, and colleagues. Word-of-mouth referrals and recommendations are the most powerful marketing tools in the travel industry and influence 90 per cent of all trips. Accordingly, Destination BC works to ensure real life stories and positive experiences, from travellers to B.C. are heard. This measure indicates the number of followers on all of Destination BC’s consumer-facing social media channels (currently includes YouTube, Facebook, Instagram, Twitter, Pinterest, Weibo, WeChat).

In 2020/21, despite the COVID-19 pandemic travel restrictions, Destination BC met the ‘2020/21 Target’ by using a message that inspired people to dream of traveling to B.C. in the future once travel restrictions were lifted.

## Objective 1.3: Increase direct and indirect customer leads to tourism businesses

### Key Highlights

- Facilitated purchases, once interest was captured, by connecting visitors (directly or indirectly through third parties) to B.C.’s tourism products and services, thus generating customer leads for British Columbia’s tourism businesses.
- Delivered programs to drive tourism sector marketing innovation to help create well-paying jobs in every region of the province.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.3 Number of customer leads for industry generated directly by Destination BC through digital marketing activities <sup>1</sup>	842,000	Maintain	565,000	Maintain <sup>2</sup>	Maintain <sup>2</sup>

<sup>1</sup>Data source: Numbers aggregated by Destination BC based on reporting from diverse sources including Destination BC, its digital marketing agencies, and marketing partners.

<sup>2</sup>Due to the COVID-19 pandemic, the performance measure’s target was changed in the [2021/22 - 2023/24 Service Plan](#).

## Discussion of Results

**1.3:** The number of leads for industry through Destination BC’s digital marketing activities measures success in generating leads for tourism businesses, online travel agencies and the travel trade, which may then be converted into bookings. In 2020/21, Destination BC redirected most international marketing funding to the domestic B.C. market to drive travel within B.C. directly or via Destination BC’s Co-op Marketing Partnerships Program, which funds communities and

sector associations in B.C. Due to limitations on marketing outside B.C., the additional waves of the pandemic, and associated travel restrictions, the 2020/21 Target was not achieved.

## Goal 2: Remarkable Guest Experiences

Assist industry to deliver a world-class guest experience and secure the highest [Net Promoter Score®](#) in North America for British Columbia

### Objective 2.1: Work in partnership with industry and training organizations to assist tourism businesses to meet and exceed guest needs and expectations

#### Key Highlights

- Delivered industry training in regions across the province, including rural communities that are diversifying, growing, and strengthening their economies.
- Worked collaboratively with Visitor Services Network members, community stakeholders, local businesses, and Government partners to create more contemporary, innovative, and authentic approaches to meeting guests’ information needs as they travel throughout the province.
- Encouraged communities to continue to adopt visitor services with enhanced accessibility and promoted the hiring of persons with disabilities into the tourism sector.
- Helped make British Columbia a more inclusive and accessible tourism destination.

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.1a Visitor satisfaction with visitor information services <sup>1</sup>	N/A <sup>1</sup>	Maintain or Improve	N/A	N/A <sup>3</sup>	Maintain or Improve <sup>3</sup>
2.1b Competitive ranking of British Columbia’s Net Promoter Score <sup>2</sup>	Ranked #1 in 3 of 5 key North American markets	Maintain or Improve	N/A	Maintain or Improve <sup>3</sup>	Maintain or Improve <sup>3</sup>

<sup>1</sup>Data source: Destination BC’s Visitor Satisfaction with Visitor Services Information Study (conducted by independent third-party research firm). Visitor satisfaction with visitor services is measured every second year.

<sup>2</sup>Data source: Destination BC’s Key Performance Indicator Study (conducted by independent third-party research firm). [Net Promoter Score®](#) measures the likelihood of visitors to recommend B.C. to their friends or family.

<sup>3</sup>Due to the COVID-19 pandemic, the performance measure’s target was changed in the [2021/22 - 2023/24 Service Plan](#).

## Discussion of Results

**2.1a:** Visitor satisfaction measures whether visitors were able to access the information and services they needed while travelling in British Columbia from sources supported by Destination BC (i.e. community Visitor Centres, HelloBC.com, social media, etc.). In 2020/21, due to the impact of the COVID-19 pandemic, Destination BC’s biannual ‘Visitor Satisfaction with Visitor

Information Services' survey, which is conducted from August to November every two years, was cancelled for 2020/21; thus, a result is not available for 2020/21.

**2.1b:** British Columbia's ranking by key North American markets measures our success, relative to competing destinations, in assisting tourism businesses to create remarkable on-the-ground experiences for their guests in today's fiercely competitive global tourism market. This measure is closely aligned with its corporate goal: to be the 'most highly recommended destination in North America'. B.C.'s key North American competitor markets include Alberta, Ontario, Washington, and California. In 2020/21, due to the impact of the COVID-19 pandemic, Destination BC's annual competitive ranking of British Columbia's Net Promoter Score, which is measured in November each year, was cancelled for 2020/21; thus, a score is not available for 2020/21.

### **Goal 3: A Powerful Marketing Network**

For this goal, the term 'marketing' is used in the broad sense, including destination and product development as well as distribution and advertising and promotion. In alignment with the provincial tourism priorities, Destination BC collaborated with stakeholders, partners, and communities to align and focus collective marketing and development efforts, to amplify British Columbia's competitive position in the global marketplace.

#### **Objective 3.1: Collaborate with Regional Destination Marketing Organizations, and other key stakeholders, partners, and communities to align and focus on collective marketing and destination development efforts**

##### **Key Highlights**

- Continued to work with the Ministry of Tourism, Arts, Culture and Sport, and the Regional Destination Marketing Organizations (RDMOs) on the strategic planning and reporting of the Destination Development Program to ensure alignment with provincial tourism priorities outlined in the *Strategic Framework for Tourism in B.C.*
- Continued Destination BC's Co-op Marketing Partnerships Program to effectively leverage public and private funds, enhance the Corporation's marketing capacity, and drive greater alignment and coordination across each of British Columbia's six tourism regions.
- Worked with B.C.'s Indigenous cultural tourism partners by providing support for Indigenous Tourism BC (ITBC) to implement their strategy to increase revenues and jobs and the number of market-ready Indigenous tourism businesses across the province.
- Created opportunities for strategic alignment of marketing and data technologies across tourism organizations and businesses in all regions of B.C. to advance marketing capabilities.
- Demonstrated achievement of key program outcomes, including supporting tourism marketing and industry development activities that improve industry's ability to compete globally.

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.1a Tourism businesses' satisfaction with Destination BC programs and services <sup>1</sup>	N/A <sup>4</sup>	Improve	7.48 (out of 10)	Improve	Improve
3.1b Net Promoter Score of Participants in all Destination BC delivered workshops or webinars <sup>2</sup>	62.0	50.0 or greater	65.8	50.0 or greater	50.0 or greater
3.1c <b>a)</b> Number of communities and sectors participating in Destination BC's application-based co-op marketing program <b>b)</b> number of participating communities outside Metro Vancouver, Victoria, and Whistler <sup>3</sup>	153 (total)	120 (total)	175 (total)	120 (total)	120 (total)
	121 (regional)	100 (regional)	138 (regional)	100 (regional)	100 (regional)

<sup>1</sup>Data source: Destination BC's annual Stakeholder Survey (conducted by independent third-party research firm). Tourism businesses comprise one of the six strata (i.e. Destination Marketing Organizations, Industry Associations and Organizations, Travel Trade, Visitor Centres, Travel Media, and Tourism Businesses) whose satisfaction is tracked through the survey. Scores of the other strata are reported elsewhere and used to inform corporate planning and program evaluation.

<sup>2</sup>Data source: Overall evaluation of Destination BC's learning program.

<sup>3</sup>Data source: Destination BC's program area [public document](#) confirming participants and funding.

<sup>4</sup>Due to the impact of the COVID-19 pandemic, Destination BC's annual Stakeholder Survey, usually conducted in late April / early May each year, was cancelled for the 2019/20 period; thus the 'Tourism businesses' satisfaction with Destination BC programs and services' was not available for 2019/20.

## Discussion of Results

As part of the Crown's performance-based funding model, Destination BC is required to report annually on its corporate performance. The [2020/21 Service Plan](#) included four measures of corporate performance, specifically measures 1.2a, 1.3a, 3.1b and 3.1c.

**3.1a:** Destination BC's annual Stakeholder Survey enables evaluation and improvement of the quality of programs and services delivered, and the effectiveness of communication with stakeholders. Destination BC continues to review, revise, and improve programs and services based on feedback from tourism businesses and other stakeholders, and anticipates incremental improvements in tourism businesses' satisfaction over time. Results of the annual Stakeholder Survey reinstated in 2020/21, showed a slight increase (up 0.29 from the '2018/19 Actual' of 7.19). This may reflect Destination BC's and its partners' implementation of several new COVID-19 industry recovery programs over the past year.

**3.1b:** The workshops or webinars' Net Promoter Scores are a key measure of success in assisting tourism businesses in their efforts to deliver outstanding guest experiences, increase their digital marketing skill sets and manage the impacts of COVID-19. In 2020/21 Destination BC redesigned workshops and webinars to be shorter and more targeted, allowing operators to select programs that met their pandemic related needs. Destination BC exceeded the '2020/21 Target' with a Net Promoter Score (NPS) of 65.8 for all workshops or webinars.

**3.1c:** The level of participation in Destination BC’s application-based Co-op Marketing Partnerships Program measured success in encouraging the collaboration and alignment of marketing by Community Destination Management Organizations across British Columbia. The program is designed to drive collaboration among community tourism organizations to access funds. The program also provides access to matching dollars. Both components are embraced by industry who actively participate in the program. Alignment with the *Super, Natural British Columbia*® brand, is also a requirement in the program, which contributes to high levels of participation. Destination BC exceeded the ‘2020/21 Target’ with 175 total overall participants, of which 138 were regional communities located outside Metro Vancouver, Victoria, and Whistler. The Co-op Marketing Partnerships Program will continue to play a critical support role for the tourism industry as it moves towards recovery from the COVID-19 pandemic.

**Goal 4: Business Efficiency**

Conduct our business efficiently and improve productivity in a changing environment.

**Objective 4.1: We conduct our business efficiently to ensure cost effective provision of support services that meet evolving business requirements**

**Key Highlights**

- Lowered support services costs to increase the funds available for tourism marketing.
- Made programs, systems, and knowledge more accessible, user-friendly, and shareable for tourism stakeholders, while simplifying application processes and accountability reports to make it easy to do business with us.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
4.1 Percentage of Destination BC funds allocated to support services <sup>1</sup>	7.4%	<10%	7.7%	<10%	<10%

<sup>1</sup>Data source: Destination BC’s annual [Financial Statements](#) (Corporate Services expenditures).

**Discussion of Results**

**4.1:** The percentage of funds allocated to support services measures Destination BC’s ability to ensure cost effectiveness in meeting business requirements, while improving the ability to compete in the global tourism market by dedicating more funds to tourism marketing and the provincial Destination Development Program. Support services costs include accounting operations, facilities, administration, human resources, the Chief Executive Officer’s office, and Board expenses.

Destination BC has continued to find efficiencies and increase workforce productivity through the execution of a digital workplace strategy, including the implementation of improved information management tools and processes over the past year.

In 2020/21, Destination BC’s support services were 7.7 per cent of the annual operating expenses and met the ‘2020/21 Target’. Targets have continued to be exceeded through an ongoing commitment to efficient program delivery.

**Goal 5: Our People**

Build a collaborative, insight-driven, results-focused team.

**Objective 5.1: We attract, retain, and develop highly skilled and engaged people**

**Key Highlights**

- Maintained the annual evaluation of employee satisfaction and engagement to assist the Board of Directors and senior management in identifying opportunities to build employee engagement, continue talent development by providing employees with ongoing learning opportunities, increase capacity to innovate, strengthen the ability to compete for top talent, and uphold the organization’s commitment to diversity and inclusion to maintain a stable and thriving workplace.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
5.1 Employee engagement <sup>1</sup>	Postponed <sup>2</sup>	Maintain or Improve	4.16 (out of 5)	Maintain or Improve	Maintain or Improve

<sup>1</sup>Data source: Destination BC’s annual Employee Engagement Survey (conducted by independent third-party research firm).

<sup>2</sup>Due to the impact of the COVID-19 pandemic and the disruption to staff working arrangements, Destination BC’s annual Employee Engagement Survey, usually conducted in April following the end of the fiscal year, was postponed until 2021.

**Discussion of Results**

5.1: Destination BC’s annual Employee Engagement Survey enables the organization to measure success in attracting, retaining, and developing highly skilled and engaged people, and strive to enhance the collective capabilities of people in the industry and in the organization. The survey assists the Board of Directors and senior management in identifying opportunities to sustain and enhance a thriving workplace. Results of the annual Employee Engagement Survey reinstated in 2020/21, showed a slight increase (up 0.13 from the ‘2018/19 Actual’ of 4.09). This result is the highest it has been since 2014/15, when monitoring and tracking began. This score shows that Destination BC’s focus on monitoring and supporting the emotional wellness, remote office needs and productivity of employees during the pandemic likely had a positive impact on employee engagement.

## Financial Report

For the auditor's report and audited financial statements, [see Appendix B](#). These can also be found on the Destination BC website at [www.DestinationBC.ca](http://www.DestinationBC.ca).

### Discussion of Results

The 2020/21 fiscal year was Destination BC's eighth year of operation. Destination BC closed 2020/21 with an operating surplus of \$169,000 based on total revenues of \$71.55 million, and total expenses of \$71.38 million. An accumulated operating surplus of \$1,558,000 is reported as identified in Destination BC's Statement of Financial Position.

### Financial Summary

(\$ millions)	2019/20 Actual	2020/21 Budget	2020/21 Actual	2020/21 Variance
<b>Revenue</b>				
Contribution from Province	52.221	51.373	58.473	7.100
Contribution from Other Governments	-	-	12.700	12.700
Deferred Contributions	0.321	0.196	0.215	0.019
Other Income & Recoveries	0.450	0.148	0.159	0.011
<b>Total Revenue</b>	<b>52.992</b>	<b>51.717</b>	<b>71.547</b>	<b>19.830</b>
<b>Expenses</b>				
Marketing	31.280	32.864	32.979	0.115
Destination Management	15.129	10.997	31.834	20.837
Strategy, Research & Communications	2.210	3.233	2.269	(0.964)
Corporate Services	3.868	4.339	3.984	(0.355)
Amortization	0.321	0.284	0.312	0.028
<b>Total Expenses</b>	<b>52.808</b>	<b>51.717</b>	<b>71.378</b>	<b>19.661</b>
<b>Net Income</b>	<b>0.184</b>	<b>-</b>	<b>0.169</b>	<b>0.169</b>
<b>Total [Liabilities/Debt]</b>	<b>9.156</b>	<b>7.857</b>	<b>18.992</b>	<b>11.135</b>
<b>Capital Expenditures</b>	<b>0.449</b>	<b>0.894</b>	<b>0.846</b>	<b>(0.048)</b>
<b>Accumulated Surplus</b>	<b>1.389</b>	<b>1.205</b>	<b>1.558</b>	<b>0.353</b>

**Note 1:** The above financial information was prepared based on current Generally Accepted Accounting Principles.

## **Variance and Trend Analysis**

In 2020/21 Destination BC experienced an overall increase in revenues, primarily as a result of increased provincial and federal government transfers related to the implementation of key COVID-19 industry recovery programs providing much-needed financial and business support to the tourism industry. Increased program costs were the key drivers of the budget variances within the Marketing and Destination Management divisions.

Capital expenditures came in on budget as Destination BC implemented key recommendations related to the office reconfiguration strategy in an effort to optimize operational effectiveness, business productivity and employee engagement.

## **Risks and Uncertainties**

Destination BC operations are funded through provincial government appropriations. Destination BC allocates this funding to programs that deliver on its mandate, as described in the [2020/21 Service Plan](#).

Destination BC is subject to financial pressures resulting from the increasing costs of digital marketing world-wide and the impact of the depreciation of the Canadian dollar on the cost of marketing in the U.S. and other international markets. These pressures are managed by finding efficiencies, including investing in continual improvement of workforce productivity; developing innovative new marketing partnerships; and improving program delivery.

## **Appendix A: Additional Information**

### **Organizational Overview**

For an overview, please see Destination BC's [Organizational Overview](#).

### **Corporate Governance**

Destination BC is governed by a Board of Directors that is responsible to the Minister of Tourism, Arts, Culture and Sport for the implementation of Government direction. The Board's direction is implemented by management, which carries out the day-to-day operations of Destination BC under the supervision of the Chief Executive Officer. For more information on Corporate Governance, please see our web pages on [Executive Leadership](#).

### **Contact Information**

For more information on Destination BC contact:

12th Floor, 510 Burrard Street

Vancouver, B.C.

V6C 3A8

Phone: (604) 660-2861

Fax: (604) 660-3383

Email: [ContactTourism@DestinationBC.ca](mailto:ContactTourism@DestinationBC.ca)

Or visit our website at [www.DestinationBC.ca](http://www.DestinationBC.ca)

## **Appendix B: Auditor's Report and Audited Financial Statements**

Destination BC Corp.

Financial Statements

Year Ended

March 31, 2021

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## Management's Report

### *Management's Responsibility for the Destination BC Corp. Financial Statements*

The Destination BC Corp. financial statements have been prepared by management in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the Destination BC Corp. financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the Destination BC Corp. financial statements. A summary of the significant accounting policies are described in Note 2 to the Destination BC Corp. financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal Destination BC Corp. financial statements on a quarterly basis and external audited Destination BC Corp. financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the Destination BC Corp. financial statements.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the Destination BC Corp. financial statements. The external auditors have full and free access to financial management of Destination BC Corp. and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Destination BC Corp. financial statements.

Approved on behalf of Destination BC Corp.:



Richard Porges

Interim Chief Executive Officer



Neil McInnes

Chief Financial Officer

May 13, 2021



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Destination BC Corp., and to the Minister of the Ministry of Tourism, Arts, Culture and Sport, Province of British Columbia

### ***Opinion***

We have audited the financial statements of Destination BC Corp. (the "Corporation"), which comprise:

- the statement of financial position as at March 31, 2021;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of remeasurement gains and losses for the year then ended;
- the statement of changes in net debt for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2021 of the Corporation are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Corporation 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.

### ***Emphasis of Matter – Financial Reporting Framework***

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' 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 auditors' 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 the 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- 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.



Chartered Professional Accountants

Vancouver, Canada  
May 13, 2021

**Destination BC Corp.**  
**Statement of Financial Position**  
**March 31, 2021, with comparative information for 2020**  
(Expressed in thousands of dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b>Financial assets</b>			
Cash and cash equivalents	3	13,132	8,598
Accounts receivable	4	5,725	380
		<u>18,857</u>	<u>8,978</u>
<b>Liabilities</b>			
Accounts payables and accrued liabilities	5	17,154	7,642
Due to Public Service Agency	6	972	933
Deferred capital contributions	7	866	581
		<u>18,992</u>	<u>9,156</u>
<b>Net debt</b>		<u>(135)</u>	<u>(178)</u>
<b>Non-financial assets</b>			
Tangible capital assets	8	1,575	1,041
Prepaid expenses		118	526
		<u>1,693</u>	<u>1,567</u>
<b>Accumulated surplus</b>		<u>1,558</u>	<u>1,389</u>
Accumulated surplus is comprised of:			
Accumulated operating surplus	9	1,558	1,373
Accumulated rereasurement gains		-	16
		<u>1,558</u>	<u>1,389</u>
Contractual obligations	10		

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

Approved on behalf of the Board:



Dawn Black  
Board Chair



Joel McKay  
Finance & Audit Committee

**Destination BC Corp.**  
**Statement of Operations and Accumulated Surplus**  
**Year ended March 31, 2021, with comparative information for 2020**  
(Expressed in thousands of dollars)

	<i>Notes</i>	<b>Budget</b>	<b>2021</b>	<b>2020</b>
		<i>(note 2(k))</i>		
<b>Revenues</b>				
Government transfers	12	51,373	71,173	52,221
Program revenue	13	15	7	46
Interest income		133	152	404
Amortization of deferred capital contribution	7	196	215	321
		<u>51,717</u>	<u>71,547</u>	<u>52,992</u>
<b>Expenses</b>				
	14			
Global Marketing		32,864	32,979	31,280
Destination Management		10,997	31,834	15,129
Strategy, Research and Communications		3,233	2,269	2,210
Corporate Services		4,339	3,984	3,868
Amortization		284	312	321
		<u>51,717</u>	<u>71,378</u>	<u>52,808</u>
<b>Annual operating surplus</b>		-	169	184
<b>Accumulated operating surplus, beginning of year</b>		<u>1,205</u>	<u>1,389</u>	<u>1,189</u>
<b>Accumulated operating surplus, end of year</b>		<u><u>1,205</u></u>	<u><u>1,558</u></u>	<u><u>1,373</u></u>

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

**Destination BC Corp.**  
**Statement of Remeasurement Gains and Losses**  
**Year ended March 31, 2021, with comparative information for 2020**  
(Expressed in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Opening balance	16	16
Amount of foreign exchange reclassified to the Statement of Operations	<u>(16)</u>	-
Accumulated remeasurement gains, end of year	<u>-</u>	<u>16</u>

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

**Destination BC Corp.**  
**Statement of Changes in Net Debt**  
**Year ended March 31, 2021, with comparative information for 2020**  
(Expressed in thousands of dollars)

	<b>Budget</b>	<b>2021</b>	<b>2020</b>
	<i>(note 2(k))</i>		
Annual operating surplus	-	169	184
Acquisition of tangible capital assets	(894)	(846)	(449)
Amortization of tangible capital assets	284	312	321
	(610)	(534)	(128)
Acquisition of prepaid expenses	-	(118)	(526)
Use of prepaid expenses	-	526	310
	-	408	(216)
<b>Decrease (increase) in net debt</b>	(610)	43	(160)
<b>Net debt at beginning of year</b>	(178)	(178)	(18)
<b>Net debt at end of year</b>	(788)	(135)	(178)

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

**Destination BC Corp.**  
**Statement of Cash Flows**  
**Year ended March 31, 2021, with comparative information for 2020**  
(Expressed in thousands of dollars)

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating transactions:</b>		
Annual operating surplus for the year	169	184
Non-cash items included in surplus:		
Amortization of tangible capital assets	312	321
Amortization of deferred capital contributions	(215)	(321)
Changes in non-cash operating working capital:		
Accounts receivable	(5,345)	105
Accounts payable and accrued liabilities	9,512	(115)
Prepaid expenses	408	(216)
Due from Ministry of Tourism, Arts and Culture	-	674
Due to Public Service Agency	39	(442)
	4,880	190
<b>Capital transactions:</b>		
Acquisition of tangible capital assets	(846)	(449)
<b>Financing transactions:</b>		
Deferred capital contributions received	500	-
<b>Increase (decrease) in cash and cash equivalents</b>	4,534	(259)
<b>Cash and cash equivalents at beginning of year</b>	8,598	8,857
<b>Cash and cash equivalents at end of year</b>	13,132	8,598

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

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**Destination BC Corp.**  
**Notes to the Financial Statements**  
**Year ended March 31, 2021**  
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

**1. Nature of Operations**

Destination BC Corp. (the “Corporation”) is a provincial Crown corporation initially created under the *Business Corporations Act* (British Columbia) on November 2, 2012, and subsequently confirmed under the *Destination BC Corp. Act*, which received Royal Assent in March 2013.

The Corporation reports to the Legislative Assembly through the Ministry of Tourism, Arts, Culture and Sport (the “Ministry”). The accumulated operating surplus includes 1 issued share of the Corporation, value \$1, which is held by the Province of British Columbia (the “Province”).

The purposes of the Corporation are to:

- a) market British Columbia domestically, nationally and internationally as a tourist destination;
- b) promote the development and growth of the tourism industry in British Columbia to increase revenue and employment in, and the economic benefits generated by, the industry;
- c) provide advice and recommendations to the minister on tourism-related matters; and
- d) enhance public awareness of tourism and its economic value to British Columbia.

The Corporation commenced operations on April 1, 2013.

The Corporation is exempt from federal and provincial income taxes but is subject to the federal goods and services tax and provincial sales tax.

In 2020, the impact of COVID-19 and related restrictions on travel and public gatherings had a significant impact on British Columbia’s tourism industry which will continue until these restrictions are relaxed and the sector begins to recover. Over the past year, the Corporation has focused on the survival of the tourism industry. In partnership with the provincial and federal government, the Corporation has implemented key COVID-19 industry recovery programs providing much needed financial and business support. Destination BC will continue to actively engage with industry partners and key stakeholders regionally, nationally, and internationally to support the industry, stay engaged with key international partners, and actively participate in the ongoing dialogue for the successful recovery of the tourism sector. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on Corporation’s operations cannot be estimated reliably at this time.

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**Destination BC Corp.**  
**Notes to the Financial Statements**  
**Year ended March 31, 2021**  
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

## **2. Summary of Significant Accounting Policies**

### **a) Basis of accounting**

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province supplemented by Regulations 257/2010 and 198/2011 issued by the Province Treasury Board, referred to as the financial reporting framework (the “framework”).

The *Budget Transparency and Accountability Act* requires that these financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations to adopt Canadian public sector accounting standards (“PSAS”) issued by the Canadian Public Sector Accounting Board (“PSAB”) without any PS 4200 series.

Regulation 198/2011 requires that contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services. If the depreciable tangible capital asset funded by a deferred capital contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410. As a result, revenue recognized in the statement of operations and accumulated surplus, and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

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**Destination BC Corp.**  
**Notes to the Financial Statements**  
**Year ended March 31, 2021**  
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

**2. Summary of Significant Accounting Policies (continued)**

**b) Revenue recognition**

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

Contributions restricted for specific purposes other than those for the acquisition of depreciable tangible capital assets are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded in accordance with Regulation 198/2011 which requires that they be recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

**c) Tangible capital assets**

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Lesser of useful life or term of the lease
Furniture and equipment	5 years
Websites, hardware and software	5 years

Assets under construction are not amortized until the asset is available for productive use.

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**Destination BC Corp.**  
**Notes to the Financial Statements**  
**Year ended March 31, 2021**  
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

**2. Summary of Significant Accounting Policies (continued)**

**c) Tangible capital assets (continued)**

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Corporation's statement of operations and accumulated surplus.

Intangible assets, such as copyrights, trademarks, etc. are not recognized in these financial statements.

**d) Employee future benefits**

- i. The employees of the Corporation belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This Plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The Joint Trustee Board of the Plan determines the required plan contributions annually.

The Corporation's contribution to the Plan is recorded as an expense for the year.

- ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for coverage of employees during the period.

**e) Prepaid expenses**

Prepaid expenses include items which are charged to expenses over the periods expected to benefit from them.

**f) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year is expensed.

Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recorded as expenses when the transfer is authorized, and eligibility criteria have been met by the recipient.

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**Destination BC Corp.**  
**Notes to the Financial Statements**  
**Year ended March 31, 2021**  
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

**2. Summary of Significant Accounting Policies (continued)**

**g) Foreign currency translation**

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

Monetary assets and liabilities included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, realized foreign exchange gains and losses are recognized in the statement of operations and accumulated surplus, and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

**h) Cash and cash equivalents**

Cash and cash equivalents are entirely funds in bank accounts and therefore subject to an insignificant risk of change in value, other than potential exchange gains or losses on the USD bank accounts, if any, as described in Note 11.

**i) Financial instruments**

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to Public Service Agency. All financial instruments are measured initially at fair value and subsequently at cost or amortized cost. Due to the short-term nature of these instruments, their fair values approximate book value.

**j) Measurement uncertainty**

The preparation of the Corporation's financial statements 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 Corporation financial statements and the reported amounts of the revenues and expenses during the period. Areas requiring the use of management's estimates include the useful life of tangible capital assets for purposes of amortization, and accrued liabilities.

Estimates are based on the best information available at the time of preparation of the Corporation's financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**Destination BC Corp.**  
**Notes to the Financial Statements**  
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**2. Summary of Significant Accounting Policies (continued)**

**k) Budget information:**

Budgeted figures from the 2020/21 Service Plan have been provided for comparison purposes.

**3. Cash and Cash Equivalents**

The Corporation had cash consisting of the following:

	(Expressed in thousands of dollars)	
	<b>2021</b>	<b>2020</b>
Royal Bank of Canada - CAD	13,132	8,525
Royal Bank of Canada - USD	-	73
Total	13,132	8,598

**4. Accounts Receivable**

	(Expressed in thousands of dollars)	
	<b>2021</b>	<b>2020</b>
Accounts receivable	5,730	385
Less provision for doubtful accounts	(5)	(5)
Net Accounts Receivable	5,725	380

**5. Accounts Payable and Accrued Liabilities**

	(Expressed in thousands of dollars)	
	<b>2021</b>	<b>2020</b>
Accounts payables and accrued liabilities	16,512	7,187
Accrued vacation pay	642	455
Total	17,154	7,642

**6. Employee Future Benefits**

The Corporation and its employees are subject to the *Public Service Act* and benefits are managed through the Public Service Agency (“PSA”). The Corporation makes contributions to the PSA who administers payment of benefits to employees to whom the act applies.

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**Destination BC Corp.**  
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**6. Employee Future Benefits (continued)**

Other employee benefits available to employees of the Corporation are:

**a) Retirement benefits**

The employees of the Corporation belong to the Public Service Pension Plan (the “Plan”), which is a multi-employer joint trustee plan. The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. Basic pension benefits are based on a formula. The Plan has about 66,822 active plan members, 50,956 retired plan members and 19,967 inactive members.

The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of about \$2.7 billion for basic pension benefits. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The next valuation will be as at March 31, 2023, with results available in early 2024.

No pension liability is included in the Corporation’s financial statements.

The Corporation’s contribution of \$783 thousand (2019/20 - \$743 thousand) to the Plan was expensed during the year.

**b) Other employee future benefits**

Workplace safety and insurance board obligations

The Corporation is an employer under the Workers Compensation Act part 2 (the “Act”) and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Corporation does not fund these obligations in advance of disbursement.

**Destination BC Corp.**  
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**7. Deferred Capital Contribution**

The deferred contribution consists of a capital contribution from the Province for the purpose of acquiring tangible capital assets. The amount recorded as revenue matches the amortization expense for the year of the related tangible capital assets.

	(Expressed in thousands of dollars)	
	2021	2020
Balance, beginning of the year	581	902
Contributions transferred during the year	500	-
Amortization during the year	(215)	(321)
Balance, end of year	866	581

**8. Tangible Capital Assets**

	(Expressed in thousands of dollars)			
	Furniture and Equipment Under Construction	Websites, Hardware and Software	Leasehold Improvements Under Construction	2021 Total
<b>Cost:</b>				
Opening Balance	13	3,806	436	4,255
Additions	221	-	625	846
Disposals	-	-	-	-
Closing balance	234	3,806	1,061	5,101
<b>Accumulated amortization:</b>				
Opening balance	-	3,214	-	3,214
Amortization	33	196	83	312
Disposals	-	-	-	-
Closing balance	33	3,410	83	3,526
<b>Net book value</b>	201	396	978	1,575

**Destination BC Corp.**  
**Notes to the Financial Statements**  
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**8. Tangible Capital Assets (continued)**

(Expressed in thousands of dollars)

	Furniture and Equipment Under Construction	Websites, Hardware and Software	Leasehold Improvements Under Construction	2020 Total
<b>Cost:</b>				
Opening Balance	-	3,806	-	3,806
Additions	13	-	436	449
Disposals	-	-	-	-
Closing balance	13	3,806	436	4,255
<b>Accumulated amortization:</b>				
Opening balance	-	2,893	-	2,893
Amortization	-	321	-	321
Disposals	-	-	-	-
Closing balance	-	3,214	-	3,214
<b>Net book value</b>	<b>13</b>	<b>592</b>	<b>436</b>	<b>1,041</b>

Amortization of leasehold improvements under construction as at March 31, 2020 commenced once completed and available for use during fiscal 2021.

**9. Accumulated Operating Surplus**

(Expressed in thousands of dollars)

	2021	2020
Invested in tangible capital assets	1,575	1,041
Unrestricted	(17)	332
Total	1,558	1,373

**Destination BC Corp.**  
**Notes to the Financial Statements**  
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**10. Contractual Obligations**

The Corporation has entered into a number of contractual arrangements for the delivery of services in the future, the development of assets, and property leases. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	(Expressed in thousands of dollars)					
	2022	2023	2024	2025	2026	Thereafter
Property leases	1,137	1,137	1,137	1,137	1,137	3,411
Other contractual arrangements	17,842	2,122	125	125	-	-
Total contractual obligations	18,979	3,259	1,262	1,262	1,137	3,411

**11. Financial Risk Management**

The Corporation is exposed to certain risks from the Corporation's financial instruments. Qualitative and quantitative analysis of the significant risks from the Corporation's financial instruments is provided below by type of risk.

**a) Credit risk**

The Corporation has limited exposure to credit risk associated with its cash, and accounts receivable. The Corporation is not exposed to significant credit risk as the receivables are due from governments. Cash is held with a Canadian chartered bank. The Corporation's maximum exposure to credit risk is limited to the carrying amount of these balances in these financial statements.

**b) Liquidity risk**

Liquidity risk is the risk that the Corporation will not meet its financial obligations as they become due. The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to meet its liabilities when due. Accounts payable and accrued liabilities are all due within one year.

**c) Market risks**

The Corporation is not subject to any significant interest rate risk or foreign currency risk.

There has been no significant changes to the risk exposures from the prior year.

**Destination BC Corp.**  
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**12. Government Transfers**

	(Expressed in thousands of dollars)	
	2021	2020
<b>Revenue</b>		
Province of British Columbia	58,473	52,221
Federal Government	12,700	-
	71,173	52,221
<b>Expenses</b>		
Shared cost agreements	40,507	19,116
Total	30,666	33,105

In 2020/21, revenue from the Province included \$5 million to support Destination BC's Tourism Recovery Strategy and \$2.1 million to support Targeted Regional Tourism Development initiatives. Both funds were distributed to support the tourism industry impacted by COVID-19. The Tourism Recovery Strategy fund was distributed through Global Marketing and the Targeted Regional Tourism Development fund was distributed through Destination Management.

Also, in 2020/21, revenue from the Federal Government to support the tourism industry impacted by COVID-19 included \$6.7 million of Western Economic Diversification Canada's Regional Relief and Recovery Fund and \$6 million of Destination Canada's Tourism Recovery fund. Both funds were distributed through Destination Management. Transfers from the Federal Government includes \$5 million in accounts receivable as at March 31, 2021.

Shared cost agreement expenses include transfers to municipalities, local governments and service providers.

**Destination BC Corp.**  
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**13. Program Revenue**

The Corporation earned the following program revenues during the year:

	(Expressed in thousands of dollars)	
	<b>2021</b>	<b>2020</b>
Remarkable Experiences Program	-	16
Other	7	30
Total program revenue	7	46

**14. Expenses**

The following is a summary of expenses by category:

	(Expressed in thousands of dollars)	
	<b>2021</b>	<b>2020</b>
Government transfers (note 12)	40,507	19,116
Advertising	8,645	10,633
Salaries and wages	8,421	7,947
Professional services	4,891	5,643
Information systems	3,428	3,011
Office and business	1,635	2,221
Employee benefits	2,101	1,982
Rental expenditures	1,054	1,133
Amortization	312	321
Travel	17	419
Materials and supplies	75	88
Other	20	52
Board expenses	83	73
Support services	189	169
Total expenses	71,378	52,808

**Destination BC Corp.**  
**Notes to the Financial Statements**  
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**15. Related Party Transactions**

The Corporation is related through common ownership to all Province ministries, agencies and Crown corporations. Transactions with these entities considered to be in the normal course of operations, are recorded at the exchange amounts, predominantly under prevailing trade terms.

The Corporation had the following transactions with the government and other government-controlled organizations:

	(Expressed in thousands of dollars)	
	<b>2021</b>	<b>2020</b>
Grants from the Province (note 12)	58,473	52,221
Amounts paid or due to the		
Ministry of Finance:		
Payroll	10,339	9,939
Regional Support	6,399	-
Building Occupancy Costs	1,056	1,137
Information Technology Services	704	715
Legal Services	56	118
Visitor Experience Support	12	110
BC Stats	30	20
Postage, supplies, printing	4	13
Insurance Premiums	18	19
Corporate Communications	9	10
Other (including bank charges)	4	4

In 2020/21, grants from the Province included \$5 million distribution of the Tourism Recovery Marketing fund and \$2.1 million distribution of the Targeted Regional Tourism Development fund.

In 2020/21, the Corporation worked with the provincial government to provide \$6.4 million to regional partners to support regional destination development priorities.